

# "The Scrip"

June 2007

The official newsletter of the New Zealand Shareholders' Association Incorporated

## MONETARY POLICY HAS FAILED

Dr. Bollard's policies for the last three years are a failure, and, in addition, have caused irreparable damage to the productive export sector. Companies like Fisher & Paykel, Skellerup, and Sanford's have had their profits decimated and the first two have commenced the migration of productive resources offshore, which causes a short term loss of jobs and a long term loss of skill.

By any measure his contract should not have been renewed by Dr Cullen, and when the Finance and Expenditure Committee meets to review Monetary Policy, submissions should be made by as many affected parties as possible. The Shareholders Association will be submitting on this issue and we will be calling for Dr Bollard's removal, by Legislative prerogative if necessary.

The reason for his failure has not been the lack of a toolbox but rather a slavish following of conventional thought that has not and will not work, and a failure to think laterally.

Until 11 June 2007, the only action taken by the Reserve Bank has been to move up the Official Cash Rate (OCR), in an attempt to slow down the economy's expansion and in particular rising house prices. On 11 June 2007, he intervened in the overheated currency markets. He did this by using NZ taxpayer's reserves to buy mostly US dollars and sell NZ dollars.

While economists use plenty of jargon the reality is that the problem is simple, and so is the fix.

It should be surprising to no one that NZ is entering a relatively inflationary period of its history. Households on average continue to spend in excess of 10%pa more than they earn, and have done for at least the last 20 years. This excess spending has not been inflationary of late as business and government have saved for us. This pattern of life reflects in our balance of payments deficit, 9 to 10% of GDP annually. In effect foreign savings flow into NZ to enable us to pay for the excess goods we import over those we export.

How do households spend more than they earn? Easy, they borrow. Easy credit from banks makes our excess consumption possible. Rising house prices allow us to borrow more and spend more. Rising house prices are a symptom not the problem. Banks will now routinely lend 100% of the purchase price of a home and further will lend up to 60% of the value of a home without considering the borrowers ability to repay. Why are banks prepared to lend so freely, because they have a sea of money from offshore that need to find a home. (Pun intended). Why do they have so much cash? The carry trade.

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The carry trade is simply a method by which the savers in a low interest rate country export their savings to a high interest rate country, and the speculators borrow to invest. In Japan interest rates are less than 1%; in NZ they are now 8%, you can therefore appreciate the interest Japanese savers have in buying NZ denominated bonds. The higher our interest rates go the more they buy our bonds and the more our banks have to lend.

Of course all this foreign money converting into NZ dollars pushes up our exchange rate to unsustainable proportions, making imports cheap, further gratifying the consume now mind set of the public, and exports relatively valueless.

The high exchange rate is correlated with our high interest rate due to the speculative carry trade. It too is the symptom, not the problem, the problem is excess consumption and Bollard knows this.

The only thing that will constrain consumption is a credit contraction and that just will not occur while the carry trade is pouring money into NZ.

Rather than facing the issue directly Dr Bollard is now pitching NZ Inc's balance sheet against the balance sheet of Japan and other low interest rate countries. Dollar for dollar they will win.

Nearly \$4b per day is transacted in NZ dollars and assuming Bollard wants to beat out the excess demand, by say spending \$500m per day to hold our currency down, he is broke in less than a month.

Now if foreign lenders were reading the signs properly, they should see that Bollard's intervention is a signal that he will drop interest rates soon, as that is the only way he can make money. Doing the opposite will just force up the exchange rate and wipe out our equity.

A move in the currency from say 75c to 82c will wipe out \$1b of our assets if he chooses to go to the full extent of his funds to defend his policy. Nzers savings will be transferred to foreigners.

So what did Bollard say when he intervened, he said that this was not to be taken as a signal that monetary policy in NZ will be slackened. Translated into you and me speak, interest rates will be held or increased.

To the hedge funds this is an open invitation to speculate in our currency. The bank of England tried to defend its exchange policy against speculators and nearly went broke, Bollard has no chance.

What needs to be done is pretty simple, lower the OCR to say 6% and watch the carry trade disappear, watch banks tighten their lending policy as a result and watch excess spending slow. Imports will be more expensive and exporters will make more money as the dollar will fall, and the Reserve Bank will make a killing on selling back the US dollars it bought. Rising costs of imports will be less inflationary than you might at first think, as consumption will be forced down by a credit squeeze and the net effect of the exchange rate move will be absorbed by retailer and importer profit margins to a degree.

The Reserve Bank has no practical choice to control inflation but to lower interest rates and fast, to Bollard this is counter intuitive, but the intuitive way is not working, it is time for a new Governor of the Reserve Bank.

Bruce Sheppard

## PROXIES

A number of members have suggested that our Association should do more to explain the procedures and importance of proxies. I am happy to take up this task and put together a comprehensive article but I am surprised at the request, given that our newsletter in the last few years has, we had thought, addressed this area quite extensively. I know that some new members of our Association do not have computers, are unable to read back copies of our newsletters and may not be aware that we have dealt with this since we have been in business. For this reason I am convinced we must push this subject at least annually and even try to catch the enthusiasm of all investors to see that the message gets across. The subject is one that we must emphasise because, quite frankly, the New Zealand experience in this area is far from satisfactory.

I have been disappointed by the lack of apparent interest taken when I receive perhaps two or three proxies at an AGM of a listed company where I would have expected many more than a dozen. Whether the poor showing represents a lack of understanding, a feeling of helplessness if there are major blocks of shares on the register or just plain apathy is certainly justification for further examination. To give you an example, I well remember the December 2005 Annual General Meeting of Westpac Banking Corporation, the oldest bank in Australasia, that had decided in view of the importance it placed on the New Zealand business, to hold its meeting at the Aotea Centre in Auckland. It was the first time this institution had held its meeting outside Australia and we were asked by our friends the Australian Shareholders' Association if we would be prepared to represent their members and Australian shareholders at that meeting. We were impressed by the number of shares placed under the supervision of our Association. We were surprised that we only received the total figure of shares represented by proxies but did not receive a list of proxy holders and we asked the Share Registrar to send us a copy of the proxies received. We then became aware why we had not been handed this list; it was 75 pages long and contained the names of more than 2,000 shareholders. We have a way to go!

Our law requires all companies to have an Annual Meeting of shareholders at least once in a calendar year. There are very few matters that now require to be addressed at an Annual Meeting and the single most important one is the appointment or re-appointment of directors. All other items on an agenda for these meetings are less important but director appointment is critical to the good supervision of a listed company. It is really the only corporate governance matter over which a shareholder has any measure of say and this privilege MUST be understood and used. Company law also sets down procedures where shareholders may appoint a proxy to vote in their place. Such proxy holder does not have to be a fellow shareholder and may be an Association, like the NZSA. This requirement is necessary because quite often it may not be possible for a shareholder to attend a meeting. You may ask why, in this day and age, with the proliferation of mobile telephones, television, conference calls etc, it should be necessary for a meeting in the first place. Why can't business be done more efficiently by using other communication techniques? Many people have sympathy with this question but a meeting does give all members present the opportunity to argue and debate the one topic that, as I have said, is important. It allows shareholders to ask each director to stand up and tell the audience what s/he can contribute to the company concerned through Board meetings. Very few shareholders have the opportunity to speak to and hear a director and this is the only real chance for discussion; it should be seized or eventually this privilege will be lost. So the first step in the process is to determine whether you are able to attend the meeting. If your shareholding is significant to you it is very important that you set aside the time. You are the person ultimately responsible for investment decisions and nobody else. You may perhaps be tempted to blame your broker or adviser for giving you poor advice but as has been said before, the buck stops with you. Oh that some of our politicians understood this better. Alternatively, you may also feel that your adviser is the tops because your investment is doing so well that there seems no need to go to meetings. Not so. This does not give encouragement to your Board if they see that there are so few proxies and you will not hear what that new director may have to say. So we repeat, if you are unable to attend the meeting you should complete the proxy form whether or not the holding is important to you. In our example earlier, the total number of shares held may not have impressed the Board of Westpac but the number of proxies received certainly did. Our system is basically a numbers game. It really does not matter too much if a listed company is majority controlled, somebody attending a meeting with a big bundle of proxies must receive attention for the views taken. Our Association will only receive credibility if we are seen to be taking a reasonable and intelligent stand and we earn the respect of the business community. However even if we do over the years earn this respect, it can only be cemented and become useful if it is turned into voting power. This is where you come into the picture. In reality the only way in which we can receive the attention of Board members is by ensuring that your representatives on these Boards do their job. To achieve this you must ensure that you attend (preferably) or appoint a proxy to attend to hear the arguments and then vote on your behalf. I would now like to cover the mechanics of completing a proxy form.

There was a time when all that shareholders were asked to do was to sign and send back their form; boxes that were not ticked could still be used by the chairman as s/he saw fit. The situation changed in October 2005. In our newsletter that month, we advised all our members that we had been able to convince the Listed Companies Association to encourage the use of a more elaborate box system that included space for a) abstaining from voting on an issue and b) allowing for proxy discretion as well as

just a yes/no vote. There are thus 4 boxes in the new form. However the change comes with a caution. It is imperative that you read the document. If you do not tick the boxes but merely sign and return the form, your proxy may be disregarded altogether. If you are an Australian or United Kingdom investor, be careful that you delete the words 'the chairman' that may be slipped into the form before the space set aside for the name of an alternative proxy holder. Failure to do this may result in the Chairman using your vote if your proxy holder does not attend the meeting. In both cases please remember that respectively the Australian Shareholders' Association or the United Kingdom Shareholders' Association (for those large companies) may be used as proxies for your overseas holdings.

If at any stage you are in doubt about completing your proxy please contact one of our branch committee members or executive who should be able to point you in the right direction. Finally for those able to have access to a computer, all our past newsletters are on our website and I have selected the following summary for your further reading:

### PROXY SUMMARY FOR FURTHER INFORMATION

**The completion of proxy forms**                      Newsletter - May 2002, page 3

This article was produced because we had received a number of incomplete proxy forms that were rejected by the share registrar. It deals with timing and completion of the form.

**What to do with your proxies**                      Newsletter - Feb 2003, page 2

A further exhortation to complete your paper and send it to the share registrar in the envelope provided.

**Proxies for Australian Shares**

A reminder for all those investors in Australian shares that they have an option when voting – give the Australian Shareholders' Association your vote.

**Giving your vote to the Chairman**                      Newsletter - July 2003, page 4

Advising you can attend a meeting even although you have already sent in your proxy form and named a third party.

**Reminder about proxies**                              Newsletter - Aug 2004, page 1

Another reminder on this subject.

**Proxies**    Newsletter - Dec 2004, page 4

Straightening out some misconceptions.

**The new proxy form**                                      Newsletter - Oct 2005, page 2

The first advice on the four-box proxy alternative.

**Proxies**    Newsletter - May 2006, page 6

The first article where we indicated, with an example, that as investors we have a long way to go before we can be satisfied with our position on the proxy front.

**Proxies**    Newsletter - July 2006, page 2

The Waste Management N.Z. lesson for takeover specialists. Do not assume that others will take care of the business.

**Proxies**    Newsletter - Apr 2007, page 10

Tell us when you give us your proxy so we can plan to attend

Oliver Saint

## SEMINAR ON COMPUTING INSIGHTS FOR SHAREHOLDERS

This seminar was held at the University of Canterbury on Saturday 24 March and was free to NZSA members. The morning was divided into three parts; the first two were presented by Branch Committee members, Robin Harrison and Peter Heffernan. The first and longest part covered NZ and overseas web sites. A number of sites were accessed live to demonstrate their uses and limitations. The list of these web sites was sent out to attendees afterwards. The second part looked at on-line trading: primarily NZ with a demonstration of Direct Broking and with time for discussion of practical issues including the use of custodial services. The final part of the morning looked at software for portfolio management and included an illustration using an Excel spreadsheet developed by Max Smith, Secretary of the Canterbury Branch.

Other branches interested in more information on the seminar's content, including the list of web sites, should contact Robin Harrison ([robin.harrison@canterbury.ac.nz](mailto:robin.harrison@canterbury.ac.nz)).

# AGMs

## **Briscoe's Group Limited 25 May 2007**

The group achieved increases in revenue, earnings and gross margin during the financial year, despite a challenging and competitive retail environment.

### Financial Highlights 2006/07

- Same-store sales growth for year was up 2.7% to \$372 million
- Gross profit increased 9.8% to \$151.73 million
- Net profit after tax increased 5.2% to \$26.05 million.

First quarter results are looking better with sales revenue up 17%, but gross margin is below margin for same quarter last year. A final dividend of 4.50 cps fully imputed will be paid. Total dividend for the year increases to 8.00 cps. The company policy will be to continue to pay 60% of tax paid earnings as dividend, despite a challenging operational environment.

### Brand Highlights

**Homewares:** Briscoe's Group now has 4 great brands, after adding two new brands during the year:

**Urban Loft** - created from beginning - first store opened in Britomart in 10/2006

Providing quality, design, colour and style focus.

**Living and Giving** - gift and lifestyle at value prices. Purchased 9 stores, many situated in Shopping Centres - previously a gap in the Briscoe Group offering.

Continued improvements in existing business:

Developing large format stores:	Briscoes
Refurbishing or relocating stores:	Living and Giving and Briscoes
Opening new stores:	Living and Giving

### **Sporting Goods:**

**Rebel Sports** is now a \$120 million business, with 5 new stores opened last year.

Small format stores will be opened in the small centres, and there will be 5 new main stores opened in the forthcoming year.

- Plan is to sell more product to existing and new customers
- Sponsorship of Super 14 Rugby Series will continue
- Develop a new Health and Wellness category

### Prospects for year 2007/08

Looking forward tough environment to continue due to:

- new entrants into retailing
- customer spending power down
- Cost of doing business is higher than before (lower profitability) because minimum wage up, additional holiday pay, impact of kiwi saver initiatives.

But positives for Briscoes is diversification potential of the 4 brands, together with improvements and focus which will come from:

- Store expansion or existing store relocation or refurbishment
- Improved marketing
- Improved and growing product ranges
- Inventory management
- Strong purchasing power across all stores

### General Business

Back office infrastructure pressures: The solution has been to appoint SAP as the new technology platform to enhance stock and inventory management systems.

Jacque Staley

## **CAVOTEC MSL, 27 April 2007**

About 200 shareholders attended the inaugural AGM of Cavotec MSL Holdings Limited at the Clearwater Resort, Christchurch.

Stefan Widgren, Executive Chairman opened the meeting. He introduced the international and local board members present, some of whom were standing for re-election. He also discussed the hugely

important development in 2006 which was of course, the merging of listed Christchurch company, Mooring Systems Limited and private European company, Cavotec Group and he welcomed on board Peter Montgomery (M.D. of Cavotec MoorMaster) and his team.

Cavotec MSL Holdings is a group of companies directly serving customers in more than thirty countries on five continents. They have seven manufacturing "centres of excellence" located in Canada, France, Germany, Italy, New Zealand, Norway and Sweden. The three main divisions of Cavotec are: Airports, Mining and Maritime. Mr Widegren said that they see outstanding growth potential for Cavotec MoorMaster but that, in turn, patience was needed as they were dealing with a conservative market.

The company is targeting 20% in annual sales growth and a 10 to 20% earnings growth in the next five years. The turnover for 2006 was 112.2 million Euros, representing a 35% increase for the year over 2005. Some key extracts from his speech were

\* A goal of Cavotec MSL to be listed on the NZSX50 this year

\* A dividend policy of approximately 15% of after tax earnings for the 2007 financial year. It is anticipated that this dividend will be paid in the first quarter of 2008.

\* NZ Shareholders will not be caught by the new overseas taxation provisions.

An important aspect of his speech regarding taxation has been copied below:

*In December of 2006 The Minister of Finance (Hon Dr Michael Cullen) and The Minister of Revenue (Hon Peter Dunne) issued a discussion document on "New Zealand's International Tax Review: a direction for change".*

*We have met with officials from Inland Revenue and The Treasury and made a submission to Government.*

*Cavotec MSL is a New Zealand resident company with the major revenue earnings derived outside NZ. Under the current "Controlled Foreign Corporation" (CFC) tax regime we are substantially disadvantaged compared to our peer group in NZ. This current CFC tax law is out of step with most OECD countries and our trading partners. We are hopeful that the Government will see fit to change the tax laws and adopt an approach whereby an exemption from NZ income taxes will be granted for "active income" earned in foreign jurisdictions.*

For the full text of the Chairman's report visit the NZC website:

[http://www.nzx.com/market/market\\_announcements/by\\_company?id=146823](http://www.nzx.com/market/market_announcements/by_company?id=146823)

After an adjournment for morning tea and informal discussions, shareholders were shown a short film outlining the considerable areas of potential growth for the different sections of Cavotec. A greater emphasis on cleaner, and more stringent environmental controls as well as energy savings in all facets, be it mining, airports or maritime, gives Cavotec considerable leverage as the products they produce more than meet these requirements. Consequently they excel in this high end level of industry. Major customers include Boeing, Air France, Airbus, Port of Los Angeles, Rolls Royce, Bechtel, Atlas Copco and many other major organisations.

Mr Fabio Cannavale, Associate Director gave a very enthusiastic and comprehensive outline of what the company does and illustrated just what potential lies ahead, be it the enormous demands of China (airports and shipping), mining in South Africa where underground machines will be in increasing demand (attributable partly to manpower shortages due to the ravages of AIDS as well as environmental reasons), to the powering of ships while in port and of course, the enormous efficiencies of the MoorMaster system to mention just some of their many products. He said their order book is showing record levels of interest across the board.

Finally, as Cavotec is an Official supporter of the All Blacks, we were then introduced to the Head Coach, Mr Graham Henry and their Team Manager, Mr Darren Shand. They left us in no doubt that the management of the All Blacks is in very safe hands and there were plenty of questions from the floor, all of which were answered with alacrity. We all then adjourned next door and enjoyed a very pleasant lunch with plenty of time to pursue further questions of the Cavotec directors.

The website of Cavotec MSL Holdings Limited is [www.cavotec.com](http://www.cavotec.com)

Barbara Duff(Canterbury Branch)

### **CDL Investments 29 May 2007**

CDL Investments is a good little earner with a market cap of 96m, a PE of 8 and a yield of 5%, focused on residential housing developments. It suffers from the overseas ownership syndrome, as the dominant shareholder Millenium Copthorne is in turn dominated by Copthorne in Singapore. Consequently we have a chairman whose command of English is laboured, and who flies in from the Hong Leong Group in Singapore, to meetings without intimate details of the New Zealand geography or residential property

scene. On the other hand a good dividend is assured because of the major shareholders interest developing the CDL and Copthorne brand here. There were no contentious issues on the agenda, but some probing from members of the association elicited comment on the following issues.

1. Brian Gaynor asked about updated forecasts and we were told that the momentum in new housing is continuing, with approximately the same number of sections under development as in the last record year(183 were sold last year), and with a similar mix of margins from low to upper end housing. Development is weather dependent and therefore occurs mainly between October and the following June. About 250 sections are under development at present, but some will take up to two years to develop. The land bank includes Auckland, Hamilton, Tauranga, Hawkes Bay, Nelson, Canterbury and Queenstown, and the company is confident of maintaining its recent good performance.

2. Some shareholders felt that share price growth had been too slow and that the shares were usually undervalued. The directors were asked to consider their public relations, buy back policy, and future growth so that capital growth as well as income could be achieved. There was no sign that things would change on that front.

3. During questions and election of directors Wong Hong Ren, Rob Challinor, John Henderson and John Lindsay all fronted convincingly, but we gained the impression that the trading was all John Lindsay's while the other directors were really hoteliers. It was notable that the MD BK Chiu had almost nothing to say. This is just a great little sideline to Millenium Copthorne.

Alan Best

### **Cynotech Holdings**

This Company is listed on the Alternative Market but as the Association had received a proxy, I decided to attend the meeting held in the Rimu Room at the Novotel Hotel in Ellerslie on 26 April. We had recently decided that the Alternative market would appear on our radar so it was an opportunity to see how meetings are conducted in a more informal atmosphere and with the less strict procedures allowed for this market. It was also an opportunity for me to collect a copy of the Annual Report of this group. This was a first time that I had attended a meeting at this location and I must say that the room was comfortable, in excellent surroundings and the nibbles after the meeting were good without being lavish. Clearly, with adequate parking facilities this venue has attractions over its adjoining neighbour across the way for the more economy minded financial controller.

Cynotech Holdings is a collection of companies involved largely in the finance business and include management of the sale and rental of satellite phones and airtime connections, motor vehicle and property finance and a small manufacturing business Snowdon Limited that is involved in the manufacture and distribution of ice cream cones and confectionary products. The Company had acquired from the liquidator the debtors of National Finance. The \$23 million book was acquired for \$7.7 million. This purchase has done well and promises to repeat the progress in the coming year with interesting enhancement of the bottom line. During the year the Company appointed a managing director, Mr Brett Tawse.

I had decided to avoid asking any question during the meeting, a necessary move in view of the fact that I knew next to nothing about the Company, but the agenda items came and disappeared with such alacrity that the time came for any general questions a short ten minutes or so into the meeting so I was constrained to heed the urgings of the chairman, Mr Alan Hawkins, and seek to draw shareholders into some dialogue. This result was achieved and questions were raised as to whether the chairman had considered the small finance company Lombard as an acquisition (considered but not interested); how was the acquisition of the National Finance debtor list proceeding (well with good prospects); and a query on Snowdon (a new brand initiative is expected in May). The meeting closed at 10.55am just short of the half hour.

Oliver Saint

### **Guinness Peat Group plc**

This report is in the way of being an apology.

The Annual Meeting of this Company was held on 29 May 2007 at the Army and Navy Club in Pall Mall, London. I have to advise that our Association was unable to provide a representative to attend this meeting. Although the Company introduced a website a couple of years ago there is very little posted on this facility and minutes of Annual Meetings, proxy details, AGM notices, shareholder composition

and numbers etc are conspicuous by their absence. With the exception of the small number who attended the meeting, the vast bulk of shareholders will not know what transpired at that meeting. The legal requirement in New Zealand for the completion of proxies is that these forms must be received by the Company (in most cases this will be the Share Registrar), 48 hours before the time set for the meeting. In the case of GPG, proxies had to be completed by 23 May 2007. No doubt the UK Companies Act is more restrictive in this respect. All of this is bad news for shareholders of GPG. A positive spin from the exchange of correspondence we had a couple of years ago is we only received seven proxies which suggests that many members have taken our advice revised their decision on this group. Once again I repeat that reading the proxy form is important and striking out the name of the chairman, where this name appears ahead of the intended proxy holder is a prerequisite.

Finally on the subject of this Company, it is interesting to note that the violent lobbying by Tony Gibbs on the subject of the proposed Unrealised Capital Gains Tax paid off last year and the Company now has a five-year moratorium from this tax. What a pity that our Government did not seize the opportunity to suggest to GPG that as there seemed to be so many New Zealand shareholders, an annual meeting of the Company in our country would be a reasonable quid pro quo for being so disenfranchised. But it is perhaps unrealistic to hope that a former academic should think of such an outrageous idea!

Oliver Saint

### **Millennium & Copthorne Hotels New Zealand 29 May 2007**

There was sparse media comment on this meeting; perhaps the early time kept the news media away. The meeting was held at the Copthorne Hotel in Harbourcity, Auckland a very different venue from the usual site for these meetings, The Kingsgate Hotel, Greenlane; the Kingsgate has recently been sold by the group and they no longer have a management agreement with the new owners. The tone of the meeting was also different in that there were no particularly contentious matters to be discussed. Members will recall that our Chairman raised various matters last year including the audio recording of proceedings of the meeting, the alleged promise of a report to the Board on buy-backs and the election of a director. In view of the controversial nature of the discussions, your representative, before the meeting, sought a copy of the minutes of that meeting - all 18 pages of them - which were signed on 26 July 2006; Takeshi Ito, the Company Secretary had done a good job. After the usual formalities of the chairman's address, the CEO was asked to comment on the activities of the group. Mr Chiu was in expansive mood and covered the activities of the group in considerable detail, In fact his address lasted all of one hour and it is a reflection of the depth of his knowledge of the group, his enthusiasm for the subject and the interest of his audience that he kept the room attentive for that length of time. Question time came and one shareholder highlighted the strange behaviour of management in having the meeting of the parent company before that of its subsidiary CDL Investments. This meant that the chairman was in the embarrassing position of having to fend off a query on the outlook of the investment company because it might provide advance warning of what was to be said in the afternoon. I never did get an adequate reason why the timing of these meetings had been so arranged despite probing after the meeting. Nigel Smith sought answers to the difficulties of disposing of the Zenith Residences. In summary, 38 of the 97 apartments had been sold and it was decided that the remaining apartments would now be leased out. Stephen Burt (the unsuccessful candidate for a Board vacancy last year) asked about the \$3.8 million remaining outstanding on the Birkenhead marina transaction. The chairman responded that it was difficult to progress this debt since the New South Wales Maritime Board and the purchaser were still negotiating their position. The money was however held in trust and earning interest for the Company. At one stage the chairman satisfied those members who attended last year's meeting and were curious as to why there had been so few meals supplied by the hotels to their guests. A zero had been omitted from the figures provided last year! Your representative ensured that all directors up for re-election and new Board members seeking formal appointment spoke to the meeting. They spoke extremely well and gave confidence to members that perhaps some attention was paid by the parent company to minority shareholders. One final comment on the venue, it is not one that is usually popular with listed companies. Hotel management will also be unlikely to provide competitive pricing since there is no separate room in which to hold the after meeting eat and drink fest. However shareholders will probably give it marks for convenience of transport and provision of food although the hunger of members after such a mammoth session required a further supply of rolls and cakes!

Oliver Saint

## **Property for Industry 18 May 2007**

Property for Industry's annual meeting in Auckland was very well attended, mainly it seemed by well satisfied private investors. Business suits were few and far between and for this occasion hardly any of the sometimes outspoken analysts and fund managers bothered to turn up.

Chairman Peter Masfen was able to point to another excellent year, with a record net profit and a 4.8% increase in the gross dividend to make 8.77cps. The total return to shareholders - share price growth plus dividend - was 30.3% and this was the third consecutive year that PFI had delivered a total return of more than 20%. In 2006 only one listed property company had bettered PFI's return, he said. The chairman outlined the effect of the recent change in the investment tax regime which, he said, was likely to benefit most PFI shareholders when the new regime takes effect on 1 October, when PFI expects to qualify as a portfolio investment entity (PIE). For example, shareholders are expected to pay tax on their dividends at their marginal rate but only on the taxable component of PFI's income, instead of being taxed on all of the PFI distribution. In addition the top tax rate for NZ-based investors will be capped at 33%.

A very detailed presentation by general manager, Ross Blackmore, gave the clear impression that PFI is no longer the dreary old industrial landlord which some perceived it to be. In addition to its portfolio of blue chip properties, with a 99.7% occupancy rate and an excellent leasing and renewals performance, the company is an increasingly aggressive developer. Mr Blackmore said that since 2004 the company had carried out or committed to 12 development projects. In 2007 the focus would again be on high portfolio occupancy while 'opportunistic acquisitions' would continue and development opportunities within the existing portfolio would be 'a major focus'.

The only note of negativity at the meeting was struck by yours truly. Speaking as a shareholder and a member of the NZSA, I drew attention to the fact that Dr Gareth Morgan, who was up for re-election to the board of directors, had managed to attend only six of the nine board meetings held in 2006. I emphasised that there was nothing personal in my remarks, and I did not doubt that Dr Morgan had made valuable contributions to the company's affairs over the years, but I felt it important that his attendance at only two-thirds of the meetings should not pass without comment. It could set a most undesirable example and precedent for directors in other companies.

Oliver Saint backed me up, also emphasising that he was not making a personal criticism. But he referred to a current civil prosecution by the Australian Securities Investments Commission of current and past directors of the James Hardie Group, alleging, inter alia, breaches of duty of care and failing to act in the best interests of the company. This was of course a far cry from the matter before the PFI meeting, but Oliver pointed out that if directors in any listed company appeared to be exercising less than proper diligence towards company business, they could put themselves at serious risk.

No one else spoke on the subject and the motion to re-elect Dr Morgan was passed on a show of hands with little if any dissent. Over lunch afterwards two shareholders came up to tell me they thought I had a valid point but they hadn't spoken out because, in effect, they would have felt uncomfortable about embarrassing Dr Morgan. What a docile lot some of us are!

The meeting ended after the passing, without discussion, of the obligatory special resolution to approve amendments to the constitution in line with changes to the NZX Listing Rules.

David Lawson

## **Renaissance Corporation 7 May 2007**

Of the 83 valid proxies 6 were in favour of the Shareholders Assn. Colin Giffney, chairman indicated a reduced N P B T for 2007 of \$6m down 31% on the \$8.7m. record result for 2006. This is mainly due to a new direction by Apple in USA setting external pricing in USA dollars reducing margins on Apple products. Other product suppliers were also squeezing margins. Taxation in 2007 would increase to 33% from 29% in 2006. All carry forward tax losses were now offset.

The board has implemented a revised strategy for the changes in supplier margins with growth in sales of the Apple brand and other new exclusive agencies and new developments with products such as Txt Tunes (digital music downloading and text messaging). Dividend would be maintained at 10.5%. The company has no debt.

John Graham retired from the board on 11 years service

Noel Thompson.

## THIS AND THAT

### Xero Live

The Joint Organising Sponsor and lead Broker for this issue was **First NZ Capital Securities Limited** and they should receive **high praise** for ensuring that the prospectus for this offer reached me the day after it was requested. This is the first time that I have ever received a prospectus the day following my request. The experience with most IPOs is that an investment statement will arrive instead of a prospectus or the prospectus will arrive several days after the close of the offer. So, well done those concerned.

Oliver Saint

### **Feltex Carpets (in liquidation)**

We are aware that many members who have recently joined our Association are also shareholders in the above Company. We are regularly asked what is happening to the above company and what are we doing about our view that no director of this group is ever allowed to become a director of a listed company again. We advise that for a start, we will vote against the election of any former Feltex Carpet director who stands for the position of director of any company listed on the New Zealand Stock Exchange. In this we ask that you either grant us a proxy to allow us to use your vote at Annual Meetings or vote yourself to give an emphatic 'no' to the election of these individuals.

As to our intended submission to the proper authorities that a ban be imposed on these directors for as long as possible, the situation is as follows. We have been advised that funds have been received from the liquidator of Feltex to investigate the directors of this group. It is our hope that we may be able to refer to the results of this investigation in the submission we will make, as it should strengthen our case. However we appreciate that these investigations take time and we are conscious that time does not stop. A submission without concrete evidence would be an attractive option, but one that in our view would be doomed to failure. But rest assured that we are keeping this matter in mind all the time.

One of the major reasons why we spent Association funds in putting this group into liquidation was to ensure that a first class liquidator was appointed. One of the big disappointments of being a shareholder of a company that has been placed into liquidation is that from day one there is a complete halt to any information about the liquidated company - no corporate announcements, no press statements – nothing. Shareholders suddenly realise what being disenfranchised is all about. We were able to recommend the present liquidators McDonald Vague who are insolvency and business recovery specialists. An advantage for Feltex shareholders is that this group has a website [www.mvp.co.nz](http://www.mvp.co.nz) that sets out the latest progress, updated on a monthly basis, of the liquidation. We recommend that you consult this site for details.

We are aware that the liquidators have sought further information from shareholders who have filed claims in the liquidation, as advised by the Association. It is important that members provide the detailed information requested, as that is all part of the factual mix that is being investigated and is directly relevant to your own position and to the investigations regarding the actions of the directors. The Liquidators cannot take action without a strong set of facts, and those facts are yours - so please pass the information on as soon as possible. Regrettably, there is no "magic bullet" for that - every shareholder is different and has a unique story to tell. But the sooner you can get your story to the Liquidators, the sooner we will all see progress.

Oliver Saint

### **NZSA and GST**

We have grown to a point where we have been required to register for GST from 1 April 2007. This is a sign of how we have grown and also means we can issue a Tax Invoice to anyone who wants one to claim back the GST, or claim as an expense.

Contact me on [chris.curlett@xtra.co.nz](mailto:chris.curlett@xtra.co.nz) or phone 021-738032 and I will arrange this

Chris Curlett - Secretary

## Letters

I have been in contact with Gerald Hunt on the subject of foreign exchange and our own highly rated Kiwi dollar. This matter is not directly related to our equity involvement but on the other hand exchange rates have a significant effect on the New Zealand exporting companies in whom we invest. I therefore asked Gerald to put his concerns in writing and the following is the result. Correspondence on this topic is now open.

Dear Oliver,

Our Newsletter readers may have opinions about the awfully high New Zealand dollar, and can respond to the following proposal.

Since 1984 when Mr Roger Douglas removed controls on our currency, Farmers and exporting manufactures have had a rough ride! Our unstable dollar has been swinging from 45 cents to 75 cents. It has been impossible not to be hurt by these wild swings affecting our selling prices, and many have closed-up, or have gone overseas. Certainly the Treasury and Douglas were correct in lifting the controls that Muldoon had imposed until then, and high inflation had to be conquered, but to remove ALL controls was not a clever idea. Now we read where firms like AFFCO and PPS have together turned over millions of dollars in recent years without being able to make a profit!

We know that huge amounts of international money swishes around the globe, and makes profits from Government's open currency and high interest on loans policy.

We know our Reserve Bank has limited powers, and they can only control inflation by jacking-up loan interest rates, so that we know it is, and has been our Government which is responsible for not reviewing our policy on deposits for loans.

My question to members is "Do you think our Government should re-introduce a modest control, of requiring 30% minimum deposit, for loans?"

Yours sincerely

Gerald W.Hunt.  
16b Coldstream Court  
Christchurch 8041  
03 351 6328

Dear Editor,

I have a recent experience which I believe may interest other members & would like your advice on procedure and to whom copy should be sent for publication. Briefly the story is. I am trustee for an investment in Westpac / B.T. Funds which was in their International Equity Trust. On 4 August 2005 when they decided to close that fund they gave investors the opportunity to have their investment repaid or transferred to Westpac Mortgage Investment Fund. AT THAT TIME THEY OFFERED AN INCENTIVE TO INVESTORS WHO TRANSFERRED & DID NOT MAKE A WITHDRAWAL FOR 12 MONTHS of AN ISSUED OF BONUS UNITS, over & above historic returns produced by that fund.

Because no bonus units were issued after a year & after communicating with them for some time I have just received that bonus allocation, which I consider should have occurred six to eight months ago. I wonder if other investors who may have been in the same situation have overlooked their holding in that fund and also may have not been rewarded by Westpac.

I think a few lines under IT PAYS TO CHECK or some similar heading may be appropriate. What do you think. ?

Best wishes, John McCarthy.

### EDITORS COMMENT

You should always follow up on any such contractual arrangements. Keep good diary notes, and use a "bring up" system that will remind you to check that what has been undertaken, has been done. But we would not recommend you wait a year to chase them up. In this case, you had to make no withdrawals for that period, which justifies the delay. Otherwise, one week is sufficient (and a further chase every week until satisfied).

### BRANCH EQUITY PORTFOLIO COMPETITION

I apologise to members for failing to include the following article in our April newsletter. I managed, in a moment of haste, to eliminate all my email items from file and was unable to retrieve those in the deleted folder with the result that the enclosed contribution was missing from our newsletter. Perhaps this contribution by the Waikato Branch will persuade other branches to come to the party. Branches should remember that prior advice of joining the competition is required.

Oliver Saint

**NEW ZEALAND SHAREHOLDERS' ASSOCIATION  
BRANCH EQUITY PORTFOLIO COMPETITION - WAIKATO BRANCH TEAM**

How do you do something when you don't know what you are doing? You make a start and see what happens. We sent a notice to our members asking those interested to get in touch with me. I got one response. Not great. What next? I decided to call in some favours, ringing friends who were members and asking them to join the sole responder and myself by gathering at my home at 10.00am on a Sunday morning. We were now four. Three were available on the first occasion. We had a general discussion as to how to approach our task, with coffee and home made muffins mid-morning. We decided on our first purchase – subscribing to the Rakon issue. For the next few meetings our numbers were few, but then as I reported to branch committee meetings some of them asked if they could come along. We took opportunities to report to the membership and one or two more arrived. Now we are averaging eight or more at our meetings, with the suggestion that others may wish to take part. Our small gathering has become a very pleasant way of spending Sunday morning chatting to others of similar interests round a large table with coffee and muffins or scones and a garden near by to relax in.

Investment-wise we muddle along. Everyone has different ideas. Everyone is invited to talk about them. Then we choose, with little discernable pattern. There are those who display an interest in analysis, and they tend to get their way, as perhaps they should. But we try to keep our minds open. We are not experts. Most do not have the skill or motivation to get academic. In other words we act like our members do generally in their approach to investment. They read the business sections of the paper, listen to what others have to say, scan reports, look at the results in their own portfolio, perhaps buy a few shares in a company and then buy more if they find themselves comfortable as time passes (or sell if they don't). Needless to say, our results are patchy, but we hope to improve.

This has been a thoroughly enjoyable and worthwhile exercise. Our immediate problem now is one of size. We are probably at a maximum if everyone is to have a reasonable opportunity to take part in our discussions and decisions, and there are not many suitable venues members can offer. It seems a Waikato Branch Team 2 is in prospect and we need to clarify the terms on which it would enter to ensure an even playing field with existing teams.

We can understand the difficulty that some branches have had in getting a team under way. However, they may be assured that there is much benefit to be gained and that, once a team even small in number is in place, fellowship and inventiveness can turn the effort into the sort of rewarding and educational experience we should aim to offer our members.

***VOLUNTEER NEEDED***

Our newsletter is now five or so years old and we have not yet prepared a comprehensive index or list of contents for reference purposes.

We need a suitably skilled volunteer to put together an Index for enclosure with the next issue of ***The Script***. If any member is interested in this task please contact Russell Hodge or any Board member.

**BRANCHES**

**Auckland**

The past month has been busy behind the scenes rather than issues reaching the national press. We did have some success in getting Skellerup to withdraw their proposed share scheme for key executives which was badly thought through and not in the interest of their shareholders. We were also reported in the press regarding Sky City and the make up of their board which we believe needs some new blood. Another issues which is still to be resolved is the make up of the Contact board where we want to see Phil Pryke and Tim Saunders removed as directors.

As this Newsletter is published, we are expecting Mark Weldon to address the branch meeting on 20 June. We are expecting a very large turn out for this meeting as it will give our members a great

opportunity to hear what the NZX is planning in the coming 12 months and to question Mark on some of the issues which has concerned members recently.

I have been in contact with a number of companies with regard to issues I felt they may need to address in the interest of shareholders which generally have been well received. This is some thing which hopefully builds good relationship with the various companies rather than always rising issues in the public arena. If members have any issues they would like me to raise please e-mail them to me.

Des Hunt (Chairman)

### **Bay of Plenty**

April and May have been two busy months. The April Discussion Group was addressed by Bill Capamagian, a director of the Port of Tauranga, on The Role of the Independent Director and then on NZ's export opportunities and challenges. A member presented an analysis of Trustpower Ltd which was followed by group discussions.

The May Discussion Group featured a presentation on global warming and carbon credits by John Mainland followed by members speaking on PGG Wrightson, Argo Investments and what to avoid when buying unit trusts.

A group of 16 members met under the chairmanship of Russell Brown and they are well down the track to forming a shareclub.

May the 12th saw all the 22 places full for a seminar, "Getting Started in the Stock Market". Our thanks to the presenters Kerry Drumm and Howard Zingel.

Looking forward our focus is on our AGM where Carmel Fisher will be our guest speaker and to the 17th of August when the branch will have the pleasure of hosting the National AGM. Cheers from the BOP.

Lloyd Christie (Chairman)

### **Canterbury**

The Association continues to grow strongly in the South Island and particularly in Canterbury and Christchurch. We now have 177 South Island Members of which 88 are Canterbury Branch members. This ratio of members is considered very acceptable in view the large number of those who reside too far from Christchurch to able to attend our various meetings. It is one of your committee's aims to encourage the formation of new branches or sub-branches in the other more populous areas of the South Island such as Nelson, Blenheim, Queenstown and Dunedin so that more value can be obtained from membership. We must acknowledge our gratitude to the Directors of Feltex who have proved one of our better means of gaining new members. We also appreciate the Board of Telecom who, on realising that if you can't beat them then join them, recommended joining our association to all their shareholders in their last Report. We trust that many more company boards will follow suit but not in the way that Feltex did.

One blip on the horizon of this rapid growth is that the Association has been required to register for GST and so we shall be adding our little bit to Mr. Cullen's heap of surplus dollars. Most of the GST paid will be refunded eventually as our main income is from subscriptions at the start of the financial year and most of our income is expended on the running costs of the Association. We are eternally grateful for the contribution of time and effort put in by our Association Directors who work tirelessly in the background to keep the wheels of the Association turning. You are probably all aware of our Chairman Bruce Sheppard who is tireless in his work fronting for our organisation. But there are others who do not always get mentioned in dispatches who work equally as hard but more in the background. For example Chris Curlett, Secretary, from a good Christchurch family originally after whom Curlett's Road was named, Ross Dillon our Legal Director who has worked diligently at keeping Bruce Sheppard out of jail, Oliver Saint – Director of Research who organises research on listed companies and arranges proxy holders, and Des Hunt who liaises with companies on various issues. Russell Hodge edits and produces our newsletter and looks after membership enquiries.

. We are deeply indebted to the work these directors do in the furtherance of our cause.

Your Branch Committee consisting of myself as Chairman, Max Smith Secretary/Treasurer, Barbara Duff, Robin Harrison, Peter Heffernan and Henk Van Lier have been meeting monthly and endeavouring to schedule an interesting programme for members throughout the year. Henk Van Lier is leaving us as he has been finding the long trip back to Amberley is getting a bit much for him. Thanks for your contribution Henk. We shall miss your cheery face round the dining room table each month and of course your investment tips. I will take the opportunity at this point to thank the other members of the

committee for the hard work and effort they have input in to the running of the Branch. Stand up and take a well deserved bow Max, Barbara, Robin, Peter and Henk. Let's show them our appreciation. During the course of the year we have been addressed by various interesting speakers namely Bob Lynham of Christchurch City Holdings, Alan Robb, Senior Lecturer in Accounting at Canterbury University, Oliver Saint Director of Research NZSA, Peter Montgomery of Cavotec MSL. We have run two Education Day Seminars and have progressed to organising and presenting the courses from within our own resources. We have a further Education Day scheduled for 30th June with Investing in the Sharemarket and Understanding Company Reports as the topics. Anyone wishing to attend can either contact myself or see the web page for details ([www.nzshareholders.co.nz](http://www.nzshareholders.co.nz)). Next year we hope to take these courses outwith Christchurch to other parts of the South Island. Robin Harrison and Peter Heffernan organised and ran a seminar on Computing Insights for Shareholders a most interesting topic but which was disappointing in the low attendance by members of what was a most worthwhile and free seminar on how computer technology and software can help you keep tabs on your investments. Thank you Peter and Robin for the work you did in organising and running this seminar.

Company Visits were restricted this year to Scott Technology only. After what happened to Feltex shortly after last year's visit we were reluctant to chance our luck with any more. Representation of NZSA and members was attended to at five company AGM's viz Ryman Holdings, Ebos, Scott Technology, Smiths City and Cavotech. It is interesting to note that Company Chairmen are beginning to extend a warm welcome to NZSA Representatives at these meetings. We are moving on from the image of being the people who turn up wearing funny hats to gaining the respect of directors for our input in to the improved running and ethical governance of companies. There are two ways in which you the members can help us in furthering our cause at AGMs. One is to make sure that you give your proxy vote in favour of the Association for every company in which you hold shares even if you intend going to the AGM. You can still advise how you want the proxy holder to vote so you are losing nothing democratically but it can mean that the proxy holder can speak with a stronger voice. The second way to help is by volunteering to attend AGM's. This year we were unable to be represented at the AGM's of Postie Plus, POD and Lyttelton Port Co. I am sure that we had some members attending those meetings who could have been our representative for not only our Branch but for our friends in the North Island. We just need to know a few weeks in advance so that the Company Registrar can be advised who is going to be holding the proxies. A proxy does not require to be a shareholder. If you could see the slap up lunch and wine that Ryman put on for their AGM you would all want to come along.

It has been a pleasure and honour for me to act as Chairman of your Branch and I hope that we are moving in the direction that fulfils your objectives in being a member of N.Z.S.A. If we are not then do not be shy in letting us know. We may not be able to keep 100% of you happy but if we can achieve a satisfaction level in excess of 80% then I think we are doing well. We appreciate that a sizeable proportion of our members are in the retired or senior citizen bracket and that is why we endeavour to schedule some of our meetings during daylight hours to avoid you having to come out to face the fog and smog of our Christchurch evenings. Max, our Secretary gets most upset and even a bit apoplectic if we do not get a decent turnout for meetings. So for the sake of Max's blood pressure, please endeavour to come along to our scheduled meetings. We put them on especially for you but what is the point if you do not come along. Other Branches seem to get large attendances at their meetings. Are we in the South doing anything wrong? I think not so come on support your Committee and be a bit more active.

I submit this report to you for your approval and adoption.

Ritchie Mein(Chairman)

### **Waikato**

The Portfolio Competition Group continues to meet on a monthly basis and the interest from members grows. Those that attend enjoy the company of fellow members and face the difficult decisions of investment with the sure knowledge that their money is not going to be lost, albeit their pride may be dented by coming second to the Auckland Group – *never* is a word frequently used in this context. The group is seen to have a value by those attending because, although it is artificial in many ways, the intensity developed in the arguments, for and against a particular investment, is real. Doing your homework is an essential aspect of investment is apparent to all those that attend.

Continuing in the mould of discussion and bringing together members for a monthly meeting resulted in twenty six voices expressing their philosophy to investment. The topics ranged from *long term aims*, to *advisors used*, to *sources of information*, to *attitude to public companies*, to *usefulness of company annual reports*, to *government introduction of FDR/Kiwi Saver/PIEs*, to *Share Clubs*, etc.

A valuable meeting where everyone left feeling more confident (probably), better informed, and secure in the knowledge that other investors had similar concerns and successes.

The Auckland Branch offered our members the opportunity of joining them in a visit to Fisher & Paykel Appliances. We are very grateful for these opportunities and two of our members enjoyed an excellent visit, highlighted by the personnel that greeted them, the tour of the plant, and the recognition of the problems facing very efficient exporters.

Another opportunity for our members was an invitation from the Waikato Property Investors Association to attend a meeting to hear a talk on Listed Property Trusts and PIEs. The delivery from an ABNAMROCs senior analyst was very good and it was apparent that property investors are a keen group. It was significant to learn that the annual subscription for membership was \$330 and that there were two meetings per month.

So to the end of another successful year for the branch, with our AGM due at the end of June. The branch is fortunate to have a group of members prepared to work and share their expertise forming a committee that is a pleasure to be a part of.

Alex Eames (Chairman)

### **Wellington**

The Wellington Branch held two meetings over the past few months. During the May meeting we hosted David Warrick, Managing Director of CER Group Limited, who gave an enlightening presentation on his company and its growth prospects. CER Group is not just an organics company but also an online retailer. The presentation was very informative and it was great chance for members to learn about a company that does not get a lot of coverage from equity analysts.

In June we hosted OMF Financial Limited who gave an informative presentation on their forex and equities trading services. The presentation focused on what CFD's (Contract for Difference) are and how trades are placed in the market and what types of markets these instruments can be traded on. We were lucky enough to have one of their top currency traders at the meeting and he was able to answer a number of questions surrounding the Reserve Bank's recent intervention into currency markets.

A big thanks to our guest speakers. At the next meeting on Tuesday 10<sup>th</sup> July at FNZC's boardroom I will be the guest speaker. I will be giving an update on the outlook for Australasian equity markets, plus pointing out some stocks that stand out on a fundamental and technical basis.

We look forward to seeing you all at the next meeting.

Ray Jack (Secretary)

### **DISCLAIMER**

**Any comments or information contained in this Newsletter or within courses conducted by the Association, including related coursebooks, should not be construed as providing investment advice or recommendations under the provisions of the Investment Advisors (Disclosure) Act 1996, or otherwise.**

## NZSA Investment Education INVESTMENT COURSES

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**Email: [nzsaeducation@invested.co.nz](mailto:nzsaeducation@invested.co.nz)**

**(Limit 22 per course)**

**Investing - No experience needed**

**Course dates TBA**

**Starting in the Sharemarket**

**Course dates TBA**

**Investing in Shares**

**Auckland and Christchurch 9 -12.30 Saturday 30 June**

**Hamilton 9.30 -12.30 Saturday 7 July**

**Understanding Company Reports**

**Auckland and Christchurch 1.30-4.30 Saturday 30 June**

**Hamilton 1.30 - 4.30 Saturday 7 July**

**Auckland** St Columba Centre 40 Vermont St Ponsonby  
**and Hamilton** Ruakura Campus Club, Ruakura Lane (off Ruakura Rd)

Contact Robert 07 827 8026, Ashley 021 185 9945 or Graham 0274 767 368

**Christchurch** Cashmere Club Hunters Terrace Beckenham

Contact Ritchie (03) 332 0052

### NZSA Course Registration Form

Bring an acquaintance to join NZSA and save!

Course/s Location \_\_\_\_\_

First Name/s Mr/Ms/Mrs/Dr \_\_\_\_\_ Last Name/s \_\_\_\_\_

Email (main contact method) \_\_\_\_\_

Phone \_\_\_\_\_

Postal Address \_\_\_\_\_

Course Name	Cost	NZSA	Number	\$Total
Course fees include a course book and refreshments		<b>Members</b>		
Investing-----	\$65 -----	\$55 -----	-----	-----
Starting in the Sharemarket -----	\$65 -----	\$55 -----	-----	-----
Investing in Shares -----	\$80 -----	\$70 -----	-----	-----
Understanding Company Reports -----	\$80 -----	\$70 -----	-----	-----
A \$10 discount applies when taking two courses -----				

**Total \$: .....**

### Payment Details

Auckland and Waikato courses: Post Form with cheque made out to “IENZ” to  
NZSA Investment Education, PO Box 90821 AMSC, Auckland 1030.

Christchurch: Post Form with cheque made out to “NZSA Canterbury Branch” to Chairman 40 Butler St,  
Christchurch 8023

**Register online:** [www.nzshareholders.co.nz](http://www.nzshareholders.co.nz) - click “Shareholder Education”

**Questions?** Phone numbers above or email [nzsaeducation@invested.co.nz](mailto:nzsaeducation@invested.co.nz)

**Cancellations and Refunds:** Cancellations received in writing at PO Box above more than 7 days before course commencement will receive a full refund less administrative fee of \$25. Cancellations seven days or less before course commencement will not receive a refund but substitute attendee is welcome without an additional charge. Please advise of any name changes. Should the course be cancelled by the organisers or by any reason or any factor outside the control of the organisers the course cannot take place the amount of the registration fee will be refunded. The liability of the organizers will be limited to that refund and the organizers will not be liable for any other loss cost or expense, however caused incurred or arising.