

BRAMWELL BROWN LTD

INVESTMENT ADVISERS – SHAREBROKERS

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Bramwell Brown Limited – Newsletter – October 2022

Financial Advice Provider License

I'm pleased to be able to report that Bramwell Brown Limited has been granted a full Financial Advice Provider (FAP) license under the new regime. All financial advisers are expected to have the appropriate license by March 16th 2023. The new regime is very comprehensive, with the aim of protecting consumers and improving financial advice outcomes. The full license conditions cover areas including:

- Disclosure
- Conduct and client care
- The provision of financial advice
- Competence, knowledge and skill
- Record keeping
- Business continuity, technology systems and cyber-security
- Complaints procedures
- Privacy
- Conflicts of interest

It was a very time-consuming exercise completing everything required to gain the full license. Larger firms would have compliance officers working on this full-time, however we don't have that luxury in a small firm. Despite the amount of time required, it was a beneficial exercise resulting in comprehensive policies for every aspect of how we run our business.

Holiday

I will be away from the office from October 17th to October 31st. Our son and his family are returning from nearly eight years in Germany to settle in Nelson. Angeline will be holding the fort in my absence so don't hesitate to email or phone with any queries. Unfortunately it's a very busy time with the September 30th reports to be compiled. We will get as many of those reports as possible completed in the first two weeks of October.

Markets

Many of you, particularly newer investors, will rightly be concerned about the volatility in financial markets at present. It's a global problem, with most developed countries grappling with high inflation and a cost-of-living crisis. Hindsight's a great thing and I'm sure many are looking back and wondering why Governments around the world have continued to borrow huge sums of money to prop up their economies at any cost for the last fifteen years. Money-printing, social welfare handouts, bailouts and record low interest rates are all inflationary. And just like an individual or a household, a Government ultimately must pay back the money it has borrowed. The enormous amount of stimulus injected into economies around the world will take a bit of unwinding. We are seeing that unwinding in some countries where we now hear the term "quantitative tightening" instead of quantitative easing. Central banks are now not reinvesting bonds when they mature; taking money out of circulation. Interest rates are steadily been increased, and that is set to continue, with our Reserve Bank meeting again this week. I think it could be a rocky transition to get us back to some level of stable interest rates, inflation and asset prices.

How do we manage this volatility in relation to our investments? Our best defence against volatility is:

- Understand the risks you take with investments, and stay within the risk you can tolerate
- Hold a wide variety of asset classes (cash/bank deposits/bonds/property/shares)
- 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

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