

Do You Need Help With Debt Recovery?

Introducing Target Collections Pty Ltd...

Anderson Rice Lawyers (one of our leading affiliates), created Target Collections approximately 11 years ago primarily, to provide a debt recovery service to its own clients.

It was recognised that there was a significant difference between a law firm and a mercantile agency in terms of cost. Having regard to the increased need for debt recovery services it was agreed to extend Target's services to the public.

Since taking this decision Target Collections has grown in leaps and bounds and is now geared up to handle large volume recoveries for debts of any size.

The advantage of using a mercantile agency such as Target compared to using a law firm is simple. Target specialises in making demand calls and negotiating settlements without charging for time.

Instead of paying fees for time and all communications, Target Collections conducts all recovery action at NO COST until a payment is made – and then it is a small percentage of the payment that is charged (commission) – usually only 15%. There is considerable incentive for Target to collect the debts as if they are written off there is no fee payable to Target.

Target does not charge solicitor fees for preparation of legal documents and only charges disbursements such as the court filing fee and service fee. This makes taking legal action relatively inexpensive. Target does however have access to the full service of Anderson Rice to support its activities when required.

Genuine negotiation by telephone is essential to achieving results. Debt recovery is a specialist area and requires the use of tactics to persuade the debtor to part with cash. This does not simply involve writing letters to the debtor nor just issuing legal proceedings.

Trained staff qualified to undertake collections with diplomacy and in line with ACCC and ASIC guidelines are an essential part of what Target has to offer.

Target Collections utilises state of the art collections software in conjunction with electronic issue of documents via the Magistrates' Court. This technology allows Target to deliver speedy results.

Target is well geared to provide advice in relation to credit documentation, enforcement of securities and the legal process.

A full description of all services provided by Target can be viewed at www.targetcollections.com.au.

For further information about how Target Collections can help you or your business, contact Manager Daryl Frith on 03 9672 2686.



A Boost For First Home Buyers

Great news for First Home Buyers! The Australian Government has announced a First Home Owner Boost, which supplements the State and Territories Government funded First Home Owner Grant Scheme.



First home buyers who purchase established homes will receive a boost of \$7,000 that will double the grant to \$14,000. Where the purchase price of the property is under \$500,000, this increases to \$17,000.

First home buyers who build a new home or purchase a newly constructed home will receive an extra \$14,000 to take their grant to \$21,000.

This applies to contracts made between 14 October 2008 and 30 June 2009. There has been no confirmation that the government will extend the First Home Owner Boost offer beyond 30 June 2009. If you (or your kids) are looking at purchasing your first home with the assistance of the First Home Owner Boost, it is important to keep this date in mind. Please don't hesitate to contact your Acceptance Finance Consultant if you have any queries.

For more information on the First Home Owner Grant and the First Home Owner Boost, check out : www.acceptancefinance.com.au and go to the Essentials of Borrowing page.



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Financial Market Terminology

With all the doom and gloom being proliferated by the media, we thought a bit of a laugh might be in order....

CEO: chief embezzlement officer.

CFO: corporate fraud officer.

BULL MARKET: A random market movement causing an investor to mistake himself for a financial genius.

BEAR MARKET: A 6 to 18 month period when the kids get no allowance, the wife gets no jewellery, and the husband gets no s-x.

P/E RATIO: The percentage of investors wetting their pants as the market keeps crashing.

STANDARD & POOR: Your life in a nutshell.

STOCK ANALYST: Idiot who just downgraded your stock.

STOCK SPLIT: When your ex-wife and her lawyer split your assets equally between themselves.

MARKET CORRECTION: The day after you buy stocks.

CASH FLOW: The movement your money makes as it disappears down the toilet.

INSTITUTIONAL INVESTOR: Past year investor who's now locked up in a nuthouse.

"BUY, BUY": A flight attendant making market recommendations as you step off the plane.

FINANCIAL PLANNER: A guy who actually remembers his wallet when he runs to the 7-11 for toilet paper and cigarettes.

CALL OPTION: Something people used to do with a telephone in ancient times before e-mail.

PROFIT: Religious person who talks to God.

Client Feedback Survey Competition Winners!

Thank you to everyone who has participated in our Client Feedback Surveys. Your comments and feedback are much appreciated and play a valuable role in ensuring our commitment to exceptional client service.

Congratulations to...

Stephen and Helen Nicoll, the winners of our Client Feedback Survey Competition for the September 2008 Quarter. Stephen and Helen have won an Ipod Nano valued at \$200.00.

Matt and Tara Johnson, winners of our Client Feedback Survey Competition for the December 2008 quarter. Matt and Tara have won a Coles Myer Gift Card valued at \$200.



It's A Girl!

Congratulations to Peter Blassis and his wife Mena on the birth of their baby girl, Norina. Born on 6 January and weighing in at 6 pounds 9 ounces, Norina is the fourth child for the Blassis clan. Mum and baby doing well. Peter is still trying to pick himself up off the floor!

Our best wishes for a happy, healthy and joyous life.

While every care has been exercised and the recommendations and other statements herein are based on information believed to be accurate and reliable, no liability (unless required by Law) can be accepted for any error or omission including negligence however caused. If you do not wish to receive this newsletter in future, please email : enquiry@acceptancefinance.com.au



Happy New Year!

Focus on Finance

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2009 : A Balanced Approach to Investing

Are you thinking about where to invest your money in 2009? Should it be the property market or the share market?

At times like this we tend to turn to the things we trust; the security of owning a property or direct shareholding in companies.

The property sector has some sound reasons for why it's still a bright spot for 2009.

- Interest rates have and are continuing to come down. The Reserve Bank has cut interest rates with the average mortgage interest rate reducing by 2.7%.
- Our financial system is still functioning very well, with very competitive and flexible mortgage products available for the right applicants.
- The increase in the First Home Owner Grant has provided an excellent foundation for first time home buyers.

- Some areas of the market have been selling very well and as usual in a slow down, the inner suburbs seem to hold up the best and particular styles and types of houses fare better than others.
- Investment returns are making their way back to the long-term averages rather than being at the lower end of the spectrum. We are seeing returns averaging between 4-5%. The latest figures released by the Real Estate Institute of Victoria show that Melbourne's vacancy rates are currently below 1.1%. As a result of the low vacancy rates, rents have increased and should not show a sign of decline until the vacancy rate increases.
- The most recent ABS census recorded that there were 447,074 rental homes in Melbourne, which means that in November 2008 there would have been approximately 5,000 vacant

dwelling for prospective tenants to choose from. For a city of almost four million people, which is growing by around 1500 new residents per week, it is not difficult to understand the stress being placed on the rental market.

- We have enjoyed substantial increase in equity in our properties over the last 10 – 15 years.

The share market is also now at record lows.

Positives

- Share prices. They are at 2003 valuations- excellent buying.
- Dividend yields are very attractive.
- Australian interest rates have been cut aggressively. Assisted by the weaker A\$, the policy stance is now very accommodative.
- Companies borrowing cost pressures are beginning to ease – energy, agricultural, steel, interest expense.

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2009: A Balanced Approach to Investing *(continued)*

- The dividend yield of the ASX top 200 companies is now comfortably higher than the cash rate returns. Apart from saying something very powerful about the current valuation of equities, it is also sending a strong message to income-seeking investors.
- The aggressive move from the RBA (with further rate cuts to come) along with the large fall in the A\$ and various fiscal initiatives from the Government, will provide a meaningful buffer against the weakening global economy in 2009.

What type of shares to look for? Understand the trends.

Maintain cash - There are so many cheap stocks in the market that you need to be ready for opportunities.

Blue chip stocks - Well known brands that will prosper from the pain of 2008.

Energy & Food - Large food producing economies will see excellent prices in the future and will actively pursue options for increasing supply.

Banks - The banks have never been stronger and will maintain their monopoly on the financial services sector.

Infrastructure - Many governments around the world are talking about the need to boost infrastructure investment to get the economies going again. The beneficiaries of the spending will be contractors and suppliers.

Health Care - Perhaps the most fundamental of consumer staples. What price weakness there is provides the chance to include relatively risk adverse healthcare stocks in your portfolio.

Technology and Demographic Change - 60% of Australia's population is under 40 and while the population is ageing, the new generations are very different to those who have gone before. They are entertained differently, communicate differently and access information differently, Broadband etc

Emerging Markets - China will grow, India will grow. They have no choice, they have to grow. They require energy and resources to feed their growth.

Although it is difficult to see, the 2009 outlook for the ASX Industrials, which is now the highest yielding asset class available to investors, is slowly improving.

Taking a long term view, it is inevitable; there is only one likely destination - investment markets will return to normal as they have in the past. After a period of disruption, life always returns to normal. Most people keep their jobs and

they buy things they want. Those who lose jobs will get new jobs; remember there is an impending shortage of workers in Australia. Homes will be built, new ideas and companies will emerge, and new wealth will be created. Only the nature and length of the journey to normality are unknown.

In a recent article (the New York Times, October 17, 2008) the world's most famous investor, Warren Buffett, wrote the following about shares:

"Let me be clear on one point. I can't predict the short term movements of the stock market. I haven't the faintest idea as to whether stocks will be higher or lower a month - or a year - from now. What is likely, however is that the market will move higher, perhaps substantially so, well before either sentiment or the economy turns up. So if you wait for the Robins, spring will be over"

If you are in the market to buy and are considering taking advantage of the equity in your property/ies and the lowest interest rates since early 1965, now is a critical time in the property or investment cycle. Be on the lookout for the best buying in both property and direct shares for the last 7 (or if the experts are right), the last 10 years.

Remember the motto: "get rich slowly". Hold for the long term and only buy what you can afford to hold.

So what type of property or shares should I buy?

Which suburbs and companies should I invest in?

How do I go about investing in the property or share market?

This is where you should only seek the right advice. Feel free to contact our experts:

Warwick Brookes | Domain Property Advocates

Ph 03 9509-6388 **E** wb@domainadvocates.com.au

Peter Blassis | Acceptance Financial Services

Ph 03 9854 3585 **E** pblassis@acceptancefinance.com.au

For a more in-depth look at property investment, why not join us for one of our upcoming workshops?

Workshop Dates

Tuesday 24 February, 6 – 8pm

Tuesday 31 March, 6 – 8pm

Tuesday 28 April, 6 – 8pm

If you would like to register your interest in attending our workshops, please contact our Marketing Manager, Penny Tsaiakas on phone 03 9854 3520 or email ptaikas@acceptancefinance.com.au

New Product – Personal Lease



We are happy to announce the launch of our new Personal Lease product. The Personal Lease is designed to assist our clients with the purchase of a passenger vehicle for personal use. It's one of the most user-friendly products in the market today. With some financiers

withdrawing their products from the car finance market, we are pleased to be in a position of strength and thus able to offer our clients such competitive products at this time.

Our Personal Lease can be structured with or without deposits or residual values and the level of documentation required is no more than that of our other Lease products.

The Personal Lease is available for the purchase of motor vehicles or the refinance of other finance company residual / balloon values for amounts between \$5,000 - \$150,000.

For further information, please contact our Leasing Manager, Giulia Polizzi on 03 9854 3556 or email : gpolizzi@acceptancefinance.com.au.

Vehicle Insurance

Acceptance Finance is now accredited with Swann Insurance and can offer our clients a suite of insurance products to complement their vehicle purchases.

With over 50 years experience, Swann Insurance is Australia's largest niche insurer and a leading provider of personal insurance products.

Products now available to our clients include :

Gap Cover

This policy provides protection in the event a vehicle is deemed a total loss through theft, fire or accident by the comprehensive insurer. It insures the gap between the total loss settlement paid by the comprehensive insurer and the amount required to pay out the related loan balance, subject to policy benefit limits.

Comprehensive Cover

A Comprehensive Motor Vehicle policy covers vehicles accidentally damaged, stolen or burnt anywhere in Australia. It also provides cover against claims for damages caused to someone else's property of up to \$20 million including legal costs and expenses.

Tyre & Rim Cover

This market leading Tyre and Rim insurance is a simple and cost effective solution to ensure your motor vehicle remains on the road through providing protection against:

- Tyre punctures or damage caused by a pothole, kerb, nail, screw, metal, glass, road debris or a blowout;
- Any wheel rim becoming cracked, warped or misshapen by a pothole, kerb, road debris, nail, screw, metal, glass, or a blowout.



Inaugural Charity Golf Day – 20 November 2008

We're very pleased to report that our inaugural charity golf day was a resounding success!

The rainy conditions didn't manage to dampen the spirits (or the generosity) of 80 players, who competed fiercely for the coveted inaugural trophy. A great day was had by all.

Congratulations to the Dempsey Partners team of Simon Forster, Simon Lowrie, Paul Hehir and Seamus Hounihan who were the overall winners. Word on the grapevine is that they are already plotting their defence of the title for 2009!

Collectively we raised over \$10,000 for Variety, the Children's Charity. These funds will go towards a grant for a Dynavox – a device which will enable a child to communicate.

We would like to extend a **big thank you** to all of our players, sponsors and everyone who opened their hearts (and their wallets!) and contributed to the success of our Charity Golf Day. We could not have done it without you.



The winners! Paul Hehir, Simon Forster, Seamus Hounihan and Simon Lowrie. Congratulations!



Pictured : Joe Terlato, Acceptance Finance Director and Norm Hutton, Variety CEO.

10% Investment Allowance - Equipment Purchases

The Federal Government has introduced a temporary 10% Investment Allowance. This is very big news as it allows our clients to claim an extra 10% tax deduction on equipment purchased before 30 June 2009.

The Investment Allowance will apply to most types of new plant and equipment, including vehicles purchased between 13 December 2008 and 30 June 2009 and delivered before 30 June, 2010.

Eligible borrowers using Chattel Mortgage and Hire Purchase facilities will claim the Investment Allowance as if they had paid cash.

The exact implications for Lease agreements are yet to be determined however we will provide further updates when available on our website, monthly email updates and in the May edition of our newsletter.

For further information on the Investment Allowance please contact our Leasing Manager, Giulia Polizzi on 9854 3556 or email : gpolizzi@acceptancefinance.com.au

