



BY CATHAL O'CONNOR, B.ENG, MBA, QFA
MANAGING DIRECTOR

GLENBAY FINANCIAL

Mortgage - Protection - Investment - Pension

JANUARY 2008

WWW.GLENBAY.COM

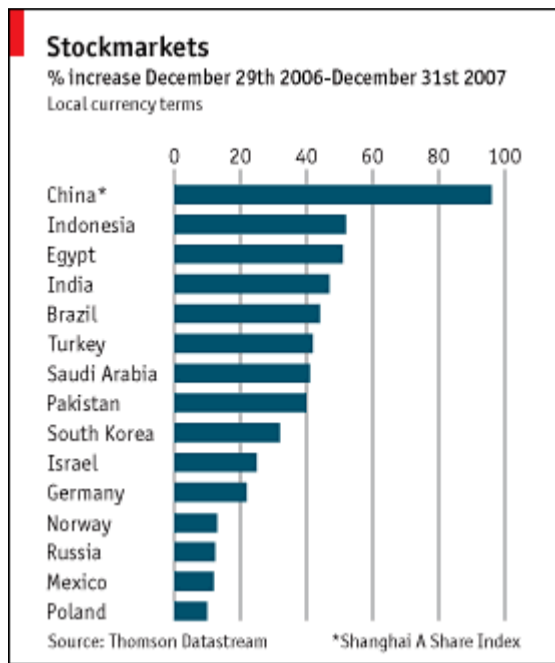


IN THIS MONTH'S ISSUE

- ▶ MARKET REVIEW 2007 . 1
- ▶ GERMAN PROPERTY 1
- ▶ DOES BATMAN NEED LIFE INSURANCE? 2
- ▶ SMART MONEY 2

Happy New Year!! Welcome to the first issue of "Financial Focus" for 2008
Your Trusted Source for Independent, Objective Financial Advice from
Glenbay Financial Services Ltd.

Market Review 2007



2007 was the year that the Celtic tiger finally lost its roar. An overstretched property market, higher interest rates and the international credit crisis – hit Irish banks and construction industry hard.

2007 was the year that the large developed markets generally under-performed, with the exception of Germany, which gained about 20% in 2007.

2007 was the year we witnessed the first run on a British Bank since Victorian Times, and the Bank of England as lender of last resort.

2007 was the year for emerging markets, as economic power shifts from the developed world to China and other emerging giants, where all the major markets recorded sizeable gains.

Predictions for 2008? Contact Us Today on +353-86-605-0956 or email coconnor@glenbay.com for a 2008 Economic Outlook and Investment Opportunities.



German Property

For the last ten years, property has been an outstanding investment not just in Ireland but in a number of overseas markets as well.

Falling interest rates coupled with good economic growth rates has seen double digit returns achieved over the medium and longer term for Irish investors. Except in Germany!! Lets take a look why.



The Investment Case for German Property?	
Economy	<ul style="list-style-type: none">● Largest economy in Europe● Third largest economy in the World● Largest exporter in the World● Central to all Europe● Largest population in Europe – 82 million● No currency exposure for Irish investor● Economy improving, but problems remain● High unemployment level, but improving● Low birth rate, and ageing population● High bureaucracy, high regulation and red-tape● Slow reform by Merkel government
Price History	<ul style="list-style-type: none">◆ Stagnant property market – oversupply, and weak demand◆ *Exceptions: Economically successful cities in South-Western Germany, e.g. Munich◆ Low German home ownership◆ Low house price appreciation in past decade◆ Conservative German banks and strict lending practices, but improving
Rental Yields	▲ Moderate yields in Germany depending on location (i.e. Berlin, Frankfurt, Munich, Hamburg)
Taxes and Costs	<ul style="list-style-type: none">▲ Moderate rental income tax▲ Annual real estate tax▲ Low to moderate transaction costs● No capital gains tax for property held for > 10 years● Double taxation treaty between Ireland and Germany
Landlord and Tenant	◆ Pro-tenant rental market

Does Batman Need Life Insurance?

WHICH OF THE FOLLOWING PEOPLE ARE MOST IN NEED OF LIFE INSURANCE?



1. Spiderman?



2. Batman?



3. Fred Flintstone?



4. Harry Potter?



5. Marge Simpson?

What's your answer? Careful - what you respond says a lot about how much you know about Life Insurance.

Asked to assess the life insurance needs of five fictional characters, Americans believe superheroes Batman and Spiderman have much greater needs than cartoon parents Fred Flintstone and Marge Simpson.

Survey Findings

The survey asked 1,014 Americans above the age of 18 to consider five fictional characters and select the one they believe has the greatest need for life insurance. Here's how consumers weighed in:

- **28% chose Spiderman, an unmarried freelance photographer with an elderly aunt he supports.**

Comment: "Peter Parker probably needs life insurance to ensure that if his superpowers ever failed him and he died, his aunt could stay in their home and be cared for."

- **18% chose Batman, a wealthy bachelor.**

Comment: "Unmarried and quite wealthy, Batman doesn't have anyone who depends on him financially and therefore probably doesn't need life insurance."

- **16% chose Fred Flintstone, a married father with a young child.**

Comment: "Fred, the primary breadwinner of the Flintstone family, has a pressing need for life insurance to ensure that Wilma and Pebbles could maintain their standard of living if he were no longer able to provide for them."

- **15% chose Harry Potter, a teenager and student.**

Comment: "A full-time student with no siblings or parents who might be affected financially by his premature death, Harry Potter doesn't have a need for life insurance."

- **11% chose Marge Simpson, a stay-at-home mom.**

Comment: "Not all family contributions are monetary: Stay-at-home parents like Marge perform many household services that would be expensive to replace, and consequently have a significant need for life insurance."

- **None of the Above/Don't Know: 18%**

Though fictional, the life situations of these characters illustrate just how different real people's individual life insurance needs can be. We encourage our clients to think seriously about their need for life insurance and to Contact Us for assistance in obtaining the right amount and type of coverage for their particular financial needs and circumstances.

Got Questions about Life Insurance?

Contact Us Today on +353-86-605-0956 or email coconnor@glenbay.com to discuss your financial needs and individual circumstances.

SMART MONEY: Life Insurance Explained



Why do I need Life Insurance?

- I have children/dependants
- I have married
- I am married
- I am hoping to buy my own house
- I have my own business

What is life insurance?

It is difficult to think about the effect your death would have on those who depend on you. But it is important to plan for their needs and to look at the financial effect your death may have on the people closest to you. A life insurance policy pays your estate an amount of money if you die during the time limit set out in the policy.

There are other types of insurance available that can provide a lump sum or an ongoing income if you become seriously ill or unable to work because of injury, illness or disability. They include serious-illness insurance and income protection insurance.