B&R Beurs
Eindhoven Investment Society
Est. 2016

Rules Bulls & Bears Investment Competition B&R Beurs Eindhoven 2026/2027

1. The Bulls & Bears Investment Competition is about financial securities available in financial markets.
2. The Bulls & Bears Investment Competition for the academic year 2026/2027 starts on **November 9th, 2026, at 00:00:01 CET and ends on May 31st, 2027, at 23:59:59 CET**
3. The Bulls & Bears Investment Competition is held only between investment groups registered with B&R Beurs Eindhoven and at the Chamber of Commerce.
    a. New investment groups can only be created before the start of the competition.
    b. New investment groups need approval from the board to participate in the competition.
4. The Bulls & Bears Investment Competition is exclusively accessible to B&R Beurs Eindhoven members which are members of an investment group.
5. Each investment group has to define an initial deposit per person before the official start of the Investment Competition. This amount can be different for each group (e.g. €200, €250, €300, €400).
6. Investment Groups have to make their first investment before **23:59:59 CET January 8th, 2027,** to be included in the ranking.
    a. The board can authorize an exception to this rule if well-argued.
7. The weekly ranking is based on risk adjusted returns (Modigliani Risk-Adjusted Performance). The weekly ranking is computed during the weekend, once the North American markets are closed.
8. Investment groups are responsible to give the board access to their trade account to calculate weekly rankings and monitor integrity. Access can be given by:
    a. (non-eToro) By supplying regular login credentials or by supplying a special “viewing password”.
    b. (eToro) The account that is being copied also needs to be on the watchlist of the board.

    If the board does not have access to (a)the login credentials or (b) the copied account can't be added to the board watchlist for at least 2 consecutive weeks, the investment group is disqualified from the competition.
    c. The board may authorize exceptions to this rule if well-argued.
9. The following benchmark will be included in the ranking: iShares MSCI ACWI UCITS ETF (SSAC) denominated in Euros.
    a. The board may also decide to include partner investment societies or other parties into the ranking as a benchmark.
10. The weekly ranking consists of risk-adjusted return, total return, change in total return and volatility.
    a. The risk adjusted return will be the Capped M^2 measure, defined as:

$$M\text{^}2 = R_f\text{^}(cml, T) + D_T * max[\sigma_\Delta B/max[\sigma_(\Delta D_T, f)\ ]\ ,1/c * (-D_T)/|D_T\ |\ ]$$

    where:
        i. $R_f^{cml,T}$ is defined as the cumulative risk-free rate that investors can get by investing in the risk-free asset at the beginning of the competition and rolling-over on a weekly basis

ii. D_T is defined as the excess return of the investment portfolio over the cumulative risk-free rate at the time of measuring
iii. $\sigma_{\Delta B}$ is defined as the standard deviation of the weekly excess returns of the benchmark
iv. $\sigma_{\Delta DT,f}$ is defined as the standard deviation of the weekly excess returns of the investment portfolio
v. f is defined as a floor on the volatility that an investment group can have. Combined with the maximum function, this essentially says that investment groups cannot have a volatility lower than this floor. The volatility floor has a value of 0.2%
vi. c is defined as the cap, which equals 3.

b. The risk-free rate will be based on the yield of German government bonds matching the maturity of the investment competition, 9 months.

11. Returns are calculated by the following formula: (Current value of the portfolio)/(Initial deposit of a member * number of members) – 1. E.g. a group of 15 students put 300€ each and the current value of the portfolio is 4600€. 4600/4500 – 1=+2.22%. If positions are taken in other currencies, the total wealth in Euros given by the broker will be considered.

a. If there is extra money on the bank account, the quantity of money will be noted and subtracted from the current value of the portfolio. It will not count as extra profit. E.g. a group of 15 students at 300€ each could have 4600€ instead of 4500€ on the bank account because of leftovers. The return will be calculated on 4500€ and not 4600€, the difference will be constantly subtracted from the current value of the portfolio to calculate the group's return. Thus, extra deposits will not count.

12. Members joining later than the official start of the Investment Competition will have to pay the initial amount agreed upon by the group, minus the loss, or plus the profit, at the time of the joining. The initial capital will then increase by the initial amount, and by paying the profit or loss, the group's return stays the same. E.g. if the initial amount is 300€, a member wants to join in January, the group is at +10%, the new member will pay 330€. The initial group's endowment will increase by 300€, maintaining thus the group's return of +10%. This logic applies also to losses, and if a member leaves a group during the Investment Competition.

a. If a member gets kicked from an investment group, he/she will receive his/her initial investment plus the profit or minus the loss at the time of the kick, as shown in article 12. The initial investment of the member will be removed from the group's initial capital, and the group's return recalculated.
b. Each investment group is free to add a clause to the situation, such as a fine for joining later or leaving earlier. A fine will not influence the returns.
c. Within the timespan of the Bulls & Bears Investment Competition it is allowed to leave the IG when a member doesn't agree with a trade. Within eToro specifically, it is
allowed to un-follow the treasurer's account, but the member will be removed from the IG. However, it is not allowed to re-follow the treasurer. Once the IG member has unfollowed the treasurer's account rule 12.a will take place.

13. Trading bank accounts of investment groups have the sole purpose of trading. All money removed from the account during the year for other purposes will be accounted for as a loss (e.g. dinners), except if a member gets kicked.

14. Any potential trading cost credit received from the broker is not counted in the group's return. Such free costs will thus be compensated for in the calculation of returns by subtracting them from the portfolio value.

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15. An investment group needs at least 7 unique members. The legal maximum is 25 members. Members are allowed to join a maximum of 1 investment group.
   a. The board can authorize an exception to this rule if it is well-argued.

16. An investment group's minimum initial total deposit is €600.

17. Investment groups must respect the Dutch law. Restrictions include:
   a. Maximum 25 members per investment group,
   b. Maximum deposit of €9075.60 per member,
   c. Professional investing is not allowed,
   d. Not allowed to use extra deposits to cover losses, don't invest more than 100% of the capital (e.g. leverage restriction, no naked short-selling, no credit line),
   e. The initiative to found an investment group didn't come from the financial institution where the group has its trading account.

18. Investment groups need to be registered with their current chairman and treasurer at the chamber of commerce by the end of the Investment Competition.

19. If an investment group does not comply with the rules above, its participation will not be considered in the Bulls & Bears Investment Competition and its return not calculated. It will have the status N/A until the compliance is effective.

20. Investment groups participating in the Bulls & Bears investment competition need to be active in at least 50% of B&R Beurs Eindhoven events occurring through the duration of the competition (see rule 2) with at least one of their members. Excluded from this rule are paid events, external partner events, events with an attendance limit and pre-exam drinks. Attendance exclusively during dinners or drinks and not at the main event does not register as an attendance. If an investment group fails to meet the 50% attendance requirement it will be deemed ineligible to be ranked in the final standings of the investment competition and therefore also ineligible to win. For an investment group to be registered as present, it is the responsibility of one of its members to notify a board-member during the event and the board-member will make note of it. An update on the attendance of each investment group will always be available upon request.
   a. Attendance by B&R Beurs Eindhoven board members will not be counted toward the attendance of their respective investment groups at any event.
   b. The board can authorize an exception to this rule if well-argued.