

# BRAMWELL BROWN LTD

INVESTMENT ADVISERS – BROKERS

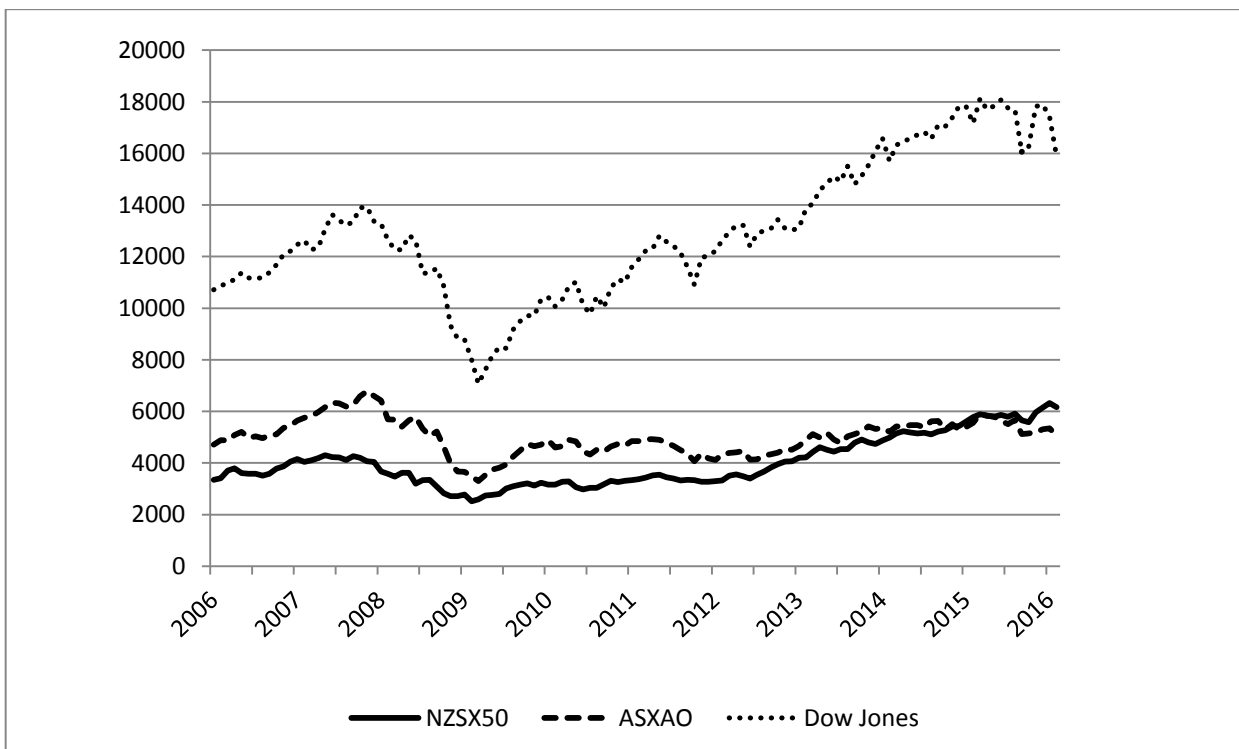
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## Bramwell Brown Limited – Newsletter – February 2016

### Volatility

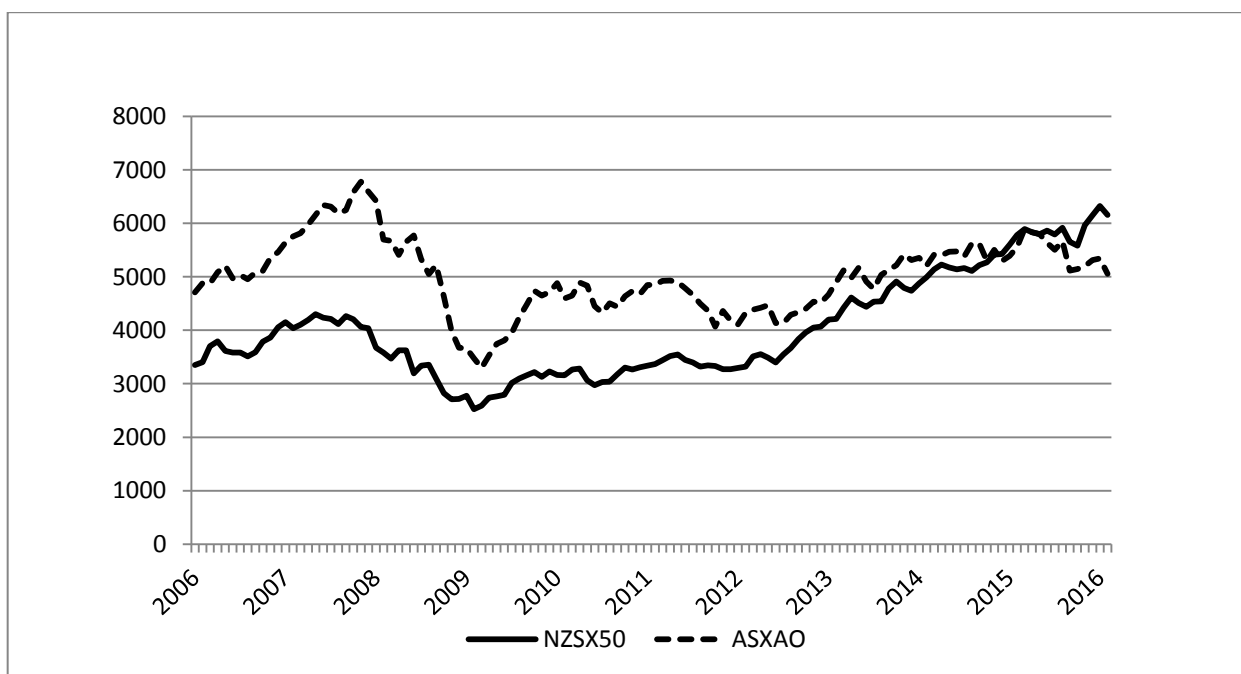
Without doubt the first month of this year has grabbed the attention of share investors. It's been a very rough start to the year for global equity markets following the larger than expected slowdown in the Chinese economy. Historically the United States has been the global market maker; however China's problems and the effect it's having on global markets proves it is also now a powerhouse. Australia's close links with China mean their market has taken a battering. Our own exposure to that part of the world means we are not immune either.

My message to investors has been consistent over the last year – for those entering the markets; stagger your entry rather than investing all your funds at once. For existing investors; constantly review share holdings and take profits where appropriate. It's at times like this that we may wish we had taken more profit off the table, however I would urge investors not to panic. Your share portfolio should form part of a wider group of investments that will perform differently in various circumstances. And the chart below of the NZX, ASX and Dow Jones indices shows good quality shares generally stand the test of time.



## New Zealand and Australia

The chart below shows the New Zealand and Australian markets in better perspective. Most long-term New Zealand share market investors should be pleased; however the same cannot be said for Australia. The Australian market has underperformed over the last two years and is a source of disappointment to many. Hopefully the stocks we have recommended are performing better than the market as a whole, but even so performance is poor. I would reiterate previous comments however – overseas investments are a crucial part of a balanced portfolio and act as an insurance policy against a major financial shock to the New Zealand economy. Having a wide range of investments will also ensure parts of your portfolio perform well whilst others are not. There will be a time when your overseas investments will outperform New Zealand shares.



## Official Cash Rate

The OCR was left at 2.5% in the last Reserve Bank review, however the tone of the Governor's statement indicates further reductions may be possible throughout this year. Be prepared to endure another year of very low bond and bank deposit rates.

## 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.