



Five lessons from our most successful players

A month into the game, it's time to check in with our leaderboard to see who's winning and why.

On Monday, 28 September, these three syndicates were at the top of our leaderboard:

Position	Syndicate	Portfolio value as at 28/9/20	School
1	JesseS	\$55,775.63	Waimea College, NZ
2	Missed Opportunity	\$55,286.15	Sydney Boys High School, NSW
3	Dumpster Money 9	\$54,882.36	MacKillop College, NSW

Congratulations to all our leaders – keep up the good work! But how have they done it?

To find out, we've taken a peek inside their portfolios and trading history. Here's what we've learned.

1. Buy and hold can still work

It hasn't been an easy few weeks for game-players, with shares generally falling in August and September, after making big gains in May and June. Yet our two leading players have still managed to make money by simply buying and holding on to profitable stocks.

Our third place team, from MacKillop College, has chosen a different path, actively buying and selling shares as the market rises and falls – sometimes within a few days. That has helped them bank a profit when their shares rise. Yet it has also seen them leave money on the table when they sold shares that went on to rise even more.

It will be interesting to see which approach is the winner by the time the game ends!



2. Diversification helps

In our last newsletter, we mentioned that one of the best ways to manage risk and get more chances



to profit is to *diversify* – that is, to invest in a wide range of different companies and sectors. Our game leaders seem to have learned that lesson. All have investments in a range of different industry sectors – from mining and building, to real estate, retailing and health care. Where teams are less diversified – that is, where they have portfolios concentrated in just a few stocks – it hasn't worked in their favour, with one or two falling stocks having an outsized impact on their overall performance.

3. COVID-19 is moving markets

It's no surprise that the COVID-19 pandemic is having a big impact on the world's share-markets, as investors work hard to try to pick the winners and losers. Our game leaders have also invested in companies likely to benefit from the COVID-19 effect, such as healthcare businesses, and companies set to gain from government spending.



4. Builders have done well

One sector likely to do well when governments invest in rebuilding the economy is construction. Between them, our leaders have gained from rising share prices across several building and building material companies, including ADBRI, Boral and Fletcher Building.



5. Bargain hunting can be rewarding

Some of our leaders' biggest profits have come from companies that fell hard when the COVID-19 crisis hit, but which have started to bounce back as investors become more optimistic. They range from travel companies like Qantas, to energy-related businesses like Whitehaven Coal – a profitable investment for two of our top three players.