# Assessment Guidelines

This assessment comprises an **individual report** that should be no **longer than 1,000 words (10%)**, *excluding* the title page, executive summary, table of contents, tables and figures, appendices and references.

# Case Study

## JP Morgan Asset Management

You are a Hedge Fund Manager for JP Morgan Asset Management. You are in charge of a $3M fund pool. Your clients have instructed you to invest the fund in US assets predominantly in equities and foreign currencies with USD as the home currency. You decide to create a hedge fund portfolio of 8 assets consisting of 4 US equities and 4 foreign currencies with USD as the home currency. The following conditions apply:

1. Your clients indicated that you are to invest the $3M in these assets. You do not have to use all 8 assets in the pool; however, your pool should consist of a combination of equity and f/x assets (and demonstrate your analysis in these 8 assets even if you do not use all of them at the end). You should aim to use most, if not, all of the $3M in the investment pool.
2. You should describe the risk attitude of your clients (loving, neutral or averse). In any case, your clients intend to maximise returns for any level of a given risk.
3. As a hedge fund manager, you are allowed to have a long and a short positions in these assets. For example, if you employ both a long and a short positions, then it is possible for your long position to go over $3M for as long as the total long and short positions is $3M.
4. Your clients also require you to provide rationale for the assets chosen in the investment. For instance, if you decide to invest in ‘TSLA’ stock, the rationale behind this decision (e.g. transparency, liquidity, growth, returns, etc.). You can also add Key Performance Indicators (KPIs) such as income statement, balance sheet, financial ratios, segment data, credit rating, earnings estimate, relative performance, share price performance, etc.) to your analysis.
5. In terms of historical trade data, you should use and/or analyse minimum of 5 years’ worth of data at a monthly frequency. *Please include COVID-19 periods in your data selection and analysis*.

## Required

JP Morgan Asset Management department has asked you to write a report outlining your recommendation as to which assets your clients should invest in. When compiling this report, your clients expect to see tables outlining the respective relevant information for each of these assets as well as appendices demonstrating all relevant calculations.

When preparing the report, you have been asked to address the following points:

1. Calculate the average return on the asset, the standard deviation of the asset’s returns as well as a risk-adjusted return measure for the asset.
2. When conducting your fundamentals analysis, that you use the top-down approach to justify your choice of markets and assets.
3. That you find and highlight the key findings of relevant research or literature (including newspapers articles, investor reports, etc.) on each of the asset classes and specific markets.

## Structure of the Report

The report should be structured as follows:

1. COVER PAGE, which should contain:
   1. A relevant title for the report.
   2. The word count for the report (excluding the title page, executive summary, table of contents, tables and figures, appendices, and references).
2. TABLE OF CONTENTS, which should contain:
   1. A full list of sections (including executive summary, references, bibliographic materials, and any appendices).
   2. The page number of which each section begins.
3. EXECUTIVE SUMMARY, which should:
   1. Highlight the key points and findings of the report.
   2. Be in the third person and use the present tense, e.g. “This report compares…”.
4. INTRODUCTION, which should:
   1. Give a succinct explanation of the aims, scope and context of the report.
   2. Include brief details and definitions for any information necessary for the reader to understand the report.
5. MAIN BODY, which should:
   1. Provide the main critical analysis of the different markets and securities as well as any relevant research on the topic.
   2. Provide relevant figures and compare this with the respective base lines.
6. CONCLUSION, which should
   1. Briefly summarise the aims and key findings of the report.
   2. Make a recommendation to JP Morgan Asset Management Team as to how the team should invest providing justifications for this recommendation.
7. REFERENCES & BIBLIOGRAPHY, which should:
   1. The list of references lists the details of any material that have actually been cited in the report (full details of the source should be given using the Westminster Harvard referencing system).
   2. The bibliography lists the details of any other sources that you may have referred to when preparing the report but not actually cited in the report itself
8. APPENDIX, which should:
   1. Provide calculations for the figures used in the report and highlight the respective formulae used.
   2. Include any other material that you feel may be relevant but does not warrant being included in the report.