

Dear Teachers,

This semester the Michigan Stock Market Game will adopt a new S&P 500 ranking method to be used for all registered teams. Rankings are based on a team's total equity in relation to the current value of the S&P 500 and it is calculated daily. Rankings are viewed as a percentage either above or below the S&P 500 value.

What is the S&P 500? It is an index tracking 500 companies in leading industries: financial services, transportation, technology, utilities, consumer products, health care, energy, communications, services, etc. Many consider it the most accurate reflection of the U.S. stock market today.

The ranking method works as follows:

When a student team is created prior to the start of the game session, the value of the S&P 500 on the first day of trading will appear in the right corner of the "Account Summary" page (called "**Start S&P 500**"). This value will not change during the course of The Stock Market Game session. If a team is created after the start of the game session, the "Start S&P 500" will be the value of the S&P 500 the day the team is created.

In the "Rankings" page of each portfolio, teams will be listed in descending order according to their S&P 500 ranking. There will also be a column titled "Total Equity." Total equity refers to the team's current cash balance plus the value of their assets held in the long position. The team can use this total equity value to manually figure out their **S&P 500 ranking**.

Rank	Team ID	Nickname	% Return Above/Below S&P 500 Growth	Total Equity
------	---------	----------	-------------------------------------	--------------

Below is the Top Ten ranking of a current Michigan session. You can see that the **% Return Above/Below S&P 500 Growth** ranking is similar to the **Total Equity** ranking

Rank	Team ID	Nickname	% Return Above/Below S&P 500 Growth	Total Equity
1	MI 6 ZZ155	MI_6_ZZ155	8.4583	\$107,841.75
2	MI 6 ZZ96	JOSE	5.5792	\$104,964.44
3	MI 6 ZZ66	MI_6_ZZ66	5.5011	\$104,886.34
4	MI 6 ZZ92	JOSH	3.9829	\$103,368.18
5	MI 6 ZZ71	MI_6_ZZ71	3.9627	\$103,347.90
6	MI 6 ZZ69	MI_6_ZZ69	3.6191	\$103,004.35
7	MI 6 ZZ73	MI_6_ZZ73	2.9511	\$102,336.39
8	MI 6 ZZ80	NC	2.8659	\$102,251.14
9	MI 6 ZZ87	JADEN	2.7151	\$102,100.32
10	MI 6 ZZ137	ICE SKATERS	2.7023	\$102,087.52

Calculating a team's ranking manually is an easy way for students to practice math skills. To do so, the following formula should be used:

$$100 \left[\frac{(\text{Total Equity} - \$100,000)}{\$100,000} - \frac{(\text{Current S\&P 500 Value} - \text{Starting S\&P 500 Value})}{\text{Starting S\&P 500 Value}} \right]$$

The result will be the team's percent return according the current growth of the S&P 500.

The S&P 500 ranking allows a level playing field for participants, since all teams do not enter the trading session at the same time.

If you have any questions or concerns, please feel free to contact me.

Best regards,

Sincerely,

Christopher Anderson

6th Grade Math Instructor

Farms Intermediate School

(810) 626-2540

MI, IA, & OR Stock Market Game Coordinator

www.smgman-mi.org

christopheranderson@hartlandschools.us

(810) 252-4474

