



# FOUNDATION

Press Release

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## ***Seventh Grader Saahithi Kotha Places 7th Nationally 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,” Saahithi Kotha is making remarkable strides towards achieving her goals through the development of a comprehensive long-term investment portfolio. Currently enrolled in 7<sup>th</sup> grade at Triangle Math and Science Academy in Cary, North Carolina, Saahithi is dedicated to crafting a diversified array of investments aimed at securing long-term financial success.

Saahithi’s commitment to her investment strategy bore fruit with a remarkable achievement in the SIFMA Foundation’s Fall 2023 InvestWrite competition. Saahithi emerged triumphant among thousands of student participants nationwide, crafting an outstanding essay on long-term investing and the dynamics of capital markets in the middle school division. In recognition of her accomplishment, Saahithi and her esteemed teacher, Bert Daino, were honored by the SIFMA Foundation and the North Carolina Council on Economic Education during a special awards ceremony held on April 24<sup>th</sup>.

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 Saahithi, her 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 their insightful exploration of diversification and steadfast commitment to long-term goals, Saahithi 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.’

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

### **Winning Essay by Saahithi Kotha**

The Stock Market Game is a wonderful way to gain well-needed experience for the future. The class, teacher, and my soon-to-be classmates were all new to me. Still, I had an amazing time participating. I remember that at the start of every class, we would look through Yahoo Finance to see what was happening in terms of stocks. So, some of the things I feel affected our decisions and stocks in general were higher interest rates, every Monday we would watch the CNBC investing news and one of the most common things it talks about is FOMC meetings. The rising interest rates affected our decisions not about what to buy, but more so if we should buy, sell, or hold our current stocks. Another thing that was important to us was diversification, early on in class we learned the importance of diversification of portfolios so we did our best to implement that into our portfolio.

Our portfolio consisted of 66% stocks, 3.2% mutual funds, and 34% cash at the end of the game. We decided to focus most on stocks because they have higher risk and higher return than other forms of investing (Index funds, mutual funds, bonds, etc.) and in a competition like the Stock Market Game risk is an important factor. The stocks we invested in were Apple, Microsoft, Target, Tesla, Walmart, and Chevron, as you can see, we focused on the technology, retail, and car companies because we wanted to keep some sort of safety and those were the safest types of industries to invest in. Still, since I was new to the game, I had a narrow-minded way of thinking and didn't weigh how much news and current events can affect stocks. We were also excessively optimistic and preferred to hold stocks rather than sell them if we were losing a lot of profit, hoping it would go up.

In our portfolio, we never really spiked up or went down a lot, due to our indecisiveness in deciding what to buy, or to even buy at all we had a lot of money left. Another thing that affected our stocks was the dip of Tesla, a stock we had a LOT of money invested, Tesla lost A LOT of money because of the quarterly earnings being lower than expected, and after that, we realized how much weight outside numbers and current events impacted stocks like; Interest rates, Inflation, Job numbers, Gross domestic product etc. We researched more into that information and started to be more careful in our decisions. And at the end of it all we made a positive return of \$5,000; I think mostly because of how low risk we had.

As I said before, learning about the stock market can be very useful in the future. One of the goals I would like to reach by 2033 is some sort of financial independence because I would be around 22 and likely graduating college. So, one of the things I would strive for is financial stability and independence. I would probably have a lot of student debt and must start being self-sufficient. And having stocks as an extra source of income would be very helpful in reaching that goal.

So, if I were to make a portfolio to reach that goal, I would like to invest in more index funds and mutual funds, I can afford to have a much lower risk and higher diversification. I would invest around 40% of my money into US large-cap stock indexes, like S&P 500 or Fidelity 500 index funds because they are well diversified and have stable stocks. A specific stock I would like to invest in is Microsoft because, during the Stock Market Game, it was maintained as a stable stock and never was a cause of concern. I would also invest in international stocks (20%) this would help with geological risk because if inflation rates in the US bring down the whole stock market, I can have stocks in other countries that weren't affected. Then I would invest around 20% in US small-cap stocks because they have high chances for growth, and finally, I would invest 15% into bonds, a mix of government and corporate bonds because they provide a stable source of income. I would also keep around 5% cash in a high-yield savings account for emergencies and short-term needs.

This portfolio is well diversified because it has geographic diversification in case something impacts the stock market in the US. It has sector diversification, investing in many index funds helps invest in many different sectors. As well as investing in different asset classes, stocks capture growth potential in different parts of the equity market, and bonds provide stability and income.

In conclusion, the Stock Market Game was a wonderful way of gaining investing experience. I will keep in mind the lesson I learned during the game when it comes to reaching my long-term goals, whether that be financial independence or something else in the future. I learned from my experiences in the game and I think my newly constructed portfolio takes what I learned in the game and improves on it, fixes it, or scraps the misconceptions I previously had.

### **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](http://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<sup>®</sup>, visit [www.investwrite.org](http://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](http://www.nccee.org).

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