



Spring 2008

Dear #First Name#,

Welcome to the Spring edition of our regular newsletter.

The [Financial Advisers Regulation Bill](#) was recently passed and represents a welcome increase in minimum standards for Financial Advisers and should provide investors with further confidence when seeking advice from a professional Financial Adviser. Investment markets have continued their [recent roller-coaster ride](#) and a reminder of [fundamental principles for investing](#) during these testing times is also included in this newsletter.

[KiwiSaver enrollment figures](#) are now over 800,000 with 61% less than 45 years old and 29% of members younger than 25 years old. November is also 'Movember' - and we would appreciate your [help to support those of us who are growing a 'mo'](#) to fundraise for mens' health charities.

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

## Financial Advisers Regulation Bill Passed

by **Ross Frater** CFP CLU

The passing of the Financial Advisers Bill has been welcomed by Marlborough Financial Services. The Bill will regulate the activities of financial advisers providing advice on products and services such as KiwiSaver, investment real estate and financial planning and will implement regulations around the competency, skills and accountability of financial advisers.

The Bill will govern the giving of financial advice and allows educational, experience and qualification standards to be set for financial advisers. The details will be outlined in regulations that are yet to be released.

Local Certified Financial Planner , Chartered Life Underwriter and member of the Institute of Financial Advisers Ross Frater welcomed the passing of the

### in this update

[:: Financial Advisers Regulation Bill passed](#)

[:: KiwiSaver breaks through 800,000 mark](#)

[:: The continuing roller-coaster ride in financial markets](#)

[:: Fundamental principles of investing](#)

[:: KiwiSaver Mortgage Diversion](#)

[:: Recommended website](#)

[:: Thought for the day](#)

### Fundamental Principles of Investing

We're experiencing what could be termed unprecedented market conditions in financial markets, both domestically and globally, with the effects of the 'credit crunch' leaving few financial institutions untouched.

In times of extraordinary market conditions such as we are currently experiencing it is important for investors to remember the fundamentals of investing:

- 1) Know your risk profile
- 2) Diversify, diversify, diversify
- 3) Keep expenses low
- 4) Keep investments simple
- 5) Stay the course

Bill, saying that "the Bill will allow the public to deal with a Financial Adviser with confidence and Marlborough Financial Services welcomes the coming changes. We're actively monitoring developments so that we will be in a position to operate under the new requirements. We see this as a positive opportunity to continue providing quality advice to our clients."

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## KiwiSaver Breaks Through 800,000 mark

### NZ Govt Press Release

The number of New Zealanders saving for their future through KiwiSaver has passed 800,000, Finance Minister Michael Cullen and Revenue Minister Peter Dunne announced in September.

At 13 September 2008, the number of KiwiSavers stood at 800,213. "With nearly 30 per cent of KiwiSavers under the age of 25, it is clear that New Zealand is experiencing a significant positive change in its personal savings culture and that is good news for young KiwiSavers and for our entire economy," Dr Cullen said.

"Participation in workplace savings is quickly becoming the norm in New Zealand and that is a positive development as our country's household savings performance has been weak for many years.

"Strengthening personal savings will deliver higher living standards for KiwiSavers when they reach retirement and it will also make our economy more resilient and less vulnerable to any adverse overseas market developments beyond our country's control in the future," Dr Cullen said.

[Read more....](#)

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## The Continuing Roller-Coaster Ride in Financial Markets

**By Dr Shane Oliver, Head of Investment Strategy and Chief Economist and Dr Leo Krippner, Head of Investment Strategy for AMP Capital Investors (NZ)**

### Key points

- Shares have made new lows in the past couple of weeks on more bank failures and uncertainty about the US relief package.
- With the US troubled asset relief program (TARP) now approved and signed into law, successful implementation of the program remains a key to restoring confidence in the financial system.
- While this bold and historic move by the US authorities should head off a worst case economic slump, it won't stop recession in the short-term.
- So the ride for shares is likely to remain rough in the short-term, but they are good value on a one year view.
- The ongoing turmoil and recessionary conditions in the developed world highlight the need for much lower interest rates globally, including in Asia and Australasia.

[Read more.....](#)

These fundamentals have not changed in the current environment and are now more important than ever. And above all else, [get professional advice](#).

For further information or a review of your investments, we recommend you [contact us](#) to arrange a meeting with one of our Advisers.

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### KiwiSaver Mortgage Diversion

Most main banks are in the process of confirming their requirements for using KiwiSaver Mortgage Diversion option.

In general:

- You can divert a fixed amount of up to half of your regular KiwiSaver contribution towards your home loan repayments
- Your loan and ownership of your home must be in your own personal name(s) ie. not a family trust or LAQC
- Your bank and / or your KiwiSaver fund manager may charge a fee to administer Mortgage Diversion

Contact your bank in the first instance to determine if you and your loan are eligible to use mortgage diversion.



### Recommended website

What else but the official Movember website!  
[www.movember.co.nz](http://www.movember.co.nz)

This year, funds are being raised to support the Mental Health Foundation and Prostate Cancer.

You can support us by [making](#)

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a [donation](#) at our 'MoSpace' website. You can also buy 'MoMite' (formerly Marmite) during Movember. Thanks for your support and long live the mo!

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Thought for the day

"Don't go around saying the world owes you a living. The world owes you nothing. It was here first". ~ **Mark Twain**

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