



SaturnPortfolio
NZ'S TRUSTED INVESTMENT ADVISORS

SATWIRE

DECEMBER 2008 | www.saturnportfolio.co.nz

Saturn Portfolio provides a broad range of investment solutions to manage and grow our client's wealth. We build personal relationships with our clients so our services can be tailored to reflect their changing financial needs and objectives.

Services:

- Discretionary Wealth Management
- Investment advice and Investment planning
- Share broking of New Zealand and International shares
- Kiwi Saver, Retirement Planning and Savings
- Advice on Fixed Interest and Cash Management
- Investment Management Structures and Wholesale Funds
- Wills and Estate Planning
- Wealth Protection

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How to Cope with Falling Interest Rates

Recent rapid falls in the Official Cash Rate (OCR) have impacted on term deposit rates. Prime Bank retail 12 month term deposit rates are now as low as 4.00% per annum. After deducting withholding tax and adjustment for inflation investors are left with very little net income.

Finance Companies whose deposits are now covered by the Crown Retail Deposit Guarantee scheme (see attached list) have been quick to cut their deposit rates to around 6.50% - 7.00% per annum.

Where can I get a Reasonable Return on my Money?

The NZ Stock Exchange Secondary Debt Market offers quality securities with excellent yield. Some of Saturn's recommendations are:

- Fletcher Building Capital Notes, coupon rate 7.55% per annum (Yield 8.9% per annum) with interest paid bi annually on 27th February and 27th August. Maturity date 15th March 2011.*
- Origin Energy Contact Finance No.2 Limited Perpetual Preference Shares. Interest rate 8.04% per annum reset annually. Current yield 10.70% per annum with interest paid bi annually on 15th April and 15th October.*
- Vector Limited – Capital Bonds due 15th June 2012. Coupon rate 8.0% per annum with interest paid quarterly.*
- Works Finance (NZ) Limited – Preference Shares. Coupon rate 9.80% per annum with interest paid quarterly. Current yield 9.70% per annum.*

Listed Property Trusts

- AMP Office Trust (APT) ordinary units, current dividend yield 8.49% per annum. Current price \$1.00 with a net asset backing of \$1.49 per share. Dividends paid quarterly.*
- ING Medical Property Trust (IMP) ordinary units, current dividend yield 8.61% per annum. Current price \$1.10 with a net asset backing of \$1.23 per share. Dividends paid quarterly.*

There is a brokerage charge of 0.30% to purchase and sell these securities.

Please give us a call if you would like further information on these securities.

*** Prices and yields are indicative and as at 15th December 2008**

Treasury's List of Approved Institutions Covered by the Crown Retail Deposit Government Guarantee Scheme as at 5 December 2008

Alphabetical List of Approved Institutions Indicative Interest Rate as at 05.12.08 P/A

Institution	12 Months	18 Months
ABN AMRO Craigs Cash Management Trust Limited	7.70%	N/A
Allied Nationwide Finance Limited	6.50%	6.40%
ANZ National Bank Limited	5.40%	5.80%
ASB Bank Limited	5.25%	5.25%
Asset Finance Limited	6.50%	6.05%
Avanti Finance Limited	N/A	N/A
Bank of New Zealand	4.90%	5.80%
Broadlands Finance Limited	N/A	8.50%
Canterbury Building Society	6.25%	6.00%
Caxton Employees Credit Union	N/A	N/A
Citibank, N.A. - New Zealand Branch	N/A	N/A
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (New Zealand Branch)	N/A	N/A
Credit Union Auckland	6.60%	6.50%
Credit Union Central	7.00%	N/A
Credit Union South	8.75%	8.00%
Equitable Mortgages Limited	7.48%	7.00%
Finance Direct Limited	7.50%	7.00%
First Credit Union	5.75%	N/A
Fisher & Paykel Credit Union	N/A	N/A
Fisher & Paykel Finance Limited	7.25%	7.15%
General Finance Limited	7.50%	8.50%
Gold Band Finance Limited	7.25%	7.50%
Hastings Building Society	5.75%	5.50%
Heretaunga Building Society	6.00%	6.00%

Alphabetical List of Approved Institutions Indicative Interest Rate as at 05.12.08 P/A

Institution	12 Months	18 Months
Kiwibank Limited	6.25%	6.25%
Kookmin Bank (New Zealand Branch)	N/A	N/A
MARAC Finance Limited	6.50%	5.50%
Medical Securities Limited	6.95%	6.95%
Mutual Credit Finance Limited	7.65%	7.65%
Mutual Finance Limited	7.50%	7.50%
Nelson Building Society	7.25%	7.25%
NZF Money Limited	N/A	N/A
Oxford Finance Corporation Limited	7.00%	7.00%
PGG Wrightson Finance Limited	7.15%	N/A
Priority Finance Limited	7.75%	6.85%
PSIS Limited	5.20%	5.25%
Rabobank New Zealand Limited	4.60%	4.40%
Savings & Loans Limited	7.00%	N/A
South Canterbury Finance Limited	7.00%	7.00%
Southern Cross Building Society	6.00%	6.00%
Southland Building Society	6.00%	6.00%
The Hongkong and Shanghai Banking Corporation Limited (NZ Branch)	5.70%	5.80%
The Napier Building Society	7.25%	7.25%
TSB Bank Limited	5.50%	5.50%
UDC Finance	6.40%	5.80%
United Credit Union	6.25%	6.25%
Vision Securities Limited	6.50%	6.75%
Wairarapa Building Society	5.70%	N/A
Westpac New Zealand Limited	6.00%	6.00%

The above interest rates are for minimum investments of \$5,000. Rates may change without prior notice