

RIDDLE

300 years ago there lived a King of ill heart and much pride. He had a daughter, whom he had promised to a rich neighbour, but she had a different plan: she fell in love with a plain lad, a blacksmith named Kecho. The lovers tried to run to the mountains but were caught.

Angered, the King decided to execute Kecho. However, to not appear as a cruel tyrant before his daughter and the people, and to show the blacksmith as intellectually unworthy for marriage to royalty, he let Kecho decide his own execution based on his wits. The next day he had Kecho placed in a room with nine doors. Each door led to a single room. One of the rooms contained the princess while the rest of the rooms were either empty or contained a tiger. Above each door was a sign.

Here's a list of the signs:

- Room I: The lady is in an odd-numbered room.
- Room II: This room is empty.
- Room III: Either sign on Room V is right or sign on Room VII is wrong.
- Room IV: Sign on Room I is wrong.
- Room V: Either sign on Room II or sign on Room IV is right.
- Room VI: Sign on Room III is wrong.
- Room VII: The lady is not in Room I.
- Room VIII: This room has a tiger and Room IX is empty.
- Room IX: This room has a tiger and sign on Room VI is wrong.

The King told Kecho, "The sign on the door of the room containing the princess is true; the signs on the doors of all the rooms containing the tigers are false; while those on the empty rooms can be either true or false."

The King even gave Kecho a hint and told him whether Room VIII was empty or not. If Kecho must be intelligent to be worthy, he should be able to find the princess. Kecho could then open doors until he finds the princess or a tiger and his death.

Behind which door is the princess?

So hurry up and call **9477 4188** or email me cassie@catalystfinance.com.au with your answer. The first correct answer wins a scrumptious Chocolate Easter Hamper.

CONGRATULATIONS to Keith Armstrong for winning our Summer Edition riddle, we hope the Liquor voucher was put to good use over Christmas! Thank you to everyone else who responded and for those that want to know the answer it was - the cups were inside each other.

Remember if any of your details have changed please advise us and we will amend in the database.

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Autumn 2006 Edition 5

A Client for Life

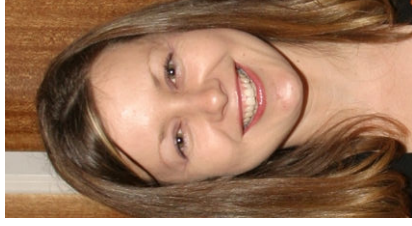


Well apparently it's autumn, however we don't remember autumn being this hot! So don't pack away your bathers and shorts or turn off the air con unit just yet. We hope you all had a fantastic Christmas and didn't over indulge too much like we all did here.

So to start 2006 we would like to introduce to you our newest member of the team Kelly Robb.

OUR NEW LOAN PLANNER – KELLY ROBB

We welcome Kelly Robb to our team at Catalyst Finance. Kelly has been in the finance industry for over 11 years, 9 years of which was spent with BankWest. During this time, she primarily worked in Consumer Banking, however before leaving the bank also worked as a Business Banking Assistant. Kelly worked as a Mortgage Broker servicing clients from the Busselton area for the last two years before moving to Perth where she joined our team at Catalyst Finance Solutions.



Just like Di Nicol and Craig Harper, Kelly is a trusted part of our team, so if at any time you are unable to contact Jason or Matt, please feel confident in the abilities of any one of our team to deal with you in a most professional and friendly manner.

AUTUMN TIPS

So once autumn does eventually arrive maybe you should start thinking about the following:

- It's time to start planting those seedlings in your garden to add a splash of colour.
- Put your heater in for it's yearly service before the cold weather hits us.
- Clean out those gutters in time for the Autumn Leaves to fill them back up again.
- Plan that Easter long weekend holiday or even a party.
- Stock up on Easter eggs and chocolate, we prefer Cadbury ☺
- Finally think about reviewing your financial situation. Feel free to call anyone of us if you would like an annual review on your current loans.

WHAT ARE EXPRESSIONS OF INTEREST? By Kim Findlay, Real Estate Champions

No doubt we've all heard how hot the real estate market is currently? In my 15 years of buying and selling real estate it is as good as I've seen it in the Perth metro area. To offset the constant frustration of prospective purchasers missing out on properties due to unprecedented demand, we have introduced an innovative marketing method in selling homes called "Expressions of Interest".

This is a technique where the home being sold is marketed for a specific time frame (normally 2-3 weeks) and in that time buyers are encouraged to inspect, research and if they wish to purchase make a written offer. Previous sales using this method have realised in excess of 10% above seller's expectations. Why?

There are many benefits to both the buyer and the seller:

Benefits to Sellers	Benefits to Buyers
<ul style="list-style-type: none"> - Guaranteed marketing time 2-3 wks, <i>though some sell in <1 week and are left wondering if they could've got more.</i> - Guarantees more exposure through a specific period – <i>the more buyers through a home the better the price.</i> - Allows agent to deal and negotiate with multiple buyers over longer time frame. - Quicker settlement process once marketing period finished due to more organised purchasers already arranging finance and carrying out inspections. - Additional buyer competition allows a more superior price. - Enables prospective buyers to increase their offer prior to the closing date. 	<ul style="list-style-type: none"> - Time to research and make a decision in a relaxed environment instead of deciding in 24 hours – <i>very stressful.</i> - Allows ample time to arrange finance pre-approval, building and termite inspections, making it a stronger offer. - Ultimately a more equitable way to buy property as there is time to consider their financial options. - Buyer has the opportunity to increase offer prior to end of marketing period.

Kim Findlay is one of WA’s most successful realtors and has been for over 15 years. He is a dedicated professional who strives on delivering what the buying and selling public demand - SERVICE!

Consistently in the Top 1% of agents in WA, Kim has been recognized for his excellence and received numerous awards throughout his career (including the Grand Master Realtor 3 years running). So if you are thinking of selling, Kim has at his disposal everything to guarantee you the highest possible price. That, along with Kim’s superior negotiation skills, will elevate your property into the highest position of strength in the marketplace and get your home sold sooner.

Kim can be contacted anytime on 0417 937 107 and also has a dedicated team of two buyer managers and a personal assistant, allowing him more time to dedicate towards your property and subsequent sale.

Do you enjoy football as much as we do?

Well why don’t you and your family join our Catalyst Finance Footy Tipping Competition. Being part of a contest makes the games even more exciting.

All you need to do is call or email Cassie and advise if you want to join, we would also like to know which team you support. We will then add you to the list and every week you will be reminded to put your tips in. Once the game results are out, you will be notified and then we shall email you the Leaderboard every Monday so you can see where you sit on the ladder.

Throughout the season there will be random prizes and the leader at the end of the season will win two nights stay at Bunker Bay Resort, Margaret River including dinner for two in the Resort Restaurant “Other Side of the Moon”. Only clients can win!

So hurry and let us know if you would like to be a part of the Catalyst Finance Football Tipping Competition.



SO THAT MEANS ITS FOOTY TIPPING TIME

MARS BAR SLICE
from client Kylie Paterson



Ingredients:

- 4 Mars Bars
- 125g Butter
- 4 cups Rice Bubbles
- 1 packet melted Chocolate
- Grease a slice tin then line with baking paper.
- Chop the Mars Bars and melt with Butter in a saucepan until caramelised, then mix with Rice Bubbles.
- Pour the mixture into tin and press down.
- Melt Chocolate and then pour over slice.
- Let slice cool in fridge.
- Remove slice from tin, cut into pieces and send in to the Catalyst Team to enjoy!

STRUCTURING YOUR LOANS FOR THE FUTURE by Jason Cheetham

Often people who are borrowing money, whether it be for living in or investment, don’t really care too much about loan structure but place more reliance on interest rates, fees and charges. These things are obviously important but can be short term benefits as opposed to having a slightly more expensive loan that offers greater long term savings.

This is especially the case when you have a mix of both tax deductible and non-deductible debt. Too often banks put investors on principal and interest loans instead of interest only which not only reduces cashflow to accelerate payment of other debts, but limits your borrowing capacity should you wish to reinvest in the future.

Also some lenders will take into account your external loans (ie loans not with them) on a reducing basis of principal and interest even if the loan is interest only so you have got to know which lenders to deal with so again your future investment opportunities are not limited.

Cross collateralisation of debt is another thing the banks like to do. They tie up as many properties as they can to secure the debt outstanding which makes it harder for you to leave them if you’re unhappy with their rates or service. Also it makes it difficult to remove one property as security because they can exercise “discretion” and refuse to release the property.

This is why some investors choose to have a line of credit against their place of residence which is then used for future investment if and when required. Then when they find a property they use 20% plus costs of say 5% (of purchase price) from this line of credit and borrow the other 80% against the investment property itself. This way they are utilising the minimum equity required to avoid paying mortgage insurance on the new purchase as well as keeping their options open with financing the new purchase (ie with 20% deposit they can source the 80% against the investment property with any other lender).

It all comes down to good advice and your future plans; your debt structure should be taking into account all these factors such as how many properties you are wishing to purchase, your time frame for keeping or selling these properties, the possibility of renting out your own home at a later date, ownership structures and tax implications.

Please remember that if you wanted to make an appointment with your bank manager to discuss restructuring of debt that did not involve additional borrowings, they would not normally be willing to do this unless there was additional lending involved; your mortgage broker is paid a trail commission in most cases to provide this service to you and thus your broker should be doing this instead.

Most of the time there is a lot more involved than just rates and fees so seek the advice of an independent professional who can guide you in these matters.