



### 1. How do you calculate the risk-adjusted return?

The risk-adjusted return can be calculated as follows:

$$\text{Risk-adjusted return: } \frac{\text{return}}{\text{standard deviation on a per day basis}}$$

#### Example:

Day	0	1	2	3
Value of the portfolio in USD (including open positions)	250,000	200,000	225,000	275,000

(Total) return: 10%

Standard deviation (daily): 22.1%  $\frac{\text{daily percentaged variation of the play money account}}{\text{net account balance}}$

$$\text{Risk-adjusted return} = \frac{10\%}{22.1\%}$$

Risk-adjusted return = 0.4525

### 2. I'm not listed in the TOP 50. Is there a possibility for me to see my ranking?

We publish a TOP 50 ranking list which is updated every day.

<http://www.trading-challenge.com/en/index.html?lang=en>

No further rankings are published.

### 3. Is this Varengold Bank FX Trading Challenge different from the previous competitions?

Yes, there are three key changes:

- Varengold Bank FX is staging this year's Trading Challenge in cooperation with its partner e-Forex with the slogan "Searching for Talents". The competition offers participants the chance to turn a passion into a career.

- Varengold will be awarding prizes to the best three participants, who will then compete against each other in a subsequent competition, the winner of which could ultimately receive trading capital of up to 1,000,000 USD. Please see the terms and conditions of entry for further details.



- Participants listed in the TOP 50 must generate performance of least 0.25 % per day of trading.

Example:

On the third day of trading, participants must generate returns of 0.75 % to be listed in the TOP 50. A participant who does not reach this target will not be listed on this day. He or she shall however continue to compete in the Trading Challenge, and will be listed in the TOP 50 again if he or she exceeds 1.0 % on the fourth day.

**4. I cannot log in. What can I do?**

Please contact us. We will help you immediately.

**5. At what time will the daily calculation be carried out?**

The calculation's time can change daily as it is not stipulated and as we want to introduce a variable into the Trading Challenge.

**6. Is there only one winner?**

No, there is one overall winner who receives a start-up trading capital of 150,000 USD. Those in 2<sup>nd</sup> and 3<sup>rd</sup> place will receive a start-up trading capital of 100,000 USD and 50,000 USD respectively. The three best have the chance to increase their start-up capital to up to 1,000,000 USD in a subsequent competition.

**7. What is the decisive factor: the highest return or the lowest standard deviation?**

The participant with the highest ratio of total return and daily standard deviation wins the Trading Challenge. Therefore, both values play an important role.

**8. What are the details of the prize for the winner?**

We shall provide the winner with a start-up trading capital of 150,000 USD and those in 2<sup>nd</sup> and 3<sup>rd</sup> place with a start-up trading capital of 100,000 USD and 50,000 USD respectively as soon as the Trading Challenge is over. Following a successful test phase lasting 6 months, we shall top-up the trading capital of the best of the three traders to up to 1,000,000 USD.

The winners receive a 25 % share of profits generated on the trading capital provided as soon as they have exceeded a hurdle rate of 4 % p.a. and the trading assets exceed the highest balance yet achieved at which a performance-based payment was last paid.



It should be noted that the trading strategy employed in the Trading Challenge must be continued. The Bank will set more conservative risk parameters at the start of the test phase.

**9. Is there a to start one's account anew?**

Unfortunately, you cannot restart your account once the challenge has begun.

**10. Is there a minimum or a maximum amount of trades?**

No, it is up to every trader himself how many trades he carries out.

**11. Is it permissible to use "Expert Advisors"?**

Yes, you are allowed to use "Expert Advisors".