



Spring 2007

Dear #First Name#,

Welcome to the Spring edition of our regular newsletter. We hope you are enjoying the warmer weather and daylight savings.

Leading the news over the past few months has been the launch of [KiwiSaver](#) and failure of a number of [finance companies](#). The [tax rules for managed funds](#) have also changed and you can [read more](#) about these changes in this newsletter.

Congratulations to Ross who has just achieved the designations of Certified Financial Planner (CFP) and Chartered Life Underwriter (CLU) through the Institute of Financial Advisers. CFP is internationally recognised as the highest designation for financial planners and insurance advisers.

KiwiSaver has been a huge part of our business over the past six months. The Finance Minister Michal Cullen and Minister Peter Dunne have just announced that total [enrollments into the scheme have exceeded 200,000](#) in only the first three months. The initial interest has far surpassed our expectations and we anticipate another surge in interest early next year before the proposed employer contributions are likely to come into force.

With the collapse of a number of finance companies over the past 18 months, many investors are now starting to ask more questions before investing their hard-earned money. We offer some [further information on finance companies](#) for your reference.

Again we hope that you find this newsletter useful - but if you'd rather not receive it - simply click on the 'unsubscribe' link at the bottom of this email.

If you have a friend that would enjoy reading our newsletter, you can also [send them a copy](#) to read.

Kind regards

The team at Marlborough Financial Services

Finance company do's and dont's

By Joan Baker

in this update

:: [Finance company do's and dont's](#)

:: [Investing has become less taxing](#)

:: [Insurance - who needs it!](#)

:: [KiwiSaver enrollments exceed 200,000](#)

:: [World Vision sponsorship update](#)

:: [Recommended website](#)

:: [Thought for the day](#)

KiwiSaver enrollments exceed 200,000

In the first three months of KiwiSaver the enrolment figures have already broken through the 200,000 mark, according to recent figures released by Finance Minister Michal Cullen and Revenue Minister Peter Dunne.

As of 5 October, the total number of KiwiSaver enrolments processed by Inland Revenue had reached 212,794. The figure includes:

- 101,748 people who

Many Kiwis have had unfortunate experiences recently with finance companies – and there may be more to come. Much of this pain and financial disaster could be avoided by observing some simple do's and don'ts:

Do know who you're really lending your money to.

Finance companies make their margin by lending your money to others at higher interest rates. Figure out where these loans are – your money is only as safe as these borrowers. You can find out from documents like the Investment Statement or Prospectus where the money is being lent. It's obviously safer for you if the lending is diversified across different areas. Finance companies typically lend to property developers, vendors and purchasers of motor vehicles and to consumers – it's better for you if their lending is widely spread rather than targeted to one group such as buyers of second-hand cars. And remember that many borrowers are using the finance company because the bank would not lend to them!

Do understand the level of risk you're taking.

Lenders choose debentures with a finance company because they usually offer higher returns than bank deposits. You may be taking a much greater risk than an extra few percentage points' return would suggest. [Read more....](#)

Need more information?

[Contact us](#) for a free, no obligation review of your investments.

Investing has become less taxing

If you're a managed fund investor, 1 October 2007 was an important date - it's when the Government's new Portfolio Investment Entity (PIE) investment tax cuts came into effect.

A Portfolio Investment Entity (PIE) is a type of managed fund that uses new tax rules that are aimed at encouraging New Zealanders to have planned, regular savings in quality, diversified investments. These are the most significant tax changes to managed funds for many years and mean that income earned from certain managed funds will be taxed, in many cases, at a lower rate.

From 1 October, there will be only three tax rates for this sort of income, capped at a maximum of 33% (which will reduce to 30% on 1 April 2008, as announced in this year's budget).

If you don't currently invest in managed funds, now is an ideal time to consider whether they could be a good option for you.

What is a PIE?

A PIE can be a superannuation scheme, unit trust or KiwiSaver scheme, as long as the new tax rules around investors and investments are met. [Read more....](#)

Further information

For more information about how you could benefit from PIE, [contact us](#) to arrange a review of your investments.

Insurance - who needs it!

Insurance may seem like a waste of resources to some - spending money on something that may or may not happen. But since you can't predict the future, it's important to protect yourself and your possessions against damage and

actively chose a provider and went directly to a scheme to enrol;

- 67,028 people who actively chose to join KiwiSaver and enrolled via their employer; and
- 44,018 new employees who were automatically enrolled by their employer.

These figures are net of 21,113 opt-outs also received.

[Read more....](#)

Source: NZ Govt Press Release 9/10/2007

World Vision sponsorship update

You may recall that we sent some money to the World Vision project in Uganda where our sponsored child - Ruth Nalugemwa lives.

We have since received an update and photos of the goods which were purchased for Ruth and her community including clothing and bedding plus text and reading books for the local school.

Pictured below is a photo of Ruth with some of the goods purchased with our donation (including the pig in the background!) Thank you to all of our clients who make this support for Ruth possible.

For more information about World Vision and Child Sponsorship [visit their website](#) or phone 0800 800 276.

Recommended website

For a free and simple comparison of interest rates for borrowing and investing and a summary of bank fees, check out www.interest.co.nz.

Thought for the day

harm.

Insurance is all about protection - it helps protect you against unfortunate incidents such as car accidents, burglaries, or illnesses. The moment an unexpected ill-fated event happens, you'll be thankful you have insurance.

When deciding on what type of insurance you need, you should first ask yourself a basic question: What's most valuable to you?

Your life

If you die what would the financial result be? Are you supporting any dependents such as a child or other family member? Do you have large debts that others could inherit? If not, life insurance is probably not necessary.

[Read more...](#)

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"When buying shares, ask yourself, would you buy the whole company?" -Rene Rivkin

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A disclosure statement is available on request and free of charge.