

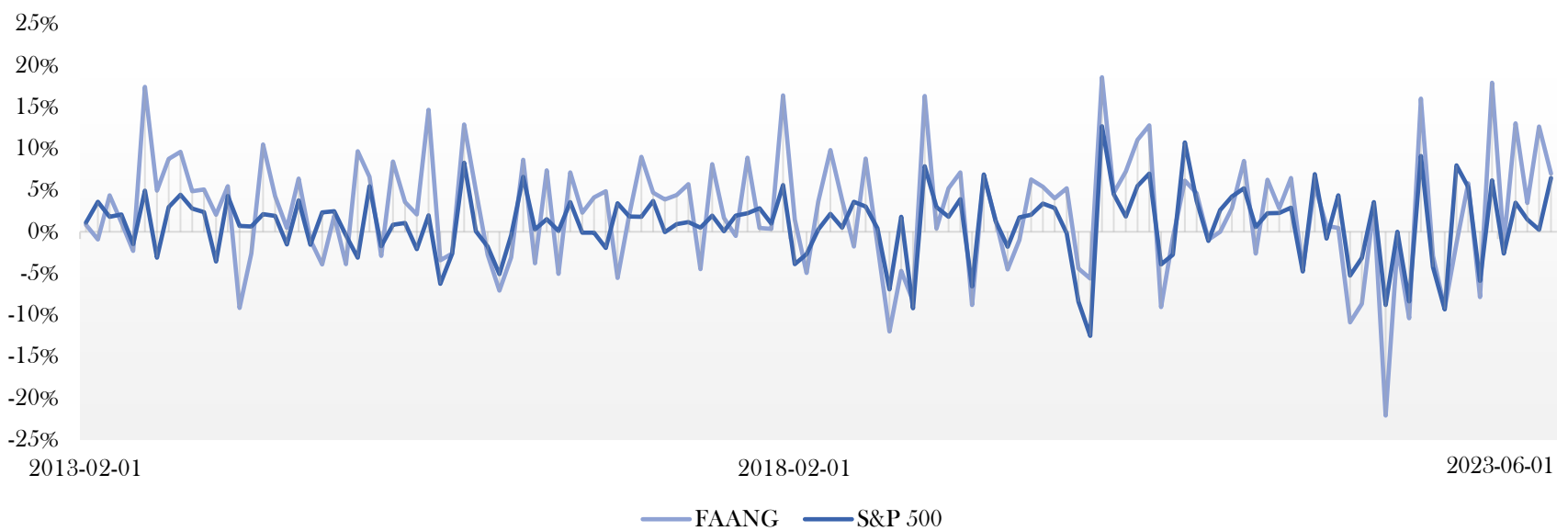
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### FAANG Portfolio Outperforming the S&P 500 Benchmark index with Strong Investment Alpha

In the realm of investments, achieving superior returns compared to the market benchmark is the ultimate goal. The FAANG portfolio, comprising Meta, Apple, Amazon, Netflix, and Google, has proven its mettle by consistently outperforming the benchmark index, the S&P 500. Through meticulous analysis of historical data and performance metrics, the FAANG portfolio has demonstrated strong investment Alpha, generating significant excess returns while managing risk effectively.

To provide a visual representation of Portfolio FAANG's exceptional performance, a line chart has been included. This chart displays the cumulative returns over the 10-year period, showcasing the consistent outperformance of Portfolio FAANG compared to the benchmark. The line chart serves as a testament to the portfolio's growth and success, visually illustrating its strong performance.

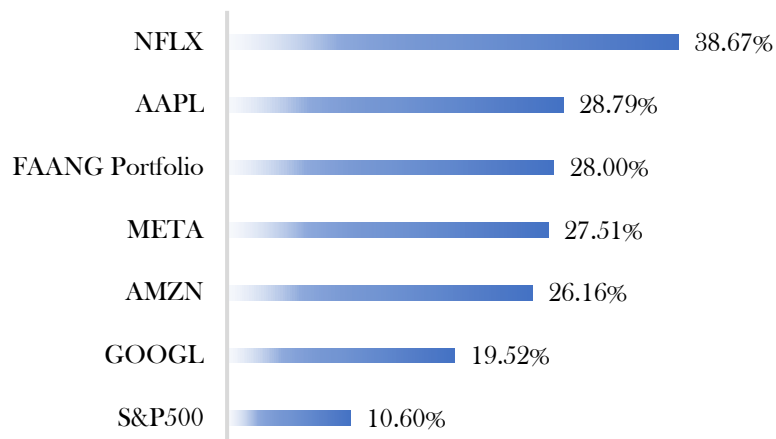
Monthly Dynamics of Returns  
S&P 500 vs. FAANG from 1st January 2013 to 1st June 2023



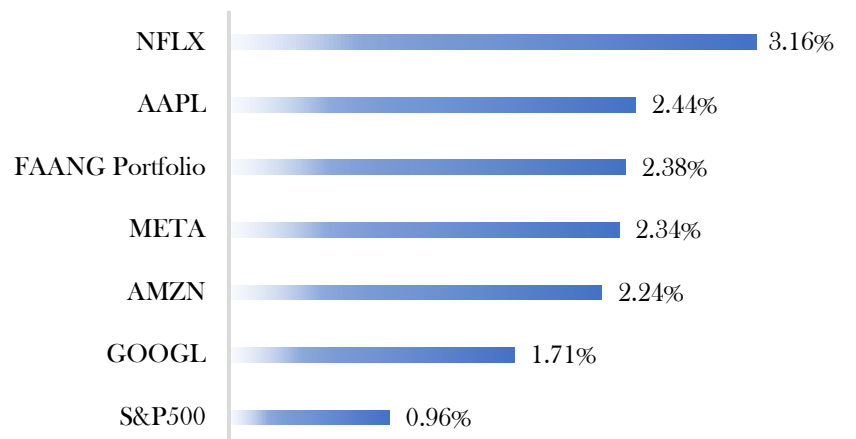
### FAANG Portfolio's Performance

From 2013 to 2023, the FAANG portfolio delivered an impressive annualized return of 28.00%, surpassing the benchmark's annualized return of 10.60%. This exceptional performance can be attributed to the careful selection of securities within the portfolio, including META, AAPL, AMZN, NFLX, and GOOGL. Each of these components played a crucial role in driving the overall success of the FAANG portfolio.

#### ANNUALIZED RETURN

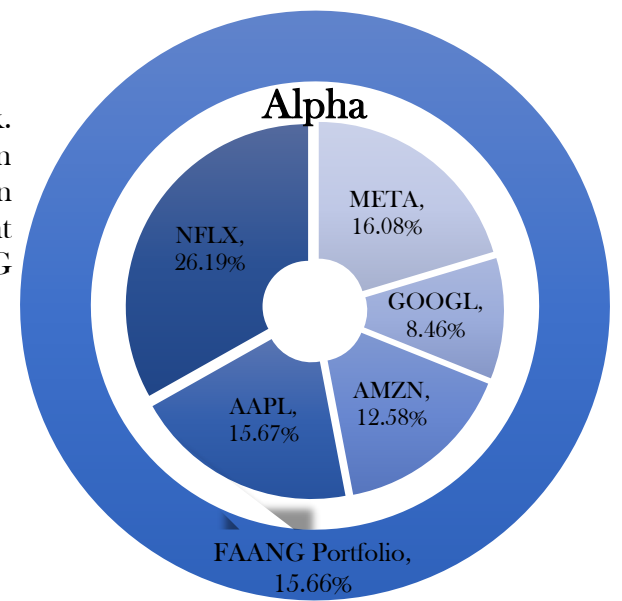


#### RETURN



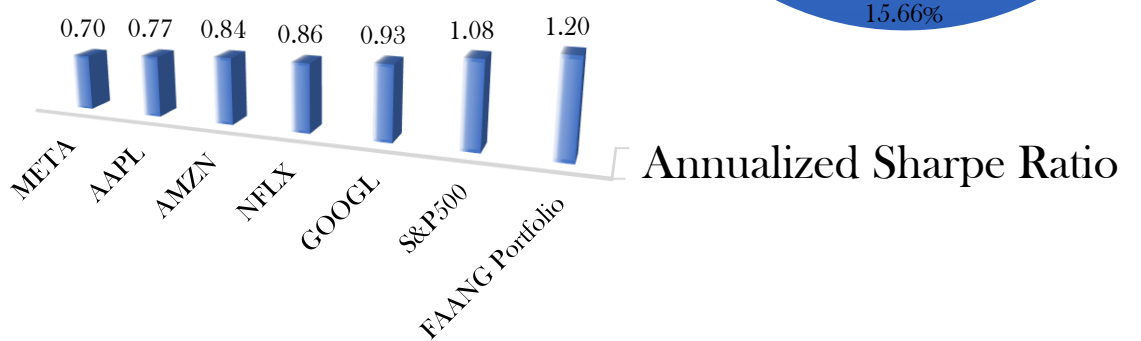
## Analysing Investment Alpha

Investment Alpha serves as a key measure of a portfolio's performance relative to the benchmark. FAANG Portfolio exhibited noteworthy investment Alpha for each security. META showcased an Alpha of 16.08%, followed closely by AAPL with 15.67%, AMZN with 12.58%, NFLX with an impressive 26.19%, and GOOGL with 8.46%. These positive Alpha values indicate consistent outperformance of the benchmark, generating superior risk-adjusted returns for the FAANG Portfolio.



## Risk-Adjusted Returns and Sharpe Ratios

Assessing risk-adjusted returns is crucial when evaluating investment decisions. FAANG Portfolio demonstrated favorable risk adjusted performance, highlighted by its annualized Sharpe ratio. The Sharpe ratio measures the excess return achieved per unit of risk. With a Sharpe ratio of 1.20, FAANG Portfolio signifies higher risk-adjusted returns compared to the benchmark, showcasing its ability to generate superior returns while effectively managing risk.



In conclusion, the FAANG portfolio, with its remarkable investment Alpha and consistent outperformance of the benchmark, has solidified its position as a successful investment strategy.

Portfolio FAANG, driven by careful security selection and prudent risk management, has consistently generated excess returns, highlighting its effectiveness. Investors can draw inspiration from the FAANG portfolio's performance, considering its strategic approach when constructing their investment portfolios. By conducting thorough analysis and selecting securities with strong Alpha potential, investors can strive to achieve superior returns and outperform market benchmarks.

The table below summarises key performance metrics for individual securities within the FAANG portfolio, as well as the portfolio as a whole. These metrics include returns, annualized return, standard deviation, annualized standard deviation, Sharpe ratio, variance, covariance, beta, and Alpha. Each value provides valuable insights into the performance and risk-adjusted returns of these securities. Please refer to the table for a comprehensive overview of the FAANG portfolio's performance metrics.

	META	AAPL	AMZN	NFLX	GOOGL	S&P500	FAANG Portfolio
<b>Return</b>	2.34%	2.44%	2.24%	3.16%	1.71%	0.96%	2.38%
<b>Annualized Return</b>	27.51%	28.79%	26.16%	38.67%	19.52%	10.60%	28.00%
<b>Standard Dev</b>	10.57%	7.96%	9.02%	12.46%	6.79%	4.23%	6.95%
<b>Annualized Stdev</b>	34.26%	25.78%	29.24%	40.36%	22.02%	13.71%	22.53%
<b>Annualized Sharpe Ratio</b>	0.77	1.08	0.86	0.93	0.84	0.70	1.20
<b>Var</b>	0.011181239	0.006328871	0.008144758	0.015513113	0.00461675	0.001791	0.004833507
<b>Covar</b>	0.001945	0.002261	0.002347	0.002141	0.001876		0.002114
<b>Beta</b>	1.086	1.263	1.311	1.196	1.048	1.000	1.181
<b>Alpha</b>	16.08%	15.67%	12.58%	26.19%	8.46%		15.66%

