



Investor Newsflash

December 2011

financeDIRECT
People on the pulse of finance

We can help
Call us today!



AUTOMOTIVE



PROPERTY



PERSONAL

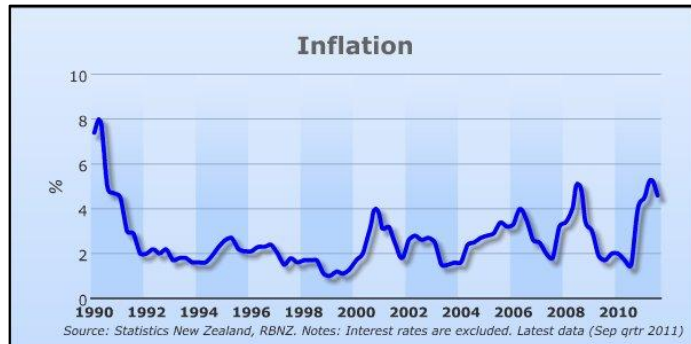


INVESTMENTS

0800 399 666

Keep an eye on inflation.....

Everyone knows inflation is always in the background eroding the value of their capital. Inflation has an impact on the spending power of our hard earned dollar. This graph shows the trend of inflation since 1990 with the average inflation rate over the past 5 years being 2.9%. At an annual rate of 2.9%, \$100 will buy only \$87 worth of goods in 5 years and just \$75 in 10 years. A concern for investors is that for the past 12 months inflation has increased to 4.6%! This means that in a decade, your \$100 will have spending power of just \$64!



The reason for higher inflation is that the NZ government has been printing money and easing the money supply into the economy. Whilst this is good for stopping the country falling into recession it also has a negative impact as now there is more money chasing the same goods and services. The result of easing money supply is always an increase in price and therefore less purchasing power for your dollar.

You may be wondering why investors have flocked to gold in recent years. It is now \$1708 USD an ounce! (In 2006 it was at \$600 USD) This is because gold and other precious metals are seen as alternative currencies. The governments cannot print more "gold" and therefore the theory is that precious metals hold more value than easily printed dollars. Investors appear to be taking the view that precious metal investments are a way to hedge their bets against inflation.

Having strategies to improve your investment returns and combat inflation is a prudent on going priority for investors.....especially now with inflation running at 4.6%!

Enough about inflation. With Christmas fast approaching its time to reflect on the year, recharge the batteries and look forward to a happy, safe and prosperous 2012. We are pleased to advise that our investor base has continued to grow. Thank you to those investors who have returned and taken up the offer of our loyalty rates. We have extended this offer ONLY to previous or existing Finance Direct investors until the end of December 2011 so please feel free to contact us.

Merry Christmas to you all and have an awesome festive season and New Year.

Yours Sincerely,

Wayne Croad
Managing Director



Josh de Jong | Wayne Croad | Sean Joyce | Richard Lott

INTEREST RATE CHART

Secured First Ranking¹ Debenture Stock

Investment Rates effective from 5th December 2011

SPECIAL OFFER RATES

Term	Standard Rates	Loyalty Rates
33 months	10.95% p.a.	10.95% p.a.

CURRENT RATES

Term	Standard Rates	Loyalty Rates
6 months	6.95% p.a.	6.95% p.a.
12 months	9.50% p.a.	9.75% p.a.
18 months	9.75% p.a.	10.00% p.a.
24 months	10.50% p.a.	10.75% p.a.
36 months	10.95% p.a.	11.00% p.a.
48 months	10.95% p.a.	11.00% p.a.
60 months	10.95% p.a.	11.00% p.a.

- Minimum Term Investment amount \$1,000 and thereafter multiples of \$500
- Interest is payable quarterly in arrears or may be compounded quarterly at the option of the investor
- Rates are subject to change²
- Finance Direct Limited is exempt under the Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2009 from the requirement of section 157I of the Reserve Bank of New Zealand Act 1989 to obtain a credit rating. The creditworthiness of Finance Direct Limited has therefore not been rated by a rating agency approved by the Reserve Bank of New Zealand under section 157I of the Reserve Bank of New Zealand Act 1989³

1. Subject to claims given priority by legislation
2. Rates are current at the time of this publication, however we regret that they are subject to change at any time. Where this occurs, we will contact any investor (that has requested renewal or sent in a new deposit) where the rate requested differs to the current rates. Investors can then decide whether they wish to:
 - (a) invest at the new rates or
 - (b) invest for a more favourable rate for a different term or
 - (c) have your investment repaid at maturity (or your cheque returned).
3. For more information on Exemptions from the Non Bank Deposit Takers Regime, go to:
<http://www.rbnz.govt.nz/finstab/nbdt/regulation/3536918.html>

For further information and a copy of our Investment Statement
please call our Investment Team on

0800 399 666

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