



# Investment Market Update



## Message from the Manager

As CIPL has become bigger, some clients expressed concern that the personal touch might be lost, and others, that one or another of the organisations might be lost in the mix. I have to tell you that none of that has happened, and this newsletter is proof of the range of services and benefits that we can now offer to our clients.

In it, Michael Blanchflower discusses the integration of the Rockhampton and Melbourne offices, while Sue Dunne covers changes to how self-managed super funds receive employee contributions, and a range of other measures that many clients need to consider before 30 June.

Morgen Harris comments on the importance of life and income protection insurance, for which CIPL is a broker and can source competitive rates from a wide range of providers.

In an exciting initiative, lawyer Anthony McFarlane has joined us in Rockhampton on secondment from Sydney. Anthony is helping with a wide range of in-house matters including some exciting opportunities for CDIF, and offering personal legal advice for private clients – mainly on small business and estate matters. In May we will be hosting a range of seminars for clients and others focusing on superannuation and business matters.

As usual Lachlan has compiled three short pieces on stocks that we believe are a key consideration for many client portfolios.

Thank you for your ongoing support of our exciting business. I hope you enjoy the read.

**David French**

Managing Director

## What's it all about?

I have a regular spot on Rockhampton's News-Talk 4RO. Generally I come in armed with some commentary and investment ideas, but following the Easter break, I wasn't all that organised. Thankfully announcer John Krosch saved the day. He asked one simple question: "What would someone with some money to invest expect if they came to see you?"

The interesting thing about this question is not only where it starts but also where it leads, and basically it starts with the client. You see, over the years many people have come in saying they want to make money. The trouble with that comment is it ignores the circumstances under which people would be prepared to make money. Would you be prepared to sell your mother or do you actually have a few morals? Do you get concerned when the market falls over for a few weeks, or do you see that as a buying opportunity and "back the truck up". Are you the sort of person who waits and waits while the market rises, only to buy at the top, but feel the "bear-market" fear when the market is low?

To some extent these features reside in all of us, and as your advisors we try to identify these traits and make investment recommendations accordingly. Interestingly this means that sometimes our recommendations might really go against your gut feel – buying when the market is down for

example ("straw hats in winter" as it is commonly known).



And it is the reason why we might not make so many recommendations, or we might recommend different asset classes (international funds at present for example), when the market is rising.

The discussion led onto types of investments and in particular, investments for young people. When we look at recommendations for young people, we need to look not only at the money to be invested but especially at what these potential clients might want to do with their lives. If they are looking to buy a house, then consideration needs to be given as to repayment and also the advantages of repaying a mortgage early. Aside from that there is superannuation to consider. Superannuation is amazingly tax advantaged. If you earn between \$37,000 and \$80,000 (and remember average weekly earnings is about \$75,000), you can save 19 cents in tax on every dollar you contribute to super. While the money is locked up until you meet a condition of release (commonly age 60), it is a simple fact that no matter how clever you are as an

investor, or we are as advisors, we are never going to get a straight out investment return as attractive as 19 per cent annually for the rest of your working life! Obviously, the younger you start the better off you will be.

I also have a personal view that the time to take risks is when you are young. Over the years young people are often discouraged from following what might be perfectly “sensible” dreams. Going to university is probably outright sensible, but over the years I have started to wonder what is not “sensible”. Some of our wealthiest clients are tradespeople and small business people. Stefan made his fortune hairdressing and there are plenty of fashion designers, musicians and restaurateurs who make a living (and more) from their craft. Isn't it better to embrace your dream early – success is sometimes not as far away as it seems, and failure can be dealt with much more easily when you are young and have limited commitments.

Small business owners know there is not much between their businesses and them personally - really that's how small business consulting became an in-house specialty for CIPL. As with personal investment, structure is critical – should you use a company, a family trust or a partnership (or something else)?



The choice will affect your flexibility in running the business, whether you can sell it, the tax you pay and how big it can get. Should the business be funded

by debt or equity? Debt is cheap, but equity gives you decision making power.



So there you have it – financial planning in a nutshell. Clearly not one thing or the other, but a whole host of related considerations, all flavoured by the personality of the person seeking the advice.

**David French**  
Managing Director CIPL

## Business Update

### Business Integration

It has been almost seven months since Capricorn and Pentad united and I am delighted to report both significant progress and significant success in their integration.



On the 23 April 2014 the two businesses were officially combined under the Capricorn Investment Partners Australian Financial Services Licence (AFSL), a key milestone allowing us to extend exciting new services to our combined clients.

The depth of talent present across the combined business is simply astounding, and is the one thing I am personally most excited about. Blending these diverse and talented individuals across geographic boundaries through the efficient use of technology is the

key driver of future success for you, our clients. It allows us to continue to develop our services, all of which are designed with the sole purpose of supporting you in the achievement of your goals.

Our main investment committee and also the CDIF investment committee now include representatives from

Melbourne in addition to the existing members. We are proud that our committees include award winning fund managers, talented research analysts and experienced advisors and stock brokers.

Our Portfolio Administration Service (PAS) is for the first time a tool in the utility belt of our Melbourne advisors, with some Melbourne clients already using the PAS to administer cost effective portfolios of direct securities. Similarly a more fully featured Asgard platform, unlocked through the application of our wider AFSL, is now an enhanced tool available to our national team of advisors. Each portfolio solution suits different situations and our advisors remain free to recommend the most appropriate solution for each individual client.

The national business now boasts a risk and insurance specialist. Morgen Harris joined the Pentad team in 2006 and is a familiar face and voice to our Melbourne clients. Morgen is deeply excited at the opportunity to bring her particular expertise in risk planning to bear on our Rockhampton clients' insurance planning to ensure that all of our clients enjoy the most appropriate cover type, benefit amount and ownership structure to support their goals.

The upshot of all these incremental improvements is simply a better outcome for you, our clients. Our duty is your future, and on behalf of the entire team at Capricorn and Pentad, I am very proud to report that the merger of these two good businesses is rapidly resulting in a truly great, national business.

**Michael Blanchflower**  
Head of Strategy / General Manager

## Financial Planning

### Changes to how a self-managed superfund receives employer contributions.



From 01 July 2014 employers with 20 or more employees are required to submit employer contributions electronically to all superannuation funds.

This means that if you are a contributory member of a self-managed super fund you will need to ensure that your employer has full details of the following before 31 May 2014:

- Super Fund ABN
- Bank account details for electronic contributions
- The SMSF's electronic service address

If the employer is already making electronic payments, they will be aware of the bank account details – but it is worth checking that they have the fund's ABN.

At CIPL we are currently working on the establishment of an electronic service address that will apply for all the super fund portfolios that we manage. As soon as this has been finalised, we will advise you of the details which you should then pass to your employer prior to the cut-off date at the end of May.

### EOFY 2013/14 and other things

End of financial year is looming and there is always a large volume of work to be undertaken for our clients before then.

We have been working through all superannuation pension payments being drawn and making adjustments where needed to ensure that our clients all draw at least the minimum required amount for the 2013/14 financial year. This has been a very large task because this financial year is the first one since the GFC where superannuation pension payments must be taken at their full percentage amount and many clients had been taking payments at the lower level.

We are about 2/3 of the way through our client list in managing the drawdown changes.

The other significant factor that impacts on the amount that must be drawn is reaching an age where the actual percentage amount increases. For example, a 74 year old person must draw 5%, but in the financial year following that person's 75th birthday, he must draw 6%.

Age of beneficiary	Minimum %
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
95 or more	14%

If you are approaching one of the milestone birthdays as per the table above, then you can expect your minimum required drawdown to increase.

### Superannuation Contribution Caps

Just a quick reminder – if you are contributing to superannuation! Please check your total contributions to super for the 2013/14 financial year. The penalties for exceeding the contribution caps are severe. If your contributions are already nearing the limits mentioned below, we suggest that you cease your salary sacrifice arrangement now, and then restart after 01 July 2014.

The limit for pre-tax contributions to superannuation (employer contributions, salary sacrifice and contributions by a self-employed person) for **2013/14 is \$25,000 for anyone who was under 59 years of age at 30 June 2013.**



**For individuals who were aged 59 years or over at 30 June 2013, the pre-tax contribution cap is \$35,000 per individual.**

From 1 July 2014, this higher cap will be extended to apply to individuals 49 years or over at 30 June 2014. It is also expected that the general cap will



increase from \$25,000 to \$30,000 from this date.

Individuals may also contribute after-tax money to superannuation, with the current limit being \$150,000 per annum, although persons under 65 may contribute up to \$450,000 in one year. That person would not then be eligible to contribute additional after-tax money for 3 years.

The expected rise in the general contribution cap to \$30,000 for the next financial year will also result in an increase in the non-concessional cap to \$180,000 per annum per individual or \$540,000 over the 3 year period.

Remember also, that if you are over 65 and wish to contribute to superannuation, you will need to meet the 'work test' which requires that you be gainfully occupied for at least 40 hours in a 30 day period during the year.

Please contact us if you need any assistance. If you are not already salary sacrificing and would like to start increasing your contributions we are happy to help.

### ***Making Super contributions prior to 30 June***

If you intend making additional contributions to superannuation before the end of the financial year, please ensure that you leave sufficient time.

For contributions paid electronically, the receipt date is **the date that the amount is credited** to the fund's bank account, **not the date that you actually make the electronic payment.**

For contributions paid by cheque, the receipt date is **the date that the cheque was received by the fund (and then banked within normal timeframe).**

If you can't be sure that your end of year contribution will arrive before 30

June, it is best if you write a cheque and deliver it to our office on or before 30 June so that we can bank it for you that day.

If you have issues that need to be dealt with prior to 30 June, we would appreciate your assistance in contacting us sooner rather than later, as the volume of last minute jobs can at times be overwhelming.

On a personal note, I will be on leave for about 3 weeks in July so if you are looking to catch up with me, it would be good to do that either in May/June, or after I return at the end of July.

### **Fee Disclosure Statements**

Why am I receiving this document and what does it mean?

The provision of an annual **Fee Disclosure Statement** is a requirement placed upon us by recent FOFA (Future of Financial Advice) legislation. The statement is required to show the fees paid during the past 12 months, services offered by the business and the services delivered. The statements are sent at the anniversary of inception of the portfolio, so some clients may not yet have received a statement.

If an offered service is ticked as having been delivered, it means that **CIPL has delivered this service across its client base**, but an individual client may not necessarily have availed themselves of that service.

It is simply impossible for us to track exactly which clients use which services, but we do track the number of client meetings that have been held in the period.

**Sue Dunne**  
Senior Advisor  
CIPL Rockhampton Office

## **Sydney Secondment**

### **Rockwell Olivier rocks into Rockhampton**



Well in some ways, it has been a bumpy start to the beginning of Rockwell Olivier's presence in Rockhampton. The first two weeks saw a cyclone and prison escapees let loose on Rocky, just in time for my arrival. Over the coming months I will be working from the

Capricorn Investment Partners' (Cap Invest) Rockhampton office on secondment.

You might remember that Cap Invest and the Pentad Group were acquired by ILH Group Limited (ILH) last year, an ASX listed company. But what you might not know is that ILH owns three other complementary businesses, one of which is law firm Rockwell Olivier, which has offices in Sydney, Melbourne, Perth not to mention visiting offices in Papua New Guinea, Fiji, Vanuatu and Singapore.

Rockwell Olivier is a full service law firm offering:

- private client legal services including taxation, estate planning and property matters; and

- corporate and business legal services including business transactions and corporate advisory, litigation and dispute resolution, insolvency and restructuring, taxation, and employment legal services.

Click on [RO Services](#) for more information about the Rockwell Olivier service offering and geographical reach.

As a member of Rockwell's Corporate and International team, I have worked on some exciting transactions and projects recently in the aviation, telecommunications and FMCG industries from the merger of United and Continental Airlines, to the financing of underwater fibre-optic cables in Fiji, Vanuatu and the Solomon Islands and the acquisition of Fosters' business by Coca Cola Amatil in Fiji and Samoa. I've also had a great deal of experience in helping Australian business owners understand and comply with the impacts of the Personal Property Securities Act (especially leasing businesses and businesses that supply goods on credit terms – for example see [here](#)) and the amendments to the Privacy Act (for example see [here](#)).

A key reason for bringing Rockwell Olivier to Rockhampton is to further service CIPL's clients by offering an add-on legal service (not previously offered by CIPL). In particular, apart from getting out and meeting clients, I am looking forward to a series of seminars on Friday 9 May for private and business clients called, "Succession Planning; Your Plan for Your Future" which will be held at the Quest conference rooms. Headlining the seminar is Australia's foremost succession planning specialist, Peter Bobbin (Managing Principal, Rockwell Olivier Sydney) who will explore key

succession planning issues in both a personal and business context.

See the client services update for further information or please call the office on 1800 679 000.

**Anthony McFarlane**  
Senior Associate  
Rockwell Olivier (Syd)

## Insurance

### Do insurance companies actually pay?

In a Melbourne newspaper recently, there was an advertisement depicting a scene of a motor vehicle accident. A chalk board is displayed with the words 'unlucky we're with AAMI'. The bottom of the page length advertisement then reads, 'not much point saving on your premium if they don't pay out your claim'. Unfortunately, the common mentality is that insurers don't pay claims. That we pay our premiums year after year and when we need the money most, the greedy insurer won't pay.

Did you know, last year over \$3.5 billion was paid out in retail life insurance claims? That's an average of \$14.3 million paid to 245 Australians every working day.

Recently, I have been involved in several insurance claims involving our clients. Although life insurance claims vary from the general insurance space

of motor vehicle claims, the overall stigma around insurance claims appears to be the same. I have learnt a number of things personally from my involvement in these claims, such as;



### Having the right level of cover

About four years ago we put in place income protection and other suitable insurances for a client. Over time, her salary had increased significantly and therefore her level of income protection was less than her maximum entitlement (75% of gross salary). Despite her every intention to increase the cover in line with her salary, she never got around to it before the diagnosis of breast cancer. Although she had some level of cover (which is far better than none) to assist with ongoing living expenses while she was on treatment and not able to work, was much less than she was otherwise eligible. It is so important to keep your insurances up-to-date as your claim could be just around the corner.

### The importance of a dedicated adviser

Claim forms are not user-friendly to the general population and dealing with one insurance company can be quite different to another. Having an adviser involved in the claims process to help facilitate the claim has a direct impact on the timeliness of documentation, communication and most importantly, payment. In times of sickness, the important thing to worry about is healing - not completing forms and dealing with insurance companies.

### *The dollars make a difference*

Financial pressure and associated stress is intensified in the event of an illness or death, on top of emotional stress. Having the right insurances in place helps relieve the financial stress by providing dollars when it counts. One recent claimant, after completing treatment for cancer, was able to enjoy an overseas family holiday using part of the insurance benefits. A much needed break that wouldn't have been possible without the insurance proceeds.

Pleasingly, each recent insurance claim has been paid out in full. What I have learnt mostly from these recent claims is that life insurers are in the business of paying claims and will try to find a way to pay an honest claim. Not the other way around.

**Morgen Harris**

Advisor – Insurance

## Investment Briefs



Earlier this month the Federal Government finally approved the site for a second Sydney airport at Badgery's Creek in Western Sydney. Sydney Airports (SYD) is currently the operator of the sole airport in Australia's most frequented city so on face value a decision such as this may seem detrimental to SYD. However, there are important points to take note of. Firstly, SYD has first right of refusal to operate a second airport. This means SYD has ultimate power in the final decision making process and if the company decides to exercise its option it would mean that the monopoly

status of Sydney's aviation market would remain. If SYD were not to exercise this option we don't believe this would be detrimental to SYD's longer term fortunes.

The soonest a second airport would begin servicing flights appears to be 2026. And even then the airport would only be a fringe player servicing some flights from discount carriers through one runway (Sydney Airport has three runways). Not to mention the geographical advantage of Sydney Airport being only 8 km from Sydney CBD as opposed to 50 km for Badgery's Creek. Furthermore (and in some ways counter intuitively) a second airport would assist in clearing some of the congestion from the main Sydney Airport freeing up runway space for larger aircraft thereby helping passenger number growth for SYD. Considering this is the main driver of profits we see this as a boon for SYD.

SYD is the type of company we actively seek out when investing client funds. It owns and operates a monopoly asset, has predictable and steadily growing cash flows and for the foreseeable future has no challengers to its favourable market structure. DeutscheBank recently released a research report stating that they forecast significant growth in the Chinese market which they predict will eventually dwarf all other sources of traffic (except for India). We see potentially strong growth from SYD in years to come despite the announcement of a second airport and as a result are recommending SYD in client portfolios. SYD offers a dividend yield 5.5%.



Another company that meets our criteria as a worthwhile investment is CSL Ltd. (CSL). CSL has recently undergone management change with

new CEO Paul Perreault taking over from the hugely successful Brian McNamee. CSL has long been one of Australia's international champions witnessed by annual compound growth in earnings per share of 9% since 2004 and a phenomenal growth in return on capital employed from 8.4% in 2005 to 21% today. These figures would get Warren Buffet excited.

One of the keys to CSL's success is the company's ability to continually build upon its Intellectual Property (IP) through new product development. For this financial year alone CSL is developing 11 new products on top of an already burgeoning pipeline of products in the market development phase. The basis for this is CSL's

continually high level of investment in research and development (R&D) (2013 totalled \$188m and 27% of total sales revenue).

We believe CSL is one of the core companies chosen from our investment universe due to its high level of return on invested capital, strong presence in its end markets and ability to continually grow its economic moat through its continual product development and continual adherence to high levels of R&D. Furthermore, CSL is considered a low beta stock (low

correlation with the broader market) due to its consistency of earnings and cash flows giving us confidence of acquiring shares in the company when they present good value on market sell downs.



Transurban (TCL) is a company with similar characteristics to the earlier mentioned SYD. For those readers familiar with Melbourne the commute to and from Melbourne Airport is most likely going to be on TCL's owned and operated Citylink. Citylink also involves a link through the Melbourne CBD and into the Eastern suburbs. From its inception back in early January, 2000 Citylink has been a success. TCL has been able to steadily increase toll prices as well as seeing throughput rise at a very healthy rate. Since 2009, Citylink has increased revenue by 7.6% on an annual compound growth rate (CAGR), whilst transaction volumes have risen at 3.7% CAGR. Clearly commuters see the benefits of using the Citylink toll road and this is showing no signs of abating.

However, not only is TCL generating strong growth from its core asset, but the company has also grown into other areas and geographies since it was founded in 1995. TCL acquired Hills Motorway's M2 tollway in 2005, Sydney's Eastern Distributor in 2007 and Sydney's M5 also in 2007. These toll roads have helped in generating the group's overall solid revenue growth both through increased traffic numbers and brownfield expansion (widening of the roads). However, it hasn't been completely smooth sailing with mixed results from its US Pocahontas adventure. Management have been able to contain the damage from the

latter asset however and TCL is still generating the bulk of its revenues from Melbourne (Citylink) and Sydney (M2, M5 and Eastern Distributor).

Further growth opportunities stem from a possible successful bid of Queensland Motorways as well as a likely successful tender for the connection north of Sydney of the F3-M2. Both of these in themselves possibly provide a future uplift to revenue however this is before other expansion opportunities are factored in. TCL is also looking to build the Cross City Tunnel in Sydney as well as widening the M5 and upgrading the Hills M2. TCL is our core infrastructure company in clients' portfolios due to its very attractive assets (many of which are effective monopolies), attractive prospective growth rates and stable nature of cash flows due to the nature of its assets (necessity to travel on TCL's toll roads regardless of the broader macroeconomic environment). TCL is offering a dividend yield of 4.5% (partially franked).

**Lachlan McKenzie-McHarg**

Advisor Equities Dealings and Research

## Our Mexican Wedding Experience

**By Russell Warmington**

For Rockhampton clients, Russell is one of our Financial Advisors based at Pentad in Melbourne.

What do you do when your son asks you "how do you feel about a wedding in Mexico"? At first we were a little surprised and asked

him if he had proposed to his long-time girlfriend yet. He said he hadn't, but wanted to know how we

would feel about him getting married in Mexico. Well, both Sue and I, after our initial surprise thought it would be a great idea and something very special for them.

Why Mexico? It started a number of years ago when Sue and I, together with our son Alan and his girlfriend Olivia, had a wonderful holiday staying with friends in their house in Puerto Vallarta, on the West coast of Mexico. Mexico is a wonderful country, the food fantastic and the people so friendly and vibrant. Puerto Vallarta is a beautiful old Mexican town located on a scenic bay. Some of you may remember the town from the TV show The Love Boat. Puerto Vallarta was the town the ship called at regularly.

Our friends live in California, and have had their house in Mexico for almost 20 years. We all enjoyed the hospitality of our friends and went back again the next year, along with our daughter Denise as well as Alan and Olivia.

Alan proposed to Olivia and they then set about organising the wedding. Our friends were happy to have their house used for both the wedding and the reception. Olivia chose a wedding planner from Puerto Vallarta and between Olivia, the wedding planner and our friends the wedding plans were organised.



Having a wedding overseas has a number of challenges, the main one being the limited number of guests that can be asked, and also the number of guests that could afford the airfare or the time away.

Twenty nine guests flew into Puerto Vallarta for a weeklong celebration culminating with the actual wedding on the Saturday 13 April 2013. The week started with a fabulous welcome dinner on the Tuesday evening. The restaurant set up candlelight tables on the beach, and provided a lovely meal. The sunset was fantastic and the guests were able to meet each other in the beautiful surroundings. The next day we all boarded some small boats and travelled to a lovely Mexican village about 30 minutes by boat. The village is only accessible by boat. Along the way we did some snorkelling, and saw the beautiful coloured fish that swim in the warm water.

Lunch at the village was in a large thatched roof hut, and most people chose to have a Mexican meal. Coronas, and Margaritas, were the primary drinks. It was a great setting and once again the guests were able to spend time with Alan and Olivia, and enjoy each other's company.

The Buck's and Hen's night were celebrated in style on the Thursday evening, with a number of bars and night clubs visited by the two groups of guests. While I am not sure what time everyone got to their beds, I know it was after 3.00am before I made it home.

Friday was a quiet day, with all the young ones recovering from the late night and us older guests having a wonderful lunch and walking tour of the Puerto Vallarta botanical Gardens. The Gardens are a wonderful mix of forest trees and beautiful gardens, complete with a fantastic hot house with orchids and other exotic plants.

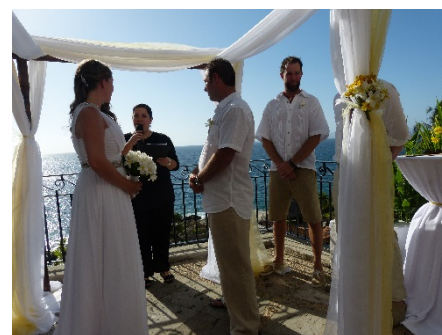


The day of the wedding was another beautiful Puerto Vallarta day, sunny and about 28C. The wedding was situated around the pool overlooking the bay. A fantastic location, with a wonderful outlook. The ceremony was performed by a Mexican marriage celebrant, who did an excellent job. The reception was held on the top storey of the house. A 10 piece Mexican Mariachi band greeted the guests after the wedding and played until Olivia and Alan emerged from having their photos taken. The wedding was a casual affair with all the guests wearing light casual clothes.

The food was a wonderful assortment of finger food, and a Taco stand serving 3 different types of tacos throughout the evening. A delightfully different type of wedding feast. Following the

speeches there was a wonderful fireworks display that lit up the sky in various bold colours. A DJ set the music going and the wedding moved into party mode. We all danced and had a wonderful evening celebrating the wedding of Alan and Olivia, until the early hours of the morning.

The wedding was certainly not traditional, but the guests all felt that it was a wedding event that they will never forget. Alan and Olivia had a fantastic time sharing with their close friends a place that is special to both of them.



As the parents of the groom it was fantastic to see Alan and Olivia so happy and experiencing the wonderful wedding week. We were able to get to know more about their friends, and Olivia's parents, and this added to the experience. We consider ourselves very fortunate to have such wonderful friends as Alan and Patricia Bickel, who opened their house so warmly for the wedding.

**Russell Warmington**  
Financial Advisor  
Pentad Group (Melbourne)



## Client Services Update

### Succession Planning Seminars

On Friday 9<sup>th</sup> May 2014, Rockhampton office of CIPL will be hosting some business and client seminars on succession planning. These sessions are free and open to clients and business associates alike.

Learn from Australia's foremost succession planning specialist; Peter Bobbin. Peter will guide you on a path that he himself has walked highlighting:

- ✓ What due diligence you can do now to prepare;
- ✓ The simple tools to get you ready;
- ✓ Tax can be optional for some, but only if you adopt simple concepts now;
- ✓ How to avoid the most common super mistakes;
- ✓ Why super borrowing cannot be beaten, and to do it.

- **Session 1 – 8am-9.30am (business focus)**
- **Session 2 – 12noon – 1.30pm (superannuation focus)**

Both seminars will be held at Quest Apartments, 48 Victoria Parade. Please contact our office on 1800 679 000 or [enquiries@capinvest.com.au](mailto:enquiries@capinvest.com.au) before close of business on Wednesday 7 May 2014 to RSVP or for further information.

### Updated Financial Services Guide

Included in this mail out is our recently reviewed and updated Financial Service Guide FSG, this review was carried out in conjunction with our recent merger and now relevant to both Melbourne and Rockhampton clients. This information is also available on our websites [www.capinvest.com.au](http://www.capinvest.com.au) or [www.pentad.com.au](http://www.pentad.com.au)

*The content of the newsletter constitutes general advice and does not take into account your particular needs. Please seek appropriate advice before acting on anything contained herein.*

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Jane Eklund	Compliance Manager
Bronwyn Nunn	Compliance Officer
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Jessica Crane	CHESS administrator
Amy Gill	Reception / Administration
Christine King	Bookkeeper
Sandra French	Bookkeeper

Anthony McFarlane	Senior Partner / Lawyer (Rockwell Olivier)
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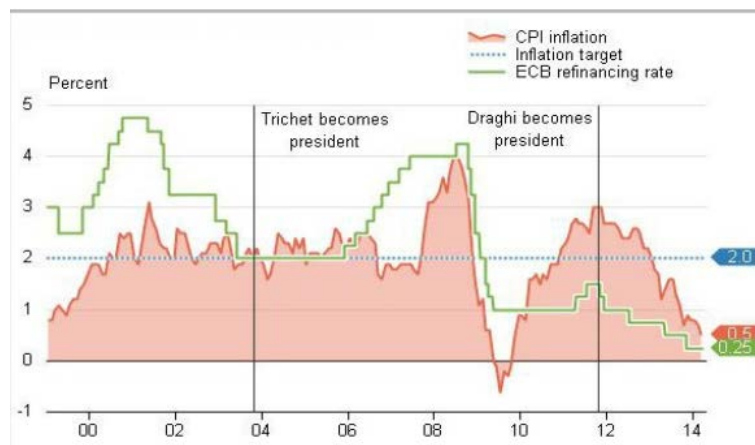
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### Information at a glance



#### **Copper – Leading equity markets down?**

Sometimes seen as a leader to equity markets, Copper has fallen 10% in three months. *Source: Hubb (ProfitSource)*



#### **European deflation around the corner?**

Europe is sailing close to the winds of deflation with a current rate of inflation at 0.5%. *Source: Inside Debt*



#### **Global Manufacturing Indexes – US & Europe recovering, China weak**

China continues to languish the US and European regions in terms of manufacturing growth. *Source: Inside Debt*