

# **HOW ASSET ALLOCATION IN STOCKS INCREASES THE PERFORMANCE OF A PORTFOLIO**

**By**

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## MBA Thesis

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#### Supervisor-Student Meeting Record

| No. | Date | Place of Meeting | Topic Discussed | Signature of Student |
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## ABSTRACT

**Purpose:** This research describes the importance of diversification in a portfolio and by using it how we minimize the risk of the portfolio.

**Methodology/Sample:** In this research CAPM model used for the calculation of each security returns and deviation. Secondary data was used for calculation and data took from the KSE-100 index and website of State Bank of Pakistan. Correlation statistic test used and interpret data.

**Findings:** It was found that economic conditions of country affect the market results. Risk tolerance, liquidity and entry into market affected the asset allocation in the portfolios. For the successful investment, it is important that diversified the asset in different asset classes, so diversified risk could be handled.

**Key Words:** Assets Allocation, Portfolio performance

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