

Example of portfolio finance report

[Business](#), [Company](#)



Introduction

Managing investment is an alternative name of managing finance that used by an investor for taking timely and effective investment decisions.

Management of investment decision is all about managing the investment portfolio of the individual or a company. Management of portfolio has the tendency to mitigate the amount of riskiness from an investment that resultantly increases the economic structure.

In this assignment, a similar analysis would have been taken place that includes management of portfolio along with economic and industry analysis of three companies which are Agility Warehousing Company, Kuwait Finance Company and Kuwait Projects Company.

Agility Warehousing Company that also known as Agility Logistics, is a publically traded warehousing company that has its main hub in Kuwait, provides transportation and warehousing services to businesses, international institutions and the relief agencies found in different parts of the world. The company is currently operating with 500 offices in 100 different countries of the world. It has generated net revenue of US\$ 4. 85 billion in the financial year 2013, showing the tendency to generate high revenue of the company (Agility, 2014).

Kuwait Finance house (KFH) is a company established in the year 1977 in the State of Kuwait as the first bank that operates in accordance with Islamic Sharia. KFH is a financially stable and effective company that has a market capitalization of Kuwaiti Dinar (KWD) 2. 667 billion. The company generated net revenue of KWD 996 million in the financial year 2013 (KFH, 2014).

Kuwait Projects Company (KIPCO) is an investment management company

located in Middle East and North African region. This is a bog group with has a portfolio of sixty different companies operates across 24 countries of the world. The main sectors in which the company invests are financial services, real estate and media. KIPCO generated net revenue of US\$ 1, 818 million in the year 2013; indemnify the greatness of the company (Kipco. com, 2014).

Economic Analysis

Economic analysis is one of those types of analysis that associated with the core financial effectiveness of a company that has a direct linkage with the investment stance. Two years of financial data has been considered for the economic analysis in this part (Ehrhardt & Brigham, 2003).

Agility Company is a financially stable company found in the Kuwaiti region. The revenue of the company was nearly KWD 238 million that increased tremendously well by more than 300 percent in the year 2013, showing the power of the company in terms of generating net revenue. In the financial year 2012, the profit margin of Agility Company was nearly 19% which decreased to a level of 2% in the year 2013. Though the profit margin of Agility had decreased in the year 2013, but still it remained in the positive node (Ehrhardt & Brigham, 2003).

Kuwait Finance House on the other hand has a remarkable tendency to generate high amount of profit margin and gross profit margin. The net profit margin (NPM) of the company was nearly 17% in the year 2011, which increased to a net level of 19% a year's after. Apart from that the provision of Return on Assets (ROA) and Return on Equity (ROE) of both of the selected companies are nearly 20% and 24% respectively, manifesting that the financial and strategic position of both of the companies are essential and

powerful, and the has the tendency to generate further economic effectiveness in future (KFH, 2014).

KIPCO on the other hand is also a powerful and effective company in terms of finance and shareholder's based value. KIPCO has a profit margin of 7. 2% in the financial year 2013, which was 7. 7% in the year 2012. The return on asset (ROA) provision of KIPCO is nearly 0. 46% in the financial year 2013, showing that the company is not very effective and powerful in terms of managing its operational assets (Kipco. com, 2014). KIPCO is generating effectiveness for their shareholders as far as managing their effectiveness is concerned. The company has to maintain the same with effectiveness in the market.

Industry Analysis

The companies which have been selected for the same analysis belong to different industries of the Kuwait. Agility is a logistic based industry of Kuwait, and the industry is doing an exceptional job as far as generating effectiveness for their consumers as well as shareholders is concerned. On the other hand, Kuwait Finance House is an Investment Management Company that operates in the investment industry. Kuwait has now emerged as a perfect financial hub of the world, in which number of companies and individuals would like to initiate the Foreign Direct Investment (FDI) in the financial institutions of the country. The remarkable political and economical situation of Kuwait enables them to attract most of the foreign investors towards the country for investment purpose, due to which the productivity and level of efficacy of the operating companies are increasing substantially well in the market.

KIPCO Company, which is operating in the construction industry, is yet another important and valuable industry associated with the Kuwait country, which has the tendency and ability to enhance their economic well being in a perfect manner. The construction industry of Kuwait will enhance tremendously well in the market, and companies like KIPCO will remain competitive and effective in this industry.

Companies Analysis-Investment

The investment period has been selected from 21st September to 7th December. There is a total change in the values of the total shares investment in these companies along with changing in the entire value of the core investment. The proportion of investment will be like this

Most of the proportion has been associated with Agility with a net proportion of 40%, follows by 39% with Kuwait Projects. Kuwait Finance House has the least proportion of investment which is 20. 32% in the overall investment based opportunities. The total value of the shares on 21st September was 9,960. Prices of the shares actually decreased from 21st September to 7th of December heavily that decreased the overall value of the investment by 8.45%. It means that, the investment in these three companies would not be worthwhile for the individual, however taking a short position will work for the investors while investing in the selected companies.

Summary

This entire analysis requires analyzing the core tradeoff among the risk and returning provision of the three companies operating in different industries of the world. The name of the selected companies is Agility, Kuwait Projects

and Kuwait Finance House. The entire analysis is divulging that the investment in these three companies would not be effective for the individual because the share price of all of these companies have decrease from September to December, and has the chance to decrease further in the future.

References

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