



ROCKSTAR PM

RULES





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PORTFOLIO MANAGEMENT 101

This section is intended to help players who are new to finance and portfolio management grasp certain key terms and concepts used in the game.

Players who are already familiar with these terms and concepts may choose to skip this section and proceed straight to the game instructions on Page 4 of this rulebook.

A glossary of technical terms used in the game can be found in the Appendix section at the end of this rulebook.

INTRODUCTION

Portfolio management is the art and science of selecting investments that meet long term financial objectives and obtaining investment returns by assuming acceptable levels of risk. Investments are broadly categorized into asset classes like the three mentioned on the next page.



STOCKS

Stocks represent a fractional ownership of a company. Investors who purchase a company's stocks become shareholders of the company, and are entitled to receive a share of the company's profits periodically, in the form of cash dividends. Investment returns from stocks are not just dividends, but also the capital appreciation obtained when the price of the stock increases. Public company stocks are often bought on exchanges like the Singapore Stock Exchange (SGX) through brokerages.

BONDS

Bonds are loans from investors (bond holders) to borrowers (bond issuers). Like stocks, many bonds (corporate or government) can be publicly traded over an exchange. Bond holders receive fixed interest payments, known as coupons, during the bond's duration. At maturity (when the bond is due), the principal loan is repaid to the bond holder. Investment returns include coupons and capital appreciation. Compared to stocks, bonds offer lower returns and are seen as less risky.

GOLD

Gold is one of the most precious metals in the world and is often viewed as a good diversifier for a long term investment portfolio. It can act as a hedge or protection against inflation and is a good store of value, especially during a recession. However, like most physical assets, there are storage costs incurred for holding gold. Investment returns from gold are in the form of capital appreciation.



EFFECTS OF THE MARKET CYCLE

The market cycle moves like a pendulum. It swings from extreme euphoria to extreme depression. In some environments, the economy is doing well (such as in a boom market) – investors feel confident and optimistic about the future.

This optimism (also known as bullish) is reflected in investors' choices of asset classes – investors start to have "animal spirits" and are willing to pay an irrationally high price for riskier asset classes such as stocks with higher investment returns. Greed rules, and everyone is willing to take on risk.

However, just like a pendulum, market sentiments do not remain bullish forever. Eventually, due to excess capacity built up during the good times, the economy will experience a slowdown or a recession as it tries to adjust back to equilibrium.



Investors then become extremely pessimistic (also known as bearish) about the future of the economy and flee to the safety of cash. Fear rules, and everyone generally becomes risk averse.

Rockstar portfolio managers understand the market's pendulum dynamic. They understand a stock's intrinsic value, enabling them to buy stocks at a bargain during recessions and sell stocks which are overpriced during boom markets.

They also know that, in certain environments, other asset classes (such as bonds) represent better value for the risk they will be taking. And they know that despite the storage costs involved, gold represents a great portfolio hedge and store of value during a weak economy.

ABOUT ROCKSTAR PM

THE STORY

Erwin Mask has just inherited a HUGE fortune from his late grandfather and wants to invest it. He is searching for the best portfolio manager, the "Rockstar PM," who can skillfully navigate the market cycle and grow his wealth. You are one of the final 2 to 5 managers being considered. You receive \$1,000 as seed money to demonstrate your superior skills and prove yourself as the Rockstar PM!

Rockstar Portfolio Manager is a card game based on asset management, where players can learn about selecting assets, constructing portfolios and maximizing investment returns.



Players in the game will take on the role of portfolio managers, and are given several Scenarios (to be explained later) to demonstrate that they are the Rockstar PM among their peers.

The objective of every player is to outperform all other players, and accumulate the highest Net Worth in their multi-asset portfolios by the end of the game.

CONSTRUCTING YOUR PORTFOLIO

Pro Tip!

As players need to perform some mental calculations throughout the game, a calculator will probably come in handy. Pen and paper may also be helpful for noting down certain developments in the game as well!



ASSET CLASSES

In reality, there is a wide range of financial assets available in the market, including Cash, Stocks, Bonds, Real Estate Investment Trusts (REITs), Gold, Oil etc. However, this game focuses only on Cash, Stocks, Bonds and Gold for portfolio construction.

Stock, Bond and Gold are referred to as the Asset Classes and can be bought or sold in Units, with each coloured cube representing one Unit.

- Stock: Red Cubes
- Bond: Blue Cubes
- Gold: Yellow Cubes



CASH

Cash is the most basic financial asset, but in this game, unlike the other assets, it does not generate investment returns. Instead, Cash allows players to buy or sell the other Asset Classes.

In this game, Cash is not referred to as an Asset Class.

ASSET CLASS REFERENCE CARD

Also included in the box are Asset Class Reference cards, which should help players reference the expected Payoff and Price of different Scenarios (refer to page 7) in the game. Players should use the cards to help them make informed portfolio construction decisions.



ASSET CLASS REFERENCE CARD			
Scenario	Asset Class	Payoff	Price
BOOM	STOCK	40	160
	BOND	10	110
	GOLD	0	90
RECOVERY	STOCK	30	130
	BOND	10	100
	GOLD	-10	90
STABLE	STOCK	10	110
	BOND	10	100
	GOLD	-10	90
SLOW DOWN	STOCK	-10	90
	BOND	10	100
	GOLD	0	100
RECESSION	STOCK	-30	70
	BOND	-10	90
	GOLD	40	160

YOUR PORTFOLIO CONSISTS OF:

- Asset Classes (Stocks/Bonds/Gold)
- Cash
- Action Cards (refer to pages 7-8)

TYPES OF CARDS

There are 2 types of cards in Rockstar PM, namely Scenarios (cards with a red back) and Actions (cards with a black back).

SCENARIO CARDS

A Scenario corresponds to a particular stage in a economic cycle. In Rockstar PM, there are 5 different Scenarios: Boom, Recovery, Stable, Slowdown and Recession. Each Scenario card indicates the Payoff and Price of every Asset Class during that Scenario.



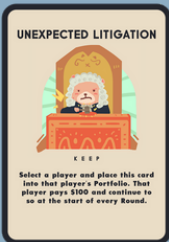
- Payoff is the Cash reward given to players for holding each Unit of Asset Class in their Portfolios.
- Price dictates the exchange rate at which Cash can be converted to the Asset Classes (and vice versa).

ACTION CARDS

Actions are the main tools in Rockstar PM for players to advance their Net Worth. They make a one-time impact on the game state and are played during a player's Action Phase (more on this in the "Playing Rockstar PM" section).

Some Actions come with special effects: they are either "Keep" or "Instant".



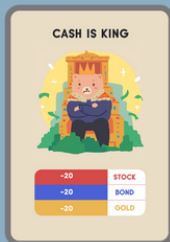
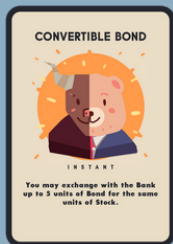


Keep Cards

Unlike normal Actions, cards with the "Keep" effect are placed into the player's (or other players') Portfolio instead of the Discard Pile after they are played. In essence, "Keep" allows players to retain the card (and enjoy its effects) until the end of the game, unless removed by Action cards like "Focus" or "Nothing Lasts".

Instant Cards

Unlike normal Actions which can only be played during a player's Action Phase, Actions with the "Instant" effect may be played at any point of time during the game. Immediately after playing an "Instant" card, the player should replenish their hand by drawing a card from the Action Deck.



Modifiers

Modifiers are a special type of Action that can only be played during the Call for Modifiers (more on this in the next section). They are differentiated from normal Action cards by their grey (instead of black) borders. Modifiers directly change the Payoff and Price of one or more Asset Classes.

PLAYING ROCKSTAR PM

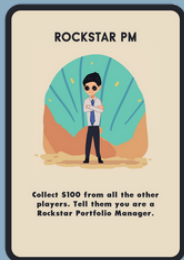
SETTING UP

1. Scenario Deck

- Shuffle the 20 Scenario cards.
- To calculate the number of Scenario cards required for the game, subtract the player count from 10.
 - For instance, if there are 4 players, the required Scenario cards would be 10 minus 4, yielding 6.
- Randomly select the necessary number of Scenario cards from the 20. These will create the Scenario Deck, while the remaining Scenario cards are placed aside and out of play for the rest of the game.

2. Choosing the First Player

- Select a number of Action cards equivalent to the number of players, including one "Rockstar PM" card.
- Keep these cards faced down, and have each player draw one card.
- The player who draws the "Rockstar PM" card becomes the First Player, and takes the First Player Token.
- Subsequent turns proceed clockwise from the First Player.



3. Initial Research

- **Shuffle the Scenario Deck.**
- **The First Player randomly selects 3 cards from the Scenario Deck and looks at them. Then, return the 3 cards back to the Scenario Deck and shuffle it.**
- **Repeat this for all other players, going clockwise from the First Player.**
- **Once all players have done their Initial Research, shuffle the Scenario Deck and place it faced down.**

4. Constructing Your Final Portfolio

- **Each player receives \$1,000 in Cash from the Bank.**
- **Starting from the First Player and going clockwise, each player may then buy varying Units of each Asset Class to form their Initial Portfolio.**
- **At this point, all Asset Classes are priced at \$100 per Unit. No Brokerage Fees are incurred.**



5. Initial Hand & Action Deck

Each player is dealt 5 Action cards as their Initial Hand. The remaining Action cards will form the Action Deck.

STARTING THE ROUND

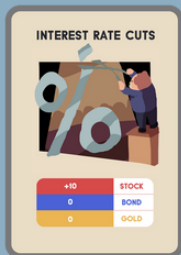
A game of Rockstar PM progresses by Rounds, and each Round is played based on one Scenario. In each Round, every player will have their Turn, when they can collect their Payoff, play Action cards, and buy and/or sell Assets.

1. Revealing the Scenario

The First Player reveals the topmost Scenario from the Scenario Deck. This Scenario will be the Current Scenario for this Round.

2. Call for Modifiers

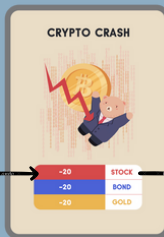
- The First Player uncovers the top Scenario card, which becomes the Current Scenario for this Round.
- Players who wish to play a Modifier may do so while laying it face down. Each player may play multiple Modifiers.
- For every Modifier played, the player draws a card from the Action deck, maintaining a hand of 5 cards.
- When all Modifiers are played, they are simultaneously revealed and attached to the Current Scenario.
- Next, compute the Modified Payoff and Price for each Asset Class by adding all the Modifier values to the Current Scenario's.



Modifier Examples

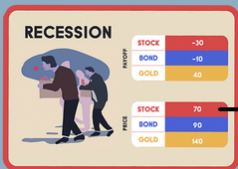
For instance, if "Crypto Crash" and "Interest Rate Cuts" are played in a "Recession", the Modified Payoff of Stocks would be:

$$(-30) + (-20) + (+10) \\ = -40$$



Likewise, the same calculation is applied to the Price. The Modified Price of Stocks would be:

$$(70) + (-20) + (+10) \\ = 60$$



3. Individual Turns

- After Step 2: Call for Modifiers is completed, the **First Player will start their Turn.**
- Each player's Turn comprises of 3 phases (in this **specific sequence**): the Payoff Phase, Action Phase, and Transaction Phase.
 - **Payoff Phase:** Player receives Payoff for all Asset Class Units in their Portfolio, determined by the Modified Payoff.
 - **Action Phase:** Player **draws 2 cards** from the Action Deck and **plays 2 cards** from their hand. **After a card is played, it should be placed into the Discard Pile.** If desired, cards can be discarded without use. At the end of the Action Phase, **player should have a hand size of 5.**
 - **Transaction Phase:** Players may buy and/or sell Units based on the Modified Prices. A **Brokerage Fee of \$10** applies per transaction, per Asset Class.
 - For instance, if a player buys 3 Units of Stocks, 2 Units of Bonds, and sells 4 Units of Gold, they have executed 3 transactions, incurring \$30 in Brokerage Fees.
- Players can sell Units without any Cash on hand. In such a case, the Brokerage Fee will be **deducted from the Cash proceeds** of the sale.



4. Starting the Next Round

- After all players have completed their individual Turns, the current Round ends, and the Current Scenario is discarded.
- The current First Player will then pass the First Player Token to the player on their left, who becomes the next First Player. A new Round begins, starting with the reveal of the next Scenario.

ENDING THE GAME

- The game ends when all Rounds have been completed with no cards remaining in the Scenario Deck.
- All players then calculate their Net Worth by adding up the cash value of their Assets, based on the Modified Price of the final Scenario, and their Cash.
- The player with the highest Net Worth is the Rockstar PM and winner of the game!



SPECIAL MECHANICS

ANTITRUST LAW

- There is a limit of 40 Units per Asset Class.
- If the Bank has no more Units of a particular Asset Class, the Antitrust Law kicks in immediately.
- Starting from the First Player of that Round and subsequently going clockwise, each player with Units of that Asset Class will have to make a mandatory sale of 1 unit of that Asset Class back to the Bank at \$50 per unit, one Unit at a time (without incurring any Brokerage Fee), until the Bank has 10 Units.



FORCED SALE

At any point of time, if a player lacks sufficient Cash to pay the Bank or other players, they must sell Units of Asset Classes at the current Modified Price to raise the required Cash. The player is restricted to selling only the number of Units needed for the Cash. This sales transaction is known as a Forced Sale.



BANKRUPTCY

In the event that a player has to make payments to the Bank or another player but lacks the necessary Cash to do so even after multiple Forced Sale transactions, that player will be declared Bankrupt and eliminated from the game.

FLOOR PRICE

While it is possible to alter the Price of the Asset Classes with Modifiers, the Price of a Unit of any Asset Class cannot fall below the Floor Price of \$30 under any circumstances.

APPENDIX A: FAQ

When an Action (i.e. Convertible Bond, Feint) states that I may "exchange" a specified number of units of an Asset Class for another, do I have to pay Brokerage Fees to do so?

No, Brokerage Fees are not required in an "exchange".

What happens when the Action Deck runs out of cards?

Shuffle all the Actions in the discard pile back into the Action Deck.



Whenever an Action states that a player "pays", "loses" or "receives" Cash or units of Asset Classes, does this mean that it is transacted with the Bank?

Yes, transaction is always with the Bank unless the Action specifically states otherwise.



APPENDIX B: GLOSSARY

This appendix provides the actual meaning of certain technical terms used in the game.

ANTITRUST LAW

Antitrust laws are regulations that monitor the distribution of economic power in business, making sure that market competition is healthy and economies have room to grow. Antitrust laws prohibit a number of business practices that restrain trade – they include price-fixing conspiracies and predatory acts designed to gain or hold on to monopoly power.

CONVERTIBLE BOND

A convertible bond is a hybrid security that yields interest payments (like fixed-income corporate debt security), but can be converted into a predetermined number of common stocks at certain points of time during the bond's life.

DIVERSIFICATION

Diversification is a risk management strategy that mixes a wide variety of asset types within a portfolio in an attempt to mitigate risk exposure to any single asset.



FLIGHT TO SAFETY

Flight to safety is a financial market phenomenon that occurs when investors sell what they perceive to be higher-risk investments and purchase safer investments, out of fear in the marketplace.

FORWARD CONTRACT

A forward contract is a customized contract between two parties to buy or sell an asset at a specified price on a future date. It is an example of a hedging (more on this below) tool.

FRONT RUNNING

Front-running is an illegal trading practice in which a broker, with advance knowledge of a larger client order, buys ahead of it and profits from the increase in price of the security due to the size of the large order.

HEDGING

Hedging is an investment strategy akin to taking out an insurance policy. Through the use of financial instruments, like derivatives (forward contract is an example of a derivative), investors are able to manage their risk of adverse price movements in an asset. There are risk-reward trade offs in hedging - while it reduces potential risk, it also chips away at potential gains.

INSIDER TRADING

Insider trading is the buying or selling of a publicly traded company's stock by someone who has access to private and material information about that stock. Insider trading is illegal when the material information has not been disclosed to the public.

MARGIN CALL

A margin call occurs when the value of an investor's margin account (that is, one that contains securities bought with borrowed money) falls below a required amount and requires the investor to deposit additional money to bring the account up to the minimum value.

SCRIP DIVIDEND

Scrip dividend, or stock dividend, is a payment to shareholders that is made in additional stocks instead of cash.



QUANTITATIVE EASING

Quantitative easing is a form of monetary policy used to boost the economy, in which a central bank purchases long term securities from the open market in order to increase money supply and encourage lending and investment.

SHORTSELLING

Short selling is a trading strategy that speculates on the decline in a stock or security price. In short selling, an investor first borrows shares of a stock or security that the investor believes will decrease in value by a set future date. The investor then sells these borrowed shares to buyers willing to pay the market price. Before the borrowed shares must be returned, the investor is betting that the price will continue to decline and they can be repurchased at a lower price (for return to the lender), thus pocketing the difference.

TRADE WAR

A trade war happens when one country retaliates against another by placing restrictions, such as higher import tariffs, on the opposing country's imports. They are often the side effects of protectionism, which are actions and policies used by governments to restrict international trade and shield domestic businesses from foreign competition.



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We would also like to thank the following people for their contributions, in one way or another, towards this game:

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DISCLAIMER:

Most investments are highly speculative in nature and may involve substantial risk of loss of capital. We encourage players to invest carefully and seek personal advice from their professional investment advisor before acting on any information from the game.

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