You will be endowed with some cash and a certain number of two risky securities, Stocks A and B, and one risk free security, Notes. You will be able to trade these for about 15 minutes. Shortsales will be allowed *in all securities*.

After markets close, the securities pay a liquidating dividend, depending on the drawing of one of three possible states X, Y or Z. These states are equally likely to occur. Liquidating dividends depend on the states as follows:

If State Is...	**X**	**Y**	**Z**
Stock A Pays	10	0	5
Stock B Pays	0	5	10
Note Pays	5	5	5

Your performance for this trading session will be based on the final composition of your portfolio. Specifically, we will evaluate how high the expected payoff is, while penalizing risk (payoff variance), as follows:

Performance = Expected Payoff – b * Payoff Variance,

Where b (penalty for risk) = 0.015.

We will replicate this TWICE. The corresponding “marketplaces” will be called Brissy-Div-1 and Brissy-Div-2. Performance for the entire trading session will be computed as the average performance across the two replications