

There is now a big “push” to get children better at mathematics by learning the multiplication tables the way we did back in the fifties, learning by rote.

Chanting multiplication tables until they stuck in your mind like glue and could be recalled instantly seems to work. I wish at the same time we could also include education about investing in Shares.

“You can lose money investing in shares” is a common worry, but you only lose money if you sell them when they are worth less than you paid for them, or the company goes broke. Well surely the answer is doing nothing when they go down except consider buying more!

If you buy a share in a company at say £1 and horror of horrors it goes down to 50p if you buy another £1's worth you would own 3 shares. Well the price of those three shares only needs to reach 67p (see where maths comes in!) and you are in profit. If the share price recovers to £1 you have made a substantial profit; £3 from an investment of £2 or a 50% return!

Some people Gamble on shares. They want values to go up or down by large amounts quickly and if they get it right can make or lose fortunes. We invest client's funds in the stockmarket with the aim of making profit over time, not overnight. We invest rather than gamble.

It's only reasonable to be concerned about “losing” money but in reality only two of this country's biggest companies have gone bust in the last 100 years so if you only invest in our top 100 Companies like British Gas, BP Glaxo etc. the chances of losing everything are very small indeed.

That said we still prefer investing in the market through Unit Trusts. These funds invest in many different company shares, normally between 50 and 100 different companies, making these a lower risk proposition than investing in only one or two companies.

Certainly the value will rise and fall daily but market falls are an opportunity not a problem.

We see new clients all the time struggling with less than 1% returns on their cash accounts when they could have enjoyed 3 to 4% dividend income and seen their capital rise considerably in value over the last decade.

See your IFA and ask them to educate you about investment in shares!