**ICE task: Risk of Portfolio - Test 2**

You are the FM for Portfolio LTD and are responsible for managing a portfolio of investments for your clients. The investments have the following forcasyed returns and values for the next four years:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Asset L** | | **Asset M** | | **Asset N** | |
|  | **Value** | **Return** | **Value** | **Return** | **Value** | **Return** |
|  | **R** | **%** | **R** | **%** | **R** | **%** |
| 1 | 11 500 | 8% | 6 250 | 14% | 2 250 | 5% |
| 2 | 12 250 | 11% | 5 150 | 10% | 2 600 | 7% |
| 3 | 13 500 | 15% | 4 000 | 6% | 2 500 | 4% |
| 4 | 10 050 | 10% | 4 900 | 8% | 5 050 | 12% |

Q 1 Calculate the expected average return for the portfolio over the four year period (19)

Q 2 Calculate the standard deviation of the portfolio. (6)

Total (25)