



FOUNDATION

Press Release

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Twelfth Grader Graham Mills Places 1st in North Carolina in the SIFMA Foundation's Fall 2023 National InvestWrite® Competition

Savvy Young Investor Creates a Diversified Portfolio to Reach Long-Term Goals

New York, NY, April 24, 2024 – Echoing the immortal words of Nelson Mandela, “It always seems impossible until it’s done,” Graham Mills is making remarkable strides towards achieving his goals through the development of a comprehensive long-term investment portfolio. Currently enrolled in 12th grade at Weddington High School in Mathews, NC, Graham is dedicated to crafting a diversified array of investments aimed at securing long-term financial success.

Graham commitment to his investment strategy bore fruit with a remarkable achievement in the SIFMA Foundation’s Fall 2023 InvestWrite competition. Graham emerged triumphant among thousands of student participants nationwide, crafting an outstanding essay on long-term investing and the dynamics of capital markets in the high school division. In recognition of his accomplishment, Graham and his esteemed teacher, Lisa Brienza, were honored by the SIFMA Foundation and North Carolina Council on Economic Education during the NCCEE’s Awards Ceremony held on April 24.

The SIFMA Foundation’s InvestWrite national essay competition serves as a vital bridge between classroom education in mathematics, social studies, and language arts, and the practical application of research and knowledge essential for saving, investing, and long-term financial planning. As a culminating activity for The Stock Market Game™, a curriculum-based financial education program challenging students to manage a hypothetical \$100,000 online portfolio of stocks, bonds, mutual funds, and cash, InvestWrite empowers students to apply their learning in real-world scenarios.

The efficacy of SIFMA Foundation’s programs in enhancing participants’ test scores in math and economics, fostering financial planning skills, promoting teamwork and interpersonal social-emotional learning, and better preparing students for future academic and professional endeavors, has been well-documented. With a steadfast commitment to closing the opportunity gaps in our society, the SIFMA Foundation is dedicated to equipping young people from all backgrounds, with a particular focus on underserved youth, with a robust understanding of financial markets.

“It brings me immense joy to extend my heartfelt congratulations to Graham, his dedicated teacher, and the entire school community for their remarkable achievement in the essay writing

competition,” said Melanie Mortimer, President of the SIFMA Foundation. “Through his insightful exploration of diversification and steadfast commitment to long-term goals, Graham has not only demonstrated adeptness in navigating market dynamics, but has also illuminated pathways to enduring financial prosperity. This victory underscores the profound impact of financial education, transcending individual accomplishments to foster meaningful community empowerment.”

The Stock Market Game and InvestWrite are offered in North Carolina through the North Carolina Council on Economic Education and the programs are sponsored by Coastal Credit Union. “We honor and congratulate our InvestWrite winning student and teacher,” said Sandy Wheat, Executive Director of the North Carolina Council on Economic Education, “Helping North Carolina students better understand our economy, our markets, the role of investors, and how to make good investments will pay dividends for the students, their education, and the North Carolina economy.”

The Fall 2023 InvestWrite competition posed the following challenge to 4th-12th graders: ‘Which of your Stock Market Game investments performed well or poorly, and why? Utilizing at least one of their Stock Market Game investments, participants were tasked with constructing a diversified portfolio of stocks, bonds, and mutual funds aimed at achieving a personal, family, or community goal by 2033.’

Graham captivated a panel of expert judges from the financial services industry with a compelling and insightful essay.

Winning Essay

The Stock Market Game and Balanced Investing

The Stock Market Game was an opportunity to simulate my potential performance in a real-world investing scenario. To achieve my goals with the game, I would meet up with three other individuals and discuss current market status and how we could adjust our shared portfolio accordingly. We looked heavily into real estate and made stock picks based on this prediction. Additionally, with another group, I made a presentation on another stock, Cisco. Cisco is heavily into networking equipment, so we made our presentation on this aspect of the stock. We had a financial advisor come in and help evaluate this presentation and our analysis. His input and teachings guided our group’s approach throughout the Stock Market Game.

We divided our \$100,000 into five different stocks. Our primary motivation behind buying these five stocks in particular was that they were the stocks we were most convinced of in terms of upside potential during the presentations teams had made prior to the beginning of the Stock Market Game. Our first transaction was 850 shares of Intel Corp at \$35.26 a share on October 20. After that, on October 23 we bought 245 shares of AirBnB, 140 shares of CVS, 230 shares of Duke Energy, and 220 shares of Uber, respectively at \$129.99 a share, \$69.19 a share, \$86.99 a share, and \$43.49 a share. All of these stocks we believed were in sectors with promising outlooks in a market that appeared more and more bullish around the beginning of our game.

Our first stock pick, Intel, did great and increased 22.17% despite the overall revenue decline in the semiconductor industry in the past year. Our safer investments like Duke and CVS experienced moderate gains, just as we predicted, with both at an 8.5% increase respectively. Our Uber and AirBNB investments have carried the portfolio, being up 15.32% and 41.86% respectively. AirBNB’s electric performance can be attributed to a rebound in the broader real estate market and easing of policy around the company’s services in select states. Our growth over the time of the game can largely be anticipated by the November bull run the market went through, where most stocks saw an increase. Additionally, having the perspective of a real financial analyst’s teachings helped us to manage risk during the game. With the S&P 500 now

sitting at \$4604.37 and having increased 7.7% during the time of our game, our returns of 18% have crushed market performance.

A major personal financial goal of mine for the next 10 years is to achieve a stable monthly income purely through dividends and other income generated through my investments. The primary difficulty in achieving this goal is having enough initial capital to generate a sufficient return to live off. Generally, financial experts support a 50/30/20 rule (50% towards necessities, 30% towards wants, and 20% on savings) to divide your income into. To achieve my lofty goal with certainty, not only will I need to master the market, but I will also need to allocate lots of the “wants” cash I will have towards investing. As the yearly rate of inflation is targeted at 2%, I need to ensure that my combination of safety from dividends and risk from growth stocks will contribute to outpacing this rate.

The investments I would make in a \$10000 account would be a variety of diversification between safety and growth. My growth would focus more on stocks, particularly those in promising sectors like Tech, focusing on big names like Apple who have shown consistent growth in the past and are only likely to grow more gargantuan in the coming years. Other stocks, like dividend stocks, would be used to provide safety, as well as bonds, to try and guarantee a rate of increase in my account that outpaces the rate of inflation.

My long-term portfolio is diversified because it combines the two essential factors to any portfolio: safety and risk. My portfolio uses safety and dividend stocks, such as Duke Energy with a 4.45% annual dividend, that offer guaranteed returns to ensure my portfolio will typically be moving in the right direction, as well as protect me against any drastic events in the market. Furthermore, by investing in more than just stocks alone, I ensure I’m not overexposed to one asset class. My growth stocks, however, will help me achieve my goals and contribute to a greater return than my other investments will.

I believe this portfolio will help me achieve my financial goal of living off dividends and stock growth because managing it will help me develop the skills necessary to create consistent enough income from investment to rely on it as my primary source of income. During the next 10 years of management, I can develop a strategy that psychologically works for me and comfortability allows me to manage risk. Additionally, this portfolio will help me generate returns that I can use to contribute towards the initial capital I will need to generate the income I need to live off of.

To conclude, the Stock Market Game featured me as a group of fellow stock-pickers attempting to manage a \$100,000 account to generate market returns. Our approach was successful, as we were able to capitalize off the general market run-up that occurred during the month of November. Additionally, our approach was sufficient due to our informed strategy developed through the guidance of a real financial advisor. By following his teachings and using appropriate risk management, we were able to beat the market. Furthermore, I will use this knowledge to properly manage my portfolio in the future, allowing me to achieve my future financial goals.

About the SIFMA Foundation

The SIFMA Foundation is committed to closing the opportunity gap by fostering greater knowledge of the financial markets for young people of all backgrounds. Drawing on the support and expertise of educators and the financial industry, the Foundation provides financial education to strengthen economic opportunity across communities and increase awareness of the benefits of the global marketplace. Since 1977, the Foundation’s flagship program, The Stock Market Game™, has guided more than 22 million students on their path to financial independence by attaining stronger life skills, improving academic achievement, and boosting their social-emotional learning. For more information on the SIFMA Foundation, visit www.sifma.org/foundation.

About InvestWrite®

InvestWrite® is a culminating activity for Stock Market Game students extending their classroom learning with a written challenge to address real-world financial issues and situations. Students must analyze, think critically and problem solve about a long-term saving and investing scenario. More than 275,000 student essays have been evaluated by their teachers and over 50,000 financial professionals have served as volunteer judges. Essays are judged by financial professionals who volunteer their time each year to ensure young people are exposed to the essentials of personal finance early in life. Judges evaluate students' understanding of long-term investing, diversification, the global capital markets, and factors that drive investments as well as their expression of investment ideas in essay form. Winners locally and nationally rise to the top to earn exciting awards including laptops, classroom pizza parties, trophies, plaques and banners, and certificates. For more information about InvestWrite®, visit www.investwrite.org.

About the North Carolina Council on Economic Education (NCCEE)

The North Carolina Council on Economic Education was founded in 1970. NCCEE is a 501 (c) (3) non-profit organization working with K-12 teachers statewide to give our students a better understanding of economics and to prepare them for personal financial decision-making. With support from private businesses and foundations, and through partnerships with state agencies, the NCCEE is a tremendous example of an effective public-private partnership. More information on is available at www.nccee.org.

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