

# "The Script"

May 2006

The official newsletter of the New Zealand Shareholders' Association Incorporated

## STOP PRESS: THE UNREALISED CAPITAL GAINS TAX

The last weeks have been full of incidents and there are matters that suggest you, as investors in listed companies, must now exert the utmost pressure on local Members of Parliament so that you continue to enjoy freedom of investment opportunity.

Elsewhere in this newsletter there is published in full the letter sent by Guinness Peat Group to all shareholders in relation to the Capital Gains Tax on overseas investments that is about to be imposed by the Labour coalition. I know that around 70% of the members of this Association are GPG shareholders. I also know that many other members have at one time been shareholders but have been distracted by the absence of proper corporate governance. It matters not which camp you are in, the message from Tony Gibbs applies to all investors in New Zealand who need a diversified portfolio and who manage their own investments. The Unrealised Capital Gains tax is stealing on the part of government and must be resisted. So the message from Tony Gibbs – do not accept this theft, write to the Prime Minister. The only items you need are paper, pen, envelope, five minutes of time and a little ingenuity, postage is free. The address is – Rt. Hon. Helen Clark, Prime Minister, Parliament Building, Wellington. Alternatively you may use the email address which is: [www.pm@ministers.govt.nz](mailto:www.pm@ministers.govt.nz). This is important to you all. If you want information visit our website for our submission and also go to the GPG website that has been specially set up with this subject in mind and may be found at [www.gpg.co.nz](http://www.gpg.co.nz). It is well worth a visit.

Oliver Saint

## THE UNREALISED CAPITAL GAINS TAX

You will all by now appreciate that government have decided to go ahead with an unrealised capital gains tax. However such was the strength and number of submissions made that a re-think of the plan has been hurriedly introduced that in effect creates Australia as the only exception alongside New Zealand where there will be no capital gains. In all other countries it is still intended to have 85% of all unrealised capital appreciations taxed. The exemption of \$50,000 has presumably been based on the 1990's CFC legislation and the value of this exemption in today's prices is \$15,000. The first comment I would like to make is to express my thanks and appreciation to all those members who took the time to send in a submission on the paper produced by Michael Cullen in December. The value of numbers, whilst not perhaps recognised by some local governments (North Shore City and the Long Bay reserve come to mind) is

certainly very important to national politicians.

The next stage is for an even more concerted effort to be made as soon as the Bill goes before the Select Committee. This is the last opportunity to make your views known; do not let this chance go by. Rather than set out a standard letter for you all to send it is 1000 times better if you constructed your own letter because this way your letter will have to be read rather than collected in a pile similar to a petition. I will assist you with some general comments and then ask you to wait for the right moment.

Postscript: I now hear that the Bill will be introduced on Wednesday 17 May, and may be found at [www.taxpolicy@ird.govt.nz](http://www.taxpolicy@ird.govt.nz), which time it will be possible to make a submission to the Select Committee AND ask that this committee has a sitting in Auckland - most important. (Cont'd on Page 2)

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The first thing to appreciate is that this tax structure is not going to go away. It is inconceivable to me that our present Finance Minister will back down. It has never happened before and I do not believe in miracles. So we need to consider mitigating the tax.

1. I suggest that an acceptable compromise and one that may probably be acceptable to companies like Guinness Peat Group, is to suggest that the USA and the UK is brought into the exception area along with Australia. This way it is possible to have a well-diversified portfolio and much of the argument against an overseas capital gains tax disappears (although the unrealised aspect still has an odour of rot about it).

2. It is important to convince the government that equity investment without diversification is a dreadful strategy. Michael Cullen in an address to the Auckland Branch of Chartered Accountants last November had not the slightest idea of the importance of this aspect of building a portfolio. It is impossible to build diversification by New Zealand investment only. It is easier with Australia included but it is very possible if USA and UK are included.

We are being asked to save. We are then taxed out of existence if we do this through an equity portfolio. The result is that we then all buy property. Is this what is wanted?

3. In discussions that your directors had with the IRD and Treasury we suggested that the exemption of \$50,000 be raised. We imagine that this level was plucked from the CFC and FIF regulations in the 1990's. The present value of that figure is now \$15,000. It is surprising how some politicians (those with inflation proofed incomes) forget the ravages that inflation can cause. A more realistic exemption would be \$100,000 some might suggest \$200,000 because the figure will never be altered over time.

4. No cost benefit analysis has been done. The stronger this tax the greater will be the certainty that taxpayers will legitimately bring back their investments to New Zealand and whatever other country is eventually exempt. It can be legitimately pointed out that there is greater possibility of actually obtaining revenue from this taxation system the more country exemptions are included. This is more likely to ensure a properly built equity portfolio exists.

Oliver Saint

## SECURITIES LEGISLATION BILL REGULATIONS

The Ministry of Economic Development produced on 21 March 2006 a discussion paper on the above Bill. The paper covers several matters that it is intended be included in future legislation including new disclosure obligations for investment advisers, insider trading, market manipulation and substantial security holder disclosures. Many of these changes will have an effect on members of our Association. Unfortunately the time for making submissions is extremely short and we have been prevented, through newsletter timing, from keeping you

informed about this development. The date for submissions closed on 21 April 2006 but has now been revised to early May.

Your Association has made a submission on this paper and you will be able to download it from our website. If there is anything that you consider worth commenting and which has escaped our attention please send an email to the writer as there may be an opportunity to incorporate your views at a later date.

Oliver Saint

## DISCLAIMER

The comments contained within this Newsletter, or appearing on the website of the Association, should not be construed as providing investment advice or recommendations under the provisions of the Investment Advisors (Disclosure) Act 1996, or otherwise.

Copy of Letter from Tony Gibbs to GPG Shareholders, printed with his permission:

# GPG

**Guinness Peat Group**

**New Zealand Limited**

4 May 2006

PO Box 105420  
AUCKLAND CENTRAL

Dear Shareholder,

### **Capital gains tax to hit thousands of New Zealand GPG shareholders**

I am writing to you regarding the Government's recently announced proposed changes to the tax rules on share investments.

Unfortunately, if these changes become law thousands of New Zealand GPG shareholders will be affected. As a director, I feel it is my duty to inform you of the threats contained in the new tax proposals. In addition I respectfully seek your support in persuading the Government to drop the proposals, or at least amend the proposed legislation before it is introduced into Parliament.

GPG is owned and run predominantly by New Zealanders. The majority of our directors and shareholders are New Zealanders and we have significant NZ investments. But because GPG is registered in the UK it will be treated under the new proposals as a foreign company.

At the moment New Zealanders' investments in companies in what is termed the "grey list" of countries generally attract New Zealand tax on dividends only. These countries include Australia, US, UK, Canada, Japan, Germany and Norway. GPG is treated as a UK company.

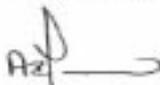
The Government now proposes to abolish the grey list which will mean that investors who hold foreign shares (except in Australian companies) stand to be hit with a capital gains tax on 85% of the unrealized gains on their investments.

We have asked the Government to keep the grey list for UK companies, or otherwise amend the proposed changes so that they do not apply to New Zealanders holding GPG shares. The request has not been granted. However, the Government has been prepared to grant an exemption for all Australian listed companies, whether or not the Australian company has anything to do with New Zealand and whether or not it pays any New Zealand tax. I am staggered that the Government is not prepared to treat GPG at least as well as it is prepared to treat all Australian listed companies.

The details behind the Government's proposed changes are complex and not everyone is affected. However, the overall result will be negative for New Zealand investors in GPG. For further details on the proposed changes please go to [www.gpg.co.nz](http://www.gpg.co.nz)

We will continue to seek to have the proposed changes amended. I urge you to write to the Prime Minister requesting her Government to rethink these proposed changes so that an unrealised capital gains tax is not imposed on thousands of New Zealand GPG shareholders.

Yours faithfully



A I (Tony) Gibbs

You can write to the Prime Minister using the enclosed envelope or alternatively you can send correspondence to the Prime Minister by email to [pm@ministers.govt.nz](mailto:pm@ministers.govt.nz)

## UNBUNDLING

The regulators will say that regulation was always a prospect for Telecom and anyone buying the shares should have known this. While this may be true there is a difference between regulation and theft, even though the outcome may be similar.

Telecom bought an asset from the Crown for what was then fair value. The Crown reserved for itself and the nation certain rights which are encapsulated in the Kiwi share. Telecom has applied its cash flows to enhancing the asset, perhaps not as fast as the community would want. Telecom should only apply its cash to investments that make a return from a shareholders perspective. Telecom's current free cash flows of \$1.8b pa are not a piggy bank able to be broken at the behest of the Crown or the customers of Telecom.

Now the Crown wants to insist that the asset sold 15 years ago and improved by the current owner be supplied at a price determined by the Crown to the owner's competitors.

Think of it this way, you buy a house and pay a fair price, you redecorate it and extend it, and it looks fairly attractive now. The vendors

now want to move in and rent the rooms out, and pay you a portion of the rent they receive. They convince the Crown to pass legislation to compel you to share the house with them. Worse the vendor was the Crown. Is this fair? Maybe the Crown should revisit all the state houses it sold cheap in Auckland over the years!

The thinking behind this is that competition will increase the quality of telecommunications offerings and reduce the price. Quality increases require investment and since when has investment been encouraged by reducing returns?

Telecom has access to more cash than all of their competitors added together, to invest in Telecommunications in NZ. Why attack them when there is a choice of partnering. Don't hold your breath waiting for a better internet or broadband system. Perversely it might get worse.

See also my article on Vision leadership and governance reproduced on our website for the long term impact of this disrespectful move.

Bruce Sheppard

## COMPANIES GOING OFFSHORE TO EXPAND

All too often we read or hear negative comments about companies that fail in their attempts to grow their business via offshore expansion. Institutions, media commentators and small shareholders are typically quick to ask questions like "Why did they take that risk?" and "What were the directors and management thinking to make such a drastic decision?" While such judgments are sometimes overly harsh, there is no arguing with the fact that New Zealand's corporate history is littered with examples of offshore expansions, often involving expensive acquisitions like Air NZ's purchase of Ansett, which have resulted in millions of dollars of shareholders funds being lost.

Currently we have a number of New Zealand companies operating in Australia and beyond. High profile examples include The Warehouse, Michael Hill International, Waste Management, Nuplex, Lion Nathan, Fisher

& Paykel, Fletcher Building, GPG, and Telecom. The merits of the offshore expansion paths chosen by all of these companies, and their subsequent track records, have been widely debated and the jury is still out in several cases.

Rather than be negative and drawing the blanket conclusion that local companies should not expand overseas, I feel we should view disappointing overseas forays as valuable learning experiences. Any new venture or acquisition overseas carries a degree of risk; as of course do such activities in the local market. Examining in detail what went wrong in the past seems logical in any attempt to reduce the risks of future offshore activities and to assist in evaluating the feasibility and attractiveness of such opportunities.

After being involved for many years in

manufacturing and exporting, I strongly believe that the country's long-term economic health is highly dependent on developing increasing numbers of companies who have the ability to grow their business offshore and compete on world markets. Thus I suggest that investors, whether institutional or private, who harbor concerns about a company operating offshore focus their efforts on making sure that key risks/issues are addressed rather than simply advocating a stay at home at all costs strategy. For the benefit of all concerned, as shareholders we should seek out and support those companies we believe have the competencies and disciplines to succeed in moving offshore.

The following are some of the reasons I feel companies have not been successful. They are not presented in any particular order:

Inadequate initial research resulting in risks being understated.

Key executives not being involved in the evaluation process.

Too much reliance on outside consultants.

When expansion occurs via acquisition the price paid often makes it difficult to achieve a reasonable return on the investment.

Financial and Management resources are often stretched from day one, which is not conducive to successfully managing major undertakings such as a large offshore acquisition.

Underestimating the time it will take to determine the right product(s) or service(s) to create a competitive position. Even the most similar of markets are likely to differ in ways that can result in research and development and manufacturing resources being stretched to a far greater than first thought.

CEO and other key executives not being involved enough on a day-to-day basis, resulting in important decisions not being made on time.

Inadequate strategic planning on how to achieve the goals set in the new market.

Not recognizing or giving enough weight to the fact that a new entrant to a market will almost always have to work much harder than established local competitors. The longer you take to become established, the more scope for opposition to fight back and perhaps

reconfigure their position.

In light of the discussion above, the following list contains a number of important questions I think investors should ask when evaluating a company that is contemplating entering an overseas market.

Does the company have a dominant market position in its local market?

Are the company's existing financial and management resources substantial enough and deployed in a manner that will allow a new market to be successfully opened up, assuming an opportunity exist?

Do the company's expansion goals seem feasible and financially prudent?

Has the target market been researched carefully by the appropriate members of the management team.

Is the CEO totally committed to the project?

They should not be too reliant on consultants, especially where there is a lack of senior management buy-in.

Is it best to make an acquisition or start up a new company?

What type of bridgehead can and needs to be established in order to quickly show the target market that the company is serious and competitive and thus build credibility with various stakeholder groups.

Does the company have the resources to make quick changes to its product(s) or service(s) should they be required to meet the needs and wants of the new marketplace? Have they correctly calculated selling prices, bearing in mind distribution margins can vary greatly in each market place?

How sensitive is the company to currency fluctuations?

How capable is the firm of operating profitably should prices come down?

What legal and any other approvals may be required? Some of these can take time, and unanticipated delays can prove very costly and frustrating.

While at first glance the items in this list and the one that preceded it appear very obvious, the track record of New Zealand firms suggests that it is fundamental issues like these that are either being brushed over or completely ignored on a regular basis, by both investors and management alike!

Des Hunt  
Director Corporate Liaison

## PROXIES

I make no apology for introducing this subject once again. It is a very important part of corporate governance and participation indicates that you, as shareholder, take your responsibilities seriously. It is also one of the most frequently asked questions by our members.

Perhaps the following example will persuade you that we have some way to go in New Zealand before we can metaphorically hold up our hands and be counted.

In December 2004, the Australian Shareholders' Association asked our Association if we would represent their members and shareholders at the forthcoming annual meeting of Westpac Banking Corporation. This was the first time in the long history of the Bank that a meeting of shareholders had been held outside Australia. Naturally we were very happy to oblige and recognised the honour that had been accorded us so soon after our Association had been formed. At the day of the meeting the NZSA representatives collected their proxy papers and attended the meeting. Usually when approaching the Registrar's desk before the meeting we are presented with a list of shareholders whom we are representing. On this occasion no list was available. The following day I emailed the Australian registrar seeking a list of proxies; this was duly emailed to me on the following day. The list was 75 pages long and contained over 2,000 names.

Our Association has seldom received more than a dozen proxies for a general meeting and there have been occasions when I have attended a meeting of a major listed company and no proxy has been received for the Association. This situation is seldom lost in the memory recesses of those responsible for passing regulations. For example in the United Kingdom, the UKSA is lobbying hard both Houses of Parliament to ensure that shareholders who hold their ownership through nominee companies retain their entitlement to receive annual reports and proxy forms. At the time of writing this is about to be changed to a voluntary basis for each listed company. We would not like to see a similar change in New Zealand; a way of avoiding this is to ensure we take attendance and voting at meetings seriously.

Questions that are asked by members are – how can I be sure that there will be a member at the meeting to which I nominate NZSA as my proxy? – Is it possible to list on our website those

meetings where NZSA representation will be available and the person who will be our representative? – How do we know which way the NZSA will vote our shares? – Do we send our proxy to the NZSA after we have signed it?

I will respond to all of the above and at the same time try to give you a broad view of our philosophy. First, a general comment that, so far as I can see, will be applicable to us for some time; we are a relatively small Association and our income under existing arrangements is unlikely ever to provide assurance that we can engage and retain a paid administration. All work is therefore voluntary. With the above in mind it is our aim that a representative will try to attend every meeting at which a proxy is given to us. I am responsible for ensuring that there is a NZSA member allocated for each meeting.

As a general rule we will support the recommendations of the Board of the listed company concerned and your proxy will be instructed to vote appropriately. Occasionally there will be times when it is imperative that members listen to arguments for and against a motion put to the meeting. If this were not so, why would there ever be the need for a meeting? Therefore it may not be appropriate to decide on a path before discussion takes place; your representative will on those occasions be given discretion and a vote will be based on the dialogue that has occurred. This is one reason why we will be unlikely to give on our website an indication of our voting preferences. If you feel strongly about a subject please mark your voting paper appropriately and your vote on this resolution will be in accordance with your wishes. The New Zealand Stock Exchange has a relatively small number of companies listed on the main board; we aim to attend all those companies in the top 10 and every company meeting for which we are notified that we have a proxy. I believe our record so far has been excellent and I can remember only four occasions, one through a last minute change of plan forced on our representative and three because there was no volunteer able to attend on the day, when we have not had a person attend. Meetings are mainly held in Auckland but Wellington and Christchurch figure prominently as favoured venues. Our branches in these cities have been extremely diligent in ensuring attendance and participation. You may ask – but how do I know that there will be a proxy for the Association? The answer is that Computershare Investor

Services and BK Registries have ensured we are advised when proxies are available to us. In addition, I have a regular print out of Meeting Dates of listed companies from the NZX Weekly Diary downloadable from the internet (a reason why we do not list meeting dates on our website) and will arrange with branches where there are meetings outside the Auckland area. I hope the above convinces you that we have this subject under control and if we do miss a meeting it will be due to circumstances outside our control. We have considered using our website for listing meeting dates and advertising proxy attendance but its use can be inflexible in that it will not allow us to change proxy holders if, at the last minute, a change is necessary (You may have appointed a member from our website list who at the last minute cannot attend and your vote would be lost). Time is also involved for somebody to update lists and time is not plentiful. For this reason we ask you all to state the name of the Association as your proxy and I then write to the Registrar prior to each meeting with the name of the member who will attend as our proxy. It means more work for me but it gives the Association complete flexibility. For example I have on one occasion changed the name of our representative three times before a meeting, so flexibility is a factor.

Please therefore ensure that you read, sign and return your proxy to the share registrar of the company concerned (and not our Association) in the envelope provided. As we may have mentioned in a previous newsletter the proxy forms are now being changed by most companies to include columns FOR, AGAINST, ABSTAIN or PROXY DISCRETION and a proxy may be disregarded by the share registrar or listed company if one of these columns is not ticked which is the reason we ask that you read the form before signing.

I know many members have holdings in Australian and United Kingdom companies. Whilst the return of proxies most likely involves a \$1.50 or \$2 stamp, I urge that you sign and return these proxy forms authorising either the Australian Shareholders' Association or the United Kingdom Shareholders' Association as applicable to vote on your behalf.

The Annual General Meeting of Guinness Peat Group is being held in June 2006 in London and we have made arrangements for a representative of United Kingdom Shareholders' Association to be present at that meeting. Please do us proud and send in your proxies appointing The United Kingdom Shareholders' Association as your proxy.  
Oliver Saint

## **BRANCH EQUITY PORTFOLIO COMPETITION**

You will read elsewhere in this newsletter that the first Branch Officers Conference of the NZSA was held on 14 March 2006. It was decided at the conference that a competition should be organised between branches, starting as soon as possible, with the objective of achieving a target result that exceeds the rate of inflation by 33% (the bottom line). Hopefully the final result will provide capital appreciation considerably greater and compare favourably with the current NZX 50 Index that you will all realise incorporates gross dividends.

The objective and rules for the branches will soon be included on our website. It is intended that each future newsletter will contain a commentary by a participating branch on the composition of the fund and some of the more unique and interesting discussions on investment policy or other matters that the branch may feel would interest members. We will therefore expect to have for you at least one branch update per issue and in addition I will review the half yearly and annual results to give members an overall picture of what is happening. We hope this new feature is a success and some time has been expended to ensure that the objectives of the competition are long term and that they are designed as far as possible to mirror the real life problems of accumulating capital on a frequent basis so that a savings pattern is developed.  
Oliver Saint

## BRANCHES

### Auckland

This year we have already had two branch meetings for members. Keith Smith addressed the well-attended February meeting and David Skilling the Chief Executive of 'The New Zealand Institute' addressed the April meeting. For members wishing to review David's excellent presentation on the opportunities and challenges facing the New Zealand economy it can be viewed on the New Zealand Institute website <http://www.nzinstitute.org/index.php/> Go to : 'Interactive Exhibits' (mid page), select 'View Slideshow', and the presentation "The International Performance of the New Zealand Economy" will run automatically. We have yet to confirm speakers for the June and August meetings.

On October 18, we have Rebecca Thomas of ING (NZ) Ltd and on 29 November we have John Key. Finance Spokesperson for the National Party.

The first company visit will be at Ryman Healthcare on 24 May, followed up with a visit to Sky City in late June. We are currently trying to arrange at least three further visits by the end of the year. At this point of time it looks like we will be also able to visit Pumpkin Patch and hopefully the Warehouse.

Auckland Branch officers welcomed the opportunity to meet other branch officers at the Branch Officers Conference on 14 March to discuss issues of mutual interest. We came away from the conference with many challenges if we are to grow our membership and be an organization which has the respect of the general public who own shares as well as the business community. It is disappointing to find we generally attract the attention of shareholders only when we are involved in a major dispute with a company. It is obvious from the comments made at the conference many are still not aware of the work we do behind the scenes.

This is an issue for all the branches and an area we need to address. It seems from comments made by others attending, that our members join the NZSA for a number of reasons. Some of the key activities which interest them are education, company visits and hearing key people in the industry speaking at our branch meetings.

It was agreed by the majority by keeping our members fully informed of what the NZSA is all about is very important. Often new members do join because they have some

contact with our current members.

The main thing the Auckland Branch came away from the conference with, is that it is up to the branches to expand the membership base and to get members actively involved where possible in the Association to spread the word of what we are all about.

Des Hunt  
Branch Chairman

### Bay of Plenty

Stepping back just a little, two of the committee members visited Peter Brown, our list MP and deputy leader of NZ First Party. At this meeting we expressed our concern regarding the forthcoming Capital Gains Tax. There were several points from this meeting that caught his attention and he also gave us several pointers as to what we may do for the future. He expressed an interest in coming to our next meeting. He was duly invited to attend today's meeting and he was pleased to be present.

We had an excellent attendance of 31. The format took the meeting through several mini presentations lasting about 5 - 7 minutes.

Howard Zingel: How his shareholding in GPG will affect his future direction.

Allen Smith: Investing in the US since the mid 80s and the impact on his decisions for the future.

Lloyd Christie: How he will approach his submission to the select committee and some of the implications he sees as being fair and equitable to the many ordinary New Zealanders who have long term strategies with investments in the US and UK.

Don Johnston: Who spoke about the effects it may have on their share club whose ages vary from 40 to 80. The club has been in operation for many years and have considerable sums invested in the US. The question he asked "What is the future for us and our overseas long term shareholdings. There was considerable debate and comment about this aspect.

Bruce Anderson: Related to his family position. They have been savers for many years and through diversification have investments in the UK. Now some of the family live in London. What does the family do with these investments?

Peter Brown provided us with several suggestions for us as a group if we wish - and he strongly suggested we should - to

make an official submission. He kindly provided a booklet "Making a Submission to a Parliamentary Select Committee."

In addition he provided a list of all the members of the Finance and Expenditure Committee.

As time has gone by it is emerging that there is value in making representation to MPs as their understanding is somewhat limited of the proposed legislation. Our limited time with his has been quite useful to his understanding.

May we as a committee from Tauranga urge you all to contact your local NZ First, United Future and Maori Party MPs and make a presentation to them. It is important in our minds that some form of representation be made to Peter Dunne and the other United MP in the house.

Please may we ask you all to be proactive and set this as a task to accomplish in the near future. If we can assist please ask and we will help where we can.

Allen Smith  
Branch Committee

### **Canterbury**

Canterbury Branch recently held two successful Education Days at the Cashmere Club with Graham Wilson in charge of the programme. These events prove successful in recruiting new members. We have now covered all four available courses and will possibly run some more later on in the year.

Coming up on Thursday 25 May is the 2nd AGM of Canterbury Branch to be held at 7.30pm in the Library Room of the Cashmere Club, Hunter Terrace, Beckenham. Guest speaker will be Bob Lineham of Christchurch City Holdings, who hopefully will fill in more details on the future of the Lyttelton Port. Should be an interesting meeting with some searching questions being asked. So be there. Supper will be served afterwards.

Canterbury members were recently surveyed to find out what members want from their membership. Analysis is not yet completed and details will be advised to members in due course. One question asked was "are you prepared to stand for the committee" to which only one positive reply was received. So come on you lot. Don't be the nobody who always leaves it to somebody else to do what anybody can do. Your committee needs your

help to make this organisation the vibrant and shining beacon for the investing public of the South Island. The only qualification necessary is a modicum of common sense and to give a couple of hours of your time one night per month. It is good fun with some interesting discussions around the table. So have a think about joining us on the committee.

Ritchie Mein  
Branch Chairman

### **Waikato**

There is a monthly meeting of the Branch Management Committee. Usually takes about 2 hours and is well attended. Decisions by this Committee establish the activities involving the branch membership for the year. Branch meetings may have a formal presentation from an invited guest speaker, or a visit to a public company for an address from the CEO and perhaps the CFO and the Plant Manager. Viewing of the operational details of the company's operation is integral to such a visit.

Meetings of the Branch take place every six weeks or so. The dates are decided by the availability of our speakers; and the manufacturing plants for inspection. This year:

- |              |  |
|--------------|--|
| February 23  | Graham Wilson on Investor Strategies furthered by Investor Education   |
| April 18     | Discussion Group with Local Members of Parliament. "New Zealanders' Savings Habits. Can they be Improved."     |
| May 16       | Visit to Comvita Ltd., Paengaroa<br>June 22 AGM and speaker Carmel Fisher Investment Strategy                  |
| August 3     | TBA  |
| September 14 | Dr Grant Samkin Waikato University School of Business Management. International Financial Reporting Standards. |
| October 19   | TBA  |
| December 7   | Guest Speaker  |
| TBA          | Annual Christmas Dinner  |

Malcolm Dunshea  
Branch Committee

## NZSA Investment Education

*"Great courses - Great Coursebooks. Not a sales pitch! Thanks. Lots of useful info."*

### Investing

Choices, Risks to avoid and Rewards, Property, Shares and Fixed Interest, Advisers and Agents. No experience needed.

**Wellington** Sunday 9 July 2006 9.30 - 12.30  
**Hamilton** Thursday 29 June 2006 6.00 - 8.30 pm  
**Auckland** Saturday 10 June 2006 9.30 - 12.30

### Starting in the Sharemarket

Basics you need which many shareholders don't have. Buying and Selling, Share tables, Risk and return, 4 Key Financial Ratios, Simple ways to analyse shares and get going. No experience needed.

**Wellington** Monday 10 July 2006 6.00 - 8.30 pm  
**Hamilton** Saturday 1 July 2006 9.30 - 12.30  
**Auckland** Saturday 17 June 2006 9.30 - 12.30

### Investing in Shares

Investment Strategies, Information Sources, Key Financial Indicators and Ratios, Ways to assess companies - to follow the "Starting" course and for those who know its contents.

**Wellington** Friday 14 July 2006 6.00 - 8.30 pm  
**Hamilton** Thursday 20 July 2006 6.00 - 8.30 pm  
**Auckland** Saturday 24 June 2006 9.30 - 12.30

### Understanding Company Reports

Learn to use an Annual Report, Analysts Reports and Company Announcements to try to value a company. Bring a sense of humour and a pocket calculator if you have either. Buy, Hold or Sell? To follow and applies "Investing in Shares".

**Wellington** Saturday 15 July 2006 9.30 - 12.30  
**Hamilton** Saturday 22 July 2006 9.30 - 12.30  
**Auckland** Saturday 29 July 2006 9.30 - 12.30

**Wellington** Ph Martin 04 971-1500  
 Sharella Motor Inn, 20 Glenmore Street, Wellington

**Hamilton** Ph Alex or Robert 07 827 8026  
 Hillcrest Lodge Hotel, 334 Cobham Drive, Hamilton

**Auckland** Ph Graham 09 376 7368 or 027 476 7368  
 St Columba Centre, 40 Vermont St, Ponsonby, Auckland

Bring a friend, join NZSA and save!  
 All courses limited to 22

**Question?** Phone 09 376 7368 or 027 476 7368 or Email  
 nzsaeducation@invested.co.nz

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

**Register by mail:** Complete form below:

## NZSA Course Registration Form

Bring an acquaintance to join NZSA and save!

Course Location \_\_\_\_\_

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

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

Phone \_\_\_\_\_

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

Course Name	Cost	NZSA Members	Number	Total \$
Investing -----	\$65	\$55	-----	-----
Starting in the Sharemarket -----	\$65	\$55	-----	-----
Investing in Shares -----	\$80	\$70	-----	-----
Understanding Company Reports -----	\$80	\$70	-----	-----

A \$15 discount applies when taking two courses -----

Each course fee includes a course book and refreshments **Total \$:** -----

Post Form with cheque made out to "IENZ" to  
 NZSA Investment Education, PO Box 90821 AMSC, Auckland 1030.

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.