

# Stock Market Simulation



The **Stock Market Simulation** is a comprehensive two-round competition that tests participants' ability to apply investment principles and financial analysis in real-world market conditions. Students engage in a multi-week online stock market simulation, building and managing an investment portfolio using actual market data. The top-performing teams advance to an in-person presentation round where they must demonstrate deep understanding of investment strategies, risk management, and financial decision-making.

Participants will develop critical skills in market research, portfolio construction, fundamental and technical analysis, and strategic communication. This event challenges students to think like professional investors while articulating their decision-making process and defending their strategies under scrutiny from expert judges (Round 2).

## Event Overview

<b>Event Type</b>	Online Simulation + In-Person Presentation
<b>Team Size</b>	1- 4 members
<b>Round 1</b>	2-week online stock market simulation
<b>Round 2</b>	In-person portfolio presentation

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## Event Elements

Round	Format	Objective
<b>Round 1</b>	<ul style="list-style-type: none"> <li>Online Stock Trading Simulation</li> <li>Software: <a href="#">How The Market Works</a></li> <li>\$100,000 starting capital (virtual currency)</li> </ul>	Manage virtual portfolio using real market data and investment principles
<b>Round 2</b>	<ul style="list-style-type: none"> <li>Top 10 teams from Round 1 advance to Round 2</li> <li>In-Person Portfolio Presentation including Q&amp;A</li> </ul>	Present comprehensive strategy analysis and defend investment decisions

## Knowledge Areas

- Investment Fundamentals
- Portfolio Management & Diversification
- Market Research & Analysis
- Risk Assessment & Management
- Financial Statement Analysis
- Investment Strategies
- Economic Indicators & Market Conditions
- Asset Classes & Securities

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## *Required Competition Items*

	<b>Items Competitors Must Provide</b>	<b>Items We Provide</b>
Round 1 (Online Simulation)	<ul style="list-style-type: none"> <li>• Each team members needs a working device with internet access</li> <li>• Team account setup through teachers' registration</li> </ul>	<ul style="list-style-type: none"> <li>• Registration codes for simulation platform</li> <li>• Access to the <a href="#">How The Market Works</a> platform</li> <li>• \$100,000 starting virtual capital</li> <li>• Portfolio transaction history access</li> </ul>
Round 2 (In-Person Presentation)	<ul style="list-style-type: none"> <li>• Any presentation materials you plan to use (notecards, printed notes, etc.)</li> <li>• Devices allowed (computer, tablet, phone, etc) to access any presentation materials or notes during the presentation</li> <li>• Optional: Visual aid or slideshow presentation</li> </ul>	<ul style="list-style-type: none"> <li>• Internet access</li> <li>• Projector/screen for any visuals or slides (Optional)</li> </ul>

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## Event Administration

### ROUND 1

#### Online Stock Market Simulation

**Duration:** 2 weeks (14 calendar days) of active trading, concluding 7 days before the in-person competition date.

**Objective:** Teams manage a virtual investment portfolio using real market data, applying investment principles to maximize returns while demonstrating sound financial strategy. The simulation provides hands-on experience with portfolio construction, risk management, and market analysis.

#### Key Details

- Teams register through their teachers/coordinators who provide access codes
- All team members share one account and collaborate on investment decisions
- Teams can buy and sell stocks, ETFs, and mutual funds during regular market hours
- The platform tracks all transactions and provides detailed portfolio analytics
- Teams are encouraged to apply learned investment strategies and principles
- Trading closes at market close on the final day of the simulation period
- **Keep detailed notes on your decision-making process—you'll need this for Round 2**

#### Strategic Considerations for Round 1

As you build and manage your portfolio during the simulation, consider the following:

##### Before You Invest:

- Define your investment philosophy clearly (growth, value, dividend income, etc.)
- Establish specific goals and risk tolerance for your portfolio
- Decide on a diversification strategy (concentrated vs. broadly diversified)
- Determine your research methodology and trusted information sources
- Set criteria for buying and selling decisions

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### During the Simulation:

- Document WHY you made each investment decision, not just WHAT you bought
- Track how you determined position sizes for each holding
- Note any strategy adjustments you made and the reasoning behind them
- Record what financial metrics or data influenced your decisions
- Keep a log of market conditions and how they affected your thinking
- Save examples of your research and analysis process

### Research & Analysis:

- Look beyond just stock prices—understand the companies you're investing in
- Consider both quantitative data (financial metrics) and qualitative factors (competitive advantages, management quality, industry trends)
- Use multiple information sources and verify important claims
- Don't just follow recommendations—develop your own investment thesis
- Understand the difference between short-term noise and long-term trends

### Risk Management:

- Consider how much of your portfolio to allocate to each position
- Think about sector concentration and overall diversification
- Have a plan for what would cause you to sell a position
- Balance conviction with prudence—avoid putting all eggs in one basket unless intentional
- Monitor your portfolio regularly but avoid overreacting to daily volatility

### Advancement Criteria

The **top 10 teams** with the highest portfolio returns advance to Round 2.

### Scoring and Evaluation - Round 1

Teams will be ranked based on their portfolio returns, measured as a percentage gain or loss from the starting capital. Top 10 teams with the greatest returns will advance to the In-Person Portfolio Presentation in Round 2. In the event of ties for 10th place, all tied teams will advance.

Teams will be notified of advancement within 48 hours of simulation close. Teams that advance will have approximately 2 weeks to prepare for Round 2.

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## Important Note

Round 2 scoring is completely independent of Round 1 results. Your portfolio returns from the simulation do not affect your Round 2 scores. All advancing teams compete on equal footing based solely on the quality of their presentation and strategic analysis.

Judges will NOT consider whether you made money or lost money in Round 1. They evaluate only your ability to articulate strategy, demonstrate financial understanding, and communicate professionally.

## ROUND 2

### In-Person Portfolio Presentation

**Objective:** Present a comprehensive analysis of your investment strategy, demonstrating deep understanding of financial principles and the ability to articulate and defend your investment decisions. This is your opportunity to showcase what you learned, not just what you earned.

### Timing Structure

Phase	Duration	Specific Procedure and Requirements
<b>Presentation</b>	<b>7 minutes</b>	The team delivers their investment strategy analysis, portfolio rationale, and key insights. The timekeeper provides a 1-minute warning and then indicates when time is up. At that point, participants must stop immediately.
<b>Question &amp; Answer (Q&amp;A)</b>	<b>3 minutes</b>	The judge asks standard questions plus any team-specific questions to determine understanding and probe critical thinking. For teams (> 1), every team member must participate by responding to at least one question during this session.

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## Preparing Your Presentation

Your presentation should tell the compelling story of your investment journey. Judges want to understand not just what you did, but **why you did it** and **what you learned**.

**Remember:** There is no single "correct" investment strategy. Whether you chose growth stocks, value investing, dividend focus, sector concentration, or broad diversification, you can excel if you clearly articulate your reasoning and demonstrate understanding of investment principles.

## What to Include in Your Presentation

Your 7-minute presentation should address the evaluation criteria outlined in the rubric. Consider including:

### 1. Your Investment Philosophy & Objectives

- What was your overall investment approach?
- What specific, measurable goals did you set?
- What was your risk tolerance and time horizon?

### 1. Portfolio Construction Rationale

- How did you select individual stocks?
- How did you decide on position sizes and allocation?
- Why did you choose your diversification/concentration approach?
- What risk management strategies did you employ?

### 1. Research & Analysis Process

- What information sources did you rely on?
- What financial metrics and data drove your decisions?
- How did you evaluate potential investments?

### 1. Strategic Decisions & Adaptability

- Walk through key investment decisions with detailed reasoning
- Explain any adjustments you made during the simulation
- How did you respond to changing market conditions?

### 1. Reflection & Insights

- a. What worked well? What didn't?
- What did you learn about investing and your decision-making process?
- What would you do differently with hindsight?

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### Important Reminders

#### For Participants:

- **There is no single "correct" investment strategy.** Aggressive growth, conservative value, dividend focus, sector concentration, and broad diversification can all score equally well if properly justified and aligned with your stated objectives.
- **Round 1 returns don't affect Round 2 scores.** Teams are judged entirely on the quality of their presentation and strategic analysis, not on portfolio performance.
- **All team members must participate.** Every team member must respond to at least one question during the Q&A period.
- **Document your thinking during Round 1.** Keep notes on why you made each decision. You'll need these for your presentation.
- **Practice your presentation.** Seven minutes goes quickly. Practice multiple times to ensure smooth delivery and time management.
- **Be authentic.** Judges value honesty, self-awareness, and genuine learning over trying to impress with jargon or pretending you made no mistakes.

#### Allowed Materials:

- Computers, tablets, or smartphones to access portfolio transaction history, notes, or presentation scripts
- Notecards, printed notes, or other reference materials
- Visual aids or slideshow presentations (Optional)
- Teams will have access to their complete transaction history and portfolio summary from How The Market Works during the presentation.
- You may reference this information on your device.

#### Visual Aids & Slideshows:

- While not required, visual aids such as PowerPoint or Google Slides presentations can help organize your thoughts and make your presentation more engaging.
- If using visual aids, keep them clear, simple, and focused on supporting your narrative rather than reading directly from slides.
- A projector/screen will be provided.

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## Scoring and Evaluation - Round 2

The total score for the event is **100 points**. The evaluation is split into two weighted categories:

**Portfolio Strategy & Presentation (70%)** and **Communication & Presentation (30%)**.

### I. Portfolio Strategy & Presentation – 70 Points

This category evaluates the team's investment strategy, financial understanding, and portfolio management approach.

The judges evaluate **5 specific criteria**:

1. **Investment Thesis & Objectives** – Clear goals, coherent philosophy, articulated strategy
2. **Portfolio Construction Logic** – Rationale for stock selection, position sizing, and allocation decisions
3. **Strategic Adaptability** – Ability to adjust strategy based on market conditions or new information
4. **Data Interpretation & Financial Understanding** – Ability to analyze and draw insights from financial data, metrics, and market information
5. **Diversification or Concentration** – Clear rationale for portfolio approach, whether concentrated or diversified, aligned with stated investment philosophy

Each of the 5 criteria is worth a maximum of 14 points.

### II. Communication & Presentation – 30 Points

This category evaluates the professional quality of the delivery and the team's ability to communicate effectively.

The judges evaluate **3 specific criteria**:

1. **Clarity & Articulation** – Ideas expressed clearly and understandably
2. **Professional Presence** – Confidence, poise, and engagement; all members participate
3. **Response to Questions** – Demonstrates the ability to effectively answer judges' questions with thoughtful, substantive responses

Each of the 3 criteria is worth a maximum of **10 points**.

# Launch211 Competitive Events Guidelines

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### JUDGE'S EVALUATION FORM

Portfolio Presentation	Exceeds Expectations	Meets Expectations	Below Expectations	Little/No Value
<b>Investment Thesis &amp; Objectives</b> <i>Clear goals, coherent philosophy, articulated strategy</i>	Crystal clear thesis with specific, measurable objectives. Strategy is sophisticated and well-articulated.	Clear thesis with defined objectives. Strategy is logical and generally well-explained.	Basic thesis present but vague. Objectives lack clarity or specificity.	No clear thesis or objectives. Strategy is unclear or absent.
<b>Score (0-14):</b> _____	<b>14-13-12</b>	<b>12-11-10-9-8</b>	<b>7-6-5-4-3</b>	<b>2-1-0</b>
<b>Portfolio Construction Logic</b> <i>Rationale for stock selection, position sizing, and allocation decisions</i>	Every position has clear, well-reasoned justification. Sizing decisions are strategic and explained.	Most positions are justified with sound reasoning. Sizing generally makes sense.	Some positions explained but rationale is weak. Sizing lacks clear logic.	Cannot explain portfolio construction. Decisions appear random.
<b>Score (0-14):</b> _____	<b>14-13-12</b>	<b>12-11-10-9-8</b>	<b>7-6-5-4-3</b>	<b>2-1-0</b>
<b>Strategic Adaptability</b> <i>Ability to adjust strategy based on market conditions or new information</i>	Demonstrates thoughtful adaptation with clear reasoning. Shows flexibility while maintaining discipline.	Made appropriate adjustments. Can explain changes to strategy reasonably well.	Limited adaptation or changes lack clear justification. Some inconsistency.	Rigid strategy despite changing conditions, or erratic changes without rationale.
<b>Score (0-14):</b> _____	<b>14-13-12</b>	<b>12-11-10-9-8</b>	<b>7-6-5-4-3</b>	<b>2-1-0</b>
<b>Data Interpretation &amp; Financial Understanding</b> <i>Ability to analyze and draw insights from financial data, metrics, and market information</i>	Demonstrates sophisticated understanding of financial metrics and market data. Interprets information insightfully and accurately.	Understands key metrics and can interpret data appropriately. Shows solid analytical capability.	Basic understanding of metrics. Interpretation is simplistic or incomplete.	Cannot interpret financial data. Little understanding of metrics or market information.
<b>Score (0-14):</b> _____	<b>10-9</b>	<b>8-7-6</b>	<b>5-4-3</b>	<b>2-1-0</b>
<b>Diversification or Concentration</b> <i>Clear rationale for portfolio approach, whether concentrated or</i>	Exceptionally clear justification for approach. Portfolio structure is intentional, strategic, and	Good justification for approach. Portfolio structure is reasonable and	Basic justification but lacks depth. Approach somewhat aligns with strategy but has inconsistencies.	No clear justification for approach. Portfolio structure conflicts with stated

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<i>diversified, aligned with stated investment philosophy</i>	perfectly aligned with stated goals and risk tolerance.	generally consistent with strategy.		strategy or appears random.
<b>Score (0-14):</b> _____	<b>14-13-12</b>	<b>12-11-10-9-8</b>	<b>7-6-5-4-3</b>	<b>2-1-0</b>

**Portfolio Strategy & Presentation Subtotal:** \_\_\_\_\_ / 70

Communication Criteria	Exceeds Expectations	Meets Expectations	Below Expectations	Little/No Value
<b>Clarity &amp; Articulation</b> <i>Ideas expressed clearly and understandably</i>	Exceptionally clear. Complex ideas explained simply and effectively.	Clear communication. Ideas are well-expressed and easy to follow.	Generally clear with some confusion or unclear phrasing.	Unclear communication. Difficult to understand main points.
<b>Score (0-10):</b> _____	<b>10-9</b>	<b>8-7-6</b>	<b>5-4-3</b>	<b>2-1-0</b>
<b>Professional Presence</b> <i>Confidence, poise, and engagement; all members participate</i>	Highly professional, confident, engaging. All members contribute meaningfully.	Professional and appropriate. All members participate, though unevenly.	Generally professional with lapses. Not all members fully engaged.	Unprofessional or one/some members don't participate meaningfully.
<b>Score (0-10):</b> _____	<b>10-9</b>	<b>8-7-6</b>	<b>5-4-3</b>	<b>2-1-0</b>
<b>Strategic Adaptability</b> <i>Ability to adjust strategy based on market conditions or new information</i>	Demonstrates thoughtful adaptation with clear reasoning. Shows flexibility while maintaining discipline.	Made appropriate adjustments. Can explain changes to strategy reasonably well.	Limited adaptation or changes lack clear justification. Some inconsistency.	Rigid strategy despite changing conditions, or erratic changes without rationale.
<b>Score (0-10):</b> _____	<b>10-9</b>	<b>8-7-6</b>	<b>5-4-3</b>	<b>2-1-0</b>

**Communication & Presentation Subtotal:** \_\_\_\_\_ / 30

**Total Points:** \_\_\_\_\_ / 100