

Maryland High School

Student: Sanika S.

Teacher: Sean Griffin

/Centennial High School

Better Together

Individual nations to private enterprises have been built by a foundation of teamwork. A fundamental concept, teamwork is a crucial component for growth. Merriam-Webster defines teamwork as “work done by several...to the efficiency of the whole,” suggesting that a collection of individual efforts contributes to increased shared benefits.

Being part of a team opens boundless possibilities and heightens one’s potential, particularly demonstrated in the Stock Market Game. In my team, each of us recognized our distinct identities and utilized our backgrounds to our advantage. For example, members of my team, enrolled in an economics class, shared their knowledge of economic theory to further our understanding of the current economic state, which aided our decision-making process, as we formed connections between the movement of stocks and bonds and its relation to the economy. More specifically, the current condition of rising interest rates forced us to consider its effects on stock and bond prices, allowing us to effectively anticipate changes in the market. Also, general trends in the population were more easily identified by the experiences of each of my teammates, boosting acknowledgement of current events and their effects on specific industries or corporations. Evidently, an important benefit of teamwork is the advancement of ideas that can be employed to form improved investment strategies.

Additional benefits of teamwork include easy communication of ideas from collaboration and cooperation within a team. In my team, regular meetings were held to facilitate discussions that allowed ideas to be conveyed freely. For example, some ideas would be expressed and each team member’s view on the idea would advance consideration of various aspects, providing a clearer picture of the reasoning behind making that investment and preventing unwise investments. Moreover, the environment triggered more ideas to be generated by inspiration from other teammates. Altogether, the benefits of working in a team are innumerable and continue to multiply as teams become increasingly diverse and integrated.

On the other hand, an individualistic approach to the Stock Market Game would eradicate consideration of risk associated with emotional attachment. A feeling that many have experienced, personal attachment is ever present yet difficult to control. Once a financial investment has been made, a personal one has been made too. Despite serious thoughts about an investment, a constantly changing environment may alter its prospects. Even with mounting losses, it is hard to let go because of clouded judgment and lingering hope. However, it is teamwork that brings light to the reality of the situation, saving the individual investor from serious consequences.

Given \$10,000 to invest for a long-term goal, teaming up investments in a diversified portfolio would be greatly beneficial. To begin, I would allocate 30% of investments into SPDR S&P 500 ETF Trust, an exchange traded fund tracking the S&P 500, an index with a basket of the 500 largest companies listed on the US stock exchange. SPDR has a five-year total return of 10.75% because the diversification of the index provides a measure of stability over time, especially through bull and bear markets, while still maintaining a steady climb reflected in the growth of the US economy. I would then portion 10% of my investments into gold through an exchange-traded fund such as SPDR Gold Shares, which has a five-year trailing return of 7.80%. Gold is often seen as a hedge against inflation due to its ability to maintain its value in the face of rising prices. Furthermore, changes in gold prices are less correlated with movements in stocks or bonds, making gold a safer investment. The next 10% of my investments would go into commodities such as oil, silver, and wheat. Like gold, commodities are an inflation-hedge because prices tend to move in the direction of inflation. To prevent the volatility of any one commodity, it is advantageous to invest in an exchange-traded fund such as Abridged Bloomberg All Commodity ETF, which has an 8.47% five-year average annualized return. Furthermore, 10% of my investment would go into real estate because it is less correlated to movements in stocks and bonds, resulting in less volatility and a safer investment, also serving as an inflation-hedge. The Vanguard Real Estate Index Fund is a simple avenue into real estate with a five-year return of 7.05%. The following 10% of investments would be in clean energy, specifically the iShares Global Clean Energy ETF, which has an 18.01% total return over five years. "Clean energy investment ...since 2020...has accelerated significantly to 12%." Clean energy has a bright spot in the future, as governments across the world implement goals for renewable energy and promote sustainable investment. The subsequent 20% of my investment would go into a total bond market index fund, such as the Vanguard Total Bond Market Index Fund Admiral Shares, which has a five-year return of 0.53%. Total bond market funds invest in U.S. Treasuries and mortgage-backed securities of all maturities, which allow exposure to bonds in a low-risk environment, since bond prices can fluctuate with changes to interest rates. Finally, the last 10% of the \$10,000 would be held as cash to provide some security in emergency situations.

Overall, my investment choices lay in the basis of diversification through assets that deviate from the movement of stocks and bonds, mostly in exchange-traded funds, with little exposure to high-risk assets. I chose not to invest in any mutual funds because of their fees and performance, both of which can be resolved by exchange-traded funds, a cheaper and generally higher-performing alternative.

A famous proverb, "if you want to go fast, go alone, if you want to go far, go together," epitomizes the benefits of teamwork. Teamwork directly results in greater potential for all involved, as well as the creation of novel ideas. Teaming up investments in a diversified portfolio also brings positive outcomes, specifically in its ability to counter high-risk, volatile investments with stability and constancy. Thus, individualism can be seen as a mere petal in the blooming flower of teamwork.