

SUMMER 2014 / 2015

FIXED INTEREST

Grosvenor Corporate Bond Portfolio (PIE) *
 Grosvenor Income Securities Portfolio (PIE) *

* Ask for an investment statement

Our disclosure statement is available on request and free of charge

Current running yield (after fees) of around 4.10% pa
 Current 3 & 6 and 12 month rate is 4.50% pa
 Current two year rate is 4.75% pa
 Current call rate is 4.25% pa

PLEASE DO KEEP US IN THE LOOP !

We do like to know any changes to your contact details, occupation or change of work, marital status or new additions to your family, your new tax rate or if your financial circumstances change substantially.

These things may affect your insurance, your Will, your Family Trust or perhaps your tax rate for KiwiSaver and other PIE investments.

It's in your interest that we know, so please do keep us in the loop !

Mortgage better than hip pain

"One in three people requiring elective surgery are being turned away from waiting lists to meet Government targets, new research suggests.

The research published in the New Zealand Medical Journal on 7 November 2014, shows 36 percent of more than 1200 hip and knee patients in Northland and Hawke's Bay referred for a publicly-funded operation by their surgeon were knocked back because they did not meet the 'financial threshold'. Many were suffering in severe pain, and were significantly disabled, the study says.

At 66, Ismay Barwell had to re-mortgage her house to pay for a hip operation, sick of painfully waiting for publicly-funded surgery.

The Wellington woman had osteoarthritis in her right hip, leaving her in almost constant pain, day and night unable to walk upstairs, and struggling to dress herself.

In early 2013, her surgeon was concerned enough to recommend her for a publicly funded hip replacement. When she turned up at Wellington Hospital, she was told her case was not urgent enough to make the waiting list.

She tried again six months later, but was once again turned down.

Barwell did not have private insurance, so she took out a \$26,000 bank loan against her house, and had the surgery privately in March this year.

She said she had no regrets about her decision, but wondered how bad her condition would have had to get before she would be eligible for surgery.

Capital & Coast District Health Board said it had increased its elective surgeries by 50 percent." [It's obviously not doing the trick—Ed]

Sourced from Dominion Post, 7 Nov 2014

"Call one of our advisers if you want to organise medical insurance. We deal with most providers."

Doesn't this take you back some of the artists of the 60's are revising their hits to accommodate aging baby boomers who can remember the limbo as if it were yesterday—

- Bobby Darrin**—Splish Splash, I Was Having' a Flash
- Herman's Hermits**—Mrs Brown, You've got a Lovely Walker
- The Bee Gees**—How Can You Mend a Broken Hip?
- Roberta Flack**—The First Time Ever I Forgot Your Face
- Johnny Nash**—I Can't See Clearly Now
- Paul Simon**—Fifty Ways To Lose Your Liver
- The Commodores**—Once, Twice, Three Times To The Bathroom
- Procol Harum**—A Whiter Shade of Hair
- Leo Sayer**—You Make Me Feel Like Napping
- The Temptations**—Papa's Got a Kidney Stone
- Abba**—Denture Queen
- Leslie Gore**—It's My Procedure, and I'll Cry If I Want To
- Willie Nelson**—On The Commode Again

What is the Official Cash Rate?

The Official Cash Rate (OCR) is the interest rate set by the Reserve Bank to meet the inflation target specified in the Policy Targets Agreement. The agreement signed in September 2002, between the Minister of Finance and the Governor of the Reserve Bank, requires the Reserve Bank to keep inflation, on average over the medium term, at between 1 and 3 percent per annum.

What the OCR Does:

The OCR influences the price of borrowing money in New Zealand and provides the Reserve Bank with a means of influencing the level of economic activity and inflation. An OCR is a fairly conventional tool by international standards. In the past, the Reserve Bank used a variety of tools to influence inflation, including influencing the supply of money and signalling desired monetary conditions to the financial markets. Such mechanisms were more indirect, more difficult to understand, and less conventional.

How the OCR Works:

Most registered banks hold settlement accounts at the Reserve Bank, which are used to settle obligations with each other at the end of the day. For example, if you write out a cheque or make an EFT-POS payment, the money is paid by your bank to the bank of the recipient. Many hundreds of thousands of such transactions are made every day. The Bank pays interest on settlement account balances, and charges interest on overnight borrowing, at rates related to the OCR. These rates are reviewed from time to time, as is the OCR. The most crucial part of the system is the fact that the Reserve Bank sets no limit on the amount of cash it will borrow or lend at rates related to the OCR.

Sourced from Ron Edmond's Property Update, Nov 2014

www.rbnz.govt.nz/monetary_policy/about_monetary_policy/0072140.html

"Money can't buy happiness, but neither can poverty".

—Leo Rosten

We grow our business by referrals, so please don't keep us a secret !

If any family members, friends, colleagues or clients would benefit from talking to one of our Advisers about their financial planning and insurance protection needs, then please contact us—we welcome referrals from you.

On the Path to a Comfortable Life

"When you are young and carefree, retirement is somewhere in the hazy distance.

About halfway through your working life, you look around to see how you are doing compared to your peers and notice that some of them have streaked ahead.

As you approach the end of your working life, you realise that, despite a final burst of frantic saving, how well your retirement lifestyle compares with that of your peers will be pretty much determined by choices you made in your earlier years.

Here are some simple checkpoints for the end of each decade of your life:

Twenties: You've got through without incurring short-term, high-interest debt and you now have a sizeable sum in your KiwiSaver account [which you can partially use towards your first home deposit].

Thirties: You've bought a house and set money aside for emergencies.

Forties: You've paid off most, or all, of your mortgage.

Fifties: You've built up a diversified investment portfolio in addition to KiwiSaver. [You have an Authorised Financial Adviser advising you on both].

At Retirement: [Each \$150,000 to \$200,000 in your KiwiSaver and investment portfolio] will add around another \$10,000 to your income.

If you can achieve these milestones, chances are you will have what most people would call a comfortable life."

Extract from *Dominion Post* 29 Nov 2014 by Liz Koh, AFA

"You can only become truly accomplished at something you love. Don't make money your goal. Instead pursue the things you love doing, and then do them so well that people can't take their eyes off you." —**Maya Angelou**

Claims Dashboard

So far this year (up to November), one of our providers—AMP, have paid over \$70,732,771 in individual lump sum claims (Life, Terminal Illness, Trauma and Total and Permanent Disability) to more than 382 policy holders.

Cover	Paid to Date	Average Age	Average Paid
Life	\$34,458,229	57	\$265,063
Trauma	\$22,344,531	51	\$112,851
Terminal Illness Benefit	\$13,515,714	57	\$259,917

If you were a smoker when you took out your insurance and haven't smoked in the last 12 months, it may be possible to get your premiums reduced.

If this sounds like you, contact us and perhaps we can save you a few dollars!



"I love being married. It's so great to find that one special person you want to annoy for the rest of your life." —**Rita Rudner**

"Beginning is winning". —**Dale Lightfoot**

Roll ups

"Stock markets exist because most investors are lazy. Rather than haggling with multiple people to find the best price for their shares in a company, they can post what they want to trade and at what price on a central noticeboard and wait for someone to accept.

As with other goods and services, you have to pay extra for convenience. On top of brokerage fees, investors face paying more for companies that are listed on an exchange than their private company equivalents. That margin reflects the ease with which investors can get in and out of a company.

The price of a company is also dictated by its size. Larger companies tend to have more reliable income streams and cash flows and that consistency is worth paying for.

Some people have figured out that these trends can be a way of making substantial profits. They find a set of small private companies and put them together into a single larger company that becomes listed on a stock market. This automatically sees a substantial increase in the value of the assets. Typically, a small private business sells for three times gross profits. When listed, it can sell for three or four times that.

This strategy is known as a 'roll up' and can be a very effective way of turning a small business into a large one. A company can demonstrate superb momentum in its numbers by continually buying up small private businesses and instantly enhancing their balance sheet and valuation at listed-company levels."

Source: **McEwen Investment Report #786**

Medical definitions that you won't find in the dictionary

Benign—What you be after you be eight

Cauterise—Made eye contact with her

Coma—A Punctuation mark

Dilate—To live long

Labour Pain—Getting hurt at work

Nitrates—Cheaper than day rates

Pelvis—Second cousin to Elvis

Post-Operative—A letter carrier

Secretion—Hiding something

Seizure—Roman Emperor

Tablet—A small table

Terminal Illness—Getting sick at the airport

Urine—Opposite of you're out

Varicose—Near by / close by

"Who is rich? He that is content. Who is that? Nobody." —**Benjamin Franklin**

TEAM NEWS

Ian Jordan has yet again pitted himself against the rigours of the 2014 Taupo Cycle Challenge [Still mad if you ask me—Ed]

Three Grandchildren for Advisers in 2014!

Ian's daughter, Nichola, had a little boy (*William*) in May; Chris' son, George, had a wee girl (*Peyton*) in September; and Blair's daughter, Sarah, had a baby girl (*Quinn*) in December. Congratulations to all the advisers on the safe arrival of their beautiful grandchildren!

British Pension Transfers Ltd

YOUR UK PENSION NEEDS YOU

The Inland Revenue are changing the tax rules for UK Pensions.

If you have a Personal or Company UK Pension then you need to seek urgent advice if you want to reduce the risk of a large tax penalty.

Don't Delay; Talk to us now about transferring your UK Pension and you will be glad you did.



YOUR UK PENSION NEEDS YOU

Contact our Authorised Financial Adviser:

IAN JORDAN

AFA, DipFA, Cert PFS, CeMAP, IFA Member (Authorised U.K. Independent Financial Adviser)

www.britishpensions.co.nz

info@britishpensions.co.nz

0800 70 22 11

Part of Chris MacKay Financial Planning Limited group of companies. Our disclosure statements are available on request and free of charge.

Proud member of:

+4
PLUSFOUR
INSURANCE SOLUTIONS
www.plus4.co.nz



Chris MacKay

AFA, BCA, CFP^{CM}, CLU, Fellow IFA, JP, FNZFAA

Investments, Insurance & KiwiSaver



Ian Jordan

AFA, Dip FA, Cert PFS, CeMAP

Investments, Insurance, UK Pension Transfers & KiwiSaver



Blair Bennett

AFA, MBS, Dip Bus & Admin, Dip Banking, F Fin.

Investments, Insurance, KiwiSaver & Mortgages



Chris Cornford

AFA

Investments, Insurance, & KiwiSaver

Adviser disclosure statements are available free & on demand.