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## 1 hot issues

Here are a number of different investor relation related issues:

### 1. CEO and CFO Certifications – some TSX-V relief

When issuers submit their financial statements for Sedar filing they must have the CEO and CFO sign the appropriate certifications that confirm the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined by MI 52-109. Issuers on the TSX must have the CEO and CFO sign the FULL version of the certs (over the last 3 years we have gone from BARE, to MODIFIED to FULL – each with more rigorous internal controls). The certifications should be dated and filed at the same time as the **letter** of the Annual Financial Statements, MD&A or AIF). F1 refers to the annual cert and F2 refers to the interim cert.

TSX-V issuers have now been granted reporting relief on their CEO and CFO certifications. Previously TSX-V companies had to use the FULL version of the certifications, as TSX companies did. Venture Issuers can now file a “**Basic Annual Certificates**” and “**Basic Interim Certificates**” for financial years and interim periods ending on or after December **31, 2007**. Venture Issuers can still choose to file the “**Full**” version if they would like to, but it is not a requirement.

### 2. Are Sovereign Wealth Funds (SWF) in your Shareholder Base?

SWF are pools of money derived from a country’s reserves, which are set aside for investment purposes that will benefit the country’s economy and citizens. The funding for a SWF comes from central bank reserves that accumulate as a result of budget and trade surpluses, and even from revenue generated from the exports of natural resources. The types of acceptable investments included in each SWF vary from country to country; countries with liquidity concerns limit investments to only very liquid public debt instruments.

Some countries have created SWF to diversify their revenue streams. For example, the United Arab Emirates (UAE) relies on its oil exports for its wealth; therefore, it devotes a portion of its reserves in an SWF that invests in other types of assets that can act as a shield against oil-related risk.

The amount of money in these SWF is substantial. As of May 2007, the estimated value of all SWF is \$2.5 trillion.

There seems to be more investment by off-shore SWF’s in North American companies. There are about 25 funds in the world and most are not transparent.

### 3. IR Blogs

Check out Dell’s new IR blog: [www.dell.com/investor](http://www.dell.com/investor). The comments section is quite interesting.

Dell has had a blog about its products for some time, but now it has one about its shares. Dell’s IRO thinks that it could be risky to let shareholders provide feedback in such a public way but there have been some very relevant questions from shareholders such as how Dell should use its cash, dividend questions and so on. The IR Group does scan and edit the questions and comments though.

#### 4. IFRS – Are Canadian issuers ready for this?

IFRS stands for **International Financial Reporting Standards** and it is the new financial reporting language being used in more than 100 countries across the globe. Canadian companies will be moving from Canadian GAAP to IFRS in January 2011. Actually, in January 2010 companies will have to report in IFRS to have year-over-year comparables for 2011. According to IR Magazine's Investor Perception Study (Canada 2008), just 42% of the buy-side analysts and fund managers are aware that Canada is planning to convert to IFRS in 2011. Half of the sell-side analysts surveyed were aware of the accounting change.

#### 5. LSE opens Beijing Office

The London Stock Exchange (LSE) recently opened a representative office in Beijing. This move follows the opening in Beijing in December by the NASDAQ and NYSE. The NASDAQ has the most Chinese listings with 55 companies, NYSE with 39 and LSE with 6, although the AIM trades 62 Chinese firms' shares.

#### 6. Warren Buffett's Shareholder Letter

Did you know that Warren Edward Buffett (born August 30, 1930, in Omaha, Nebraska) is regarded as one of the world's greatest stock market investors, and is the largest shareholder and CEO of Berkshire Hathaway? With an estimated net worth of around US\$62 billion, he was ranked by *Forbes* as the richest person in the world as of March 5, 2008.

Often called the "Oracle of Omaha," Buffett is noted for his adherence to the value investing philosophy and for his personal frugality despite his immense wealth. His 2006 annual salary is about \$100,000.

His 21 page shareholder letter for his Berkshire Hathaway company is always a good read.

Check out <http://www.berkshirehathaway.com/letters/2007ltr.pdf>

The last page outlining the events for his annual meeting (which he refers to as the "Woodstock for Capitalists") is quite amusing.

#### 7. VAR – Video Annual Report

Check out a VAR at [www.cpk.com](http://www.cpk.com) (California Pizza Kitchen, investor relations/annual reports)

This is how the "YouTube" generation is now delivering the corporate message. The VAR is a short video intended to replace the glossy "marketing" material found at the front of an annual report. It can also be found on the corporate website along with the 10K wrap. It is alleged that the benefit of the VAR is cost savings and it is supposedly more impactful in delivering the corporate message than photography or text. Some think VAR's give analysts and shareholders an opportunity to meet the CEO – which is better than reading the letter as it allows shareholders to get a feel for the company. What do you think?