

**Code of Conduct**  
**B&R Beurs Erasmus Investment**  
**Society**

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## 1. Terms – Definitions

1. Activities: Every activity that is organized by the board or authorized members or committees.
2. General Assembly of Members; GAM: As described in the statutes articles 15, 16, 17 and 18.
3. B&R, BNR, bnrbeurs, B&R Beurs, Erasmus Investment Society : The society.
4. Bank account number B&R Beurs: NL13ABNA0501117555, in name of Studentinvestmentsoc. B&R Beurs Rotterdam.
5. Board: all members of the society with a board position as provided for in the statutes under the articles 9 and 10.
6. Board position: a position within the board of the society.
7. Board applications: denoting both normal and special board applications.
8. Special board application: an application stage in which either the president or the board member with an equivalent function as the applicant is no longer in function.
9. Binding nomination: linked to board application; A binding nomination relates to an individual.
10. Career information: personal data as defined in paragraph 34 of this article, as well as the education, the education year, highest level of education, the investment group, the year of accession, an investment group function, an committee experience and a possible board position and, if applicable, a submitted resume.
11. Committee year: The period in which a committee is active.
12. Committees: A by the board assembled group of members with a specific pre-determined objective who perform work in the interest of the society, under which the audit committee, as specified by the statutes, does not fall.
13. Curriculum Vitae; CV: document received from the person to whom the document refers with information about this person.
14. Disciplinary Measures: Measures taken by the board with respect to members who have not obeyed the code of conduct and/or statutes. These may include: suspension for a to be determined period, the denial of access to activities, the removal of members from activities and buckling of members from the membership.
15. Investment group: Investment group means various associations with limited legal ability who are registered as such by the Chamber of Commerce in Rotterdam, for the purpose of making joint investment by its members.
16. Honorary Member: A special member of the society who has wider rights and fewer obligations than an ordinary member.
17. Eureka week: The introduction week for students who are new to Rotterdam to get acquainted with the various societies and the city of Rotterdam, as organized by the Erasmus University.
18. Partial power of attorney: Transfer of voting rights of an absent member of a member present for one or more specified events in a general assembly of members.
19. Forced departure of a board member: The resignation of a board member because the board member is required to do so by the General Assembly of Members.
20. Municipality of Rotterdam: The municipality of Rotterdam or its successors.
21. Introduction period: The period from mid-August to mid-October which include in any case: The Eureka week and the introduction weekend.

22. Introduction weekend: The weekend that is organized by the board at the end of the introduction period for the new members of the society to get to know the society, the investment groups and their members.
23. Investment Competition: the internal investment competition between the investment groups who are recognized by the society and participate in lawful, as described in article 24 of this code of conduct.
24. Investment Symposium: An activity organized by members of the society at which several speakers tell something to the audience about a specific topic within the category investments as chosen by the organization.
25. Investment Week: A week with multiple education and networking activities, organized by members of the society in cooperation with external parties.
26. Audit committee: The audit committee as described in article 15 of the statutes.
27. Members: People who are member of the society as described in the statutes of the society in articles 5-8.
28. Naked short selling: Selling positions one does not own without having a cover for this purpose through a listed product.
29. New members: Members who have not been a member of the society for an entire society year.
30. Normal board application: an application round in which both the president and the member of the board who has an equivalent function as the applicant are still in office and is not suspended.
31. Minutes: A report in the English language of a meeting which at least include: all decisions with a possible associated ballot, the date, the attendees and represented, the name of the president of the meeting, the name of the one who takes notes, the tasks who follow the decisions made and the corresponding charge associated.
32. Official meetings: Meetings within or between several parties affiliated with the society who are informed in advance of the meeting, with a goal that contributes to the goals as stated in article 2 paragraph 1 of the statutes.
33. Unconstrained departure of a board member: The departure of a board member where the board member chooses to prematurely resign from his function. When a board member resigns while being suspended, it counts as a forced departure of a board member.
34. Personal data: the name, surname, address, telephone number, email address.
35. Private data: all data available from a member that is not mentioned in paragraph 34 of this article.
36. Supervisory Board; SB, Sb: The supervisory board as referred to in article 11 of the statutes.
37. Written: Where mentioned 'in writing' in this code of conduct and statutes this regard, both emails since/from their own email address to/from the secretary: [secretaris@bnrbeurs.nl](mailto:secretaris@bnrbeurs.nl) and/or [bestuur@bnrbeurs.nl](mailto:bestuur@bnrbeurs.nl) and signed send mail to POBox 1738, 3000DR, Rotterdam, with respect to B&R Beurs. It also applies to physical delivery of signed paper documents with a confirmation of receipt by the secretary in writing.
38. Social activities: Activities that aim to strengthen the link between members and/or to increase the involvement of members of the society.
39. Start-up capital: The amount by which an investment group starts and takes part in the investment competition.
40. Academic year: The period from the first of September to the following thirty-first of August.
41. Symposium website: The website [www.investmentweek.nl](http://www.investmentweek.nl)

42. Transaction password: The password that is provided by the broker to the investment group so that the investment group chairman and treasurer can enter into transactions.
43. University: The Erasmus University in Rotterdam, more specifically the Campus Woudestein location.
44. Society: The society is defined as B&R Beurs Erasmus Investment Society Rotterdam, registered at the Chamber of Commerce as Studentenbeleggingsvereniging B&R Beurs Rotterdam with number 40344972.
45. Society year: The period from the first of July until the thirtieth of June thereafter.
46. Meetings: Official meetings within and between: Board, Supervisory Board, committees, audit committee and investment group chairmen, where the aim is to make arrangements and take decisions who are in the interest of the society.
47. View password: The password provided by the broker to the investment group to make sure that the members and the board can view the investment account without being able to make alterations
48. Power of attorney: Being the authorization to another member, present at the General Assembly of Members, that can be given to be represented by their own absence at a General Assembly of Members.
49. Website: The website [www.bnrbeurs.nl](http://www.bnrbeurs.nl)

## **2. The society**

### Article 1: The society

1. The society has an office at the University.
2. The society is in possession of a website.
3. The society has a payment-, savings- and investment account.

## **3. Members**

### Article 2: Personal data

1. Members are not allowed to provide personal data of other members of the society to third parties without the explicit written permission of the board or the person concerned.
2. Members are not allowed to use personal data, supplied by the board, for purposes other than the purpose as specified by the board.
3. Members are not allowed to distribute private information and career data from other members and/or use it.
4. Only the board is allowed to use the personal data and career data of the members in any way if this is in the interest of the society as a whole and/or of the individual member concerned.
5. The board is not permitted to provide private information to third parties without the explicit consent of the person concerned.

### Article 3: Membership – Regular members

1. Membership of the society runs from the first of July and will be automatically extended for one year in case there is no cancellation.

2. Cancellation must be submitted in writing before the first of July.
3. The cost of membership amounts 49.50 euros and can be changed at the annual General Assembly of Members.
4. The society requires a one-time registration fee of 0.00 euros of new members. This amount may be modified by the General Assembly of Members.

Article 4: Membership – Honorary members

1. Membership as honorary member has no date of expiry.
2. Membership as honorary member can only be excluded by unanimous vote of the General Assembly of Members.
3. Membership as honorary member can only be granted to members who have done exceptional work for the society.
4. An honorary member does not have to pay contribution, but has the same rights as a regular member.

Article 5: Responsibility

1. Members are supposed to dispose positively towards the image of B&R Beurs.
2. Members are not allowed to spread slander about the society.
3. Members should, in the broadest sense of the word, in any way related to the society, behave reasonably and fairly at activities.
4. Members are to behave socially towards other members of the society.
5. Members are to behave in a professional way to partners of the society.
6. Failure to take the aforementioned responsibilities can lead to disciplinary actions, including suspension or expulsion from membership. This will be determined by the board.

## **4. Investment groups**

Article 6: Investment groups - General

1. Investment groups have a minimum of 7 members and an absolute maximum of 25 members.
2. At the formation of an investment group, it should consist of at least 10 members.
3. All members of the investment group must be members of the society.
4. Investment groups at least have a chairman and a treasurer. More positions can be created at their discretion but are not recognized as such or held liable by the society.
5. The board of an investment group consists of the chairman and the treasurer of that investment group.
6. Only the investment group chairmen, treasurers and the board are in possession of a transaction password.
7. The chairman and treasurer of an investment group are responsible for managing their portfolio, thus making the society not a party in this.
8. Investment groups must be registered at the Chamber of Commerce in Rotterdam under a name that consists of at least: "B&R Beurs Dispuut", unless otherwise decided by the board.
9. Investment groups should have an investment account with a broker chosen by the board.
10. Investments of the investment group are managed by the treasurer under supervision of the chairman of the investment account described in paragraph 8.

11. Investment groups should use, as a contra account with the broker, the bank account of the society, unless the board granted explicit permission to designate another account.
12. Investment groups should hand over a 'view password' to the board before the start of the Investment Competition.
13. The minimum starting capital for each investment group is 2000 euro.
14. The participation of each member cannot exceed 9.075,90 euro.
15. Investment groups must specify the starting balance at the start of the Investment Competition on the investment account to the board. During the year all mutations, other than transactions in listed financial products, should be passed on to the board within 5 business days.

#### Article 7: Investment groups - Rights

1. Investment groups at all times have the right to ask for advice or assistance from the board about issues concerning the investment group or the society.
2. Investment groups have the right to receive an explanation and help in the use of the internet service from the broker and the execution of transactions.
3. Investment groups shall be entitled to get help from the board at the registration and organizing of an investment group at the Chamber of Commerce.
4. Investment groups have the right to receive a standard version of the statutes for investment groups.
5. Investment groups have the right to receive guidance in all investment group matters from the board in case of recent creation of the investment group.

#### Article 8: Investment groups - Duties

1. Investment groups may under no circumstances enter into any transaction which may cause greater losses than the total sum of the transaction.
2. Investment groups should act according to the directives given by the board.
3. Investment groups should pursue the goals of the society as stated in the statutes.
4. Each year before the start of the Investment Competition, investment groups are obliged to submit a list of members, with names and functions of the investment group.
5. Investment groups are deemed to be regularly represented in the activities of the society.
6. Investment groups shall, at the request of the board, provide content for use on the website and for use in the almanac of the society.
7. The board of the investment group is required to meet at least three times a year with the board of the society.
8. The board of the investment group is deemed to be present or be represented at meetings with the board of the society.
9. The investment group is considered to be represented at an investment group meeting as described in article 12 paragraph 3.



## 5. The Board

### Article 9: Appointment of Board members – Applications

1. In the case of a normal board application, members who have the ambition to fulfill a board position should make this ambition clear at least 4 weeks before the end of the society year in such a manner as expressed by the board.
2. In the case a normal board application, the board is entitled to bring the deadline as mentioned in paragraph 1 of this article forward and is thereby obliged to communicate this at least 2 weeks before the new date.
3. In the case of a normal board application, the board is be obliged to, if possible, invite all applicants for an interview.
4. Normal board applications will be conducted by two board members and one observer from the Supervisory Board. The board members will be the president of the society and the board member with a similar function for which the applicant opts.
5. In the absence of one or more board members is/are to be designated / the absent board member/members entitled to a deputy.
6. The observer from the Supervisory Board is not permitted to interfere in any way in the interview between the board members and the applicant. Afterwards he can submit a request to the board members to ask one or more questions on his/her behalf.
7. Board applications only take place in the city of Rotterdam or its successors.
8. Board applications only take place between 09:00 am and 23:00 pm.
9. Special board applications can be caused by forced and unforced departure of a board member.
10. When an unforced departure of a board member takes place, the board decides or they themselves take responsibility for a replacement or that they delegate this responsibility to the Supervisory Board. If the president leaves, the responsibility lies with the Supervisory Board and the current board.
11. When a special or normal board application takes place, each member is entitled to sign up for it. Also, current board members are free to sign up.
12. When a current board member applies for a new position within the board, the interview will be held by the Supervisory Board which is then responsible for the possible binding nomination.
13. In case of a forced departure of a board member, the Supervisory Board shall temporarily take over the duties of this board member until a new board member is assigned. The Supervisory Board can delegate this responsibility to another board member when he/she agrees. The Supervisory Board can also appoint someone who is not a board member as temporary replacement as long as the board agrees.
14. In case of a forced departure of a board member, other than the president, the board shall take the interviews.
15. When the president leaves unforced, the Supervisory Board will take the interviews, unless the Supervisory Board authorizes the board to do so.
16. In the case of an unforced departure of a board member, the board will temporarily take over the duties of the stepped down board member until, if chosen, a new board member is appointed.

Article 10: Appointment of board members – Binding nomination

1. A binding nomination at a normal board application is established by the board.
2. A binding nomination at a normal board application is established when at least 2/3ths of the board decides as such.
3. When the in paragraph 2 mentioned majority is not achieved, there will follow a meeting with the Supervisory Board at which at least the present observer is present, after which a new vote will follow within the board.
4. If again no binding proposal, as described in paragraph 2 is reached, the Supervisory Board will take a final decision on the binding nomination. The board is not a party in that decision.

Article 11: Board - Rights

1. The board or a board member had the right to deny access to activities to the attendees who are not members of the society.
2. The present board has the right to remove members from an activity who, after a warning, still do not behave reasonably.
3. In case of violation of the responsibilities set out in article 5, the board is entitled to take disciplinary actions.
4. The board has the right to launch new initiatives within the limits of the statutes.
5. The board has the right to set up any of its subordinated liabilities at their discretion within the limits of the statutes, regulations and the law.
6. The board has the right to ask the Supervisory Board for advice and/or assistance at any time.

Article 12: Board - Duties

1. An individual board member is bound by the decisions of the board as a whole, except for the treasurer.
2. The board shall meet with the Supervisory Board at least four times a year.
3. The board shall meet with the investment group board at least three times a year.
4. The board must always act in the interest of the association.
5. The board shall have the administration in order at all times.
6. The board is responsible for the proper retention of records.
7. The board shall liaise with external parties in an adequate manner.
8. The board shall respond to messages from members in a timely manner.
9. The board shall liaise with the University and relevant student associations in an adequate manner.
10. The board shall maintain all forms of communication with members and the outside world in a proper manner.
11. The board should provide help when investment groups ask for it.
12. The board shall pursue the goals as set by herself on the nomination General Assembly of Members.
13. The board is required to apply rebuttal in case it intends to take disciplinary action.
14. In case it is not possible to get in contact with the person as described in paragraph 14 of this article, then paragraph 14 expires.
15. In the case of disciplinary actions, as described in paragraph 14 of this article, the board is required to provide rebuttal to the member, if desired.

16. The board shall deal with disciplinary measures in a responsible way and, if desired, they must impose accountability on this to the Supervisory Board and/or the General Assembly of Members.
17. The board is required to annually organize an Introduction Weekend, an Investment Week and Investment Symposium.
18. The board is required to provide refreshments at general meetings, of which the amount is to be decided in reason and fairness.
19. The board is required to attend general meetings, unless prior approval has been granted for the absence by the Supervisory Board.
20. The board should present the General Assembly of Members in a clear and structured way.
21. The president and secretary shall, in detail, be aware of the procedures during a General Assembly of Members, the statutes and the code of conduct of the society.
22. The board is required to provide any kind of help or guidance to an investment group if requested.
23. At least one person from the board should be present during an activity organized by B&R Beurs.

## **6. The Supervisory Board**

### Article 13: Supervisory Board - General

1. Decisions by the Supervisory Board are always taken on the basis of majority.
2. If the votes are equal, the chairman of the Supervisory Board has the casting vote.

### Article 14: Appointment of the Supervisory Board - Applications

1. The code of conduct do not impose additional requirements on the appointment of the Supervisory Board then stated in the statutes.
2. The chairman of the Supervisory Board is determined by the General Assembly of Members. The General Assembly of Members decides by a majority vote on the basis of the appointed Supervisory Board who put themselves forward.

### Article 15: The Supervisory Board - Rights

1. The Supervisory Board has the right to get legal access to all documents and files related to the society.
2. The Supervisory Board has the right to get information from the board, committee members or investment groups concerning the society if prompted.
3. The Supervisory Board receives a budget at the beginning of the society year, at the level of the membership fee times the number of members in the Supervisory Board.
4. The budget as discussed in paragraph 3 is intended to cover the costs of meetings and other expenditures on behalf of the Supervisory Board and should not be used for other purposes.

### Article 16: The Supervisory Board - Duties

1. The Supervisory Board is obligated to appoint an observer at normal board applications.
2. The Supervisory Board is obligated to convene a meeting within two weeks with the board if no majority is achieved as described in article 10 paragraph 3.

3. The Supervisory Board is obligated to, in the case of a vote as described in article 10 paragraph 4 again no majority is reached, for itself to take a final decision on the binding nomination.
4. Members of the Supervisory Board shall be deemed to be regularly present at activities of the society.
5. The Supervisory Board shall meet at least four times a year for a meeting.
6. The Supervisory Board shall meet at least four times a year with the board.
7. The Supervisory Board shall, at the General Assembly of Members and the Half-yearly Assembly of Members, give an overview from their work as her view on the society year.

## **7. Committees**

### Article 17: Committees

1. Committees will be appointed for up to one year, being a committee year, by the board of the relevant society year.
2. A committee year does not have to be equal to a society year, but never lasts longer than one year.
3. Committees consist of between 1 and 25 members.
4. Committees are subject to the policies of the administration.
5. Committees should be authorized for financial transactions by the board.
6. Committees must be actively involved at all times in the interests of the society.
7. Committee members are expected to support the board, both in activities within the framework of the committee and beyond.
8. The responsibility for a committee always lies with a board member.
9. Committees are expected to be represented at all times at the activities.
10. Committees are expected to be represented at the introduction weekend of the next society year.
11. Committees are expected to attend general meetings.
12. Upon successful completion of the committees' year, each committee member receives a certificate of participation.

## **8. Activities**

### **Social Activities**

#### Article 18: Social Activities - Drinks

1. The aim is to organize a bi-weekly drink in a bar in the city of Rotterdam or its successors.
2. The drink is open to all members except for suspended members.
3. The drink starts at 21:00 and usually takes place on a Thursday.
4. If the financial situation of the society allows for it, part of the cost of the drinks are for the society.
5. When the society pays for a part of the drink, members themselves must make a minimum contribution of 1 euro per consumption, unless otherwise decided by the concerned board.

#### Article 19: Social Activities – Introduction Weekend

1. Every year an introduction weekend will be organized for new members, with the aim of getting to know the society, investment groups and its members.
2. The introduction weekend takes place within the Benelux and Germany.
3. The introduction weekend takes place within the introduction period and a minimum of two weeks after the start of the academic year.
4. The board may charge twice the membership fee per person as a fee for participation in the introduction weekend.

#### **Educational Activities**

##### Article 20: Education Activities - Academy

1. Every year, at least 10 academies are organized.
2. Academies should take place spread over the entire year.
3. Academies should provide knowledge about the financial world and its products to (new) members.
4. Every year, at least two academies take place which are held by external speakers.
5. In general, academies take place at the university, but can also be organized elsewhere.
6. In general, academies take place on Thursdays, but can also be organized on other days.

##### Article 21: Educational Activities – Investment Week

1. Each year, one Investment Week will be organized.
2. Within a week, an uninterrupted period of five days, several education and networking events take place.
3. Among the organized activities include, for example, but not limited to: Workshops, presentations, Academies, In-House days and company visits.
4. At the organized activities, the speakers are not a member of the society for at least 70% of the cases.

##### Article 22: Educational Activities – Investment Symposium

1. Each year, an Investment Symposium will be organized.
2. The Investment Symposium has to take place in the Investment Week.
3. The Investment Symposium has an educational purpose and the speakers are solely external parties.
4. For the Symposium it is allowed to let external parties pay for participation in the event.
5. The Symposium and the Investment Week together should be organized to cover costs, unless the Supervisory Board and Audit Committee agreed to something different.
6. The society will never carry the costs for more than €5.000,- or 15% of the total costs of the Symposium and the Investment Week, unless approval has been granted by the Supervisory Board, Audit Committee and the General Assembly of Members.

#### **Official Activities**

##### Article 23: Official Activities - Meetings

1. Meetings between two or more parties should at least be announced one week in advance, unless all parties concerned accept a shorter period.
2. At meetings between two or more parties, the agenda should be distributed at least 12 hours before the meeting takes place.

3. Meetings between two or more parties should take place in the city of Rotterdam, unless all parties concerned agree on a different location.
4. Of all meetings, minutes should be made within 14 days by a pre-determined person.
5. In case no such person as described in paragraph 4 of this article is appointed, the chairman of the meeting is responsible for the minutes.
6. The main language is English, unless all participants agree to a different language.

#### Article 24: Official Activities – General Assembly of Members

1. Each year, at least two general meetings will be held as described in the statutes.
2. At the general meetings, consumptions have to be present.
3. The main language is English, unless all participants agree to a different language.
4. General meetings take place on weekdays at the University.
5. The exact location at the University has to be announced at least two days before it takes place, in the same way the general meeting is announced.
6. The starting time for a general meeting is between 09:00 and 21:00.
7. In case a general meeting is suspended for more than one hour, the GAM will decide by majority when it will be continued.
8. If such a suspension as described in paragraph 7 of this article takes place, the GAM has to be continued within 14 days.
9. When it is decided to suspend a meeting, this decision can immediately be undone by a compelling majority of 2/3rds of the votes.
10. Provision of information on paper shall be orderly and to be given at once to attendees.
11. Laptop, beamer and other materials used for the start of the GAM shall be ready to use on location.
12. If a majority of participants want to suspend the GAM for a period of less than one hour, it will be suspended for at least fifteen minutes and a maximum of one hour.
13. The board has to present the GAM in an orderly and structured way.
14. Minutes shall be sent no later than fourteen days after the GAM to those present and represented members, and should be available to all members upon request.
15. The president always closes the GAM with two proverbs of his/her choice.
16. After a GAM, on the same day, the society has to organize a social activity (partially) at the expense of the society.

## **9. General Assembly of Members**

#### Article 25: General Assembly of Members - General

1. At a GAM, at least the board and one member of the Supervisory Board have to be present.
2. In case board members without prior authorization or without a valid reason are absent, this is seen as a compelling reason for the suspension as described in article 14 paragraph 1 of the statutes.

#### Article 26: General Assembly of Members - Powers

1. Members who are not present at a GAM have the opportunity to be represented by another member, subject to the following conditions:
  - a. A written proxy must be issued by the absent member;

- b. The proxy must, after the dispatch of the agenda and no later than 12 hours before the relevant GAM, be received by the secretary.
- c. A member may represent no more than 2 absent members at a GAM and should be present.
- d. A participant with proxies will get a proportional number of voting papers (the number of proxies plus one voting paper for him/herself).
- e. On the proxy, the following has to be indicated: a declaration of authorization, the name of the absent member, the name of the authorized member, the relevant GAM, the date and the place. And, if a partial proxy is provided, the agenda items on which the authorization applies.
- f. If more proxies are attributed to a member, only two of these proxies will be valid.
- g. To exercise the voting rights associated with a proxy, the authorized member must be physically present at the GAM.

## **10. Investment Competition**

### Article 27: Investment Competition

1. The conditions concerning the Investment Competition are determined annually by the GAM and will be made available on the website. In addition, the latest version will be attached to the code of conduct.
2. The determined winner receives, on the drink following the GAM that is held after the end of the Investment Competition, as described in the rules of paragraph 1 the trophy and a certificate.

**Rules Investment Competition B&R Beurs 2016/2017:**

1. The Investment Competition is about financial securities available in financial markets.
2. The Investment Competition for the academic year 2015/2016 starts on Thursday **October 27<sup>th</sup> 2016** and ends on Thursday **June 29<sup>th</sup>, 2017**.
3. The Investment Competition is only between investment groups registered with B&R Beurs and at the Chamber of Commerce.
  - a. New investment groups need to be formed before the start of the Investment Competition. New investment groups need approval from the board to participate in the investment competition.
  - b. New investment groups need approval from the board to participate in the Investment Competition.
4. The Investment Competition is exclusively accessible to B&R Beurs 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. An Investment Group has to make their first investment before **January 1st, 2017** to be included in the ranking.
  - a. The board can authorize an exception to this rule if it is well-argued.
7. In order to be included in the ranking, the board of an Investment Group has to participate in the Introductory Investment Training provided by the board of B&R Beurs.
  - a. The board of B&R Beurs can authorize an exception to this rule.
8. 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. The following benchmarks will be included in the ranking: Dutch AEX, Eurostoxx 200 Large and the S&P500 denominated in Dollars. The board can also decide to include partner investment societies into the ranking as a benchmark.
9. 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 M2 Measure, defined as:

$$M^2 = R_F + D * \max \left[ \frac{\sigma_B}{\sigma_D}, \frac{1}{c} * \frac{-D}{|D|} \right]$$

$R_P$	Portfolio Return: The raw return of an investment portfolio.
$R_F$	Risk free rate: This is the return an investor could make without taking any risk with his money. B&R Beurs the German 9-month Government Bond for this, since the Investment Competition takes around 9 months.
$D$	The excess return, defined as $R_P - R_F$ : This is the excess return made by being exposed to the stock markets.
$\sigma_D$	The standard deviation of the portfolio. A measure of historic volatility of the portfolio.
$\sigma_B$	Standard deviation of a benchmark. B&R Beurs uses Ishares MSCI World Eur Hedged UCITS ETF as their benchmark.
$c$	Cap which equals 3.

- b. The benchmark is the Ishares MSCI World Eur Hedged UCITS ETF



- c. The risk-free rate will be based on the yield of German government bonds matching the maturity of the Investment Competition, 9 months.
10. Returns are calculated by the following formula:  $(\text{Current value of the portfolio}) / (\text{Initial deposit of a member} * \text{number of members}) - 1$ . 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 taken into account.
  - 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.
11. 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 expelled from an investment group, he/she will receive his/her initial investment plus the profit or minus the loss at the time of the suspension, as shown in article 10. 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.
12. 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 expelled.
13. 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.
  - a. This rule was agreed upon during the half-yearly general assembly of members in January 2015.
14. Investment groups without a trading bank account at the beginning of the competition can use the trading bank account of the society until theirs is installed. They have to contact the treasurer of the society to make the trading orders.
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 2,000€.
17. Investment groups have to use a broker accepted by the board. The board needs to have access to the account to calculate the return.
18. 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.
19. Investment groups need to be registered with their current chairman and treasurer at the chamber of commerce by the end of the Investment Competition.
20. If an investment group does not comply with the rules above, its participation will not be considered in the Investment Competition and its return not calculated. It will have the status N/A until the compliance is effective.

Any comment? Please contact us via [secretary@bnrbeurs.nl](mailto:secretary@bnrbeurs.nl)