



# Investor Newsletter

May 2009

## Autumn 2009 - Issue 1

**Welcome to the autumn 2009 edition of our Investor Newsletter.**

In this edition we will cover:

- Review of the March 2009 Quarter
- Government Deposit Guarantee Scheme update
- Property maintenance tips

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## Welcome to the first addition of our quarterly Investor Newsletter

Welcome to the first addition of our Investor Newsletter. I hope that you will find this useful and would welcome any feedback you have regarding any other information you feel this should include.

*Kind regard*  
Wayne Croad  
**Managing Director**

## Review of the March 2009 Quarter

The fall out from the credit crunch that started in late 2007, continues to send shock waves throughout the global financial markets and has dampened world growth prospects. While this has resulted in central banks around the world dropping their official cash rates to help revive their economies, the fall in deposit rates has reduced the income earning ability of savers and investors who rely on their investments to supplement their income.

Some investors have been attracted to healthy rates that are still available for those that invest beyond the expiry of the Government Deposit Guarantee Scheme (see comments below). For other investors that like the comfort offered by the scheme, the rates are well down from the past.

Low deposit rates for short term investing are likely to continue for some time i.e. until the global economy starts to show signs of recovery. However, this is not expected until at least 2010.

## We welcome your call

If you have any questions about anything in this newsletter or your secured term investment or if you would like to request a copy of our Investment Statement & Application form, we would be delighted to hear from you – refer our contact details above.

**Our current  
"Hot Rates"**

**6.85% pa\***  
**for 14 months**

*(for existing customers only)*

**8.00% pa\***  
**For 28 months**

*(Interest paid quarterly  
or at maturity)*

## Government (Crown) Deposit Guarantee Scheme (DGS) update

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*the **deposit guarantee scheme** is being considered (by the Government) and **options will be announced in due course***

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While some investors who have been with us for a while are investing for terms beyond the expiry of the DGS (to achieve higher returns), others have been asking the question as to whether or not the government will roll over, extend or modify the DGS when it expires on 12/10/2010. We spoke to Treasury (Government) in February and they advised the following:

*"The government offered the deposit guarantee for a two-year term as a response to international financial market turbulence. This will give time to see how well international financial markets stabilise. A thorough assessment about the ongoing need for, and design of, an arrangement, if any, to replace the deposit guarantee scheme is being considered and options will be announced in due course."*



The good thing is, it is being worked on. We will update the position for you again in our next newsletter. However, we suspect that they should have formulated a position before this date as NZF (and no doubt the banks and other financial services organisations) will be following them up to get clarification.

## Property maintenance tips – Autumn

The changing of leaves in autumn is beautiful and sad, the beauty is the wide range of colours the leaves reveal and the hope that an Indian summer may keep the temperatures up. The sadness is that we have to finally say goodbye to another summer and that winter is lurking just around the corner. Autumn however is a great time to prepare for winter. Here are some maintenance tips to keep you busy over autumn:

- Clean gutters and down pipes
- Check roof and flashings
- Check and clean chimney
- Service wood burner
- Check plumbing for leaks (insulate pipes)
- Check attic or ceiling space for moisture
- Check insulation
- Test windows and doors for proper operation
- Aerate your lawn
- Seed and fertilise your lawn
- Test smoke detectors
- Change heating and air conditioning filters



*\*Note: Rates quoted above are subject to change without notice. Please ring us on **0800 399 666** or go to our website **www.financedirect.co.nz** to check our latest rates.*