

Will your business make money without your right hand man, or woman?

What would happen to your business if one of your key employees were to become disabled, or die?

Could your company continue operating without them or would profitability and goodwill be affected?

When considering the factors that drive profit within your business, it's important not to overlook the impact key individuals have on a business. Just like you would insure physical assets, such as machinery, for loss or damages, you should also insure key people in case they become unable to perform their duties.

Key Person Protection can make this issue disappear. Secured on the life of a person who is critical to the successful operation of your business, it can protect your business from the impact of losing a key person unexpectedly, preventing the possibility of major disruption.

You, and some of your most senior staff members, are pivotal in the ongoing success of your business. If something happens to one of these key people the future of your business is thrown into jeopardy and the implications can be nasty:

- * loss of revenue
- * inability to service debt or meet expenses
- * decrease profits
- * loss major clients
- * sale of business assets
- * business sold for below true value

New Lender joins SHARE lending panel...

NZF (formerly New Zealand Finance) have just joined the SHARE lenders panel. NZF is one of the few survivors of the finance company sector clear-out, and its philosophy of good quality lending, coupled with diversified funding sources has enabled NZF to continue to support their key business partners – mortgage brokers.

Helping First Home Buyers

Contrary to all the media reports there are still lending options available for First Home Buyers! While the big banks have pulled back from high LVR loans, specialist non-bank lenders such as NZF are still actively lending and are actually experiencing record settlement figures. NZF can still lend up to 95% for a new purchase (fully verified), and up to 90% for refinances.

There is certainly a huge demand for these loans. Their criteria for high LVR loans is quite simple – good quality clients with stable jobs and employment history, with good servicing capability, clean credit, and a genuine saved deposit of at least 5% (or 10% gift).

Their updated servicing calculator is now available for direct download from the NZF website www.nzf.co.nz (click on Lending Rates Tab on bottom right hand side, and click on Download Servicing Calculator at the bottom of this page). This is the same calculator that their underwriters use, and it will also automatically update itself with current servicing rates etc.

For further information, please call 0508 2 SHARE.



Welcome to the Spring edition of YOURshare!

We are focussed on sharing knowledge with our clients to help you make more educated choices about your financial situation.

You may be wondering... what is SHARE?

SHARE is an independent network of New Zealand's leading financial advisers. SHARE advisers have trusted relationships with clients and the several generations that are following and they have experience and knowledge that has been shaped by many years.

SHARE advisers are on a journey to share their knowledge with people - individuals, families, and businesses - who will trust them to provide protection now and advice about providing for their futures.

Whatever your need, the key is sharing. That's why we are SHARE.

Knowledge tip 1

“Unless commitment is made, there are only promises and hopes; but no plans.”

– PETER F DRUCKER

An evening with SHARE...

At the recent launch of SHARE Otago, Martyn Nicholls (former owner and CEO of Gravitas Wines) shared his tragic but inspiring story of building a successful business and seeing it crippled in a matter of weeks.

Sold in the most exclusive restaurants in Europe, Gravitas built an international reputation for award winning wine. Gravitas was experiencing significant success until an horrific motorcycle accident landed Martyn and his wife Debbie in intensive care. What followed was a rapid descent into business hell, a narrow escape from bankruptcy and ultimately the loss of a company GM, mother and life partner.

In conjunction with ING Life, SHARE is hosting an evening with Martyn Nicholls and Gravitas Wines in your area during October. Attendance at these events is strictly limited and by invitation only.

If you are interested in attending, contact your local SHARE adviser to secure your invitation.



SHARE

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Mortgage markets

The long and the short of it...

The continuing economic downturn and the latest movements in both home loan rates and the cost of lending mean choosing a mortgage term requires careful consideration.

It's a decision that must take into account not only market fluctuations and trends, but also a borrower's future personal circumstances. Of course, the only certainty about the future is that it is uncertain. However, easier monetary conditions should continue to provide favourable terms for some time to come.

At the time of writing (August), the official cash rate had plummeted to 2.5% – it's lowest rate since its introduction in 1999.

This perceived 'bottoming-out' triggered a rush to fixed-term mortgages, which in late March fuelled an increase in longer-term rates. Consequently, the Reserve Bank has moved to arrest the trend, and assure borrowers that interest rates will remain low for an extended period of time, leaving the door open to still more OCR cuts.

While short-term mortgages have the potential to go a little lower still, for longer-term rates, the upward drift has already started.

The choice of fixing versus floating will remain a trade-off between the certainty of long-term fixed rates and the low debt-servicing costs of short-term fixed and floating rates in the immediate future.

In broad terms, borrowers have the following options:

- * Remain floating while the rate is lower to see what happens to rates over the coming months
- * Fix for a medium term (e.g. two to three years) to get some certainty at a relatively low rate
- * Take the certainty of a long-term rate, even if it isn't as low as it was recently

Splitting borrowing across terms is one way to hedge your bets, and achieve a combination of flexibility, certainty and low cost of servicing the debt.

If you need help to make this important decision, contact your SHARE mortgage adviser.

SOURCE: New Zealand Mortgage Magazine (31 May 2009)
Independent Financial Review (28 May 2009)

21 Suggestions for SUCCESS!

So often we get caught up in the now and lose sight of the fundamentals of what actually makes us successful in life. Keep the following 21 suggestions in mind as you tackle each day so that you may look back and consider yourself a success across all aspects of your life:

1. **Marry the right person. This one decision will determine 90% of your happiness or misery.**
2. **Work at something you enjoy and that's worthy of your time and talent.**
3. **Give people more than they expect and do it cheerfully.**
4. **Become the most positive and enthusiastic person you know.**
5. **Be forgiving of yourself and others.**
6. **Be generous.**
7. **Have a grateful heart.**
8. **Persistence, persistence, persistence.**
9. **Discipline yourself to save money on even the most modest salary.**
10. **Treat everyone you meet as you would like to be treated.**
11. **Commit yourself to constant improvement.**
12. **Commit yourself to quality.**
13. **Understand that happiness is not based on possessions, power or prestige, but on relationships with people you love and respect.**
14. **Be loyal.**
15. **Be honest.**
16. **Be a self-starter.**
17. **Be decisive even if it means you'll sometimes be wrong.**
18. **Stop blaming others. Take responsibility for every area of your life.**
19. **Be bold and courageous. When you look back on your life, you'll regret the things you didn't do more than the ones you did.**
20. **Take good care of those you love.**
21. **Don't do anything that wouldn't make your Mum proud.**

The above suggestions were originally compiled in the article 'Personal Development: 21 suggestions for success' by H Jackson Brown, Jr.

What does wealth mean to you?

When you hear the word wealthy, what do you think of? Do you think of having your own private aeroplane, living in a mansion and driving fancy cars? Or do you define wealth as not having to go to a nine-to-five job every day, taking several holidays a year and being free to determine your own schedule?

Is it possible that you have defined wealth as an absolute sum – say two million dollars in your bank account?

Everyone defines wealth in a different way. For some people, simply not having to worry about money means being wealthy. Your definition of wealth can also change over the course of your life. A 52-year-old's definition of wealth is probably quite different from what it was as a 22-year-old.

We think a good foundation for being wealthy is freedom, i.e. freedom from the enslavement of debt. When you owe no money to anyone, this can be a form of wealth. As the Book of Proverbs says, "Borrow money and you are the lender's slave". The opposite of slavery is freedom.

For many people, being wealthy is a pure fantasy. But it shouldn't be so. We think everyone can have some form of wealth. First, you must define it for yourself. Make it something you want enough to strive for. Write it down on a piece of paper and visualise yourself achieving it. Most importantly, ensure the future of your dreams by taking some action right now!

Knowledge tip 2

“I hope that while so many people are out there smelling the flowers, someone is taking the time to plant some.”

– HERBERT RAPPAPORT



Here's an inspiring story that might give you a new definition of 'wealth'.

One day a father from a rich family took his son on a trip to the country with the specific purpose of showing him how poor some people can be. They spent a day and a night on the farm of a very poor family. When they got back from their trip, the father asked his son, "how was the trip?"

"Very good, Dad!"

"Did you see how poor people can be?" the father asked. "And what did you learn?"

"Sure!" the son answered, "I saw that we have a dog at home and they have four. We have a pool that reaches the middle of the garden, they have a creek that has no end. We have imported lamps in the garden, they have the stars. Our patio reaches the front yard, they have a whole horizon."

When the boy finished, his father was speechless. His son added, "thanks Dad, for showing me how poor we are!"

Isn't it true that it all depends on the way you look at things? If you have love, friends, family, health, good humour and a positive attitude towards life – you've got everything! You may have all the material possessions you can imagine, provisions for the future, etc, but if you are poor of spirit, you have nothing!

SOURCE: Doris S Dobkins, money saving expert, author and speaker.