

The “Optimal” Investment Portfolio

Performance report
(December 2022)

Your benefits with the “Optimal” portfolio

- Hedge your savings against inflation
- Growth stocks from undervalued sectors
- Be able to get a passive income from the financial markets
- Create fundamentals of your future welfare and independence
- Since this is a highly liquid asset, you may be able to get it whenever you wish
- This is more than what you may get from a bank deposit

Targets and Advantages of “Optimal” portfolio

Target:

Overall earning yield at 25%.

Advantages:

- Minimum investments needed
- High liquidity of assets in the portfolio
- Easy to follow
- Hedge instruments
- Instruments strongly correlate with fundamental analysis

The “Optimal” portfolio profile

- Currency: US Dollar
- Optimized for investment of: 10 000\$
- Expected yield: 25%
- Risk: Risk control of 30%
- Minimal duration: 6 months
- Rebalancing and replacing assets: upon monthly review

Description of the “Optimal” portfolio strategy

Description:

- The “Optimal” portfolio is the high risk portfolio which an investor may choose at Esperio. However, the risk was minimal considering high yield. S&P 500 index serves as an investment benchmark for this portfolio yield. Distribution of the investments in several asset classes allows for the mitigation of risks within the portfolio and the expectation of reasonable returns.

Starategy:

- The strategy was based on value stocks investment with dividend generation. Gold was used as a hedge instrument to balance the portfolio. IT stocks were planned to be added to the portfolio in case of the market recovery to enable additional growth engine to the portfolio. That never happened during this portfolio management.

Portfolio performance

Main Market Events:

During the past six month the market upside trend has changed dramatically to the downside. Key indexes stopped rising and went into consolidation in a wide range. Such change was prompted by monetary tightening of the Federal Reserve that started to raise its interest rates in a response to surging prices. Prices rose in response to surging commodities prices and as a consequence of monetary stimulus launched by major central banks and governments during the COVID-19 pandemic.

Portfolio Performance:

Three assets were responsible for most of the portfolio's profit: UPS - \$92.3 (49% of the total profit), Visa (V) - \$50.72 (27%) and Kraft Heinz Company (KHC) - \$10.25 (5.4%). Together these assets generated profit of \$153.27 or 91.5% of the total profit.

Dividends recieved: CME - \$10, Visa (V) - \$1.8, Kimberly-Clark Corporation (KMB) - \$11.6, Kraft Heinz Company (KHC) - \$4. In total \$35 or 18.6% of the overall profit was received in dividends.

The **total profit** of the portfolio is **\$188.27** or **1.9%** of the entire portfolio.

Trades that made most of the losses: Kimberly-Clark Corporation (KMB) – (-\$82.2) , CME – (-\$132.65), 3M (MMM) - (-\$46.5), Procter & Gamble (PG) (-\$55.25), Alibaba (BABA) – (-\$123.6), Gold (XAUUSD) - (-\$336.62), U.S. 10-year Treasuries (TNOTE) – (-\$87.2). Commissions and swaps are responsible for \$71.32 management fee.

Total losses was **\$945.95** or **9.4%** of the entire portfolio.

The **net loss** of the portfolio is **\$932.08**. The total **portfolio performance** was **-9.32%**. The S&P 500 benchmark index dropped by 15.0%.

Assets in the portfolio

Asset	Order	Volume	Order price	Closing price	Profit/Loss	Dividend received
KHC	buy	0.05	37.52	39.57	10.25	4
KMB	buy	0.05	132.36	115.92	-82.2	11.6
CME	buy	0.05	198.02	171.49	-132.65	10
MMM	buy	0.05	148.05	138.75	-46.5	
PG	buy	0.05	148.07	137.02	-55.25	
BABA	buy	0.05	96.63	71.91	-123.6	
GOLD	buy	0.02	1842.26	1673.95	-336.62	
SP500	sell	0.08	3728.08	4048.5	-256.33	
TNOTE	sell	0.02	110.2	114.56	-87.2	
UPS	buy	0.05	170.46	188.92	92.3	7.6
V	buy	0.04	203.36	216.04	50.72	1.8
Expected profit		25%				
Risk		30%				
Commissions and swaps		-71,32				
Loss		-932,08				
Portfolio performance		-9,32%				