

# BRAMWELL BROWN LTD

## INVESTMENT ADVISERS – BROKERS

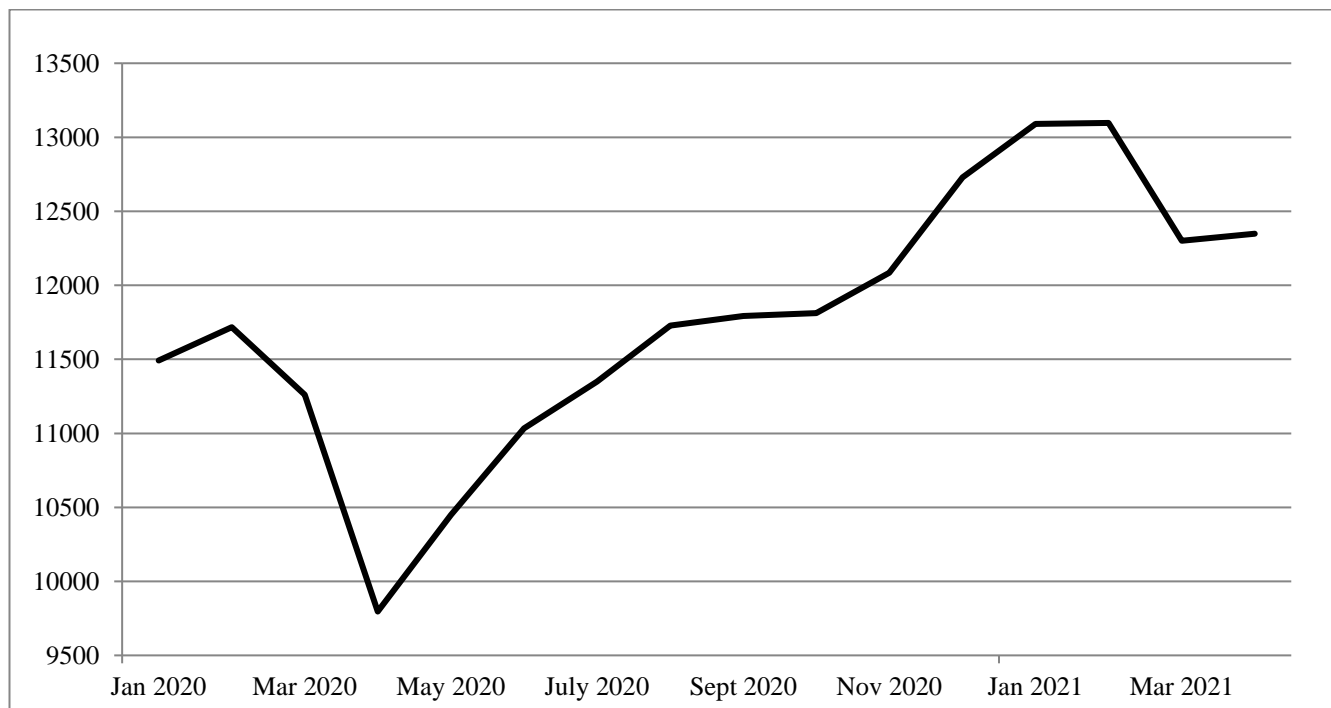
Director: Brett Dymond – AFA, BBS, GradDipBusStud (Personal Financial Planning)

### Bramwell Brown Limited – Newsletter – April 2021

#### Markets

From early April we will be reporting to our clients on their portfolios to March 31<sup>st</sup>. Most conversations throughout the last year have centred around strategies to boost income. The continuing decline in interest rates is having a big effect on incomes, and many investors have looked to shares in an effort to fill the void. The NZX50 Gross Index has finished approximately thirty per cent ahead of the same time last year, however much of this gain was simply the recovery following the twenty-four per cent decline in mid-March 2020 due to the Covid 19 outbreak. You can see from the following chart that the New Zealand market is now just slightly ahead of where it was prior to the Covid pandemic.

**Figure 1: NZX 50 Gross Index – January 2020 to March 2021**



How wrong was I about the effect Covid 19 would have on markets? I wrote in May last year that I expected there would be large job losses and business failures. My expectation was that the economy would decline, together with a subsequent decline in NZX share values. The massive financial stimulus injected into the economy by the Government has largely kept that decline at bay, and most financial commentators now see a steady year ahead, with the vaccine rollout due shortly.

## **Where to From Here?**

Perhaps it's best I don't make any predictions! Economists and financial analysts I deal with suggest interest rates in New Zealand are unlikely to move significantly over the next year, and if they do move it will be gradual. There is unlikely to be a large increase in interest rates in a short space of time. The issue for share investors though, is as soon as there is a firm indication interest rates are going to increase, you are likely to see a reduction in share prices. Markets are always forward-looking, pricing assets on an expectation of future earnings. At Bramwell Brown we don't pretend that we can time these market changes, preferring to stick to our long-held fundamentals of investment:

- Understand the risks you take with investments, and stay within the risk you can tolerate
- Hold a wide variety of asset classes, and securities within those asset classes
- Buy good companies and hold them for long periods
- Hold overseas investments as insurance against a shock to the New Zealand economy
- Limit your exposure to individual companies
- Be aware that a market correction will occur at some point
- Don't attempt to time the market – invest in stages
- Don't be tempted to sell if the market does fall

## **A2 Milk**

Holders of A2 Milk might gain some comfort if they have followed the fundamentals listed above. A2 is experiencing significant disruption to its daigou sales channel in China due to the Covid 19 pandemic. The daigou channel relies on Mandarin-speaking agents buying infant formula cans in Australia, and couriering them to customers in China. It accounts for half of A2's total infant formula sales. In situations like this, when a company suddenly suffers poor performance investors should check the fundamental investment criteria. Have you invested too much in one company? Is it still a good company, providing a sought-after product? If you hold it for the long-term, is it likely to recover?

## **Regulation**

Over the last few months I have been writing about the new legislation affecting financial advisers. This legislation came into force on March 15<sup>th</sup>. The Financial Advisers Act 2008 has been repealed, with adviser regulation largely covered under the updated Financial Markets Conduct Act. Disclosure regulations have been amended. Please take the time to read through our updated Disclosure Statements. If you have any queries please don't hesitate to contact the office.

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

# BRAMWELL BROWN LTD

INVESTMENT ADVISERS – SHAREBROKERS

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

## **Bramwell Brown Limited – Public Disclosure Statement**

**Address: 38 Bannister Street, Masterton 5810**

**P O Box 582, Masterton 5840**

**Telephone Number: 06-3788299**

**Mobile Number: 0274523980**

**Email Address: [admin@bramwellbrown.co.nz](mailto:admin@bramwellbrown.co.nz)**

**Website – [www.bramwellbrown.co.nz](http://www.bramwellbrown.co.nz)**

Bramwell Brown Limited is a Financial Advice Provider (FAP), licenced by the Financial Markets Authority (FMA) to provide a financial advice service. Bramwell Brown Limited's Financial Services Provider (FSP) Number is FSP705611. Brett Dymond is employed by Bramwell Brown Limited as a financial adviser. Brett Dymond's FSP Number is FSP28047.

Brett Dymond is registered to provide the following financial adviser services:

- Wholesale and/or generic financial adviser services
- Broking service (including a custodial service)
- Keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons

Our FAP licence is subject to the standard conditions imposed by the FMA under Section 403 of the Financial Markets Conduct Act. These conditions include the need for record keeping, and the need to have an internal complaints process.

## **Nature & Scope of Financial Advice Services**

Bramwell Brown Limited offers the following financial adviser services:

- Investment planning, including retirement planning (written recommendations)
- Ongoing personalised advice (regular updates and meetings)
- Portfolio administration
- KiwiSaver advice
- Transactional share-broking services with limited or no advice

Bramwell Brown Limited can offer advice on the following products:

- Call accounts
- Bank term deposits
- Shares and other equity securities
- Bonds and other fixed interest securities
- Government Bonds
- Exchange Traded Funds
- Managed Funds
- KiwiSaver

We will refer you to other financial professionals for advice on estate, insurance or tax planning.

We have no material limitations on the products or product providers we can use.

## **Fees & Expenses**

The fees you pay will depend on the nature and scope of the advice or service we provide. We will discuss the fees with you before we proceed. The types of fees you could expect to pay include:

- An hourly rate for written recommendations
- A set yearly fee for ongoing personalised advice
- A fee based on a percentage of assets under management for portfolio administration
- Brokerage charged on secondary market share and bond trades
- Third-party fees for portfolios held in custody
- Third-party fees for international share trades
- Third-party foreign exchange fees for international share trades
- Bank fees for international funds transfers

## **Commissions**

Bramwell Brown Limited has an agency agreement with ANZ Investments to provide their One Answer KiwiSaver Scheme and their One Answer Multi Asset Class Funds to clients. ANZ Investments pays Bramwell Brown Limited a trail-commission based on the value of these funds.

## **Conflicts of Interest**

Providing financial advice, and making recommendations on how funds should be invested can involve perceived or actual conflicts of interest. Advisers earn varying levels of remuneration from different products and services. There could be a perception that your adviser favours the use of products or services that earn them the best rates of brokerage or commission.

## **Managing Conflicts of Interest**

Bramwell Brown Limited will at all times provide recommendations based on a client's individual circumstances, financial position, goals and tolerance for risk. We have a Code of Ethics that includes the following statements:

- We will not offer an investment unless we believe it adds value to a client's financial position
- We will recommend suitable investments and strategies regardless of our ability to earn income from them
- All actual or potential conflicts of interest will be disclosed
- We will not be tied to a third party unless there is a clear benefit to our clients

## **Duties Information**

We are bound by the duties of the Financial Markets Conduct Act to:

- Meet the standards of competence, knowledge, and skill set out in the Code of Professional Conduct for Financial Advice Services
- Give priority to the client's interests
- Exercise care, diligence and skill
- Meet the standards of ethical behaviour, conduct, and client care set out in the Code of Professional Conduct for Financial Advice Services

## **Internal Complaints Procedure**

At Bramwell Brown Limited we will make every effort to provide you with the best levels of customer service. However we recognise that occasionally things can and do go wrong. If you have any complaint in relation to your dealings with Bramwell Brown Limited, please make contact immediately so we can endeavour to put things right for you.

In the first instance please contact Brett Dymond by telephone, email, or in writing with the basis of your complaint. We will endeavour to resolve your complaint at this early stage. If you are not satisfied after this initial contact we would ask you to put your complaint in writing addressed to:

Bramwell Brown Limited  
P O Box 582  
Masterton 5840

We will acknowledge the receipt of your complaint in writing within seven working days of receiving it. Your complaint will be thoroughly investigated.

We will identify actions to remedy the complaint where possible, and will endeavour to resolve the issue, and make a response to you within fourteen working days of receiving your complaint.

If your complaint is complex, or will take longer than fourteen days to resolve we will advise you of the expected timeframe required to resolve the complaint, and will keep you informed of progress.

If your complaint remains unresolved or you are dissatisfied with Bramwell Brown's response you may refer the matter to the Insurance and Financial Services Ombudsman. This service will cost you nothing, and will help us to resolve any disagreements. You can contact the Insurance and Financial Services Ombudsman at:

P O Box 10-845  
Wellington 6143  
(04) 4999-7612 or 0800-888 202 Email: [info@ifso.nz](mailto:info@ifso.nz)

You can also complain to the financial adviser regulator, the Financial Markets Authority.

Telephone number: (04) 4729830 or 0800 434 566

Website: [www.fma.govt.nz](http://www.fma.govt.nz)

# BRAMWELL BROWN LTD

INVESTMENT ADVISERS – SHAREBROKERS

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

## **Bramwell Brown Limited – Scope of Service Disclosure Statement**

**Address: 38 Bannister Street, Masterton 5810**

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**Website – [www.bramwellbrown.co.nz](http://www.bramwellbrown.co.nz)**

Brett Dymond is a financial adviser who gives advice on behalf of Bramwell Brown Limited.

### **Fees & Expenses**

Whether I am remunerated by fees, brokerage or commission will depend on the scope of service you require, and will be agreed upon before any work is undertaken. Not all fees listed here will be applicable to the service you require.

#### **Fees**

Share-Trading Account Setup Fee (paid in advance)	<b>\$150.00</b>
Written Recommendations (paid in arrears)	<b>\$120/Hour</b>
Ongoing Personalised Advice (paid six-monthly)	<b>\$50 per month</b>
<u>Portfolio Administration Service</u> (paid monthly)	
Portfolio value up to \$500,000	<b>0.50% per annum</b>
Portfolio value over \$500,000	<b>0.25% per annum</b>
Minimum administration fee	<b>\$100 per month</b>
Custody fees (JB Were)	<b>0.15% per annum</b>

## **Brokerage Rates**

### **Primary Market Transactions (Initial Public Offerings)**

New issues of shares and bonds are typically distributed through broking firms. Brokerage is paid to participating brokers by the firm offering the securities, and no brokerage is payable by the client. The amount of brokerage offered on any new issue will be disclosed to the client at the time.

### **Secondary Market Transactions**

New Zealand share transactions (subject to a minimum of \$100)	<b>1.50%</b>
NZX Trade Fee	<b>\$5.50</b>
Australian share transactions (subject to a minimum of AU\$100)	<b>1.50%</b>
United Kingdom share transactions (subject to a minimum of £100)	<b>1.50%</b>
UK Government Stamp Duty for purchases on the London Stock Exchange	<b>0.50%</b>
UK Agency Fee (subject to a minimum of £30)	<b>0.20%</b>
United States share transactions (subject to a minimum of US\$100)	<b>1.50%</b>
US Agency Fee (subject to a minimum of US\$45)	<b>0.15%</b>
Share certificate dematerialisation fee	<b>\$250</b>
Other jurisdictions – I can quote brokerage rates for transactions in other countries	
New Zealand fixed interest transactions (subject to a minimum of \$100)	<b>1.00%</b>
NZX Trade Fee	<b>\$5.50</b>

Settlement on purchases of securities is required in two working days. Brokerage, trade fees and agency fees (if applicable) are included in a contract note for the purchase of your securities, and are payable at the same time. Brokerage, trade fees and agency fees (if applicable) on sales of securities are deducted from your proceeds, which are paid out in two working days.

## **Conflicts of Interest & Commissions**

Bramwell Brown Limited has an agency agreement with ANZ Investments to provide their One Answer KiwiSaver Scheme and their One Answer Multi Asset Class Funds to clients. ANZ Investments pays Bramwell Brown Limited a trail-commission of up to 0.25% per annum based on the value of these funds. Bramwell Brown Limited is under no obligation to provide only ANZ Investments products to clients, and will at all times provide recommendations based on a client's individual circumstances, financial position, goals and tolerance for risk.