

Investor Newsletter

October 2008 Volume 1 Issue 2

Welcome to the spring edition of our Investor Newsletter.

In this edition we will cover:

- Review of the September 2008 Quarter
- New Zealand Investor magazine competition
- Our new computer system
- Investor Question & Answer forum
- NZF SuperKiwi update
- The new NZF Prospectus is now available
- How to contact us

We have always maintained an emphasis on first mortgage security.

Win a FREE 12 Month Subscription New Zealand Investor Magazine

Review of the September 2008 Quarter

It has been a challenging year, however we do not wish to dwell on this as no doubt you have heard the reasons for finance company difficulties many times before. Suffice to say that why NZF is still here and will remain so is that we are a well diversified financial services group. We lent prudently and avoided large long term property development projects. We also reacted quickly (after the collapse of Bridgecorp) to build up cash and we sought additional funding lines. We have always maintained an emphasis on first mortgage security. Our minimal bad debt write off over the last 11 years is testament to our conservative lending strategy.

New Zealand Investor magazine competition

We enclose a complimentary copy of the latest New Zealand Investor magazine. This is a monthly magazine that contains interesting and informative articles on investment. See the article on page 22 on the NZF lending team.

You could WIN 1 of 5 FREE 12 month subscriptions to New Zealand Investor magazine.

New Zealand Investor magazine has kindly made an exclusive offer to investors of NZF to give away 5 FREE 12 month subscriptions to New Zealand Investor magazine. PLUS, they have also made a further exclusive offer to NZF investors of a 50% discount, as an introductory offer, of a 12 month subscription to New Zealand Investor magazine. This is normally \$64 for an annual subscription, reduced to \$32 for the first year.

For your chance to WIN 1 of 5 FREE 12 month subscriptions to New Zealand Investor magazine, simply complete the attached competition entry form and post back to us. You can even enter on line through our web site: www.nzf.co.nz/Investors/NZInvestorMagCompetition

Bonus competition offer - anyone that subscribes to New Zealand Investor magazine before the 1st of December 2008, also goes in to win a New Zealand Mint 1 oz gold coin currently valued in excess of \$1300. This offer also includes anyone that wins 1 of 5 FREE 12 month subscriptions.

Note: Neither NZF Group Limited or its subsidiaries has any ownership or control of New Zealand Investor magazine. Page | 1



This system will enable NZF to grow and develop ... to offer additional products and services to our customers.

We are pleased to introduce our new computer system

You may recall in our last newsletter we talked about the introduction of our new computer system; Ultracs. NZF have always had a strategy of investing in technology and last year engaged a Melbourne based software company to replace our current technology platforms with one computer operating system. The new system is already in use in New Zealand by a number of New Zealand financial services companies including a bank. The investment in this system will enable NZF to grow and develop by providing a new platform for us to offer additional products and services to our customers.

We will write to you prior to introduction of the new system to keep you up-to-date with the changes coming up. In the meantime you may be interested to know a few of the benefits:

- Individual customer statements – *The new statements will summarise all accounts that you have, rather than separate statements for each, cutting down on your paper work and giving you an itemised summary of each account, all on the one statement. Note: Where you only hold a joint account with us, you can choose have a statement addressed to the first name that appears on the statement or have a statement sent to each person who is a party to a joint account.*
- Regularly interest payments options to suit your needs – *After introduction of the of the new system, you will be able to get monthly or quarterly interest payments one month or quarterly after your investment date, rather than fixed dates that suited us and not necessarily you. This will avoid confusing part period interest payments that were paid after the start or near maturity of your investment.*
- Easy to follow statements and secured term investment certificates – *These will look different to what you receive now, however a guide will be sent to you with your first statement explaining the changes.*

Have you read the Investors “Your Questions and Our Answers” forum on our website?

In our last newsletter we invited our investors to ask us questions that we would answer and place on our website to assist all our investors in getting a better understanding of who we are, what we do and our current position.

We invite all investors to read these questions and our answers and would love to hear from any investor who has a question.

To find the Investors “Your Questions and Our Answers” forum on our website, go to:
<http://www.nzf.co.nz/Investors/YourQuestionsOurAnswers.aspx>

If you don't have access to the internet, we are more than happy to post an extract of this page to you. Simply call us on 0800 20 70 70 and we will mail one to you.



NZF SuperKiwi - Invest in your Grandchildren's future

A large number of New Zealanders with children or grandchildren have invested in their future by opening a KiwiSaver superannuation savings account. Due to the positive effects of compounded earnings, the sooner people start a long term savings plan, the higher the long term future value will be and the faster savings will grow.

You may recall in our last newsletter we announced the launch of NZF SuperKiwi* in partnership with Huljich Wealth Management. Growth has been phenomenal as for every KiwiSaver account opened, the NZ Government adds in \$1,000 kick start subsidy to anyone under the age of 65. That will get your children or grandchildren's savings off to a quick start.

With our KiwiSaver scheme there is no minimum contribution, so there is no need for you to make ongoing contributions (unless you want to) and your children or grandchildren do not need to contribute until they start working! They will also have the option to take a contribution holiday of up to 5 years.

If you would like to know more about NZF SuperKiwi or order an information pack, simply **call us toll free on 0800 20 70 70** or go to our website: <http://www.nzf.co.nz/SuperKiwi/Default.aspx>

* NZF SuperKiwi is the brand used to distribute the Huljich KiwiSaver Scheme through NZF Money Limited.

Have you seen our new NZF Prospectus?

The new NZF Prospectus is now available. If you would like copy of this please go to our website: <http://www.nzf.co.nz/Investors/InvestorInformation.aspx> or call us toll free on 0800 20 70 70 and we'll send you a copy.

How to contact us

If you have any questions about anything in this newsletter, your secured term investment or if you would like to request a copy of the NZF SuperKiwi Investment Statement & Application or NZF Prospectus, we would be delighted to hear from you. Our contact details are as follows:

Telephone: 09 379 9090

(If calling us from overseas: +64 9 379 9090)

Toll free: 0800 20 70 70

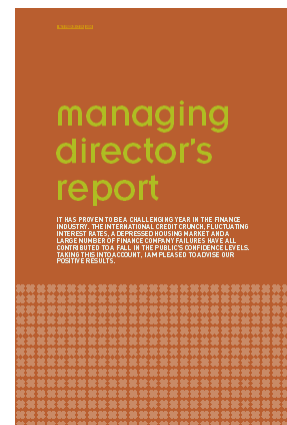
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The NZF Investments team
Mark, Sue and Dave

Competition Entry Form

To enter the competition for a chance to **win 1 of 5 FREE 12 month subscriptions** to New Zealand Investor magazine, simply complete your details below:

Full name:.....

Address:

Email address (if held):.....

Phone number:.....

YES I would/NO I would not (please circle YES or NO) like to take advantage of the exclusive 50% discount introductory offer of a 12 month subscription to New Zealand Investor magazine if I do not win 1 of the 5 FREE 12 month subscriptions.

Note: (1) The **competition and exclusive offer expire on Monday 1st December 2008**
(2) All winners will be notified in writing, email or by phone
(3) The winner's names (surname and first initial only - for confidentiality reasons) will be published in our next newsletter