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Cromwell Valley Elementary School Student Out-writes the Nation, Wins SIFMA Foundation's InvestWrite® Competition

Student Wows Wall Street and Ranks Best in Nation, Fall 2010

Towson, MD, April 13, 2011 – It's official! Abhinav Khushalani, a student at Cromwell Valley Elementary School, Towson, Maryland, is the Fall 2010 national first place winner of the SIFMA Foundation's InvestWrite® student essay competition, sponsored by the SIFMA Foundation for Investor Education and SIFMA member firms.

As a culminating activity for the country's 600,000 annual Stock Market Game™ participants, Investwrite® challenges 4th-12th graders to analyze an investment scenario, think critically and provide a long-term financial plan. Students address real-world economic factors and trends, better preparing for their own financial futures. Abhinav Khushalani is one of 20,000 students each year across the nation who take the InvestWrite® challenge.

In his essay, Adhinav, who was asked to describe how choosing the items on your dinner plate is similar to choosing investments, noted "On your plate you should have foods from all five food groups. This way, if you have some unhealthy foods, some of your foods will be healthy. In this way, your portfolio should also be protected from heavy losses. You should invest in stocks from different industries."

The Fall 2010 winning essay written by Khushalani was chosen through rigorous judging by thousands of teachers and industry professionals evaluating students' analysis of asset

allocation, the investment potential of various publicly traded stocks, their overall understanding of the stock market, and the manner in which they express their investment ideas in essay form.

"Teachers tell us that InvestWrite is not only an exciting contest with great prizes, but also an effective tool for students like Jake to learn about personal finance and long-term saving," said Melanie Mortimer, Executive Director of the SIFMA Foundation. "What's more, InvestWrite also helps students perfect their research, writing, and analytical skills, while learning important life lessons that will make their futures brighter."

The SIFMA Foundation's InvestWrite competition bridges classroom learning in mathematics, social studies, language arts, business and economics, with the practical research and knowledge required for long-term personal financial planning. Students are, in fact, building on what they have learned through their participation in The Stock Market Game, which has reached 12 million students since its inception in 1977.

An independent study by Learning Point Associates found that students who participated in the Stock Market Game scored significantly higher on mathematics and financial literacy tests than their peers who did not participate. They also found that teachers who taught SMG reported the program motivated them to better plan for their future and to engage in financial planning, research, and use of investment products and services. The Stock Market Game has been named the only program that successfully increased scores on the Jumpstart Coalition's test of high school students' financial literacy.

Abhinav, his teacher Flo Falatko, and his principal will be presented with prizes and awards at Cromwell Valley Elementary School on Wednesday, April 13th at 10am.

TEXT OF ABHINAV KHUSHALANI ESSAY:

Balanced Portfolio? Balanced Meal?

Choosing items on your dinner plate is similar to choosing investments on your portfolio. One way in which they are similar is that you need to diversify them for them to be healthy. On your plate you should have foods from all five food groups. This way, if you have some unhealthy foods, some of your foods will be healthy. In this way, your portfolio should also be protected from heavy losses. You should invest in stocks from different industries. If one industry falls, your portfolio will be protected from completely falling. One investment proverb that sums this up is "Don't put all your eggs in one basket".

A good thing to do when you are choosing foods to eat is to check the nutrition label to see if a certain food is healthy. You should also research stocks, mutual funds (A mutual fund is a collection of stocks. It is good to buy mutual funds because they spread risk and you can diversify with them for much less.), and bonds (FYI, bonds are created when governments or companies don't want to let you own part of them. You basically loan money to them and they pay it back with interest. Some of them are much safer than stocks. They do not mimic the ever so turbulent stock market. If a company's stock goes down, the bond will still make the same amount of money.). Say you were thinking of investing in a supermarket because Christmas was about to come and you thought people were going to be buying foods and toys. Then you would start researching. Do more people really come during Christmas? What store gets the most customers? Do customers usually tend to overspend or underspend? These are all questions that you should research.

You probably know that it isn't very healthy to have just a plateful of French fries, or a plateful of candy. Actually, a plateful of peas isn't even the best choice. That is why, in the investment world, people buy index funds. Index funds are a good choice if you want a balanced portfolio. Index funds are similar to mutual funds. Index funds invest in all the stocks for a certain index. For example, an index fund for the S&P 500(index) would buy a few of all five hundred stocks. This way your fund can mimic the index. If the index goes up, your index fund goes up. If the index goes down, your index fund will go down. If the index stays the same...well, I think you get the idea.

Another thing that one should think about is an investment strategy. Sometimes, if you have a large dinner, some people might think to themselves, "All right. This is a huge dinner, so I think I am going to enjoy this dinner and then go to the gym tomorrow morning." it is also a good idea to make a strategy for an investment portfolio. Whether you are setting up a portfolio because you need to go to college, or you want to retire, or even if you just want to make some money, some investments will be better for you than others.

You probably balance out what you eat at a buffet between what you like and what is healthy. You have to balance something in the stock market too. You should balance your money between stocks, mutual funds, and bonds I have heard some people say that the percentage that is equal to your age is the amount of your money that should be invested in bonds. The rest should be invested in stocks and mutual funds. For example, a 25 year old should invest 25% of their portfolio in bonds and the rest (75%) in stocks and mutual funds. The reasoning behind this is that the older you are, the safer you probably want your money.

Well, thank you for reading this, and good bye-WAIT A MINUTE!!!!!!!!!!!!!! You have to choose! What do you want to have? Balanced meals? Or a balanced portfolio? If I were you, I'd choose both.

About the SIFMA Foundation The SIFMA Foundation is dedicated to fostering knowledge and understanding of the financial markets for individuals of all backgrounds. Drawing on the support and expertise of the financial industry, the SIFMA Foundation provides financial education programs and tools that strengthen economic opportunities across communities and increase individuals' access to the benefits of the global marketplace. Notable Foundation programs include **The Stock Market Game**, which has enabled 12 million students become financially literate, the **InvestWrite** national essay competition (www.investwrite.org), and the **Capitol Hill Challenge**. For more information on the SIFMA Foundation, visit www.sifma.org/foundation.

About SIFMA The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit www.sifma.org.

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