

Midyear greetings from the team at CFS

Hopefully this newsletter finds you well protected from winter weather and associated illnesses.

On a personal note I have reached the mid-year point on a high after both of my daughters, now living in Australia, returned for a holiday in May. As a family we headed down to Rotovegas, Rotorua for those not familiar with the colloquialism, and lucked in with magnificent weather, clear though cold. We have holidayed there many times over the years enjoying the hot pools, 3D and hedge mazes, lugging, Redwood walking and mountain biking, and river rafting.

On this particular trip we took advantage of a double header day, enjoying the Wairoa and Kaituna rafting trips on the same day. A couple of events made the second rafting trip especially memorable, the first was when our son fell out of the raft and was sucked under a waterfall for 15 seconds. We were surprised how long 15 seconds lasted as we waited for him to resurface. He was shocked!

The second event was when our raft 'got stuck' at the bottom of the largest waterfall for about a minute. As we oscillated in and out of the waterfall, it seemed a lifetime. Once free of the waterfall the feeling of elation was tremendous, quickly overcoming the feeling of doom!

Whilst I have reached life's midpoint, possibly passed it, this particular trip was a timely reminder that embracing adventures and spending time with family or friends is undoubtedly the best use of our limited time in this realm.

Interestingly, several weeks later, my wife wished to know about our life insurance policies and the currency of our Wills!

If you are also wondering about your personal insurance and investments, please call or email us. Even if you're only after adventure planning advice, we're happy to share our experience and knowledge.

Summer Olympics - *Who Knew*

- At least one of the Olympic Rings' colours, blue, green, yellow, black and red appears in every national flag.
- The Torch Relay was not an ancient tradition, it has its roots in the controversial 1936 Berlin Olympics. Carl Diem, Chief Organizer of the Olympic Games, conceived of the relay as a propaganda tool for the Nazi Party to showcase the supposed superiority of the Aryan race.
- The first Olympic drug suspension did not occur until 1968. Hans-Gunnar Liljenwall, a Swedish Pentathlete, tested positive for alcohol.
- From 1912-1948, artists participated in the Olympics: Painters, sculptors, architects, writers, and musicians competed for medals in their respective fields.
- The following sports were once part of the Olympics: solo synchronized swimming, tug of war, rope climbing, hot air ballooning, duelling pistol, tandem bicycle, swimming obstacle race, and plunge for distance.



BEYOND WEALTH: THE ROAD MAP TO A RICH LIFE

Excerpts from a book by Alexander Green

To determine real wealth, you need to look at a balance sheet – assets minus liabilities – not an income statement. Just ask Dr. Thomas J. Stanley, the bestselling author of *The Millionaire Next Door* and perhaps the country's foremost authority on the habits and characteristics of America's wealthy. Many of his findings are just the opposite of what you'd expect.

For example, we generally envision millionaires as Bentley-driving, mansion-owning, Tiffany-shopping members of exclusive country clubs. And, indeed, Stanley's research reveals that the "glittering rich" – those with a net worth of \$10 million or more – often meet this description.

But most millionaires – individuals with a net worth of \$1 million or more – live an entirely different lifestyle. Stanley found that the vast majority:

- Live in a house that cost less than \$400,000.
- Do not own a second home.
- Have never owned a boat.
- Are more likely to wear a Timex than a Rolex.
- Do not collect wine and generally pay less than \$15 for a bottle.
- Are more likely to drive a Toyota than a Beemer.
- Have never paid more than \$400 for a suit.
- Spend very little on prestige brands and luxury items.

This is certainly not the traditional image of millionaires. And it makes you wonder, who the heck is buying all those Mercedes convertibles, Louis Vuitton purses and \$60-bottles of Grey Goose vodka? The answer, according to Dr. Stanley, is "aspirational," people who act rich, want to be rich, but really aren't rich.

Many are good people, well educated and perhaps earning a six-figure income. But they aren't balance-sheet rich because it's almost impossible for most workers – even those who are well paid – to hyper-spend on consumer goods and save a lot of money. (And saving is the key prerequisite for investing.)

Most of them achieved their wealth not by hitting the lottery or gaining an inheritance, but by patiently and persistently maximizing their income, minimizing their outgoing and religiously saving and investing the difference.

So while millions of consumers chase a blinkered image of success – busting their humps for stuff that ends up in landfills, yard sales and thrift shops – disciplined savers and investors are enjoying the freedom, satisfaction and peace of mind that comes from living within their means.

They may not be smarter than you, but they do know something priceless: It is how we spend ourselves – not our money – that makes us rich.'



"Trust me Mort – no electronic communications superhighway, no matter how vast and sophisticated, will ever replace the art of the schmooze"

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