



Citywide Capital Limited

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## **Newsletter August 2011**

At the beginning of year, there was market optimism for growth. As the year has progressed that optimism has waned, and loan applications remain down resulting in Citywide having surplus monies which it has had to place into short term bank deposits.

In anticipation of gradual market growth, Citywide is trying to expand its investor base and requires investor monies to do so. But if the market does not provide adequate suitable loan applications surplus funds are placed on bank deposit mean a net loss on those funds.

Despite this and without trying to repeat myself, our strategy as a company remains as it always has;

Citywide will not sacrifice long term returns for any short term advantage. Citywide will continue to;

1. Remain and operate as a pure finance company. It remains steadfast and independent. It is not a developer.
2. Remain a small sized specialist finance company only lending between 6-12 loans at any one time.
3. Protect investor and shareholders funds of Citywide recognizing the long term strategy. We forego short term profits in order to have long term gains. The goodwill inherent in the setting up of this company needs to be preserved for the future benefit of present shareholders who have been prepared to forego immediate profit in order to develop a long term strong financial model.

Whilst funds invested on term deposit represents a small loss, it only takes one good application to more than offset this loss. Our business model works and like any business, keeping a tight rein on cost is crucial.

With the above in mind, we have decided that in the current market the rates being offered by Citywide should be reduced as they fall due. So as investments mature we will be seeking reinvestment at the rates set out below.

We believe the rates are appropriate in the current economic climate to protect our funds and enable prudent investment. I hope as a result of this you will continue to support Citywide.

**From Aug 11**

Set out below are our proposed new rates and some comparative bank interest rates for minimum investments of \$10,000 as shown at <http://www.interest.co.nz/>

<b>Term</b>	<b>Citywide Int Rate</b>	<b>ASB</b>	<b>ANZ</b>	<b>BNZ</b>	<b>Kiwi</b>	<b>HSBC</b>	<b>Westpac</b>	<b>NB</b>
6 Months	8.50	-	-	-	-	-	-	-
12 Months	10.00	4.45	4.35	4.45	4.50	4.30	4.25	4.35
18 Months	10.00	4.50	4.40	4.50	-	4.65	4.50	4.40
24 Months	10.25	4.75	4.75	4.70	4.75	4.65	4.80	4.75
36 Months	10.50	5.30	5.25	5.15	5.35	5.25	5.00	5.25

For larger amounts please contact Tony directly

As always, should you have any queries relating to this letter please do not hesitate to contact directly. Thank you for your support.

Kind Regards

**Tony Phillips**  
Citywide Capital Limited