



Maryland State InvestWrite Winner - Middle School

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Describe your Stock Market Game portfolio. Discuss how you could diversify your portfolio for success in 10 years. Explain what stocks, bonds, and/or mutual funds you would add or remove and why.

Before I started middle school, I already had some knowledge about investing and the stock market. So, I decided to participate in the Stock Market Game Club, expecting to learn more advanced systems of investing. At this point we have been taught the basics of investing. Using the limited knowledge, we have on the stock market, my partner and I strategized on how we could build up our portfolio.

Our main goal was to create a “balanced portfolio” and not take too many risks. We started to build up our portfolio by inquiring about two stocks. We ended up having four stocks in total. The names of the stocks are the following: Apple, Yum, Walmart and McDonalds. Our positions were not too risky, so we did not face any substantial loss. However, we had to sell Apple stock because their stock was tanking. We replaced Apple stock with Robotics stock. During the game we learned how to search for other industry stocks. For example, raw material stocks or car stocks which are quite popular among investors.

After two weeks we added one mutual fund and one bond to our portfolio. We immediately brainstormed our situation and decided to add another mutual fund. It gave us a chance to have a balanced portfolio. After three weeks we were ranked 73 out of 296, which we think was a good performance. We continued to research stocks, bonds, and mutual funds constantly.

The difference between the short and the long-term investment resides in the length of the investment. The short-term investments are investments made for less than five years, and long-term investments are for five years and beyond. Both types of investments have some advantages and disadvantages. For short-term investing you can make quick profits, reach small goals, and adapt to the market conditions. But you can face high volatility and inflation and more risk of lower percent of return.

For long-term investing you can make a lot of money from compound growth, reduce volatility, and have time to recover your money from any losses. But you can only withdraw profits until maturity. Since volatility is very important when it comes to investments, I recommend a long-term investing strategy for young people. It also offers what is called compound growth that

grows your money by a lot each year, allowing a big percentage of returns. Investing in the long term will make you successful if you manage it well and start young.

But before you even think about long-term investing you should think of reliable tools and resources you will be using to invest. For instance, you can use Fidelity to create a portfolio, Google or even the news to choose your stocks wisely. There are more sources available out there to use.

The meaning of a balanced portfolio is to have diversifying investments. Therefore, you need to have stocks, bonds, and mutual funds in your portfolio. A good investor needs to have multitasking skills because there are many things to take into consideration before buying or selling a position.

One of our short-term goals at the time was to achieve \$10,000 in profit from stocks, bonds, and mutual funds. To achieve that I thought of a plan to have 40% mutual funds, 40% bonds and 20% stocks. I put stock at 20% because of its volatility. Another part of the plan was to invest wisely. Meaning to invest in something popular this year like AI and Robotics. This plan could lead us to \$10,000 if we can be smart about it.

Some events affected the economic state at the time. For example, the big snowstorm that came. I predicted that people would rush to stores and buy supplies, so I invested in grocery stores at the time. This boosted our percentage of returns to 1.21 instead of 0.9. This was one of the times an event affected the economy of the state. I was getting more knowledge as I was learning more tips in investing.

The plan for 40% mutual funds, 40% bonds and 20% stock can make us successful. First, it reduces volatility, second it allows small investments to grow over time and third, it is good to invest smartly and carefully. I believe this can make us successful in the game and when investing on our own.

I've learned a lot from the Stock Market Game. The game helped me to understand how to invest wisely. Doing a lot of research on the stocks to buy in this game can prepare you for real life investing when you're ready.

Some great investors in the past pushed their limits to become successful. Benjamin Graham is an example of a successful man also named the "father of value investing" having low debt, high profit margins, etc. Another successful person is John Templeton who focuses on global investing. This proves you can become successful if you push hard and think smartly.

In the end I am grateful to learn the basics of investing I needed at this age, and I hope to study harder to be better and successful. This opened a path for me to follow. I enjoyed the Stock Market Game, and I learned so much. I was glad to learn from my teacher and work with my partner. In 10 years, I will become an amazing investor.