

Women's Financial Strategies
Allan Pyatt House
153 Hereford Street
Level 5
Christchurch

Tel: 03 379 7035
Freephone: 0800 64 MONEY
(0800 646 6639)
Fax: 03 379 7881
Email: sheryl@strategies.co.nz

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Past Events

Women's Suffrage Day 19th Sept

Women's Refuge Art Auction
Tuesday, 17th October, Christchurch.

EMA (Employers and Manufacturers' Association (Northern) Inc) Business Women Achieving More Event
Friday 27th October. Auckland

Upcoming Events

Lauraine Jacobs Dinner—
Cuisine Editor, Wednesday 1st
November 2006, Christchurch.

Client Newsletter

wfs women's
financial
strategies

Sheryl Sutherland
B.A. (Otago), Dip.F.A.C (Otago),
DipPFinPlan (Waikato), Member of the PAA,
Author of Girls Just Want to Have Fund\$.

October 2006

14 SIMPLE TIPS FOR BIG SAVINGS

Petrol prices have taken a bite out of our wallets, mortgage rates look set to rise and a downfall in housing values is looming large. What does a person do in the face of such uncertainty? The answer is: SAVE.

Spending less and saving more won't turn the tide on the economy, but it will help you to ride out the storm. Use these simple tips to help you shore up your finances for the tough times ahead.

Money matters

1. Eliminate unnecessary fees. Avoid ATMs outside your network, except in an emergency. Check with your bank to make sure you have the best type of account for your needs.
2. Monitor your mortgage. Is now the time to refinance?
3. See if you can save on car insurance. All it takes is a phone call!

Household

4. Maintain, maintain, maintain. Taking good care of your chimney, roof, air conditioning, and appliances, among other things, can save big bucks.
5. Hold a garage sale. It will force you to get rid of clutter in your garage, as well as pad your pockets.
6. Update your household inventory for insurance purposes. Video is the best vehicle for documenting what you own. Save a copy off-premises and one in a fireproof safe in case of disaster.
7. Know your cell phone personality. Match your usage as closely as possible to a plan so you neither pay for service you don't use or have to pay outrageous coverage charges.
8. Organise an energy audit. You may be able to save hundreds per year on the cost of heating or cooling your home by following the recommendations.

General shopping

9. Buy the small size. Unless you have a large family or a documented need for more, think small.
10. Familiarise yourself with seasonal sales.

Lifestyle

11. Make saving a family affair. Like dieting, it's much easier to trim the fat from your budget if your loved ones are right in there with you.
12. Kick some of your more expensive habits. Alcohol and cigarettes can pack a punch to a budget.

Vehicles

13. Keep your tires properly inflated. You'll prolong their life, as well as saving on petrol.
14. Keep your old car another year.

Contact us for more tips or to invest your savings by calling 0800 646 6639

WHAT CAN WE DO FOR YOU?



We'll show you:

How to reduce your tax bite...How to build a nest-egg for your retirement...How to maximise your savings, especially in a rising interest rate environment...How to manage your debt and minimise your interest costs...How to find the RIGHT insurance and not waste your money on a policy you'll never use...How to allocate your assets to maximise your wealth-building efforts...How to invest your money the SMART way and avoid the next Provincial Finance...

CALL US ON 0800 64 MONEY OR EMAIL sheryl@strategies.co.nz



INTERESTING FACTS

75% New Zealanders expect State help in retirement.

NZ lead the world in investing in real estate as a source of retirement savings planning with 53% investing in property.

ACC ADDING TO NZ'S INSURANCE WOES, REVIEW SAYS

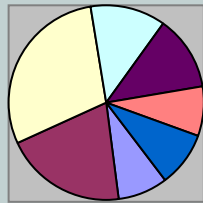
ACC has been accused of failing to keep the public informed about what it covers them for and contributing to the country's under-insurance headache.

The Ministry of Economic Development's review into the insurance industry concluded that people underestimate the need to take responsibility to insure themselves. People were not taking out income protection insurance because they thought ACC would cover them. ACC covers for accidents, and paid out 2.1 billion last year, but does not cover for stress or illness—circumstances that income protection policies cover people for.

EVER WONDERED WHAT ARE THE MAIN CAUSES OF INCOME PROTECTION CLAIMS?

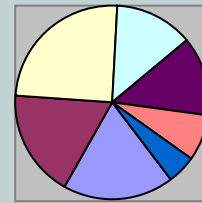
The pie charts below show the main causes by number of claims and by the value of those claims. The value of a claim is how much money the insurance company is likely to pay out and is based on claim details along with expected duration. The percentage that a particular cause contributes to the total can vary significantly between claim number and claim value. Claims resulting from accidents are typically a lot lower in value compared to the average because ACC usually compensates the claimant and the insurance company offsets this compensation. Mental health claims, however, tend to be much higher in value compared to the average because mental health claimants typically take a longer time to recover from their illness.

VALUE OF CLAIMS



- Accidents
- Cancers
- Mental Health
- Musculoskeletal
- Nervous System Disease
- Cardiovascular
- Other

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HOW TO BECOME A GREAT INVESTOR

It took me roughly 4,000 hours before I felt entirely comfortable talking about different types of investing.

4,000 hours?

Yeah, 4,000 hours. As a planner, I had to know something about everything. Not all of us have that kind of time (and financial incentive) to learn the various sectors and styles the market has to offer. The onus of planning for our financial future is falling more on our own shoulders every year. So what's the solution? Pass the buck.

Seriously, pass the buck

Picking the right manager to complement your holdings can lead you to market-smashing

returns. To be a great investor on a tight schedule, you need to: know your strengths and limitations, and properly diversify your assets.

The keys to picking a great fund. Three core traits when picking funds:

1. Managers with long tenures
2. Funds with low expense ratios
3. A history of outperformance

And it is likely boutique funds will lead the charge – they are more aggressive, focused and their size gives them great flexibility.

Typically they invest in shares

on the basis of their individual merits and portfolio weightings bear little resemblance to market indices.

More time for the important things

And the time crunch gets even worse if you want to achieve broad diversification.

Fortunately, there are hundreds of funds that can help you round out your portfolio -- bond funds, sector funds, international funds, etc. Unfortunately, not all of them are worthy of your dollars.

That is where we can help!
Call 0800 64 MONEY



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**CONTACT US FOR
A NO OBLIGATION
TELEPHONE
CONSULTATION
ON 0800 64 MONEY
TO SAVE YOU
MONEY AND TIME!**



**WE ARE FIERCELY
INDEPENDENT
AND NOT
ALIGNED WITH
ANY INSTITUTION.**

RENTAL PROPERTY INVESTORS DILEMMA—STICK OR FLICK

Kieran Trass, a property researcher and author of *An Insider's Guide to Real Estate Hot Spots*, says he was working in a bank in the early 1990s when this began to happen. "Our head office wrote to us and said anyone who owes more than \$500,000 and it's secured against property, we need to review them. We need to review their financials, we need to review the valuations on their properties."

Mr Trass says he saw a few people wiped out. The bank was in the process of reviewing the next tier of borrowers when the housing market started to revive. Many people never realised their narrow escape.

Mr Trass says that back then, 80 per cent gearing was considered high. Now that the banks are lending to the hilt, they would have to respond with even greater speed and ruthlessness to protect their standing.



BUYING A HOME :CITY COUNCIL PROPERTY SERVICES

UNDERSTANDABLY, most home buyers look to reassure themselves that they are buying a safe, permitted home at a good price. The general practice is to check the valuation, and request a LIM report from the council. While a valuation will give you an idea if the sale price is in the ballpark, and a LIM will tell you what permit information is on file, what they don't tell you is what work has been completed without a permit.

What do you need to know about the home you wish to purchase?

The first place to check is the local council files which hold considerably more information than just rateable value. Council property files provide further information, not only about the house itself, but also the infrastructure, and the neighbourhood. Over the last year or so, there has been a variety of articles in the media where home-owners have found out the hard way that their property is in a soil contamination area, or a flood zone. These home-owners could have minimised this risk if they had checked the council property information prior to purchase.

What is the cost?

The price of council information varies from council to council, and can range from around \$40 for a report copy, to approximately \$300 for a LIM.

The average is around \$100 per report, which is a small price to pay for peace of mind in choosing the right property and neighbourhood.

Here is a brief checklist:

House information

1. Are all the building consents held?
2. Have all the home improvements been permitted?
3. If there is unpermitted work, has the previous owner organized council sign-off?
4. What is the capital value of the house on the property?



Property information

1. Where are the sewerage pipes and how old are they?
2. Where are the property boundaries?
3. Is the property within a flood plan?
4. Has there been any soil contamination?

5. Are there any underground gas mains nearby?
6. Is the area a high wind zone?
7. How much are the current rates?

Neighbourhood information

1. Is there any building activity planned or in progress within a 100m radius of your site, including any subdivision or engineering consents?
2. Do any of the neighbours have an approved liquor licence?
3. Do any of the neighbours have a brothel licence?
4. Has any land nearby been zoned for commercial use?

How do you access this information?

All city councils have a website with their contact details. Most will have information on how to access these reports and the relevant costs on the website. Some councils have property information available online, including Geographical Information Systems (aerial imagery), while others give you the ability to order online, and have a CD with property file documentation posted to you. Many have forms available to download and there is still a simple process to obtain the information in hard copy.

To find the council contact information in the area where you are looking to purchase, you can refer to www.localcouncils.govt.nz

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SPOTLIGHT ON RETIREMENT STAGES



We are well aware of the financial challenges that lie ahead for retirees but few realise what they will experience emotionally. Retirement is a complex process made up of distinct emotional stages, similar to other well-known life transitions, such as pregnancy or grieving and loss.

The five stages of progression into retirement:

Stage 1 - Imagination - 15-6 years before retirement

During this stage, people have very positive views about retirement, though only 44% say they are "on track" in terms of preparation. People have high expectations of adventure and empowerment.

Stage 2 - Anticipation - 5 years before retirement

As retirement draws closer, positive emotions are on the rise with 80% saying that they "will be able to achieve their dreams in retirement." But in the two years prior to retirement, worries and anxiety mount. Twenty-two percent say they will feel a sense of loss after their working years are over.

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Stage 3 - Liberation - retirement day and the year following

This is a time of great excitement, relief, and enthusiasm as 78% of people say they are "enjoying retirement a great deal." But this honeymoon period of feeling liberated is short-lived, as a new reality soon begins to set in.

Stage 4 - Reorientation - 2-15 years after retirement

During this stage, many say the joy of retirement has passed, giving way to feelings of emptiness, worry and boredom.

An emotional let-down may occur to varying degrees. Four distinct profiles emerge in the reorientation stage: - Empowered reinventors (19%), - Carefree contents (19%), - Uncertain searchers (22%), - Worried strugglers (40%)

Stage 5 - Reconciliation - 16 or more years after retirement

This stage is marked by increased contentment, acceptance and personal reflection. People have come to terms with all that retirement has to offer. While there are lower levels of depression (5%), some people report feelings of sadness as they confront end-of-life issues.

The New Retirement Mindscape study says the group of retirees referred to as "**empowered reinventors**" stands out as role models. They may be the first glimpse of how many baby boomers will reinvent retirement. This group is the most proactive about retirement planning and apt to view retirement as a time of new adventure and empowerment. Almost half say doing more meaningful or satisfying work is very important. The study also reveals that having "more control over their own time" is the best thing about retirement for 44% of retirees, "the opportunity to relax" is what they enjoy most. When asked about the hardest thing experienced in retirement, respondents express concerns over health insurance, loss of income and the loss of social connections at work.

WANT TO BE AN EMPOWERED REINVENTOR—CONTACT SHERYL ON 0800 64 MONEY (0800 646 6639) or EMAIL sheryl@strategies.co.nz TO HELP YOU CREATE AN EMPOWERING PLAN.



The first five correct replies to the following question will receive a bottle of Bascand NZ Estate Wines.



What are three of the main causes of Income Protection Claims?

(Hint—refer page 2)

Please email your answer to sheryl@strategies.co.nz with your name and physical address for courier delivery.

We will advise you if you are one of the lucky recipients of the Bascand Wine.

One entry per person.

RECIPE: Fried Fish with Noodles & Asian Herbs

The sweet, salty, sour and hot flavours of south-east Asian food are especially appetising when the weather is hot. These flavours are well suited to a firm, white fish such as John Dory but monkfish, hapuku or even a baked whole fish such as red snapper would be good with these accompaniments.

Ingredients South-East Asian Dressing

1/4 cup fish sauce
1/4 cup fresh lime juice
2 tablespoons palm sugar, grated
4 long, dried red chillies, deseeded, soaked for 10 minutes in cold water, drained and pounded to a paste with a pinch of salt added

Noodles, Fried Fish & Herbs

250g Thai rice noodles, cooked for 4 minutes until tender in boiling water, drained and rinsed well in cold water
2 grapefruit, peeled with a sharp knife, flesh cut from in between the segments
2 kaffir lime leaves, central spine removed, leaves very thinly sliced
4 shallots, thinly sliced



4 tablespoons peanut oil
600g boned John Dory fillets, cut into 5cm pieces
1/2 cup each of coriander, basil, mint and dill sprigs
1/2 cup fried shallots (available from Asian food stores)
1/2 cup coarsely crushed, roasted, unsalted peanuts

METHOD

South-East Asian Dressing

Make the dressing by mixing the fish sauce, lime juice, palm sugar and chillies until the sugar has dissolved. Taste and adjust the sweet (sugar), salty (fish sauce), sour (lime juice) and hot (chilli) flavours if necessary. Set aside.

Noodles, Fried Fish & Herbs

Spread the prepared noodles on a wide serving platter and sprinkle grapefruit segments, sliced kaffir lime leaves and sliced raw shallots on top. Heat the oil in a frying pan and cook the fish until golden brown. Do this in batches so as not to overcrowd the pan. Place the fish on the cold noodles and pour the dressing over. To serve, scatter the herb sprigs, fried shallots and peanuts on top.
Serves 4-6