

Advanced finance

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Summary and Critical Evaluation (attribution analysis) Affiliation: Part IV:
Summary and Critical Evaluation (attribution analysis) of the portfolio performance

Upon focusing on the level of performance of the entire investments made, it is apparent that the investments are creating significant returns and working well in the market. The first area of performance is the performance observed by looking at the overall performance. The data indicates that total returns are at 3.79, which is a good figure to consider while making a decision to make more investments. At first, looking at the performance of AstraZeneca (AZN) when compared to the UK FTSE 100 Index shows that the investment is making significant returns. Particularly, the returns on the shares went above the UK Index from March 9th until April 8th, hence making significant returns from the investments. Sentiments indicate that the rise of AstraZeneca shares in market have been on the rise due to the improved pipeline, while other reason contributing to the rise being the approach of Pfizer in supporting the share price (Stephens, 2014).

Another portfolio that made huge returns in the market through the gaming period was British American Tobacco (BATS) LN shares. The total returns from the entire game were 4.033, with the BATS LN Equity performing best from early February to mid-March, with the rest of the gaming period comparing significantly with the UK FTSE 100 Index. The BP LN is another area with highest recorded returns of 7.626 through the entire gaming period. Its Equity performance was when compared to the UK FTSE 100 Index shows too much similarity, in that the shares graph is hand to hand with each other, while its performance curve also kept on rising until the end of the gaming period. The rise of BP shares is a mid some fears of the falling oil

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market prices. However, traders are citing on the issue of market takeover bid from the Royal Dutch Shell as being the reason behind the rise of BP shares (Reuters London Business Daily, 2014).

The graph below explains the statistics in BP LN Equity curve when compared to UK FTSE 100 Index;

The next area of investments that created significant returns was the Imperial Tobacco Group (IMT) LN, whereby the total returns generated were 3. 407. The performance IMT LN Equity index was comparing well with the UK FTSE 100 Index, with the IMT performance index rating higher than the UK FTSE 100 Index for most of the time. The reason behind the continuous rise of Imperial Tobacco Group shares could be due to the cost optimization program that delivers further incremental savings, just as predicted in the company's 2014 end year financial statement (Hargreaves, 2015). Another area where the shares created significant returns through the gaming period was the BT Group (BT. A), whereby there was a total return of 2. 220. The performance of the BT/A LN Equity curve was in line with the UK FTSE 100 Index curve most of the time, with the end part being the only part where the BT/A LN Equity curve was below the average growth curve.

However, there are significant areas of investment where the shares created losses at the end of the gaming period. The first area where the shares made losses is from the British Airways (B. A) LN investments, whereby losses of 0. 993 were subject to record at the end of the gaming period. In particular, the period of March 1st to March 31st reported the lowest returns upon comparing the BA/LN Equity curve to the UK FTSE 100 Index curve. Another area of reported losses through the gaming period was the Capita (CPI) LN

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investments, whereby a loss of 2.742 was subject to record at the end of the gaming period. Despite making such losses, the CPI LN Equity curve compared well with the UK FTSE 100 Index curve, indicating that there is a lot of growth prospective in this area of investment. The reason behind the fall of Capita (CPI) share price could be due to decreased performance of the company or due to the tough economic situations facing the company (Karabarbounis & Neiman, 2013).

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