

BRAMWELL BROWN LTD

INVESTMENT ADVISERS – SHAREBROKERS

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Bramwell Brown Limited – Newsletter – October 2021

Barramundi Warrants

Those investors holding Barramundi warrants (BRMWF) have until Friday October 29th to exercise them. Any warrants not exercised by 5pm on that day will lapse, and all rights in regards to them will expire. What is a warrant? It is a security that entitles the holder to buy a share in a company at a predetermined price. The important terms of warrants are the exercise price, the underlying share price, and the exercise date. Barramundi investors received one warrant for every four shares held in October 2020.

The Barramundi warrants now have an exercise date of October 29th 2021, and an exercise price of 64 cents. Each warrant gives the holder the right to buy one Barramundi share for 64 cents up until October 29th. The underlying Barramundi share price is currently at \$1.00; therefore the warrants are valuable in their own right. All things being equal the warrants usually trade at a price reflecting the difference between the exercise price (\$0.64) and the underlying share price (\$1.00). At present the warrants are trading at about 30 cents. If you would like to discuss your options in relation to selling or exercising your warrants, please phone the office. The important thing is to do something – either sell the warrants or take them up, and purchase more shares. If you do nothing the warrants will lapse. The last day for trading the warrants is Wednesday October 27th.

Precinct Properties Capital Notes

The Precinct Properties (PCTHA) capital notes (4.80%) matured on September 27th. Instead of repaying the notes, Precinct has opted to convert the notes to shares. More often than not, companies will repay their capital notes on maturity, however conversion to shares is a feature of capital notes that investors need to be aware of when purchasing. The shares have been issued at a conversion price of \$1.40 per share. This is a fairly good discount to the current price of \$1.66. If you had 10,000 capital notes, you will have been issued 7,143 new shares in Precinct Properties. At the current price of \$1.66, your new shares are worth \$11,857.

Scams

The Financial Markets Authority (FMA) is warning New Zealanders to be on the lookout for three unique types of scams that have been on the rise since the start of COVID-19. The warning comes as the FMA responds to a rise in complaints about investment scams and fraud lodged with the regulator in the first half of this year – up 79% on the same period in 2020. From January to June 2021, the FMA received 158 complaints about investment scams and fraud – up 79% on the 88 complaints received during the same period in 2020, when the pandemic began, and up 49% on the 106 complaints in the first half of 2019. As a result, from January to June 2021, the FMA issued 36 public warnings about suspected scams and other non-compliant entities – up 29% on the 28 warnings issued during the same period in 2020, and up 80% on the 20 issued in the first half of 2019.

In particular, since the start of the pandemic, the FMA has noted a rise in three new types of scams:

- Social media contact scams: scammers using social media platforms to identify and/or make contact with possible victims – friending and messaging them, asking questions or making suggestions in post comments, conducting fake surveys.
- Romance-investment hybrid scams: targeting prospective victims on popular dating apps, winning people’s trust with sophisticated back-stories and accomplices, before convincing victims to transfer money overseas to buy supposed investments.
- Impostor websites: using the names, logos, addresses, certifications and other details of legitimate NZ businesses, to fool investors that the website and/or its managers are part of, or associated with, the legitimate business. Two recent examples included scammers impersonating Kiwifruit company Zespri and derivatives issuer Rockfort Markets.

Scammers are becoming more sophisticated and manipulative. My key points to ensure you do not become the target of a scam include:

- Do not pursue an investment offer from an unsolicited phone call or email
- If an investment sounds too good to be true, then it’s likely to be a scam
- Only deal with a licensed financial services provider
- If a business is not based in New Zealand, find out who regulates them
- Check the Financial Markets Authority website for assistance

If you have had the misfortune of being scammed, be very careful that you don’t become a victim again. There are plenty of websites claiming to be able to recover money for victims of fraud. More often than not these sites are also fraudulent. If you would like me to check the legitimacy of something you have invested in, please don’t hesitate to contact the office.

Dividend Yields

Here are some current share prices (September 28th) together with their most recent dividends.

Company	Price	Dividend	Yield
ANZ	28.33	1.0500	3.71%
Argosy Property Trust	1.65	0.0650	3.94%
Australian Foundation Investment Co	8.65	0.2400	2.77%
Arvida	2.11	0.0535	2.54%
Briscoes Group	7.04	0.2500	3.55%
Contact Energy	8.28	0.3500	4.23%
Chorus	6.54	0.2500	3.82%
Freightways	12.90	0.3350	2.60%
Genesis Energy	3.32	0.1740	5.24%
Goodman Property Trust	2.55	0.0535	2.10%
Heartland Bank	2.29	0.1100	4.80%
Hallenstein Glasson	7.17	0.4700	6.56%
Infratil	8.05	0.1775	2.20%
Kingfish	2.04	0.1429	7.00%
Mercury Energy	6.50	0.1700	2.62%
Meridian Energy	5.20	0.1690	3.25%
NZX	1.75	0.0610	3.49%
Precinct Properties	1.70	0.0650	3.82%
Ryman Healthcare	15.06	0.2240	1.49%
Stride Property Group	2.46	0.0991	4.03%
Spark	4.72	0.2500	5.30%
Trustpower	7.55	0.3550	4.70%
Vector	4.21	0.1675	3.98%
Westpac	26.08	0.8900	3.41%
The Warehouse	3.83	0.1800	4.70%
Z Energy	3.43	0.1400	4.08%

As we know, share prices and future dividends are never static, therefore we cannot guarantee these yields will remain the same. This is where risk (uncertainty) comes into play when investing in shares. With the very low interest rates we have experienced in recent years, many investors are turning to shares to boost their incomes. You need to be aware of the risks involved with shares, and always ask the question "am I really prepared to take a risk if that risk turns into loss?"

Holiday

I am hoping (covid willing) to have a week away to the South Island in October. I will be out of the office from Monday October 18th until Tuesday October 26th. Angeline will be available by email and phone through this period, and will be in the office in the mornings. If there is something you need, please email in the first instance. Email angeline@bramwellbrown.co.nz Phone 3788299.

Bank Term Deposit Rates

Here is a summary of some of the bank term deposit rates on offer at present. The top line shows the rates available in February 2021. The rates underlined and in bold are the current rates.

	1 Year	2 Years	3 Years	4 Years	5 Years
ANZ	0.80%	0.85%	0.90%	0.90%	0.90%
ANZ	1.40%	1.60%	1.90%	2.15%	2.25%
ASB	0.75%	0.80%	0.90%	1.00%	1.00%
ASB	1.30%	1.60%	1.90%	2.00%	2.15%
BNZ	0.80%	0.85%	0.85%	0.90%	0.90%
BNZ	1.40%	1.60%	1.90%	2.00%	2.15%
Heartland	1.00%	1.00%	1.05%	1.00%	1.00%
Heartland	1.30%	1.20%	1.35%	1.55%	1.75%
Kiwibank	0.90%	0.90%	0.90%	0.90%	0.90%
Kiwibank	1.35%	1.70%	1.70%	1.90%	2.00%
Rabobank	1.00%	1.00%	1.05%	1.05%	1.15%
Rabobank	1.54%	1.69%	1.88%	2.13%	2.23%
Westpac	0.80%	0.85%	0.85%	0.90%	0.90%
Westpac	1.30%	1.60%	1.90%	2.20%	2.30%

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.

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