

# Investor Newsletter

Winter 2009 Volume 1 Issue 5

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

In this edition we will cover:

- Review of the June 2009 Quarter
- Government Deposit Guarantee Scheme (GDGS) update
- Reserve Bank of New Zealand Amendment Act 2008
- Property maintenance tips
- How to contact us

**Our current**

**“Hot Rate”**

**7.75% pa\***

**For 21 months**

*(Interest paid quarterly or at maturity)*

## Review of the June 2009 Quarter

As reported by the Reserve Bank of New Zealand (RBNZ) in June 2009, New Zealand's fiscal and monetary policy stimuli has bolstered domestic activity. It is expected that the New Zealand economy will start to grow again toward the end of 2009, however recovery is likely to be slow. The RBNZ state that to many households it may not feel like a recovery at all; with lower employment, house prices and wage increases.

If severe, another factor that could affect recovery (locally and internationally) is the spread of influenza A H1N1 09 (known in the media as 'swine flu').

On June 11 2009, the RBNZ left the Official Cash rate (OCR) unchanged at 2.5%. They expect to keep the OCR at this level or below until the latter part of 2010.

## Government Deposit Guarantee Scheme (GDGS) update

The GDGS was implemented for two years on October 12 2008. It was brought in at a time when investor confidence was at an all time low. After frequent contact with personnel in Wellington, the Government remains non committal on what will happen in October 2010 when it is due to expire.

NZF will provide a submission to the Government within the next month, providing recommendations and seeking urgent clarity on this issue.

## Reserve Bank of New Zealand Amendment Act 2008

Under the regulation 'Reserve Bank of New Zealand Amendment Act 2008', new obligations for Non Bank Deposit Takers (NBDT) are being rolled out. NZF (being a NBDT) is required to have a risk management programme in place by September 2009 and a mandatory credit rating by March 2010. NZF has applied resource to both of these areas, to ensure that it is compliant by the due dates.

### Property maintenance tips – Winter

The very early chilling blast during autumn well and truly signaled winter was on the way. If you thought it was cold you were right, NIWA (the NZ National Institute of Water & Atmospheric Research) said that on average temperatures this autumn were 1 degree less than the normal average (Southland and Otago being the exception – their temperatures were at the historic average). It could be worse though, the coldest day ever recorded in New Zealand was (minus) -21.6c in Ophir Central Otago on 3 July 1995.



Here are some maintenance tips to keep you busy over June - August:

- Check windows for condensation
- Check interior wall cracks and squeaky floors
- Test smoke detectors
- Change heating and air conditioning filters

### 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:** 09 520 9350  
(If calling us from overseas: +64 9 520 9350)

**Toll free:** 0800 20 70 70

**Fax:** 09 520 9351

**Email:** [info@nzf.co.nz](mailto:info@nzf.co.nz)

**Website:** [www.nzf.co.nz](http://www.nzf.co.nz)

**Postal address:** P O Box 1195, Shortland Street, Auckland, 1140

**Physical address:** Level 2, 88 Broadway, Newmarket, Auckland, 1023



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