Paper details Prior to beginning work on this assignment, read Chapters 5 and 13, and review the following website: How to Calculate the Return on Your Portfolio (Links to an external site.). Also, review the PowerPoints for Chapters 5 and 13. For your final project, you will construct a well-diversified portfolio using your assignment material from previous weeks. This will be your opportunity to rebalance your portfolio and determine its performance and wealth value. Your initial investment stake will be $50,000 (the portfolio should use at least 95% of the initial investment amount, but do not use more than $50,000). You may purchase stocks (common or preferred stock), bonds, corporate or U.S. Treasury bonds, mutual funds, futures contracts, or options. You will use the closing prices from the first day of class to determine the price of each issue. Only whole lots of any issues may be acquired: that is no less than 100 shares of common or preferred stock with a maximum dollar purchase amount of $10,000, no less than five corporate bonds and U.S Treasury bonds with a maximum value of $10,000 (par or face value $1000). For mutual funds, your maximum amount of dollar investment is $20,000. Your options, future contracts, and any other related investment instrument cannot exceed $10,000. Take into consideration that transaction costs are a flat 6% of the gross purchase. For the Final Project,

Create a model portfolio of investments, which may include stocks, bonds, mutual funds, options, and futures contracts. Include the following: Introduction Describe the risk preferences of your investment strategy. Assess your investment alternatives available to individual investors as they relate to professional investors. Investment alternatives should be stated in term of both risk and return. Body Summarize the various investment securities and techniques you identified in the assignments in Week 1 through Week 4. Explain the impact of market factors that influence them. In your portfolio, you should include your company profiles or fact sheets, your finance analysis, the financial news on your companies, your performance charts, and a securities description. Calculate an annualized return on the portfolio (beginning date of the course to the ending data of course). Compute the capital asset pricing model (CAPM) return on equity for your selected companies’ common stock, and compare it to the current return on equity; discuss if the CAPM return on equity is more or less than the current return on equity provided by a financial analyst. Summarize the risks of your portfolio. Determine which areas you would rebalance in your portfolio and discuss why. Summarize the performance and return of your portfolio. Conclusion Discuss the lessons you have learned from BUS405: Principles of Investments. If you had more time to manage your portfolio, what additional changes would you make? The Final Project, Must be 5 double-spaced pages in length (not including title and references pages), and formatted according to APA style as outlined in the Ashford Writing Center’s APA Style (Links to an external site.) Must include a title page with the following: Title of paper Student’s name Course name and number Instructor’s name Date submitted For further assistance with the formatting and the title page, refer to APA Formatting for Word 2013 (Links to an external site.). Must utilize academic voice. See the Academic Voice (Links to an external site.) resource for additional guidance. Must include an introduction and conclusion paragraph. Your introduction paragraph needs to end with a clear thesis statement that indicates the purpose of your paper. For assistance on writing Introductions & Conclusions (Links to an external site.) as well as Writing a Thesis Statement (Links to an external site.), refer to the Ashford Writing Center resources. Must use at least two credible sources, including a minimum of two from the Ashford University Library in addition to the course text. The Scholarly, Peer Reviewed, and Other Credible Sources (Links to an external site.) table offers additional guidance on appropriate source types. If you have questions about whether a specific source is appropriate for this assignment, please contact your instructor. Your instructor has the final say about the appropriateness of a specific source for a particular assignment. Must document any information used from sources in APA style as outlined in the Ashford Writing Center’s Citing Within Your Paper (Links to an external site.) Must include a separate references page that is formatted according to APA style as outlined in the Ashford Writing Center. See the Formatting Your References List (Links to an external site.) resource in the Ashford Writing Center for specifications.