



ROTMAN COMMERCE | FINTECH  
ASSOCIATION

# Sandbox Fundamentals





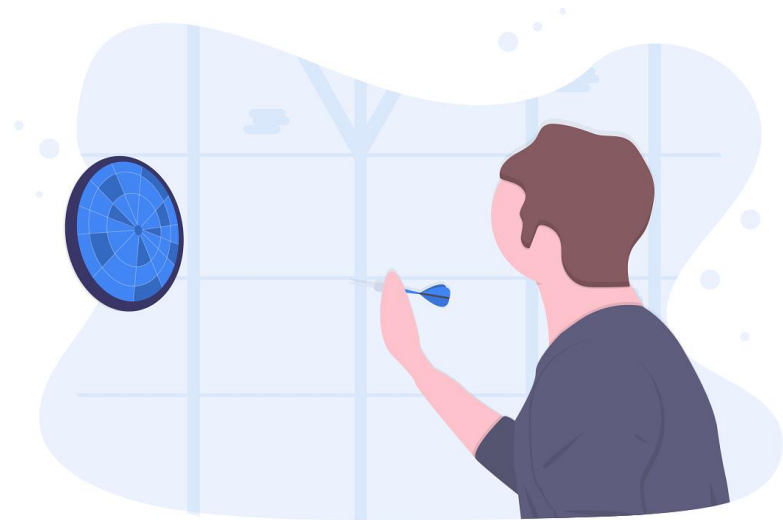
Our Mission and Founding Principles

# Our Team



# Our Mission

At RCFTA, we're on a mission to **educate** students about the vast array of financial technologies available, and how to **implement** these technologies to solve various financial problems







Part I: Trading Mechanics

# Sandbox Features



# Sandbox

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## A Modern Web-Based Financial Research Toolbox



### Premium Financial Data

Students gain access to fully exportable, premium financial data including analyst recommendations, price targets, and as-reported statement data.



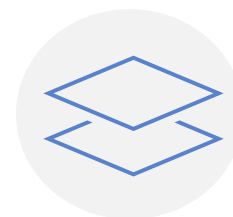
### Zero Delay Trading Terminal

Unlike other portfolio management software, the Sandbox leverages real-time market data and order routing.



### Real-Time Corporate News and Filings

Students have instant access to premium news aggregated from 5+ providers, quick access to Bloomberg TV livestreams as well as corporate filings from the Securities and Exchanges Commission.



### Accessible & Intuitive User Interface

The Sandbox was designed with students in mind. The interface is sleek and easy-to-use, and strategically limits the amount of data presented to the user to avoid overload.



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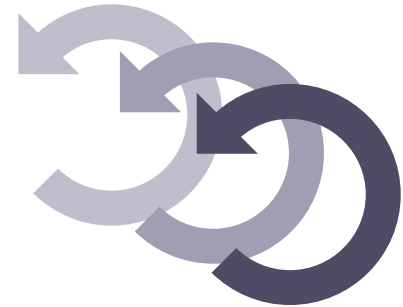
## Technical Requirements

- Works on most versions of Windows & Mac OS
- Not recommended for use on mobile devices (yet)
- Browser Recommendation: **Chrome**



## Refresh, Refresh, Refresh!

- When data elements don't load correctly.
- After submitting a trade.
- To view updated prices and other data points.





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These data, figures, and other sources of information on the Sandbox platform are approximate and provided for informational purposes only. The Rotman Commerce FinTech Association does not make any guarantees, representations or warranties as to, and shall have no liability for, the timeliness, truthfulness, sequence, quality, completeness, accuracy, validity or freedom from interruption of any information or data on the Sandbox Website. The content on the Sandbox Website is not to be construed as a recommendation or offer to buy or sell or the solicitation of an offer to buy or sell any security, financial product or instrument; or to participate in any particular trading strategy.

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## Trading Terminal

**Dashboard | Transaction History | Charting**

Submit trades, view your watchlist, view market news & filings, review your transaction history/open orders, and to display security + Portfolio charting.

## Security Analysis

**Company Data | Statement Wizard | Filings**

Quickly export filing and financial statement information, view company statistics, & review analyst recommendations/price targets for the equity in-focus. User restrictions are in place for this feature.

## Knowledge Base

**The Uptick | API Keys | Documentation**

Where you come to learn. View upcoming Rotman events & webcasts, access recent economic research and finance books published by various economic bureaus, universities & central banks, and read brand-new Uptick articles.

## Important Platform Details:

- The site needs to be periodically refreshed – both to reflect ongoing updates that we may make to the system and occasionally to resolve any display errors (i.e if elements on the site are blank). Simply press the refresh button periodically (i.e every half hour, after every trade) for best results.
- We recommend using Chrome, wherever possible, for best results when trading. The Sandbox is compatible across most major browsers (i.e Safari, Firefox, Edge, etc.).
- If you are frequently encountering errors inputting ticker symbols (i.e ticker is not valid) on the trade order form or when requesting company data, please ensure that the ticker symbol is supported before contacting our team. Check our eligible ticker list at [sandbox.rcfta.ca/#tickers](https://sandbox.rcfta.ca/#tickers).
- Please refer to our terms of use ([/#terms](#)) to view acceptable use of platform data.





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## Dashboard

([rcsandbox.web.app](https://rcsandbox.web.app))

- Performance Metrics
- My Portfolio
- Trade Order Submission Form
- Watchlist
- Launchpad
- News & Filings

## Important Simulation Details:

- **DIVIDENDS:** Does not simulate dividend payments
- **VOLUME:** No liquidity restrictions on conditional orders (limit, stop, stop limited) – orders will fill at limit (stop) prices regardless of liquidity.
- **FILL ASSUMPTIONS:** Conditional orders are only filled when they become marketable (ex. limit price is equal to or greater than best ask price).
- **DATA:** Market data is updated in real-time and serves as the basis for determining fill prices (@NBBO). Our price information is as accurate as you will find on the World Wide Web. There are no opportunities for front-running orders.
- **ORDERS:** Orders are submitted in real-time – you will receive an on-screen confirmation when the order is correctly submitted. Refresh your page to see the new position reflected in your portfolio.



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## Indicators & Metrics

- **Cash** → Represents the cash holdings (initial assets) in your account. By default, when your account is created, your cash (assets) is equal to your equity ( $A - L$ ).
- **Equity** → By definition, equity represents the difference between your portfolio's assets and liabilities. If you only have cash holdings, you will observe the accounting identity described above.
- **Buying Power** → Buying Power represents how much additional capital you have available to make trades. You are permitted to hold margin [levered] positions (max - 3:1)
- **Cumulative PnL** → Cumulative profit and loss (PnL) represent the difference between your current equity value less your initial equity value (\$1M).



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## Trade Form: Order Types

**Order Type** → Either market, limit, stop, stop limit.

- I. **Market** → A market order is a request to buy or sell a security at the currently available market price. It provides the most likely method of filling an order. Market orders fill nearly instantaneously.
- II. **Limit** → A limit order is an order to buy or sell at a specified price or better.
- III. **Stop** → A stop (market) order is an order to buy or sell a security when its price moves past a particular point, ensuring a higher probability of achieving a predetermined entry or exit price. Once the market price crosses the specified stop price, the stop order becomes a market order.
- IV. **Stop Limit** → Once the stop price is reached, the stop-limit order becomes a limit order to buy or sell at the limit price or better.

For more information regarding Conditional Orders, click [here](#).



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## Trade Form: Time In Force Parameter

**Time in Force** → This parameter dictates how long your order is valid for. Can take any of the following forms.

1. **day** → A day order is eligible for execution only on the day it is live. By default, the order is only valid during Regular Trading Hours (9:30am - 4:00pm ET). If unfilled after the closing auction, it is automatically canceled. If submitted after the close, it is queued and submitted the following trading day.
2. **gtc** → The order is good until canceled.
3. **ioc** → An Immediate Or Cancel (IOC) order requires all or part of the order to be executed immediately. Any unfilled portion of the order is canceled.
4. **fok** → A Fill or Kill (FOK) order is only executed if the entire order quantity can be filled, otherwise the order is canceled.



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## My Portfolio: Selected Fields

**Quantity** → The quantity of shares that you have purchased or short sold.

**VWAP** → Volume Weighted Average Price. An accurate indicator of position entry price if multiple order positions were submitted for the same equity over time, or partial fills at different prices occurred for non-market orders. Volume denotes the quantity purchased/short sold at each entry price.

**Current Price** → The current price of the equity. Updated in real-time. Refresh the page to see updated prices.

**Market Value** → Equal to Current Price multiplied by Quantity. This is a rough estimate of the potential liquidation value at a point in time.

**Total Profit** → The holding period return.





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## Launchpad

*Selected Notes on the Filings Module*

**Type** → The type of corporate filing that you are searching for. Options are as follows:

- 10-K** → Annual report providing a financial summary of the company's operations, financing and investing activities. Released once each fiscal year.
- 10-Q** → Similar type of disclosure compared to the 10-K but released on a quarterly basis and includes financial summary of company's activities during that quarter. Released four times each fiscal year.
- 8-K** → A letter to shareholders. Issued on an irregular basis to provide investors with an update on a corporate event. An 8-K filing will typically accompany a 10-K filing.



Part II: Equity Research

# Sandbox Features



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## Security Analysis

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## Financial Statement Data

*Comprehensive Versus Efficient Data Exports*

### Method 1: Statement Wizard – *Efficient*

- Structured data, as-reported. Some sub-accounts are grouped together.
- Useful for quick margin, ratio, and multiple calculations.
- Not effective for a comprehensive valuation effort.
- Limited to 75 statements over 4 weeks.\*

### Method 2: Filings Module – *Comprehensive*

- As-reported data. Primary source of financial information.
- Slightly more tedious process to access, locate and download data.
- Highly effective for a comprehensive valuation effort.
- No limitations on filings module usage.



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## Knowledge Base

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## Student Resources

*Accessing UofT & Rotman Lab Resources*

### Finance Books + Economic Research

- Recent economic research from NBER and the Bank of Canada is accessible without any credentials
- To access the Finance Books, you'll need to have access to the UofT library (UTORID, password).
- If you don't have access, and you'd like access to a particular resource, let your mentor know and they can retrieve it for you!

### BMO Finance Lab Software

- Access to FactSet and CapitalIQ is provided by Rotman Commerce. Further instructions on these tools to come.
- All UofT students with valid mail.utoronto.ca email address can sign-up for the Bloomberg Market Concepts course.

# Why Sharpe?

### Interpretation:

"The higher a fund's Sharpe ratio, the better a fund's returns have been relative to the risk it has taken on." (Morningstar, Inc.)

- Why? To encourage responsible trading, discourage speculation/gambling.
- Whereas HPR does not directly take risk into account, portfolio volatility is explicitly considered when calculating the Sharpe Ratio.
- Effective risk management rules and a steady stream of daily returns will maximize your Sharpe Ratio.
- Beware of the amplifying effects of leverage in your Portfolio!

$$\text{Holding Period Return} = \frac{P_2 - P_1}{P_1}$$

$P_2$  = Current Equity

$P_1$  = Initial Equity

$$\text{Sharpe Ratio} = \frac{R_P - R_F}{\sigma_P}$$

$R_P$  = Returns Since Inception

$R_F$  = Risk Free Rate = 2%

$\sigma_P$  = 10 Day Portfolio STDEV



# The RC Open 2020 - Performance Evaluation

# Standings

Rank	Name	Portfolio Equity	Sharpe
3	marketProxy	1000000	0

## Key Insights:

- Sharpe Ratio is calculated for the first time after 10 full trading days and is recalculated on a rolling basis every day thereafter.
- Final standings are calculated based on an equal weight average of rank score in Portfolio Equity and Sharpe Ratio.

You can benchmark your portfolio's performance against the market by comparing it to our market proxy account which holds over 3000 shares of SPY, an index fund.

# Ways To Contact Us

1

## Chat With Us

Chat functionality is built into both [rcsandbox.ca](https://rcsandbox.ca) and [rcsandbox.web.app](https://rcsandbox.web.app)! If we don't respond back to you in real-time, we'll reach out to you by email.



2

## Email Us

Main: [admin@rcfta.ca](mailto:admin@rcfta.ca)  
Sandbox: [rcfta.sandbox@gmail.com](mailto:rcfta.sandbox@gmail.com)



3

## Report A Bug

If you encounter any issues with the Sandbox platform, please report them at [rcsandbox.ca/#reportbugs](https://rcsandbox.ca/#reportbugs). Alternatively, let your assigned mentors know about the issue!



4

## Connect With Us

IG: [@rcfintech](https://www.instagram.com/rcfintech)  
Facebook: [@rcfintechassociation](https://www.facebook.com/rcfintechassociation)  
Website: [www.rcfta.ca](https://www.rcfta.ca)

