

How are your finances faring so far in 2011?

If your finances are due for a good shake up and a clean-out call me to make a no-obligation 30 minute appointment on 0800 64MONEY.

Not only will you feel better about 2011 but you will also receive a free book valued at \$29.99 (see back page for options).

My clients receive better insurance benefits and in most cases cheaper premiums.

I provide a review of your current investments and superannuation/ Kiwisaver plans and can reduce your current advisor and fund manager charges.



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Global Listed Infrastructure: A Compelling Investment Opportunity

As we emerge from the most severe global economic downturn in decades, investors are looking for investment strategies that offer the potential for attractive total returns, and that also provide defensive characteristics. We believe that global listed infrastructure securities offer both and can also offer advantages over illiquid, direct infrastructure investments. Sound fundamentals, attractive valuations and the need to address years of underinvestment will put global listed infrastructure securities in a position to generate long-term growth and income.

Listed Infrastructure Complements Direct Infrastructure Investments

With its attractive total return potential, income characteristics, liquidity and transparency, we believe that listed infrastructure can serve as either a stand-alone investment or part of a broader infrastructure portfolio that includes direct investments.

There is a strong similarity to real estate, where successful investors have long identified a role for both direct and listed allocations. These investors recognise that the underlying assets in listed and unlisted investments are similar, but that the differences in the vehicles in which the assets are held create return cycles that are out of phase. Investors have also recognised the informational advantage of being invested in both vehicles—the frequent pricing and valuation signals given by the listed markets offer a look into the likely upcoming shifts in valuations of unlisted investments.

An Asset Class that Offers Attractive and Stable Returns

As an asset class, global listed infrastructure has historically been characterised by a significant degree of regulation, monopolistic operations, inflation-linked cash flows and low long-term correlations with the broader equity and fixed income markets. The contractual nature of infrastructure companies' cash flows and their ability to pass on higher costs allow them to maintain real revenue growth and enhance

their likelihood of long-term outperformance. While infrastructure securities are not immune to short-term market volatility, their relatively predictable cash flows and high dividend yields do provide relative stability.



We expect growth in listed infrastructure investment opportunities, driven by:

- Historical underinvestment in infrastructure;
- Economic development and urbanisation in emerging markets;
- Increased reliance upon private industry for infrastructure services;
- Growing demand for infrastructure assets globally; and
- Increased investor awareness and participation in the asset class.

Infrastructure spending tends to be relatively insulated from economic cycles. In fact, as seen recently, spending may rise in times of general economic difficulty. Furthermore, infrastructure companies generally remain near the top of the pecking order in terms of access to capital, given their relatively strong balance sheets, predictable cash flows and regulated business models. Utilities, for example, have been successful in issuing significant amounts of both debt and equity over the past year.

For more information on how you can invest in infrastructure contact me by calling 03 379-7035, 0800 646 6639 or email sheryl@strategies.co.nz.



ASIAN & AUSTRALASIA OUTLOOK

There are strong reasons to consider your exposure to Asian equities. For many that exposure is currently zero. For NZ investors there are numerous reasons to look to Asia:

- The need to diversify.
- The need to escape the fatal delusions of over exposure to property.
- The desire to gain exposure to the best growth story on offer.
- The need to participate in liquid markets.
- The need to find more rewarding opportunities than debt and equities markets in N.Z. offer.

Below is one version of the Asian outlook going into 2011 drawn largely from the Economist Intelligence Unit.

WORLD RISK

The Asian outlook – set against these top five global risks: Most risky (score 20) is “high probability high impact” ranging down to 5th (score 15) “moderate probability high impact.”

- 20 The global economy experiences a deep double-dip recession
- 16 New asset bubbles burst creating renewed financial turbulence
- 16 Regulatory tightening after the financial crisis is too stringent
- 16 Economic upheaval leads to widespread social and political unrest
- 15 Key markets fall into a deflationary spiral

ASIA WILL REMAIN THE WORLD'S FASTEST-GROWING REGION

A strong recovery in industrial production and trade has been under way since the second quarter of 2009, and domestic demand has held up well in many countries. Historically, most Asian recoveries have relied on exports, while investments and private consumption have remained weak until well after the end of a recession. This time the situation is atypical. A recovery in exports as Western firms restocked was important, but the recovery in many countries has been driven by large fiscal stimulus packages and loose monetary conditions. The stimulus in China was the most important in absolute size and relative to GDP, but many other governments have implemented aggressive fiscal measures to support the economy. With fiscal stimulus now being withdrawn and monetary policy tightened across the region, the onus is again switching to autonomous private-sector demand. Third-quarter GDP data have been released by most countries, and with the exceptions of India and Hong Kong, all have shown a slowdown in year-on-year growth. Growth in Asia and Australasia (excluding Japan) is forecast to slow down to 6.7% in 2011, from an estimated 8.1% in 2010. Asia will remain the fastest-growing region in the years to 2015, although, with the exception of the bounce back year of 2010, growth rates will remain comfortably below the annual average of 8% recorded in 2005-07.

Fiscal and monetary stimulus helped Taiwan and South Korea to rebound from declines in output induced by the weakening of electronics demand in the developed world in late 2008. Policy is now being tightened. In South Korea, the Bank of Korea (the central bank) raised the policy rate.

The main economies in the Association of South-East Asian Nations (ASEAN), Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, have all benefited from the strong recovery in global trade and the strength of demand from China. Most of these countries introduced massive stimulus programmes, the effects of which are beginning to fade. More recently, they have also been boosted by capital inflows, which have raised some concerns about overheating and rising inflation. In 2011 these economies will be focused on rolling back fiscal stimulus measures in an orderly fashion, and tightening monetary policy, although they will be wary of the effects that higher interest rates will have on their exchange rates, which have already appreciated strongly since early 2009. Thailand grew strongly in 2010 but its medium-term performance will be constrained by political instability, which will undermine investor and consumer confidence. Vietnam's economy is strong (6.8% growth is forecast in 2011), a trend that we expect to continue despite policy weaknesses and concerns about the banking sector following excessive credit growth in recent years.

In India, real GDP growth on an expenditure basis is forecast to grow by an annual average of 8.7% in 2010/11-2015/16. India's strong growth fundamentals—high savings and investment rates, fast labour force growth and the rapidly expanding middle class—will ensure a steady performance, with little volatility in growth rates from year to year. Despite India's current strong growth performance, there are a number of clouds hanging over the local economy, including the stubbornly high inflation rate and the wide (albeit narrowing) budget deficit. However, India clearly has huge scope for catch-up growth, not only with developed countries but also with other emerging markets.

OBAMA TOPS LIST

United States first lady

Michelle Obama beat out

heads of state, chief executives

and celebrities to rank

as the world's most powerful

woman in Forbes magazine's

annual listing.

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Call to make your appointment on 0800 64 MONEY.



IMPORTANT CHANGES TO LAQCS

As the tax net on claiming property losses tightens, the Property Investors' Federation is urging investors to aim for properties that

make a cash profit and to forget about looking for capital gain at this stage in the property cycle.

People need to avoid buying properties where they are topping up by \$200 per week and need to look at properties that are returning a cashflow right from day one.

And if you are considering an LAQC, or already have one, bear in mind as from April the 1st LAQCs will no longer be able to pass on tax losses but a new structure called a Look Through Company (LTC) will **BUT** there are subtle and important differences, some of us may end up having to pay more tax. As I always say, consult your professional advisors.



DON'T HAVE INCOME PROTECTION?

Consider these earning figures to age 65:

Age	\$3,500	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000
35	1,260,000	1,440,000	1,800,000	2,160,000	2,520,000	2,880,000
40	1,050,000	1,200,000	1,500,000	1,800,000	2,100,000	2,400,000
45	840,000	960,000	1,200,000	1,440,000	1,680,000	1,920,000
50	630,000	720,000	900,000	1,080,000	1,260,000	1,400,000
55	420,000	480,000	600,000	720,000	840,000	960,000

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<http://twitter.com/SHERYLJS>

We are pleased to announce Women's Financial Strategies has joined Facebook! Every person who "likes" our page will go in to the monthly draw to win their choice of three fabulous books (see the discussion tab). We look forward to sharing weekly info updates and special Facebook member only offers.

Remember that our blog is also updated regularly with interesting and informative topics such as: Musings and Amusing, Everyday Money, Who's Counting? Finance and Investments, and Womenomics. Visit at <http://moneyaintitfunny.blogspot.com/>

FREE DISCLOSURE STATEMENT ON REQUEST

A Disclosure Statement in accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 is available free of charge by calling on 0800 64 MONEY (0800 646 6639).

MOVIES WHICH ARE ALL ABOUT MONEY!

Shawshank Redemption

Slumdog Millionaire

Annie

Wall Street

Trading Places

The Sting

Boiler Room

Ocean's Eleven

Casino

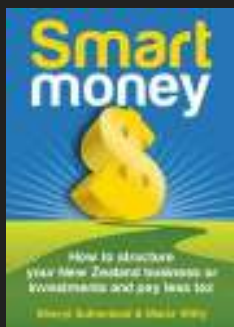
You Ruined My Life

Friends With Money

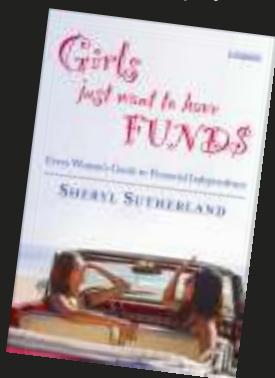
The Pursuit of Happiness

Glengarry Glen Ross

RECOMMENDED READING...



Smart Money—How to structure your business or investments and pay less tax



Girls Just Want to Have Fund\$ - Every Women's Guide to Financial Independence.



Money, Money, Money Ain't it Funny...How to Wire Your Brain for Wealth.

MONEY ILLUSION

Money illusion is just about the most venerable of all of the behavioural biases that afflict people's financial good sense. It leads to various predictable, albeit unpleasant, consequences such as believing "you can't go wrong with property" or that storing cash in your mattress equates to sensible financial planning.

Money illusion is the trait that causes people to focus on the amount of money they possess rather than it's worth to them. A hundred dollars a hundred years ago is obviously worth much more than a hundred dollars now: prices have inflated and the value of the hundred dollars is far less than it used to be.

We almost exclusively focus on how much money we have today rather than what it can purchase for us: we think about money in *nominal* terms rather than *real* ones.

So people still hoard cash in low interest savings accounts or get excited about huge multiples of value increases in their house prices without really thinking through what this means in real terms. The brutal reality is that most asset classes lose you money when inflation is taken into account. Money illusion really matters and striving to ensure that we're not victims of it is a fight well worth picking. Read more in "Money, Money, Money, Ain't it Funny." Available for \$29.99 - to purchase by calling 0800 64MONEY or email sheryl@strategies.co.nz.

THINGS TO WATCH FOR IN 2011



- | | |
|---------------------------------|-----------------------------------|
| Facebook Alternatives | Decline of Cash Register |
| Green Luxury Cars | Costlier Cotton |
| Heirloom Apples | Tube Free Toilet Paper |
| The Oprah Winfrey Network | Scanning everything |
| Piers Morgan | E-Book Sharing |
| Self-Powering Devices | Ukraine |
| Smart-Infrastructure Investment | Stricter Green Building Standards |
| Social Network Surveillance | Home Energy Monitors |
| Virtual Mirrors | Global Disease, refocused |
| The Nail Polish Economy | Tin Tin the Movie |
| Digital Downtime | Rum |
| Digital Interventions | Group Manipulated Pricing |
| Bamboo | Temporary Tattoos Go High End |
| The New Mobility Industry | Voice Activated Apps |

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