



Investment club: Shares4Schools

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## **Students take stock of the market. By Harriet Meyer**

Students at King's Park Secondary School are honing their investment skills during difficult stock market conditions in the Shares4Schools competition. It is the first year the Glasgow school has taken part in the competition run by stockbrokers at The Share Centre. A total of 85 schools around the UK, including eight in Scotland, began stockpicking in October.



**Share and share alike: King's Park pupils with their teacher, David Lonie, behind**

David Lonie, 39, a maths teacher who oversees the school's entry, said: "I was reading some material from Learning and Teaching Scotland [LTS], and there was a focus on financial education, with a link to the competition.

"It seemed a great idea, using real money to make the students sharpen their skills, as at the end of the year a cheque will arrive showing how their portfolio has performed."

The £1,500 investment pot needed to enter the competition was provided by The Share Centre and Glasgow City Council's enterprise fund. Mr Lonie said: "Getting the money together was quite easy

and I didn't have to go around chasing people, as the Scottish government is keen to promote financial education in schools." The school club consists of five sixth-form students who are studying for their Advanced Highers. One student, Gordon Wilson, 17, was particularly keen to get involved, with ambitions to set up his own company when he leaves school.

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Mr Lonie said: "He is very entrepreneurial, and if he is going to be looking at setting up his own business then he realises he needs to know the ins and outs of the financial world."

The club aims to meet once a week during lunchtime to discuss its investment strategy and members pick stocks they hope will perform well. When other commitments mean they are unable to get together, the students assess investment decisions by email.

At the moment Mr Lonie said he is "nudging them in the right direction" when it comes to which holdings they choose.

"But, at their age, pupils need to be independent and make their own decisions on what to buy and sell."

He introduced students to some basic stock-picking strategies, such as searching for companies with consistently high dividend payments and those that have shown sustained growth as possible options for their portfolio.

He added: "I also taught them about intrinsic value, so choosing a stock which is undervalued in the market to buy into it at a low price; but I tried not to bamboozle them by giving too many techniques."

So far, the school club has chosen two holdings. It bought 72 shares in Royal Bank of Scotland, the blue chip bank listed on the FTSE 100, at £5.03 each at the beginning of November. Since then, the shares have sunk in value, changing hands at around £4.22 this week. But the students hope the stock will soar once confidence in the banking sector returns, and took advantage of the opportunity to buy at what they think is a low price.

In mid-November, they also bought 51 shares in house builder Gleeson Group, listed on the FTSE small-cap index, at £3.68 each. These were trading around £3.25 this week.

Mr Lonie said: "It is a construction company based in Manchester which has really tidied up its act and trimmed the company recently,

and the students read about it and thought it was a good bet for future profits."

The portfolio is invested through an online dealing account with The Share Centre. Rules stipulate that teams have to make one share trade each month and they have until this week to make sure at least 50 per cent of the portfolio is actively traded. The remainder of King's Park's portfolio is held in cash at present, but it plans to invest more as soon as possible.

Mr Lonie said: "There is little point holding a large cash sum, as the aim of the competition is to give them experience of the investment world – so, holding too much cash for too long would defeat this purpose.

"Next year we hope to have two teams in the school, so they can compete against each other. For that, we need more money so will be looking for sponsors.