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Tis the season to hear and be heard

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We are now in AGM season. Shareholders of listed companies will have ample opportunity over the next three months or so to attend Annual General Meetings of their companies.

But will shareholders make the most of these meetings?

Over the years I have noticed that AGMs have lost some of their lustre. You tend to see the same shareholders turn up to meetings, the official business is often completed within thirty minutes, and question time comes to an abrupt halt when the savouries and sandwiches are brought out!

The more interesting AGMs tend to be those that have controversial issues to be voted on. Certainly our news media more often reports the meetings where shareholders speak out against the board, than the ones that feature favourable comments.

The National Property Trust unit-holders' meeting last week got a lot of coverage, as it should, because unit-holders voted against the status quo in favour of a major restructuring.

But Mainfreight shareholders who were unable to attend their AGM last week didn't get to read the optimistic statements from both Chairman Bruce Plested and Managing Director Don Braid, or hear the shareholder questions and comments, all of which were very flattering, with the plaudits continuing for more than 45 minutes.

In a similar vein, around 100 Ryman Healthcare shareholders would have left their AGM last week feeling very satisfied at having chosen Ryman as one their investments. Chairman David Kerr's commentary was peppered with phrases such as "income certainty is steadily increasing" and "demand is certain to remain very strong".

In an uncertain investing environment where investors don't know who to believe or what's going to happen next, an Annual General Meeting can be a real beacon.

An Annual General Meeting is a forum for shareholders to vote on key issues such as the direction of the company, the decisions made over the last year, and the financial results.

While the format of an AGM is very structured, once the formal business is out of the way and the board and management talk about the company and respond to questions, a shareholder can get a real feel for how their investment is tracking.

And when it comes to voting, a small shareholder can have a disproportionate amount of influence on the outcome, depending on how other shareholders at the meeting vote.

AGMs also provide shareholders with an idea of issues and questions that are important to other shareholders. You can learn a lot about your company by the questions asked at AGMs, and by the way they are answered.

One AGM that I would love to attend one day is the meeting held in Omaha Nebraska for Warren Buffett's company Berkshire Hathaway. These meetings are legendary because Warren Buffett and his associate Charlie Munger sit on a stage and answer shareholder questions

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candidly, and often humorously, for hours at a time. The May 2009 AGM went on for seven hours!

Annual General Meetings are not just meetings for real enthusiasts, or those wanting a nice morning tea. They are called shareholder meetings for good reason.

Disclaimer: Fisher Funds owns shares in Mainfreight and Ryman Healthcare on behalf of its investors

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