

# BRAMWELL BROWN LTD

INVESTMENT ADVISERS – SHAREBROKERS

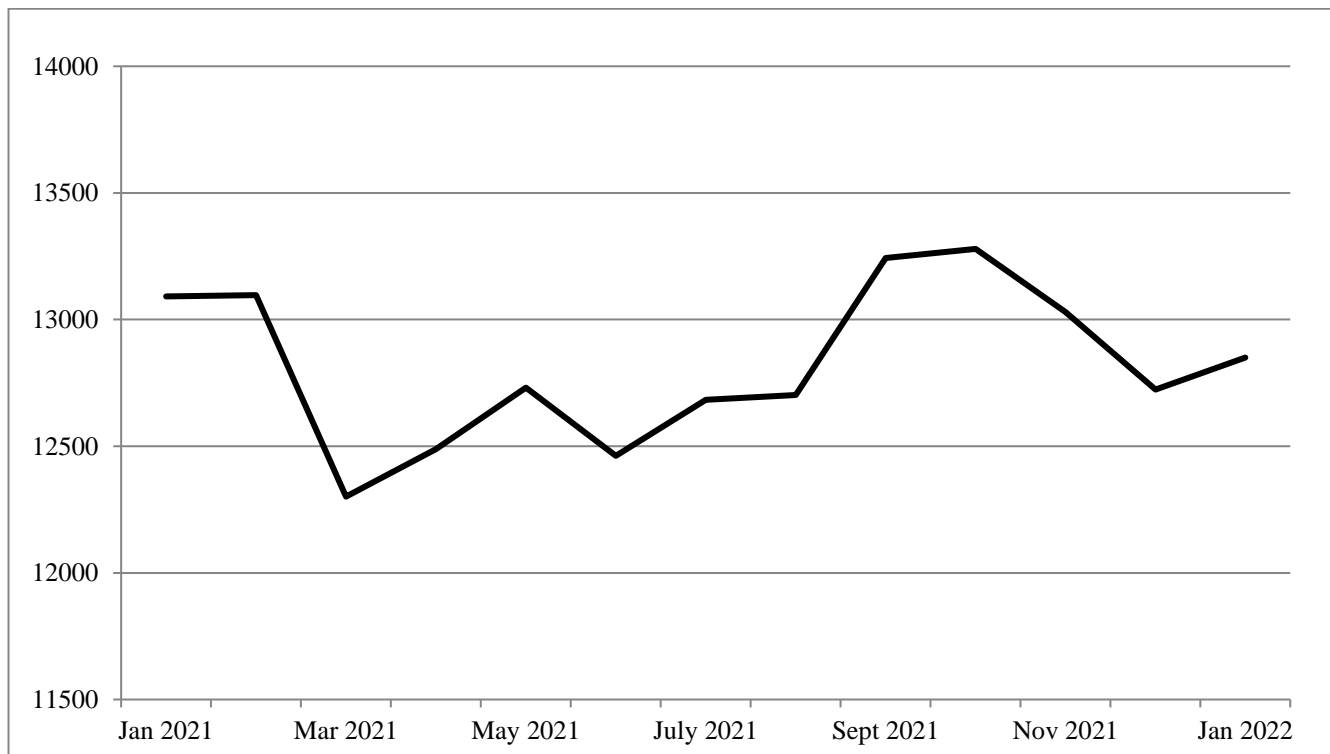
Director: Brett Dymond – BBS, GradDipBusStud (Personal Financial Planning)

## Bramwell Brown Limited – Newsletter – Christmas 2021

### 2021 Review

I've been meeting a group of clients through this month for their six-month review. I wrote this time last year that 2020 had been a year to forget due to Covid-19, and the feeling I'm getting from most people is that 2021 hasn't been much better. Lockdowns continued, interest rates reached record low levels, trade has been limited, and the cost of living has soared. The New Zealand share market has been relatively stagnant, starting the year at 13091, and at the time of writing is at 12850.

### NZX50 Gross Index



Hopefully 2022 will be a better year in regard to Covid-19. As we reach a high level of vaccinations, we should be able to open our borders and get back to the levels of trade and tourism we enjoyed previously. As much as I resist trying to predict the future, I can't imagine the share market is going to enjoy double-digit gains like it has over the last decade. Interest rates must increase to curb the current rates of inflation, and this will have a dampening effect on share prices. Be prepared to see your asset values fluctuate through 2022.

## **Anti-Money Laundering & Countering Financing of Terrorism (AML/CFT) Act**

I'm sure most of you will have been exposed to the AML/CFT regulations over the past few years. The need to identify ourselves every five minutes has become a real burden on businesses that must comply with the law. It is not uncommon for me to request ID from a client who has had to provide the same ID to their real estate agent, their accountant and their solicitor. By the time they get to me they've simply had enough. Dealing with a Trust or a company adds another level of complexity.

I met with Kieran McNulty this week to express my frustration with the compliance burden. I understand that we must comply, but I think the Government needs to take the lead in making it simpler to do so. If the Government can arrange a system to store our vaccination passports, why can't they do the same with the information required to comply with the AML regulations? The Government's RealMe platform seems the obvious solution to me. I have a RealMe account, and would be happy to upload my ID and proof of residential address. When my solicitor needs to update my ID for their AML requirements, I should be able to produce a bar code that allows them to download my information. Despite being impressed with Kieran McNulty's attitude and engagement; I doubt we will see any meaningful change to this situation.

## **JB Were Account Updates**

While we are on the subject of AML/CFT I need to bring to your attention that some clients who hold an account through Bramwell Brown with JB Were will be required to update their details. JB Were call it "re-papering." Essentially it means re-opening an account from scratch using their new electronic system. This generally applies to those clients whose accounts were opened prior to 2013. It's a relatively simple process in which I can pre-populate the majority of the information for you. It does require photos of yourself and your passport or drivers license to be uploaded electronically. We can either send you the link to your application form, or you can come in to the office and we can go through it together. I will be in touch with you individually in the New Year.

## **Ebos**

Ebos is raising money to purchase Life-Healthcare, a leading medical devices distribution business in Australia. Shareholders are being offered the opportunity to buy more shares in the company, up to a maximum of \$50,000. The shares will be offered at the lower of \$34.50, or the five-day volume weighted average price of shares traded on the NZX during the five days up to and including the closing date of the offer. The offer closes on January 17<sup>th</sup>, with applications made online.

**PLEASE CONTACT THE OFFICE IF YOU WOULD LIKE TO DISCUSS THIS OFFER OR IF  
YOU REQUIRE ASSISTANCE WITH YOUR APPLICATION**

## **ANZ Capital Notes**

ANZ Bank will redeem its convertible, perpetual, subordinated securities (ANBHB) on December 31<sup>st</sup>. During the height of the initial Covid-19 outbreak, the Reserve Bank prevented the major trading banks from paying dividends or redeeming capital notes. This was an attempt to stabilise the banking system during the Covid pandemic. The ANZ securities were due to be redeemed or converted to shares in May 2020. Following the lifting of the Reserve Bank's restrictions, ANZ has decided to redeem the capital notes.

## **Westpac**

Westpac Banking Corporation has received a scathing regulatory report, alleging widespread compliance failures across multiple Westpac businesses. The alleged conduct occurred over many years and affected thousands of consumers. The Australian Securities and Investments Commission (ASIC) is launching six cases against Westpac in the Australian Federal Court at the same time. The Westpac businesses targeted by ASIC include its banking, superannuation and wealth management brands as well as Westpac's former general insurance business. Westpac New Zealand is not mentioned in ASIC's statement. The cases include Westpac charging deceased customers fees, distributing duplicate insurance policies to customers for the same property at the same time, subsidiary BT Funds charging members insurance premiums that included commission payments, and selling consumer credit card and flexi-loan debt to customers with incorrect interest rates.

When the Reserve Bank issued their directive to banks to stop paying dividends during the initial Covid outbreak, we recommended Westpac to a number of clients. That may seem counterintuitive, however we knew dividends would eventually flow again, and Westpac's historic dividend yield based on prices at the time was attractive. What this most recent news should highlight to investors is the fundamental need to spread your risk by diversifying your holdings. We can never be certain what is just around the corner, therefore you are best to limit your exposure to individual companies in case something does go wrong. Diversify, diversify, diversify.

## **Covid-19 Policy**

With the recent changes to the Covid-19 traffic-light system, we thought it would be timely to provide clients with an update on our expectations regarding access to our office. Currently when visiting our premises, we would ask you to sign in using the Covid-19 tracer app on your phone, or provide your details to Vickie at reception. We would also ask that you wear a mask in the reception area. For those who have not yet been double-vaccinated, we will require you to keep your mask on for the duration of your meeting with us. Please note we put these measures in place to protect our staff, and the staff who share our premises with us. For anyone not comfortable with this policy, we are happy to organise remote meetings via Zoom or Skype.

## **Health and Safety**

At our most recent Health & Safety meeting we recognised the potential for harm to pedestrians at the exit to our carpark. Our building finishes at the footpath, which creates a hazard when cars are exiting. We installed a mirror a few years ago so that drivers can see pedestrians clearly. We would ask that you pay particular attention to pedestrians if you are using our carpark.

## **Christmas Office Hours**

# **BRAMWELL BROWN LIMITED**

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**THE OFFICE WILL BE CLOSED ON THURSDAY DECEMBER 23<sup>rd</sup> AND WILL  
REOPEN ON MONDAY JANUARY 10<sup>th</sup>**

I will be in the office periodically through this period, so don't hesitate to ring and make an appointment if you need to see me. When I'm not in the office the phone will divert to my mobile – please ring or email at any time.

I would like to thank all clients of Bramwell Brown Limited for their ongoing support throughout the year. I hope you enjoy a relaxing holiday period, and I look forward to helping you with your investment decisions in 2022.

## **Portfolio Administration**

Are you having trouble with the share registries sending your financial information via email rather than post? Are you spending hours searching for financial information for your accountant at the end of each financial year? If so Bramwell Brown can help. We offer a portfolio administration service where we handle all the mail associated with your portfolio and liaise with your accountant at the end of each year. Call the office if you would like to discuss this service.

**DISCLOSURE STATEMENT AVAILABLE ON REQUEST AND FREE OF CHARGE**