



### **Wealth is a mindset – and not new**

Have you read the worldwide best seller, 'The Secret', published in 2006? It sold over 30 million copies, but the concept is not new at all. It is based on a similar book called, 'Think and Grow Rich' by Napoleon Hill from 1937, which in turn is based on the same principles as 'The Master Key System' by Charles F. Haanel, published in 1912.

Going back even further, the ideas were first written about in a 1910 book called 'The Science of Getting Rich' by Wallace D. Wattles. This 112 page book is in fact still in print and explains "how to overcome mental barriers, and how creation, rather than competition, is the hidden key to wealth attraction."

And going back even further, Wattle based his 1910 book on the Hindu philosophies that 'One is All'.

The point is, that this thinking is not new but works! We can live with either an abundance or scarcity mindset when it comes to money. An abundance mindset is achieved when you believe you can afford it, by having a plan for your retirement, covering your back for when things go wrong and managing your cashflow.

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### **What insurance covers and what it doesn't**

Life insurance ain't what it used to be. It has changed substantially over the last decade or so. For example, while Pharmac won't fund drugs like Keytruda, some health and trauma (lump sum for major illness) policies now do. You can take out cover for extended times off work and permanent disabilities.

If you are in business, you can get cover for one business partner not being able to work or if they die so their estate can be paid out. You can also insure against losing a key staff member for similar reasons.

The biggest change over the last decade has been the emphasis on 'living' insurances. This is because due to advances in medical science, there is a better chance of surviving. So, insurance to cover the financial impact of when you can't work due to a heart issue, cancer or a stroke are now very important.

What doesn't it cover? Ask us, as there is now very little that it doesn't cover.

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### **Scott Got Married!**

Our adviser Scott Stokes got married in April! Scott and Natasha met on a bus on their way to start a half marathon in Wanaka, where they competed. Natasha outpaced Scott in the run, but according to Scott, he "let her win".

As Natasha lived in Wellington and Scott in Christchurch, a fair bit of flying back and forth occurred during the time they got to know each other. The wedding itself was casual and the bride and groom were attended by Scott's children as Best Man and Bridesmaid (see picture). To complete the family affair, Natasha's father presided over the ceremony.

Scott described the day as quite emotional, with those who attended sharing these feelings as they watched the couple become husband and wife.

Following a honeymoon in Wanaka where they met, they are now back in Christchurch settling into married life. I know you will join the team at SwainWoodham in wishing them a long and happy life together.

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### Who owns your insurance policy?

A strange question, but rather important at the time of claim. You can own it yourself as the insured, or you can own it jointly with someone else, most often your spouse. Sounds reasonable, until things fall apart.

As the sole owner, in the event of your death, the funds are paid into your estate and distributed in accordance with your will to one or more beneficiaries.

However, if in joint ownership with your spouse, the funds go directly to him or her and not into your estate. All good, but what if you separated or divorced before your death? You may want your children to be the main beneficiaries, but if your ex is still a co-owner, he or she will get it all.

If you are concerned about this at all, please contact us.

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### Your personal balance-sheet

What do you own and what do you owe? Draw a line down the centre of the page and put what you own on the left and what you owe on the right. List furniture and personal effects at their insurance value. Cars and properties can be best estimate for this exercise, with savings or KiwiSaver at their current value.

Do this at least once every six months and note any changes. Has the difference between what you own and what you owe grown? Are you less or more in debt now than six months before?

This can be quite a sobering exercise, but well worth it to keep you on track for a comfortable retirement.





## Making money online. Why go to work each day?

“Make \$10,000 a day!” “Make money while you sleep” These are headlines you will read with increasing frequency. And yes, there are genuinely people earning millions each year online, with no staff and no overheads, just sitting at a computer screen.

At 14, Sean Belnick started his business selling business chairs online and now aged 23, he turns over \$50 million pa. 20-year-old Juliette Brindak set up ‘Miss O and Friends’ when she was just 10. It is now worth over \$30 Million!

The most notable kiwi online entrepreneurs are Jamie Beaton & Sharndre Kushor, who still in their early 20s, are worth an estimated \$200 million through their company called Crimson Education.

But these extraordinary examples are exactly that – extraordinary. The ads and websites promoting such opportunities only tell you a small part of the story. They ask for \$2,000 or so to ‘learn their secrets’, telling you this while leaning on their Lamborghinis.

What they don’t tell you is that it takes original thought, knowing how to work online systems, a huge passion for the service they are offering and a great deal of hard work! None of these entrepreneurs did this overnight. They dedicated many long hours to perfecting their opportunities, just like any businessperson does in any industry. Every industry has its super-success stories, online being just one.

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## Money Puzzles

### Money puzzles

1. If I gave my sister \$1, she would have twice as much as me. But if she gave me \$1, we would have the same amount.
2. How much did we each start with?  
A book increased in price by 100% and then decreased by 50%. Did the book become dearer or cheaper compared to its original price?



### Answers:

1. I had \$5 and my sister had \$7.
2. It stays the same as it started. If it started at say \$10, then went to \$20 (+100%), then drops by 50%, that's \$10.



### **Adding unexpected value to people's lives**

A painting by world famous street artist, Banksy, sold in London in October last year for NZ\$2.1 million. After the sale, without warning, the painting shredded itself. Banksy had hidden a shredder in the painting's frame! The painting only shredded halfway, but rather than being a catastrophe, it is now estimated to have doubled in value!

An American state lottery for NZ\$2.3 Billion in 2018 is still not claimed! They have no idea who the winner is, but if it stays unclaimed, the money goes to the state for use on roads and other community amenities.

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