

Client Newsletter



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
Website: www.strategies.co.nz

Sheryl Sutherland
B.A. (Otago), Dip.F.A.C (Otago), DipPFInPlan
(Waikato), Member of the PAA & National Speakers
Association. Author of 'Girls Just Want to Have
Fund\$' and 'Money, Money, Money Ain't it Funny.'

October 2007

HARLEY WOOS FEMALE BIKERS



Harley Davidson are producing more motorcycles that are low to the ground—so women can plant their feet firmly at rest—with narrower seats, softer clutches, and adjusting handlebars and windshields to make bikes more comfortable for smaller rides. Clothing sold at Harley outlets has undergone a friendly makeover to include wings and flowers.

Dealers hold frequent garage parties for women, to let them learn about bikes, including the best way to stand up a 340.91 kg motorcycle that has tipped over (crouch down, with the small of your back against the seat, and push up and back while holding onto the bike).

Genevieve Schmitt, who runs the Web site womenridersnow.com, said the growth in women bikers reflected that “more women are rising up corporate ladders, women are earning bigger paychecks, more women are remaining single—so they have a say in where their leisure dollars go.” Her site, started in February 2006, now draws 111,000 visitors a month.

TRADING SEASONALLY WINS ACADEMIC PRIZE, RETURNS
Jacobsen studied 48 international markets, six of them in the southern hemisphere, including the New Zealand exchange, and found there is definitely a strong seasonal effect on stock returns in most countries.

Even in the southern hemisphere, returns were significantly lower during the northern hemisphere's summer and autumn months (May to October) than in the northern hemisphere winter and spring. But that did not necessarily mean that the actual weather was affecting returns by causing mood changes in investors he said. In recent years other researchers had argued that shareholders were swayed by weather, holiday patterns and seasonal affective disorder (SAD). Read more in '**Money, Money, Money Ain't It Funny.**'

BAFFLED BANK BOFFINS CALL IN SOCIOLOGIST

The Reserve Bank plans to investigate New Zealanders' minds rather than their wallets as it struggles to understand why we are obsessed with property investment and unable to save. In a break from number-crunching tradition, the bank wants to employ a sociologist to research different generations and their attitudes to monetary matters.

The move is highly unusual—possibly the first time the Reserve Bank has made such an investment—and has created a flutter in political circles. For more information on attitudes to money read '**Money, Money, Money Ain't it Funny.**'

OCEANS OF INK ON FINANCE COMPANIES

Ocean's of Ink have been used in discussing the current and ongoing dramas surrounding finance companies. For our paper please visit our new Blog <http://moneyaintitfunny.blogspot.com/>

SUCCESSFUL LAUNCH OF MONEY, MONEY, MONEY!

We had a fabulous turn out of around 90 people for the book launch of '**Money, Money, Money Ain't it Funny**' at Embellish in Christchurch. Thank you to all who attended and supported the book release. The media interest has been superb since the release with large features in the Sunday Star Times & The Press. Sheryl has also appeared on the Breakfast Show with Paul Henry and Mike Yardley Presents. If you missed the Breakfast interview, go to our website <http://www.strategies.co.nz> and follow the simple instructions to view.



Barbara Larsen (from Longacre Press) introducing Sheryl Sutherland (Women's Financial Strategies) at the Book Launch of Money, Money, Money Ain't it Funny, Christchurch

Money, Money, Money Ain't it Funny was picked up by Doubleday Australia and was selected by Borders in their Father's Day Catalogue and Paper Plus in their Winter Book Choices Catalogue.

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Available Now!

“It’s clearly a budget. It’s got a lot of numbers in it.”

President George W. Bush

“An investment in knowledge always pays the best interest.”

Benjamin Franklin.

New face in the office!

Women’s Financial Strategies welcomes Alisa Matheson to our office. Alisa has been an excellent support to us over the past few months. Alisa is working part time with us while completing her Bachelor of Science, Majoring in Psychology at Canterbury University.

Still coming to grips with KiwiSaver?

If you are an employer or an employee call us for advice:

**0800 64 MONEY
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A GUIDE TO WOMENOMICS



The future of the world economy lies increasingly in female hands. “Why can’t a woman be more like a man?” mused Henry Higgins in “My Fair Lady”. Future generations might ask why a man can’t be more like a woman. In rich countries, girls now do better at school than boys, more women are getting university degrees than men are and females are filling most new jobs. Arguably, women are now the most powerful engine of global growth. Women are becoming more important in the global marketplace not just as workers, but also as consumers, entrepreneurs, managers and investors. Women have traditionally done most of the household shopping, but now they have more money of their own to spend. Surveys suggest that women make perhaps 80% of consumers buying decisions, from health care and homes to furniture and food.

To make men feel even worse, researchers have also concluded that women make better investors than they do. A survey by Digital Look, a British financial website, found that women consistently earn higher returns than men. A survey of America investors by Merrill Lynch examined why women were better at investing. Women were less likely to “churn” their investments; and men tended to commit too much money to single, risky ideas. Overconfidence and overtrading are a recipe for poor investment returns. Read **‘Girls Just Want to Have Fund\$’**.

Despite their gains, women remain perhaps the world most under-utilised resource. Many are still excluded from paid work; many do not make the best use of their skills. Take Japan, where only 57% of women work, against 65% in America. In poor countries too, the under-utilisation of women stunts economic growth. A study last year by the World Economic Forum found a clear correlation between sex equality (measured by economic participation, education, health and political empowerment) and GDP per head.

In particular, there is strong evidence that educating girls boosts prosperity. It is probably the single best investment that can be made in the developing world. Not only are better educated women more productive, but they raise healthier, better educated children.

Despite the increased economic importance of women, they could become more important still: more of them could join the labour market and more could make full use of their skills and qualifications. This would prove a sounder base for long-term growth. It would help to finance rich countries’ welfare states as populations age and it would boost incomes in the developing world. However, if women are to get out and power the global economy, it is surely only fair that men should at least do more of the housework.

ECONOMIST CLASS

In 1849, the Scottish essayist Thomas Carlyle labelled economics the “dismal science.”

Economists take pride in the sophisticated statistical techniques on which they rely to analyse phenomena such as growth, inflation, unemployment, trade, and even the long-term effects of abortion on crime rates. 77 percent of the doctoral candidates in the leading departments in the United States believe that “economics is the most scientific of the social sciences.”



Economists today are still grappling with basic questions for which they have no answers. Brazil’s former president recalls that in the midst of his country’s financial crisis, he received calls from experts at the International Monetary Fund, several Nobel laureates in economics, and other superstars in the economics firmament. Each offered different advice, and each sounded convinced that his or her recommendation was the only correct one.

This bewilderment doesn’t just appear when economists confront the devilish problems of the developing world. Plenty of what goes on in the rich world also baffles them. Recently a well-regarded economist on Wall Street was asked what puzzled her these days. “Interest rates.” she said. The experts’ inability to explain something so fundamental “attests to our economic ignorance.” Fortunately, a few of today’s economists are beginning to hurdle professional fences and mind neurology, psychology, sociology, and political science to enrich their analysis.

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STRUCTURED CAPITAL PROTECTED PRODUCTS

Internationally, structured products are relatively commonplace and are an increasingly significant holding in many investors' portfolios, especially in Europe. According to the leading industry website Structuredretailproducts.com, almost a third of the top 25 new funds by sales in Europe (on a monthly weighted basis) were of the structured variety.

By Liontamer Investments

When it comes to investing money, we all want more 'bang for our buck'. And we want it without losing any sleep at night. Very simply, we'd love the potential of getting the returns possible from equity markets, but we also don't want to worry about whether we'll suffer losses on the capital we've invested. Capital protected investments provide a strategy that more and more investors are using to achieve this investment objective. If the term 'capital protected investments' is new to you, fear not. The basic concept works like this:

1. You invest your money for a fixed period of time, usually 4-6 years (there have been much longer-term plans around too). Most people feel comfortable with something around the five year mark.
2. Instead of receiving a rate of interest, the returns are generated from asset classes which offer more exciting potential. For example, the returns could be linked to sharemarkets, or commodities, or a variety of other assets depending on the fund manager's selection.
3. The value of your initial investment is protected at maturity, even if the assets go down in value. So long as you stay invested for the full term, you won't suffer the losses.

With investing, it's all about weighing up the potential upside, against the possible downside (risks and returns). The bonus with capital protected investments is they provide you with a win-win on both counts. They aim to generate some very good returns and, at the same time, the fund manager is making sure that you are not exposed to any losses.

So, how do we do it? How can a fund manager like Liontamer ensure that your capital will be protected? Well, we structure our funds a little differently from most to take advantage of some innovative financial instruments. Look behind the scenes and you will find that a Liontamer fund actually owns deposits (known as 'notes') with a big international bank. Liontamer use some of the biggest and most well known banks in the world, like Barclays in the UK, UBS (Switzerland), Morgan Stanley (USA) and Deutsche Bank (Germany).

Quite simply, we invest in notes with one of these global investment banks. However, instead of paying interest, these notes pay a return based on sharemarkets or other types of markets, like commodities. The bank who sells the notes to Liontamer is legally responsible for repaying the original investment plus the returns we earn (in the same way that a bank is responsible for paying interest and repaying the principal to its term deposit customers). Like any deposit, the bank must repay its value at the end of the fixed term. This in turn ensures that we can repay you.

With Liontamer's products, capital protection is put in place using a 'zero coupon bond'. This is just a bit of financial jargon which means that a good proportion of the initial application amount goes into a fixed term deposit. As interest accumulates over the term, we can then be certain that the deposit has grown back to the original amount and investors can be repaid. The remainder of the money is used to buy 'call options' and build a structure which lets investors participate in the market growth. Together, the bond and the options create the notes we buy from the international bank.

How good is this 'protection'?

How can you make sure that the protection is strong? If a bank went bankrupt, you would face the risk of not getting your money back – the same applies to your personal deposits with banks. Bank deposits are 'unsecured' investments, but of course the risks associated with them are considered to be pretty low. It's important to make sure a bank is financially strong and has a good credit rating from an agency such as Standard and Poor's or Moody's. The big banks which provide protection to Liontamer's capital protected funds tend to have ratings of A or AA, which mean they are financially very strong, in fact quite often they have higher ratings than many NZ banks.

Better than fixed rate investments?

Fixed rate investments play an important role for all investors – especially in providing income. If you spend this income, you need to be aware that inflation is chewing away at your capital. So it's important to have other investments in your portfolio which could grow your capital over time. It's also important to diversify. Capital protected investments are designed to complement fixed rate investments, so you shouldn't choose one over the other – talk to your adviser and consider having a mix of both.

This article is for information purposes only and is not intended for personal investment advice or a recommendation to invest. For further information on Capital Protected Products call us on 0800 64 MONEY (0800 646 6639)



LOOK FOR SHERYL...

TELEVISION:

CTV Newsmakers with
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PRINT:

The Listener
The Press

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<http://www.strategies.co.nz>

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WOMEN FACE PREJUDICE IN NZ-REPORT TO UN

Worsening domestic violence and a sexist backlash show women still face discrimination in New Zealand, a kiwi delegation will tell the United Nations.

A report to be presented to the international committee warns of a “marked change for the worse in the social and political climate”, eroding gains made in gender equality. New Zealanders were increasingly dismissing anti-discrimination work as unnecessary political correctness, often citing the success of prominent women such as Prime Minister Helen Clarke and Chief Justice Sian Elias as evidence women had achieved full equality with men.

FOR MARITAL HARMONY KEEP HUSBAND AT WORK



Married women who work long hours are at increased risk of separating, research shows, while men are more likely to see their marriages fail if they work shorter hours.

The research found that in couples in which men worked part-time, fewer than 35 hours a week, the risk of separation was almost twice as great. Conversely, if women worked more than 50 hours they were more at risk of separating.

“Men who work long hours get the benefit, kudos and status” he said.

“They get the greatest promotions, are in jobs of authority and they can go home and there’s no greater likelihood that by not being there it’s going to damage their relationship.”

“The women on the other hand, typically can’t work long hours. And for those married women who decide to work longer hours, there’s a greater risk the man’s going to tell her to ‘go jump’, and they get separated.”

Professor Wooden said he was more confident about the findings on men than on women, because there are not enough women in the workplace who worked more than fifty hours a week. He said that this was because women usually took more responsibility in raising children.

WOMEN’S FINANCIAL STRATEGIES NEW BLOG

Visit our new blog at <http://moneyaintitfunny.blogspot.com/> for comments on you guessed it — **MONEY!** (and whatever else takes Sheryl’s fancy). The blog will be updated weekly with informative, interesting and entertaining comments. You can also subscribe to the blog and be advised when new posts have been updated.

“In 1925 Paramount reported earnings of \$21,000,000; Metro \$16,000,000; and First National \$11,000,000. Nice solid, round figures that I liked. I gave some real thought to motion pictures and how they could use my style and personality.”

– Mae West

**Special
Offer**

Congratulations to our lucky winner last quarter.

SPECIAL OFFER

Complete the following sentence and you will be in the draw to win a copy of ‘Money, Money, Money, Ain’t it Funny

“Recently a well-regarded economist on Wall Street was asked what puzzled her these days. “_____.”

she said.

(Hint—see page 2 for answer)

Please email your answer to

alisa@strategies.co.nz

UPSIDE-DOWN PEAR AND GINGERBREAD PUDDING

By Julie Buiso. This is easier to make than it looks. I'm warning you - the crunchy caramel topping is very moreish.

Topping:

50g butter
90g soft brown sugar
1 large can pear halves, well drained on kitchen paper
8 pecan halves

Pudding:

60g shortening
120g flour
scant 1/4 teaspoon of salt
1/2 teaspoon bicarbonate of soda
2 teaspoons ground cinnamon
1 teaspoon ground ginger
1/4 teaspoon freshly grated nutmeg
1 egg
90g golden syrup
120g soft brown sugar
115ml milk, soured with 1 teaspoon lemon juice
clotted or whipped cream for serving

Make the topping first. Melt the butter in a small pan, then add the brown sugar. Cook gently for 1-2 minutes, stirring until smooth. Pour into the base of a 20cm square cake tin. Place the pears on top, cut side down, positioning a pecan nut in each pear cavity.

Melt the shortening and leave it to cool. Sift the flour, salt, bicarbonate of soda and spices together three times then put them in a bowl. Break the egg into a second bowl, beat lightly then blend in the golden syrup, brown sugar, soured milk and shortening. Stir into the dry ingredients then, with a wooden spoon, beat for 1 minute, or until smooth. Pour on top of the pears.



Bake the gingerbread for 40-45 minutes, in an oven preheated to 180°C on regular bake (not fan bake). Cool in the tin for 10 minutes, loosen from the sides and invert onto a serving plate. Serve warm, or at room temperature, with clotted or whipped cream.