



A Fresh Approach to Financial
Planning for Women

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WOMEN'S LIFESTYLE EXPO

We had a great time meeting so many people at the **Christchurch Women's Lifestyle Expo** over the weekend. It was lovely to see so many Christchurch residents out and about after such an eventful month. We had many happy winners with our hourly prize draws for copies of *Girls Just Want to Have Fund\$*.

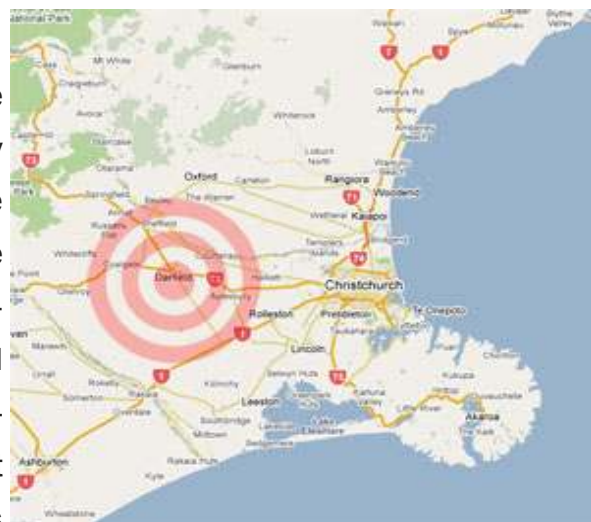
CANTERBURY EARTHQUAKE

We extend our sympathies to those who have been affected by the earthquake.

The recent earthquake and the subsequent aftershocks have certainly focussed our attention on the importance of appropriate insurance. In this instance we have been thinking primarily of insurance on assets such as homes and businesses. Many people are facing substantial losses due to underinsurance. It has been reported that some businesses may fail.

Earthquakes are not the only critical event which may impact on families or businesses. Loss of income due to illness or accident, a critical illness or the death of a family member or business partner can cause financial hardship.

It is essential to review your insurances on a regular basis to establish if the covers you have are relevant to you and your personal circumstances.



For the next three months WFS is offering a written review free of charge (worth \$500) and for the first ten responses a copy of either "Money, Money, Money Ain't it Funny" or "Smart Money" RRP \$29.99.

Call Women's Financial Strategies on 0800 64MONEY (0800 646 6639) or email sheryl@strategies.co.nz. I look forward to hearing from you.



INDIA—ONE TO WATCH

With less than two weeks to go before the Commonwealth Games, the spotlight is now on India.

With over 1.1 billion people, India has been making progress on a scale, size and pace that is unprecedented in its own history. India has successfully maintained a democracy, vastly improved its social programmes, and emerged as a global player in information technology and business process outsourcing.



India has become one of the world's fastest growing economies with an average growth rate of over 7% since 1997. Over a ten-year period India's sharemarket has significantly outperformed more developed nations, rising by 243%, compared to 47% for the New Zealand market, 57% for Australia and -23% for the United States. Some of the reasons cited for this stellar growth include:

1. A young, billion-plus population: half of which are under 25, ambitious, increasingly educated and mobile.
2. Little debt: India is considered debt free, the polar opposite of the world's developed economies that will be saddled with debt problems for some time.
3. High savings rates: Just like China, the Indian population is a nation of savers, but unlike China they are not totally inhibited with their spending, making the savings rates a genuinely positive economic force.
4. High investments rates: India now saves and invests around 34% of GDP, a huge number by any standards.
5. Strong domestic demand: Domestic consumer demand is one of India's great strengths; it has helped to insulate it from the worst of the world's troubles, and is the product of a vibrant consumer market.
6. Pro-reform government: India is still early in the second term of a government which is determined to liberalise its economy, create stronger global relationships and address perennial challenges such as infrastructure and investment.

RESIDENT WITHHOLDING TAX (RWT) RATE CHANGE FROM 1 OCTOBER 2010

As you will be aware, Resident Withholding Tax Rates are set to change from 1 October 2010 as detailed in the table below:

Taxable Income	Current Rate	New Rate
Up to \$14,000	12.5%	10.5%
\$14,001 to \$48,000	21.0%	17.5%
\$48,001 to \$70,000	33.0%	30.0%
\$70,001 and over	38.0%	33.0%
No notification	38.0%	33.0%

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KIWIS WANT TO SEE BACKYARD BEFORE KICKING THE BUCKET

Fidelity Life commissioned The Nielsen Company to find the top things Kiwis would want to do in their homeland if they only had a year to live.

Seeing more of New Zealand, including Fiordland, Milford and Dusky Sounds, Queenstown, Stewart Island and Bay of Islands, was the first thing mentioned by 51% of Kiwis.

Fifteen per cent specifically mentioned visiting the "South Island", including Stewart Island. A long way back in second (18%) was visiting and spending time with family and friends, or setting up family for the future.

The reasonably gentle pursuits group of climbing, cycling, tramping and trekking around mountains and tracks came in third on 9%, just ahead of a campervan trip with family and friends (8%).

Rounding out the top five was the first adrenaline category which included skydiving, parapenting, or a chopper or hot air balloon flight (7%).

With a year to live New Zealand women, Maori, and people 55 or older, are significantly more likely to want to visit family and friends, or set up family for the future.

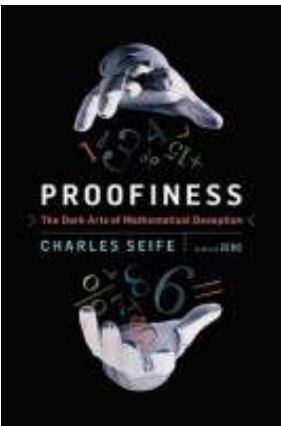
The survey found young adults would want to experience adrenaline attacks: Kiwis aged 15 to 24 are significantly more likely to want to bungee jump, skydive, paraglide or parapent.

People aged 40 or older are more likely to want to go fishing or swimming with dolphins.

Spending "lots of my money", or luxurious holidays and food and wine experiences was the seventh most popular answer, from four per cent of Kiwis.



FIBBING WITH NUMBERS



The Dark Arts of Mathematical Deception

Charles Seife is steaming mad about all the ways that numbers are being twisted to erode our democracy. We're used to being lied to with words ("I am not a crook"; "I did not have sexual relations with that woman"). But numbers? They're supposed to be cold, hard and objective. Numbers don't lie, and they brook no argument. They're the best kind of facts we have.

And that's precisely why they can be so powerfully, persuasively misleading, as Seife argues in his passionate new book, "Proofiness." Seife, a veteran science writer who teaches journalism at New York University, examines the many ways that people fudge with numbers, sometimes just to sell more moisturiser but also to ruin our economy, rig our elections, convict the innocent and undercount the needy. Many of his stories would be darkly funny if they weren't so infuriating.

Seife emphasises that numbers impress us. They carry authority.

"Comparing apples and oranges" is another perennial favorite. The conservative Blue Dog Democrats indulged in it when they accused the Bush administration of borrowing more money from foreign governments in four years than had all the previous administrations in our nation's history, combined. True enough, but only if one conveniently forgets to correct for inflation.

He calls Al Gore to task for "cherry-picking" data about global warming. Although Seife doesn't dispute that the warming is real and that human activities are to blame for a sizable portion of it, he chastises Gore for showing terrifying simulations of what would happen to Florida and Louisiana if sea levels were to rise by 20 feet, as could occur if the ice sheets in Greenland or West Antarctica were to melt almost completely. That possibility, while not out of the question, is generally considered an unlikely "very-worst-case" scenario, Seife writes.

In one of the book's lighter moments, Seife even looks askance at the wholesome folks at Quaker Oats, who in addition to selling a "bland and relatively unappetising product" once presented a graph that gave the visual impression that their "barely digestible oat fiber" was a "medicinal vacuum cleaner" that would reduce your cholesterol far more than it actually does.

MONEY QUOTES

"Never spend your money before you have earned it."

Thomas Jefferson

"Rule No.1: Never lose money. Rule No.2: Never forget rule No.1."

Warren Buffett

"Money won't make you happy...but everybody wants to find out for themselves."

Zig Ziglar

FREE DISCLOSURE STATEMENT ON REQUEST

A Disclosure Statement in accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 is available free of charge by calling on 03 379-7035 or email Tamyra Kourey at tamyra@strategies.co.nz.

BRAND NEW!



Smart Money

**RECOMMENDED
READING...**



Girls Just Want to Have Fund\$ - Every Women's Guide to Financial Independence



Money, Money, Money Ain't it Funny...How to Wire Your Brain for Wealth

Sharpshooting the Investment Gurus

Hitting a Barn Door



Take a rifle and randomly spray bullets at the side of a barn. Invite some gun-toting friends around to see your handiwork and accept their lavish praise as a dead-eyed sharpshooter, knowing all the while it's an illusion. The trick is to paint the targets after you've made the bullet holes.

This, the *Sharpshooter Effect*, is essentially how many business gurus and investment analysts make their living. Worse, the effect affects statistical analysis of data that are genuinely important, like clusters of birth defects. The problem is that we're not very good at distinguishing randomness from order and this causes us no end of grief as we pursue illusory patterns in the belief that we're being smart.

Predictions in Hindsight

Our ability to generate illusory correlations based on limited data leads us into all sorts of inept behaviour when it comes to investing. Invariably you can find someone willing to explain, after the event, why some stock has moved 0.25% on a given day, but the amount of credibility we should give such explanations is approximately zero, to as many significant figures as you wish to add. Our credulity in the face of such randomness is, however, an ongoing and apparently ineradicable feature of the human condition.

We need to learn to mistrust anyone drawing conclusions from selective data and to stop worrying about lack of control of our investments.

Take the long term view and don't over analyse short term volatility.

Sheryl Sutherland

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