



CAPRICORN
INVESTMENT
PARTNERS

LIMITED

Financial Services Guide

Australian Financial Services Licence No. 237435

Who is CIPL?

Welcome. It's great to meet you

At Capricorn Investment Partners Limited (CIPL) we are the first to admit the world of business and personal financial planning and investment advice can be daunting and often confusing.

Here's our inside tip – it doesn't have to be!

We know it's easy to get lost in what a financial services company has to offer, which is why we have kept our ethos simple. We place great value on our solid reputation and are proud to be your planning partners.

That's it. We simply rely on our integrity and experience as the foundation of our business, and look forward to working as your partners in planning.

We are proud to offer solid financial advice to our clients and treat our dealings with them as healthy relationships. Unlike many companies in our field, our service goes beyond your portfolio and reflects the relationship of a true partnership. It's something that comes naturally to us.

The purpose of this Financial Services Guide is to provide you with an overview of our services, how we work and how you will be charged for our service.



We've come a long way

Initially established in 2001 as a wholly owned subsidiary of The Rock Building Society Limited, CIPL was purchased by employees and other investors who appreciated its potential and client-first culture, and now CIPL operates completely independently as an unlisted public company.

Expanding from our Central Queensland base in 2009, CIPL acquired Griffin Financial Services Pty Ltd, based in Tamworth NSW. While CIPL is proud to service the communities where our offices are located, our commitment reaches right throughout the country and even overseas.

We're not obliged to sell the products of any other firm, which means we will only recommend financial products and services we believe are suitable for meeting client needs. That's what we do best.

All financial services are provided under CIPL's Australian Financial Services Licence number 237435. CIPL enjoys the benefits of being a:

- Principal Member of the Financial Planning Association (FPA).
- Sponsor of the Australian Small Scale Offerings Board (ASSOB).
- ASTC (Settlement) Participant of the Australian Stock Exchange (ASX)

That's all great news for our clients.

The perfect partnership



More than just a planner

Being your perfect planning partner is paramount to us, but we also look at our clients as friends. At CIPL we treat and manage your affairs with integrity, honesty, fairness and objectivity.

Tailored to your needs

In order to work as your planning partner, we need to understand your individual investment objectives and financial situation before we recommend any investment plan to you.

While you do not have to divulge this information to us, it's our job to warn you about the possible consequences of us not having all the relevant information. Please read and listen to such warnings carefully. It's our way of looking out for you.

A great financial plan means a secure future

Your financial plan is like a map that pinpoints where you are now, takes into account your current situation and gives you a strategy that will navigate you toward your goals.

It's developed so that whether personally or in business you can achieve your financial and lifestyle objectives. The plan is also designed in a way that can help you prepare for the unexpected.

That's why a good plan takes time to develop and is reviewed as your situation changes.

Taking the first step

First meeting

Like any 'getting to know you' session, our first meeting is absolutely free. It's an opportunity for us to walk you through our services and find out how we can best assist you. If during the meeting you would like to make a decision to join us, we can begin to collect your data. If you need some time to think about what we can do for you, take your time and come back to us when you're ready. The door is always open.



Moving forward

As your planning partners we will need to get to know you well. In order to do that we will begin gathering data from you, and ask questions about your current financial status. This is the perfect time to bring in your tax returns, superannuation statements and investment details. If they are sitting in a folder in one jumbled heap, don't worry too much - just bring it in and we'll sort it all out. At this point we will require your signature, which gives us the green light to move to the next stage and requires you to pay the plan fee.

The CIPL *working process*



Writing the Statement of Advice

A Statement of Advice (SOA) is just another term for a financial plan and usually takes from one to six weeks to complete depending on individual cases. In order to complete an SOA we may call you for further information as well as contact your accountant, solicitor, the ATO or Centrelink so we have all the relevant details. Complex matters may include a series of smaller SOA documents.

How CIPL will develop a plan that works best for you

Presenting you with your plan

This is an exciting phase, and while it should be enjoyed it's also important you share feedback on our first draft. Upon receiving this feedback we will make changes to the draft plan and present it to you so you are 100 per cent satisfied. You may also receive Product Disclosure Statements (PDS) relating to certain investments or financial products we recommend. Be sure to read these so you have a complete understanding of costs and the way it all works.

Putting the plan to work

By now you should be not just comfortable with your plan but impressed by it. You will need to sign an Authority to Proceed and pay an implementation fee. This quite simply allows us to take the steps necessary to implement the plan, including the purchase of investments or investment structures.

Careful purchasing can be extremely rewarding. So too can patience. So prepare for the implementation of the plan to take some time – often several months, in fact. It's all about patiently waiting for market lows and being sure we invest at the right time. It's the basis for smart investing. Don't be a stranger during this time either – call us if you have any questions.

Our ongoing relationship

As your planning partners it's our job to relieve you of the task of looking after your investment portfolio. We believe in open dialogue, so you can expect to hear from us if we want to flag a great investment opportunity or if we want to discuss an issue surrounding your portfolio. Naturally we will also deal directly with your accountant and address any tax and social security matters.

The number of times we formally get together with clients will vary depending on the type of CIPL package a client holds. From once a year through to a number of meetings, it's always great to touch base with our clients.

To ensure that you receive the service level that suits your needs, we've developed four CIPL specialised package options for you to choose from. They include Platinum, Gold, Bronze and Capstar. Details of the services each package contains are listed further on in this Financial Services Guide.

Keeping you informed

It's only natural you may want to know the details of brokerage and other benefits we receive for recommending investments. You should feel free to ask us about the basis of our remuneration and know that explicit information about the overall cost of our service is always included in the Statement of Advice that we prepare for you. It's all part of the CIPL service.

More information about our fees is included in the detailed information insert enclosed at the back of this document. This insert forms part of the Financial Services Guide.



Who you'll be dealing with

CIPL offers the benefit of a dedicated team of professionals at your service. You will meet your primary advisors at the very first meeting so you will get to know the team you'll be dealing with from the word go.

Your responsibilities

As we are working together it's important that you keep us informed about any changes to your situation. Where we manage your portfolio, our advice only applies to assets that we manage on an ongoing basis, not on assets that you elect to look after yourself. It's important that you follow the plan set out for you. CIPL cannot take any responsibility for decisions that you make on your own.

Our Services

At CIPL our list of services is as diverse as our experience and caters to every client's needs. Our vast experience across all these services ensures that you are always in great hands.



Financial planning Life insurance

Financial planning is simply a term for organising your affairs in such a way that you get the most from your resources. Whether it's rearranging your debts, building a share portfolio, minimising tax or dealing with superannuation, CIPL will take the time to understand your affairs and develop a plan to achieve the best outcome.

Most people understand the importance of life insurance, but many don't do anything about it. CIPL's insurance brokerage provides life, income protection and total and permanent disability protection for all types of people. We can even help structure buy/sell agreements as part of a business succession plan.

Deposit broking

If shares are not an area of interest to you, then let us use our wide range of banking contacts to shop around for the best term deposit rate. We know how to get your money working for you.

Small business consulting

Small businesses often require advice and guidance from an objective point of view. CIPL specialises in providing structuring advice for small businesses to help maximise business returns, minimise arguments between partners and prepare for business succession. CIPL is a member of the Australian Small Scale Offerings Board, which simplifies raising money from equity partners.

Share trading

Interested in shares and want advice, but don't want a full financial plan? Our share trading service offered in conjunction with CommSec's Advisor Trading Centre could be right for you. Our experienced advisor will help to build your portfolio by providing up to date advice and efficient execution.

Capricorn Diversified Investment Fund

Do you want diversity and market exposure, but don't want to do it yourself? The Capricorn Diversified Investment Fund (CDIF) is a managed fund that provides exposure to a diverse range of investments, managed by CIPL. Low costs make this investment especially suitable for smaller investors. An investment in the CDIF is only available through the CDIF Product Disclosure Statement (PDS).

For a full list of CIPL's financial service licence authorisations please refer to our detailed information insert enclosed at the back of this document. This insert sheet forms part of the Financial Services Guide.

Our Service Components

At CIPL we are more than just a planner. We pride ourselves in being your financial partner and to this end make a wide range of service components available to make your financial affairs simple and seamless. Depending on what package you choose the following service components will form all or part of the service CIPL provides for you.



Ongoing financial advice on any matter

Change is part of life. At CIPL we'll alter your financial plan and implement reasonable necessary changes without charging you extra.

Choice of cash management account

CIPL offers you access to one of two cash management accounts, offering low or nil fees and attractive interest rates.

Active management of term deposits

We'll shop around for the best term deposit rates to suit your situation and make the investment for you.

Active management of cash balances

We know that people need to feel there is 'money in the bank'. Too much money in the bank, however, detracts from earnings. We'll manage your cash balances in line with agreed measures to achieve that Goldilocks outcome.

Portfolio reviews

We'll meet with you and provide a written review covering the capital movements of your portfolio, the income generated by the portfolio and its suitability for your ongoing requirements.

Small business advice

Small businesses operate in a changing environment. CIPL will assist to manage cash flow problems, succession planning issues and even the valuation and sale of your business.

Superannuation pension administration

You've worked hard for it, so we'll make sure you are being paid the right amount and get your super pension working for you.

Discounted self-managed super fund admin

Self-managed super fund clients receive a complete self-managed super fund administration service at a discounted rate.



Discounted life insurance for extended family

Regardless of your own need for life insurance, Platinum clients and extended family receive attractive discounts for life insurance, including income protection and disability insurance.

Centrelink administration

Nobody likes queues, getting the run around, or being put on hold. So simply authorise us to act on your behalf and we'll take care of all of your Centrelink needs.

Property utilities payment service

When it comes to investment properties, CIPL will arrange to pay rates, utilities bills and payments to tradespeople direct from your portfolio account.



Bill paying service

We can arrange payment of bills from your portfolio account without the expense and inconvenience of writing cheques.

Free seminars

CIPL's seminars are informative and entertaining. Platinum and Gold clients get access to at least one high quality tailored seminar per year, while other clients receive an up to date overview of current conditions.

Quarterly newsletter

CIPL's quarterly newsletter is packed with information ranging from market conditions to investment philosophies, business updates and trading recommendations.

Share trading service

Platinum and Gold clients receive preferential rates when placing orders to buy or sell shares, regardless of whether those shares are held in a portfolio managed by CIPL.

Concierge service

We are happy to look after your mail, or even organise to have the lawn mowed or pets fed while you are away. Upon provision of a power of attorney we'll attend to any financial matters in your absence.

Liaison with accountants/solicitors

CIPL will work with your nominated professionals to make sure the information they receive is accurate and adjusted according to current needs.

24/7 Portfolio Web access

Our portfolio management system is something we are very proud of. Prices are updated daily and clients can access their portfolios online at any time.

Rewards program

Platinum clients accumulate one point per dollar spent with CIPL that can be redeemed at any of CIPL's many business partners.

Margin lending

Management of margin loans is critical to ensure that gains are maximised while protecting the asset base. CIPL's margin lending program is actively managed, providing you with additional security in the event that markets turn volatile.

Reach your goals through one of the following service options

Whether you are 21 and starting your first job, or 61 and getting ready to spend more time on holidays than working, CIPL can and will tailor a plan to meet your needs. We've developed the following package options for you to choose from and all can be adapted to suit your particular needs.

Individually managed accounts

An individually managed account is a portfolio of investments tailored and managed to meet your needs.

Capricorn *Platinum*

- | | |
|---|---------------------------------------|
| ✓ Ongoing financial advice on any matter | ✓ Property utilities payment service |
| ✓ Choice of Cash Management Account | ✓ Bill paying service |
| ✓ Active management of term deposits | ✓ Free seminars (premium) |
| ✓ Active management of cash balances | ✓ Quarterly newsletter |
| ✓ Portfolio reviews (by negotiation) | ✓ Discounted share trading service |
| ✓ Small business general advice | ✓ Concierge service |
| ✓ Superannuation pension administration | ✓ Liaison with accountants/solicitors |
| ✓ Discounted self managed super fund administration | ✓ 24/7 portfolio web access |
| ✓ Discounted life insurance for extended family | ✓ Rewards program |
| ✓ Centrelink administration | ✓ Margin lending |

Capricorn *Gold*

- | | |
|-----------------------------------|---|
| ✓ One Portfolio review (per year) | ✓ 24/7 portfolio web access |
| ✓ Free seminars (premium) | ✓ Centrelink administration |
| ✓ Quarterly newsletter | ✓ Discounted self managed super fund administration |
| ✓ Share trading service | |



Managed funds

Managed funds are a simple way to invest in a diversified portfolio.

CIPL runs Capricorn Diversified Investment Fund (CDIF) and you can choose the service level that best meets your requirements.

Capricorn *Bronze*

- ✓ Centrelink administration
- ✓ Ongoing financial advice on any matter
- ✓ Portfolio reviews by negotiation
- ✓ Free seminars (Regular)
- ✓ Quarterly newsletter
- ✓ 24/7 portfolio web access (Unit price only)

Cap *Star*

- ✓ Free seminars (Regular)
- ✓ Quarterly newsletter
- ✓ 24/7 portfolio web access (Unit price only)

How CIPL gets paid



We want to keep our fees simple and straightforward and we will always disclose them in a way that is easy to understand. Our fee quotes include all advisor, administrative and set-up costs that you are likely to incur. The only exceptions are stamp duty on certain asset purchases and specialist consulting services. Our first consultation is free. However, if you would like us to proceed, fees will apply.

Plan fee

We will charge you a fee to write a financial plan for you. The fee varies depending on the complexity of the plan.

Implementation fee

There is a lot of behind the scenes work in organising your financial affairs and in setting up a quality portfolio, and we do it all for you. Implementation fees are quoted in your statement of advice. The fee varies depending on the complexity of the work to be done and the size of the portfolio. The fee includes third party set-up costs like brokerage paid to a stockbroker.

Ongoing fees

It's up to you whether you want us to help manage your portfolio. If you do, we will charge you a fee based on the funds invested and we will provide a quote for the overall cost of managing your portfolio. It includes fees from all sources and will not be higher than an equivalent retail managed fund.

More information about our fees is included in the detailed information insert enclosed at the back of this document. This insert forms part of the Financial Services Guide.

Our standards on commissions

When it comes to financial planning many investment professionals will charge you fees and accept up-front commissions from large investment institutions in the range of 3 per cent to 4 per cent of the funds invested. They can even charge you entry fees for additions to existing investments.

CIPL charges fees and brokerage for its financial planning and share trading services. We don't receive commissions from product providers. All our decisions are based on what's best for you. We don't take kickbacks.

CIPL does receive commissions from life insurance suppliers, this is an industry standard and is explained in the fee information insert enclosed at the back of this document. This insert forms part of the Financial Services Guide.

What do advisors receive?

Employees of CIPL are not remunerated with respect to client portfolios. They receive a salary as remuneration.

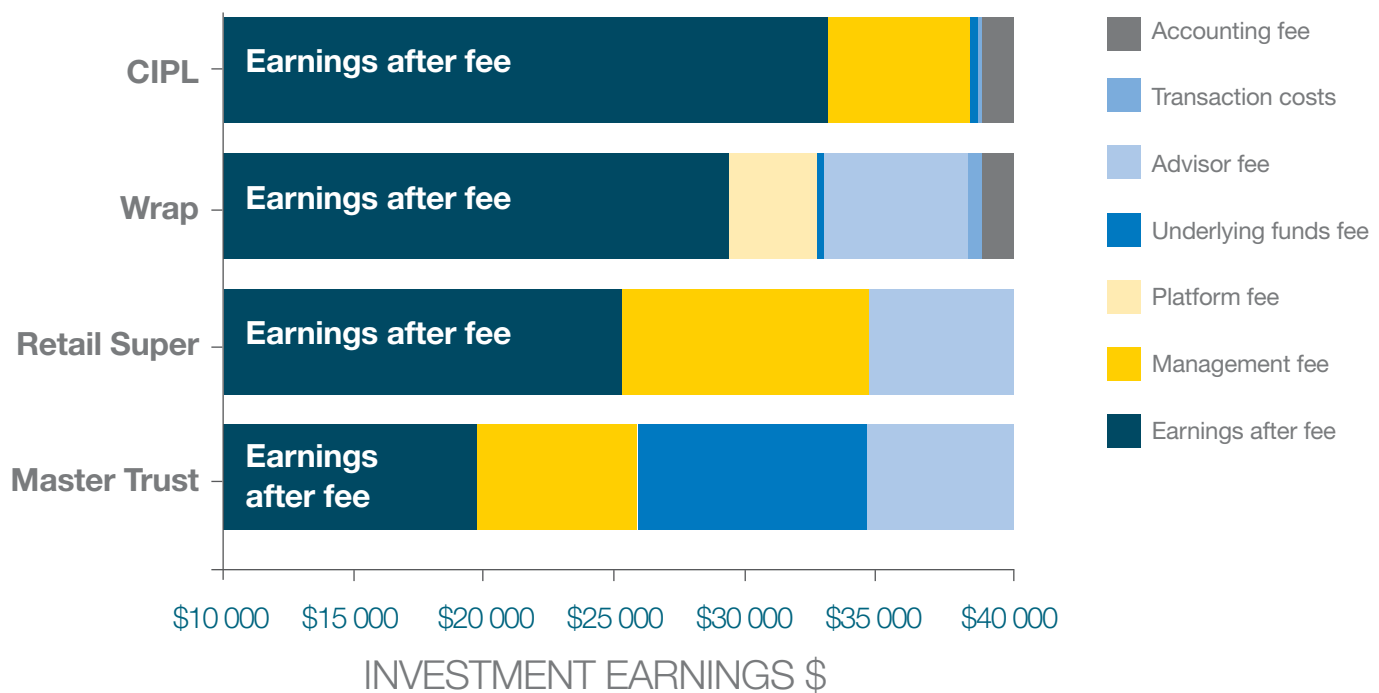
If a third party has referred you to us we may pay that person a fee for providing the service to you or for referring you to CIPL. Put simply, the amount we pay depends on how much work that person does. Please see our enclosed information sheet for a list of what third party advisors that are not employees of CIPL will receive.

How we compare



What's left *for You*

At CIPL our direct to market approach results in a fee structure that works to your advantage.



Assumptions

- 20 individual investments for each product (CIPL, Wrap, Retail Super, Mastertrust)
- 10 investment transactions of \$10,000 for each product
- Each product has a \$500,000 portfolio value
- Managed funds exposure 5% for CIPL and Wrap, 100% for Retail Super and Mastertrust
- Pre-tax income of \$40,000 per product.
- Underlying fund fee: <http://www.theaustralian.com.au/business/wealth/choosing-the-right-managed-fund/story-e6frgad6-1>
- Master Trust management fee <http://www.chantwest.com.au/PDFFiles/Fee%20Comparison%20Report%20May08%20FINAL.pdf>
- Wrap platform fee: https://advisers.macquarie.com.au/retail/acrobat/superhits/im_product_flyer.pdf
- Retail management fee: Colonial First State <http://www.colonialfirststate.com.au/prospects/FS592.pdf?1>

Taking care of your information and protecting your privacy

To ensure you receive effective, efficient and personalised service, we may have to share your personal information with other subsidiaries of CIPL. However, we will not share your personal information with other subsidiaries if you instruct us in writing to retain your information. For more information on how we take care of your information and protect your privacy please see the enclosed information sheet.

CIPL undertakes not to sell, rent or trade your personal information. We will not disclose information about you unless:

- The disclosure is required by law
- The disclosure is authorised by law
- You have consented to our disclosing the information about you
- We need to protect our interest (e.g. in legal proceedings to which we are a party)
- The disclosure is required in the public interest

Disclosure of personal information to third party agents

CIPL uses the services of third party agents to perform certain primary functions. Third party agents that we use are:

- Stockbrokers
- Asset managers
- Administrators of WRAP accounts
- Insurance Underwriters

These agents act on behalf of CIPL and do not disclose the information provided to them to fourth parties, unless required by law. The purpose of this Privacy Policy Statement is to provide you with the assurance that



information collected by CIPL (ABN 26 095 998 771) is collected, distributed and used in accordance with the privacy laws effective 21 December 2001.

How we handle complaints

We value you and are here to help you direct your complaint should you have one. These simple steps will help streamline the procedure:

1. Contact your advisor or our compliance manager and inform them of your complaint.

2. If your complaint is not satisfactorily resolved within five working days, please contact us and we will pay for and provide you with access to an independent mediator.

3. If you still do not obtain a satisfactory outcome, you have the right to complain to the Financial Ombudsman Service Limited (member number 11108) on 1300 780 808 or in writing to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Fax: 03 9613 6399

The Australian Securities and Investments Commission can also be contacted on 1300 300 630 if you have a complaint or wish to obtain information about your rights.

4. CIPL has adequate Professional Indemnity Insurance as per RG126.110.



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