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Thorner Financial Services can provide:-

- Life Insurance
- Health Insurance
- Income Protection
- Home Mortgages

Thorner Investments can provide:-

- KiwiSaver
- Savings & Investments
- Home Equity Release

Thorner General Insurances can provide:-

- Home , contents & vehicle insurance
- Business insurance

A copy of our disclosure statements can be downloaded from www.thorner.co.nz

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THORNERS NEWSLETTER

Start-up Income Protection — Is your checklist complete?

Starting your own business can be a daunting experience. But if you're serious about making your new venture work, you won't want to leave anything to chance. Besides ticking off the business essentials—the bank, accountant, lawyer, premises, transport and tools—have you remembered to protect one of your most valuable assets—your ability to earn? What would you do if you were unable to work because of sickness or injury? Who would pay the bills, provide for your family and keep the business going?

Sovereign's Start-Up product offers easy and affordable income protection, designed specifically for you — the newly self-employed*. No financial records are required and if you suffer total disability due to illness or injury, Sovereign will pay an agreed monthly benefit.

Making sure you're prepared for all eventualities gives you peace of mind while you get your business off the ground.

(special terms apply)*

CASH- The benefits and risks

What is cash?

Cash is generally referred to as money on call. That is, you may access your funds quickly. Such funds are held in savings and cheque accounts through banks and other financial institutions. The definition of cash also generally includes fixed term investments of less than one year. This would include some term deposits and bank bills. The basic attributes of cash is that it pays a predetermined rate of interest, the capital is stable and is liquid or near liquid. Term deposits may be cashed in advance of the maturity date with the payment of penalty interest.

What are the benefits?

Cash is considered to be a "safe" investment, although how safe it is depends on the credit worthiness of the institution of where it is held. Bank deposits are not generally guaranteed by the government and there have been examples of cash investments being lost. Cash is necessary to fund your immediate and short-term expenditure. It is important to match your investments with your expenditure requirements. Although growth assets such as property and shares have historical higher returns in the long-term you would not fund the purchase of a new house in six months' time by investing in shares today. Cash is the ideal medium to store funds while you are waiting for a long-term investment opportunity to appear. For example, you may hold cash if you are expecting a rise in interest rates before investing in long-term bonds.

Any downside?

Cash may appear to be a low risk investment however it may be risky in that your investment and lifestyle objectives may not be realised. The long-term return of cash is only slightly higher than inflation (Consumer Price Index) and after taking into tax into account, the real return may be less than inflation. Therefore cash is a poor hedge against the loss of purchasing power through inflation. Most people require some growth in their investments to reach their goals and this can only be achieved by investing some funds in shares and property as well as cash and fixed interest. Nevertheless, cash does help to smooth out the returns in a balanced portfolio.

It is important to understand the concept of inflation to appreciate how the low return of a cash based investment can seriously impact on your lifestyle in the long-term. This is best shown by the "rule of 72". The "rule of 72″ is a simple calculation of how long prices will double if you know the long term inflation rate. You simply divide the inflation rate into 72. For example, if inflation is 5% then prices will double every 14.4 years (72/5). The "rule of 72′ also shows how long it will take for your investment to double given a long- term investment return. For example, if the after tax return of your cash investment is 3% then your investment will not double in value for 24 years (72/3). Clearly with the examples shown a low yielding cash investment can rapidly fall in real value if the after tax return is not at least as great as inflation. The scenario is even worse if you must take capital out to fund your cost of living.

Source—investment article.com

LICENCED BUILDING PRACTICIONERS

The LBP scheme is one of the changes in the Building Act 2004 to encourage better building design and construction. The public can have confidence that licensed building practitioners working on their homes and buildings are competent, and that homes and buildings are designed and built right the first time.

Licensing promotes, recognises and supports professional skills and behaviour in the building industry.

If you are a Builder and are *carrying out* Restricted Building Work, your liability cover should include:

- **A Broadform Liability policy** — for your exposure to civil liability.
- **A Statutory Liability policy endorsement** — for your exposure to fines and costs awarded against you by the Building Practitioners Board, and defence costs.
- **A Statutory Liability policy** — for your exposure to fines for accidental breaches of the Building Act (and other Acts).

Call us today to discuss your current financial situation & the protection options available to ensure your long term financial stability. We are available to discuss your insurance & investment needs in what is a difficult time for many of us at the moment. Please feel free to contact us if you have any questions. Our phone number is 04 5288 088 or our personal emails are denis@thorner.co.nz, peter@thorner.co.nz & maree@thorner.co.nz

We look forward to hearing from you soon.

Kind regards Denis, Peter & Maree

The information in this newsletter is of a general nature, so is a class service, not a personalised service. For more information on what it may mean to you, please call us on 528 8088 to make an appointment. Disclosure statements are available on request, free of charge.