

# Newsletter

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## The Game is on

*It's time to get started, take action and grow your knowledge.*

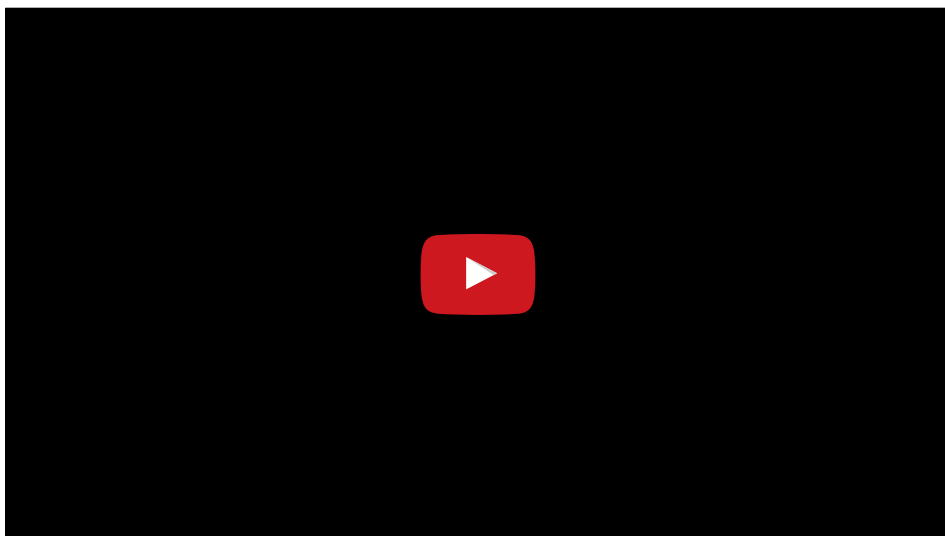
The Game gives you the opportunity to step in and grow your knowledge...it's now time to take ACTION and place your first trades. Often we find players will hold back because they are afraid of losing or doing badly - if you do this, then you don't learn or grow.

So if you are new and feeling a little nervous, just take it one step at a time. Starting with the video below and be sure to take a look at the Game essentials.



## Video – Tips on getting started right

Watch this video for tips on getting started right, having a plan and more.



## Game essentials

1. **Not sure how to place an order** - Please read 'How to place an order'. If an order is in pending orders and not being filled please read 'Pending orders' – or watch the Game tutorial How to buy. (9.6MB)
2. **Understanding a market to limit and a limit order** - To learn more about how to use these order types watch the Game tutorial 'How to buy' or read 'Understanding Order types.'
3. **Using a Falling sell** - There is a 'stop loss' feature in the Game – to learn how to use this watch 'How to use the Game falling sell (6MB). Or read 'Using a falling sell'.
4. **Market hours** - You can put your order in at any time; however, the market is only open between the hours of 10am and 4pm Sydney time. Please note there is a clearing period between 4 pm and 4.12 pm and an order may still be processed over this time.  
Tip: *If you want to place a trade for the next day, do it after 4.12 pm.*
5. Just as in the real market every time your order is filled, either to buy or to sell, you will be charged **brokerage**. In the Game brokerage is \$20 for trades up to \$10,000 and for each trade over \$10,000, brokerage is charged at the rate of 0.2% of the trade value.
6. You cannot put all your money into one company. The **diversification rule** means that you cannot purchase an amount of shares if it is going to be in excess of 25% of the value of your portfolio, at the time you place the trade. One of the aims of the Game is to encourage prudent investing. Diversification is an element of prudent investing and by putting your eggs into more than one basket you reduce your risk.
7. August is the start of the **reporting season** so some companies will still be posting results and giving out dividend payments, be aware that once a dividend is paid, the stock will often fall by the amount of the dividend.  
For more information on what companies are reporting and when - here are some helpful websites.
  - Get the insights ahead of the August earnings season - Commsec
  - Six predictions for reporting season - Wilson Asset Management
  - Positive outlook for reporting season - Lincoln Indicators
8. You are **limited to 20 orders per day** - this includes both buy and sell orders
9. **Prize eligibility** – To be eligible, you must be over 18. Plus you need to have purchased shares, within the Game, in four

different companies over the Game Period. And one buy transaction must have been completed by 11 October 2017.

10. **Game usability issues** - If you have problems with a page, please clear your cache and try via an incognito browser, or a different browser e.g. Safari, Chrome, Firefox. Email us at [share.game@asx.com.au](mailto:share.game@asx.com.au) if a problem continues.



## Don't play alone

Create your own league, so you have a group of friends or family playing the Game with you. You can have fun, interact online and learn together at the same time. You can even have your own prize or go for the Game league prize.

Create your league here and then send out your invite via email.

## Where do I start?



\$50,000 is a lot of money (well, virtual money) and once you have that ready to deploy, where do you even begin? What stocks do you buy? How do you research them? How do you get good ideas? That's what we'll go through in this newsletter!

### First, know your strategy

Fun fact: last Game, less than half of Game players ended up in profit! 46% to be exact. Of course we can't be sure, but we'd bet that a lot of those players didn't have a concrete strategy, or deviated from their original one. Last Game's winner said they "knew there would be little point in trying to change [their] strategy".

Now, strategies aren't black or white – there are many different approaches you can take to this Game. Do you want to try pick companies that have had little volatility and been relatively stable with the aim of just finishing the Game with profit? Do you want to do the opposite and try take a little more risk because you think it will maximise your gains? Maybe you want to hold companies for a short amount of time and try sell for a profit.

The Game 1 winner (who by the way, finished with an impressive portfolio value of \$65,500!) had a simple strategy – find stocks that have recently had a fall, research why they had dropped, determine if it would be a short-term effect and would soon increase in value, then buy and hold for the duration of the Game.

This isn't to say that you should replicate this player's strategy, but it definitely goes to show that having a strategy is really important and will ensure you stay focused and make decisions congruent to your goals.

### Getting Ideas

Once you've got your strategy, you need to find stocks to invest that sweet virtual cash in. Here's some common ways to select companies to invest in for the Game:

- **Industry-focused:** Pick a particular industry (e.g. mining, healthcare, food and beverage) and drill down from there to find companies.
- **News:** There's always news articles about stocks, such as the Simply Wall St News and Motley Fool which can give you some inspiration, but just make sure to research further into the company and not rely solely on an article alone.
- **The list:** Whilst it's manual, in the Game you are only able to purchase from 200 companies. So, you can simply make your way through the list and then research further when you come across a familiar company or one that interests you.
- **Filter for companies that meet exact requirements you are after:** on Simply Wall St, using the research tool you'll have free access to during the Game, you can use the advanced filter system to find companies that fit your exact criteria. You can filter for things like recent volatility, past and future earnings growth, how undervalued the company is, upcoming dividend payments and much more!

### Research

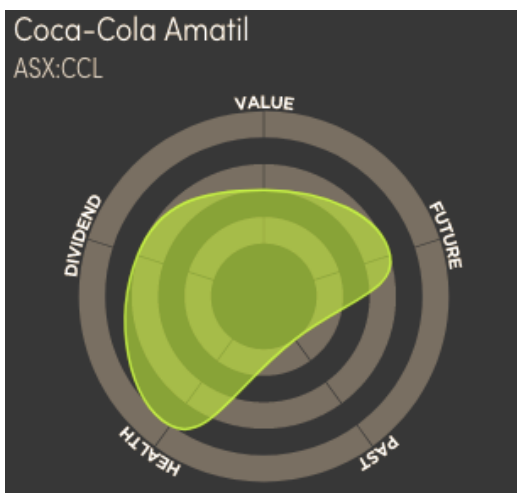
So once you find a company, how do you research it? Simply Wall St is the best place to get an overview of the company you're interested in.

It's simple – just type in the company on Simply Wall St and you'll get a detailed and beautifully represented infographic of all the important aspects of a company. The infographic is divided into 5 sections:

1. Value – is the company undervalued, at fair price or overvalued?
2. Future – how is the company expected to perform in the future?
3. Past – how have they performed in the past?
4. Health – is the company financially strong?
5. Income – is the company paying a good dividend?

This is all represented graphically in the Snowflake, which is a visual summary of how the company performs in these 5 areas. It gives you an instant understanding of the company's investment profile and helps you decide if it's worth researching further.

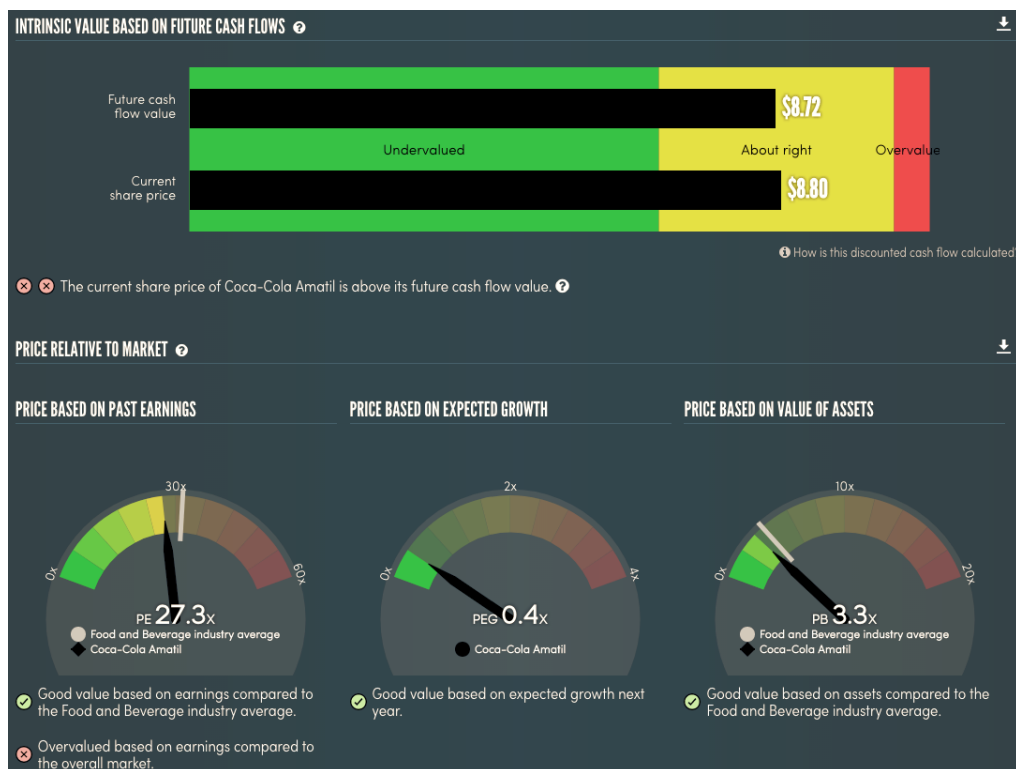
**Here's an example of Coca-Cola Amatil:**



So from this, we can see:

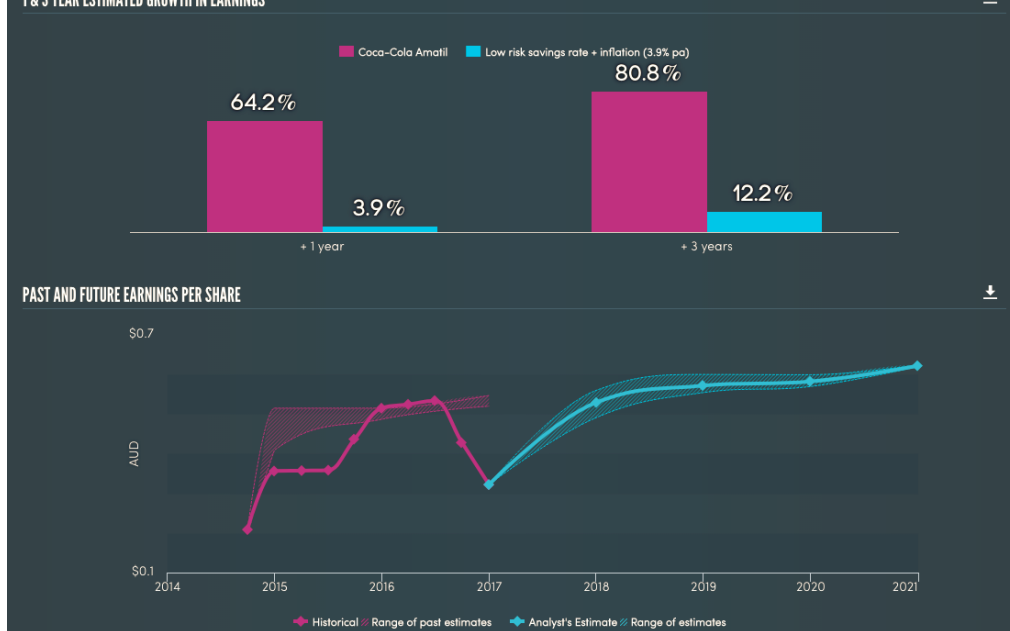
- The company is at a fair price
- Analysts are estimating strong future growth
- Their past performance has not been poor
- They have great financial health
- They have a pretty good dividend

You can then go into each section and drill down into the analysis.



(value section of infographic)





(example from future section of infographic)

### Now get out there!

So now that we've gone through finding a strategy, getting ideas and then researching companies, it's time to get out there and start buying! Good luck for the Game.

### Game weekly update

