



# Investment Market Update

Issue 55 – Summer 2015



## Message from the Manager

Since it was started in 2001, CIPL has been a work in progress. Some people frown on change. They think that security means no change. In fact security in all its forms demands acknowledging and effecting change. We hear of the need for change in business articles and see it extolled in the newspaper. Why then make an art-form of rejecting change, even when it is patently for everyone's benefit?

CIPL's experience of change is that it builds a strong competent workforce that is capable of dealing with the most complex and difficult of client concerns – usually in very short order. It helps create a work environment that encourages people to participate and indeed own the results of their endeavours. It challenges and enables management to "do something" when the chips are down.

Compare this with my dealings with Telstra, when last week the company refused to believe that they may have gotten their records wrong, when they cut off our Rockhampton Internet Service. It turns out that they had the billing address at a different location from the service address. It took three days of heated discussion before the problem was even recognised as a possibility. That is not an attitude we foster at CIPL – in fact our mantra is "first look at yourself".

As you will see below, the year has started off buoyant and challenging. We have a great staff and great clients. We look forward to working with you to kick some goals over the coming year.

**David French**  
Managing Director

## The New Year

Well here we are into the new-year. What's on your mind? This year, there is no one big thing to draw our attention, but rather a range of important matters.



## The Economy in general

Economic growth is expected to remain subdued, but low interest rates will support certain parts of the housing and construction sectors. Two points noted in our client presentations are becoming obvious. The first is that the Government Budget deficit is going to be much worse than expected and subject to continually increasing revisions. The second is Government's terms will become shorter.

Already we have seen a change in the Victorian Government after one term, and last weekend's election in Queensland has at the very least, seen a vastly reinvigorated Labor Party. This increased rotation is a result of a fall in living standards which is the necessary flipside to the boom times of the early to mid-2000's. Consider this - five years ago it was almost impossible to find

competent, loyal staff. They were all working in commodity based industries whether at mines, or consultancies and other mining spin-offs. Today we are flooded by resumes of excellent quality young people, often unsolicited. Yesterday I was called up by the local newspaper asking for comment regarding a woman who had experienced a cut in income of \$50,000 per year, as mines move from contractors to permanent employees (which are much cheaper).

Readers might think such experiences are limited to regional areas, but remember that the Government budget included plenty of revenue from the mining sector, so public service jobs will be at increasing risk, and Government assets sales (or "leases" as we call them in Queensland!) will become more and more frequent.

None of this is popular. Governments have to cut their cloth by downsizing and selling assets. Unemployment rates will creep up. Business will, more than ever, have to look for ways to become more and more efficient. It's a tough outlook.

Internationally, the globalisation of economics and markets combines with sluggish economic growth and a falling oil price to make the middle and near east more unstable than ever. A penchant for Calvin Klein t-shirts is combining with a massive undermining of an already fragmented power base to see rear-guard actions being fought against the west. The fight is about a decline in the power, influence and identity of the Islamic world. The devil makes work for idle hands, and good economic times mean people have something to do other than wielding

bazookas (you may think this is trite, but not all people in ISIS are stupid. If there was work and opportunity they may well be regaining power and influence - heading up countries or companies (OK, probably as arms dealers) or becoming genuine political agents, rather than leading a hopeless rabble which, if times in their own regions were better, would have day jobs. This issue is not going to go away until these regions are westernised. Bizarrely that means a return to the western-style commerce and industry they were so good at in times long past.

## Markets and Portfolios

The mitigating factors lie in the markets and no-one should underestimate the importance of properly operating markets on our general welfare.



The outlook for a weaker Australian economy means that there is no reason to expect an increase in interest rates. This means money is cheap, and cheap money forgives a lot of sins (until of course it becomes the devil itself). Against a resurgent US economy, low interest rates in Australia suggest continued weakness in the \$A. It has long been my view that too often the currency effect is ignored in its effect on economic growth in Australia. A lower dollar is generally supportive for economic growth, in the cases of education exports and tourism, rapidly so. It also provides a buffer for commodity companies whose product prices are denominated in \$US (so although the \$US **commodity price** falls, it is buffered because the company is getting more \$A for each \$US that they receive).

The oil price is likely to remain lower than over recent years. Shale development means that, on data we

have seen, the US will be self-sufficient in oil by 2018. OPEC, that undisciplined cartel of low cost producers, now controls less than 30 per cent of market output - in the circumstances, not enough to exert monopoly power. This is also a positive for Australia, which relies heavily on domestic and international transport and freight.

Other market based influences include a relentless move toward renewable energy, which internationally is becoming recognised, as at the point of being commercially attractive without subsidy. This is creating massive pressure on energy utilities, and the winners will be the software and engineering companies that can devise technological solutions such that they can overcome the asymmetric line flow of electricity, integrate battery storage into existing grids, and develop real-time software that determines and manages demand levels in existing grids. Make no mistake, the marginal cost of producing electricity is falling toward zero. As a consequence we are witnessing structural change akin to the development of the automobile.

Against this background, it is hard to see interest rates increasing in the short to medium term. The declining \$US value of the Australian dollar will however start to limit the amount by which rates fall further. We will continue to invest in yield based stocks and funds, but following significant price falls, some of the better quality resources stocks are beginning to attract our attention. We will be devoting significant effort to rolling out the solar offering in our managed fund.

## The business

You will, by now have received a letter discussing the repurchase of CIPL (which includes Pentad) from ILH Group, our former parent company. In a nutshell, things did not work out and the ex-shareholders of CIPL are now buying CIPL back. While this is a lot of work for me, there really is little effect on clients. We will continue to progress

with the integration of the two offices, which we expect will bring direct benefits to many clients. One of these benefits arises from the increased use of CIPL's own portfolio system - an excellent system that not only enables us to keep costs to you competitive, but improves our ability to meet all the new obligations imposed on us by legislation.



In order to assist with this continuing integration, Robert Syben has been formally appointed Head of Financial Planning, and Owen Evans Head of Investments. Robert is a senior financial planner with extensive experience in personal financial services and fixed interest, and he has worked in medium sized companies and at the big end of town. He has a special interest in aged care, and will be responsible for all of the personal services side of our businesses.

Owen Evans has been a consultant to CIPL for several years, and many of you will have met him at our seminars. Owen will become head of our investment side, where he will support our investment committees, continue to contribute valuable research and oversee our share trading, dealing and funds management activities. He will work closely with Robert to ensure clients are receiving the best overall investment and personal financial outcomes possible.

Aside from that Julie Rush joins us as compliance manager while Natasha Kuhl has come on board as a portfolio

Amy Gill is moving to Melbourne to provide Morgen with much needed support concerning our life insurance offering. We are all very excited for Amy, and I am sure a good dose of Capital City is just what she needs. Amy's move is a great outcome for both offices – we get to keep a great staff member, and we get the opportunity to groom a specialist in an important and difficult area.



In departures, Roger Cameron and Kevin Piche will be leaving our consulting division. Following the failure of ILH Group, they did not wish to relocate to our other offices and have decided to pursue other

opportunities. Jane Eklund has been a great help to me as Compliance Manager, but has been winding back her hours and will finish up toward the end of February. Bronwyn Nunn is heading off to have her second baby at the end of February. I guess that seems like a lot of change internally, but we have about 30 staff across the firm, and people do come and go. A major focus is to make sure people are multi-skilled, very computer literate and that they have sufficient back-up when they are away. That is a considerable advantage of being bigger and spread across two offices.

**David French**  
Managing Director

## Compliance Update

### Fee Disclosure Statements

The Fee Disclosure Statement (FDS) obligations were introduced as part of the Future of Financial Advice (FOFA) provisions under the *Corporations Amendment (Future of Financial Advice Measures) Act 2012* (FOFA Act No. 1).

Australian financial services (AFS) licensees and representatives of AFS licensees who enter into or have an ongoing fee arrangement with retail clients must provide their retail clients with an FDS on an annual basis.

The FDS obligations must be met for both new and existing retail clients who enter into or have entered into an ongoing fee arrangement.

The obligation to provide an FDS falls on the fee recipient or their assignee.

An FDS must contain information from the previous 12-month period about:

- the amount of fees paid by the retail client;
- the services that they were entitled to receive; and
- the services that they did receive.

For the purposes of the first FDS, the disclosure day will be the anniversary of

the date that the ongoing fee arrangement was entered into.

For all subsequent FDS, the disclosure day is the anniversary of the day immediately after the end of the 12-month period that the previous FDS covered.



The FDS can be given to the client using a range of media and technologies. For example,

- a) giving the client a paper FDS personally;
- b) sending a paper FDS to the client's postal address;
- c) sending an electronic FDS via an email, either in the body of the email or through an attachment; or
- d) sending correspondence with a reference to a secure online portal where the FDS can be found.

You will be provided with your fee disclosure statement either as part of your quarterly report, on a rolling basis (PAS clients only) or you will receive your FDS in due course from our Melbourne office. If you have any questions regarding your fee disclosure statement, please contact Sue or Rose at Capricorn Investment Partners Limited on free call 1800 679 000 or email [enquiries@capinvest.com.au](mailto:enquiries@capinvest.com.au).

**Julie Rush**  
Compliance Manager



## Insurance

### Buying online is not always cheap

Many of us think shopping online is cheaper. This may be the case for many consumer goods, but not life insurance. According to a report by Canstar research, buying directly from the insurer is actually the most expensive way of purchasing protection.

It's difficult to get through a sitting of daytime television without seeing an advertisement for life insurance, all claiming to offer cover at next to nothing. The research, however, demonstrates that not only is cover cheaper when taken out with an adviser or via superannuation, it also offers a far superior benefit.

Canstar obtained quotes on \$500,000 of life insurance for eight individuals, four white collar and four blue collar workers. One male and one female aged 35 and one each at age 45. For blue collar workers, buying insurance via an adviser is the cheapest option. A 35-year-old blue collar male would pay \$390 p.a. via super, \$537 when taking cover directly via a life insurer and only \$351 when taking with an adviser.

When comparing white collar workers, buying insurance via a superannuation fund appeared the cheapest option. However, some superannuation policies certainly have limitations. Some contain 'pre-existing condition' clauses which can limit the ability to successfully claim on a policy and others don't retain the value of cover in place for the long-term. Instead, the value reduces each year when the previous level of cover may still be relevant to the person's needs and circumstances.

Whilst only some superannuation funds carry the 'pre-existing condition' clause, many direct life insurers have this as a standard inclusion of the policy which can be devastating at claim time should proceeds be denied. Value for money is always important and it's no exception when it comes to life insurance.

	Super-white collar	Super-blue collar	Advised Life	Direct Life
<b>Male 35</b>	\$279	\$390	\$351	\$537
<b>Female 35</b>	\$250	\$346	\$278	\$436
<b>Male 45</b>	\$459	\$677	\$611	940
<b>Female 45</b>	\$406	\$598	\$479	\$793

Source: Canstar  
<http://www.canstar.com.au/>

**Morgen Harris**  
National Risk Protection Adviser

## Financial Planning

### Pensioner stamp duty concession (Victoria only)

A common retirement strategy is to downsize the principal residence in retirement. The underlying reason for the change can vary, however common reasons are:

- To free-up some of the equity in the existing property to spend on lifestyle.
- To reduce the maintenance and upkeep requirements.

What many people are unaware of is that they may be eligible for a stamp duty concession when they purchase a new residence for up to \$750,000. **This is a potential savings of up to \$12,870.**

Below, we have outlined the concession cards that provide this entitlement, the requirements to be eligible for the stamp duty concession and the potential savings from the concession.

#### Eligibility

You must hold at least one of the following concession cards:

- Pensioner Concession Card – Eligible for those receiving payments such as the Age Pension, Disability Support Pension and Newstart Allowance.
- Commonwealth Seniors Health Card – Eligible for those who have

reached Age Pension age, meet an income test and do not qualify for a payment (i.e. self-funded retirees).

- Health Care Card – Eligible for those receiving payments such as Parenting Payment, Partner Allowance and Widow Allowance.
- Department of Veteran Affairs Gold Card – Eligible to veterans of Australia's defence force and their widows/widowers.

Only the cardholder is entitled to the concession. A person who is listed as a dependant or partner on another person's concession card is not entitled to duty exemption or concession, unless that person holds his or her own concession card.

For example, If Bill and Jane buy a home together and Jane is not entitled to the stamp duty exemption or concession. Jane will not be entitled to the concession or exemption on her share. The exemption or concession will be apportioned accordingly.

#### Potential Savings

The stamp duty concession provides a full exemption from stamp duty for cardholders purchasing a property up

to \$330,000 in value. A sliding scale of partial exemptions is available for properties with a value of more than \$330,000, but not more than \$750,000 (effective from 1 July 2012).

We have shown the potential stamp duty savings below on various property values.

Property value	Standard duty	Reduced duty	Savings
\$330,000	\$12,870	\$0	<b>\$12,870</b>
\$400,000	\$16,370	\$5,645	<b>\$10,725</b>
\$500,000	\$21,970	\$14,309	<b>\$7,661</b>
\$600,000	\$31,070	\$26,474	<b>\$4,596</b>
\$700,000	\$37,070	\$35,538	<b>\$1,532</b>

### Further requirements

Eligible pensioners must:

- Hold one of the relevant concession cards at the date of the transfer, being the settlement date;
- Purchase the property for market value; and
- Intend to reside in the home as their principal place of residence.

**NOTE:** Eligible pensioners can only receive the exemption or concession once.

The home may be an existing home, a home built under a house and land package, or a home that is built within three years of acquiring the land.

Don't hesitate to contact your adviser if you have any questions or concerns.

### Centrelink Age Pension – Correct Records

It's important to provide Centrelink with accurate records of your assets, both investment and non-investment assets, and that these reflect the current market value. You may be missing out on a slightly higher entitlement by improperly valuing your assets.

### Investment Assets

The value of investment assets such as shares and managed funds are monitored by Centrelink because the share price or unit price changes daily. However, superannuation benefits are updated periodically and it may be beneficial to update Centrelink sooner if for example the balance has reduced significantly as a result of investment returns or a lump sum withdrawal.

### Non-Investment Assets

When you provide the value of non-investment assets such as cars, caravans and household contents to Centrelink, you only need to provide an estimate of the market value. For example, how much would you get if you held a garage sale for your belongings.

This may only be a few thousand dollars as distinct from the insured value of those goods. For cars, use sites such as Redbook as a guide to current trade-in and/or private sale prices for your make and model.

Reducing your assets by \$10,000 can increase your Age Pension entitlement by up to \$390 pa for singles (i.e. \$15.00 pf) or \$195 each for couples (i.e. \$7.50 each pf).

Please contact your adviser if you wish to discuss further.

### Rates and thresholds

The current rates and thresholds for the Centrelink age pension are as follows:

Family Situation	Max entitlement (pf)
Single	\$854.30
Couple (each)	\$644.00

### Assets Test

Family Situation	Homeowners	Non-Homeowners
<b>Single</b>		
Lower threshold	\$202,000	\$348,500
Upper threshold	\$771,750	\$433,000

<b>Couple (combined)</b>		
Lower threshold	\$286,500	\$918,250
Upper threshold	\$1,145,500	\$1,292,000

### Income Test

Family Situation	Assessable Income (pf)
<b>Single</b>	
Lower threshold	\$160.00
Upper threshold	\$1,868.60

<b>Couple (combined)</b>	
Lower threshold	\$284.00
Upper threshold	\$2,860.00

**Michael Roberts**  
Paraplanner

## Client Focus

### South America is an amazing place

South America is an amazing place, a kaleidoscope of colour and movement and landscapes both urban and physical.



There are so many highlights - travelling around Cape Horn on the Stella Australis and landing on Cape Horn, the end of the Americas, the end of the world so say the signs. The glaciers were a sight to behold and while we were at Pia Glacier 2 large pieces fell off (calving, which seems an odd term). The ship only had 189 travellers so it was a very comfortable size and we were kept occupied with information about the next part of the adventure by very well qualified and knowledgeable expedition leaders who could all speak several languages, besides their scientific knowledge. The zodiac skippers were so skilled there was never a doubt when we were on the water.

Buenos Aires is huge. The roads in BA are soooooo wide - 24 lanes in some cases. We walked so far there some days we were exhausted, as there didn't seem to be a direct route anywhere.

The Sugar Loaf Mountains in Rio de Janeiro were stunning. The cable car ride was wonderful. We then walked, bused and funiculared our way to the

173m tall Redeemer on top of the hill opposite. The peak's name actually means hunchback. One thing you do learn is that you will never replicate the photos on postcards and books unless you trip about in a helicopter as professional photographers do. The Sugar Loaf mountains were by far my favourite - the Redeemer is huge and can be seen from everywhere in the city and beyond.

Nothing can prepare you for Iguazu Falls on either the Argentinian or Brazilian side. The 1.7 miles of falls with 270 falls along the distance exhibit such power, might and magnificence. The town of Iguazu on the Argentinian side was like a drag queen - all glitz and 'glamour' at night, only to appear tawdry and unrecognisable in the morning.



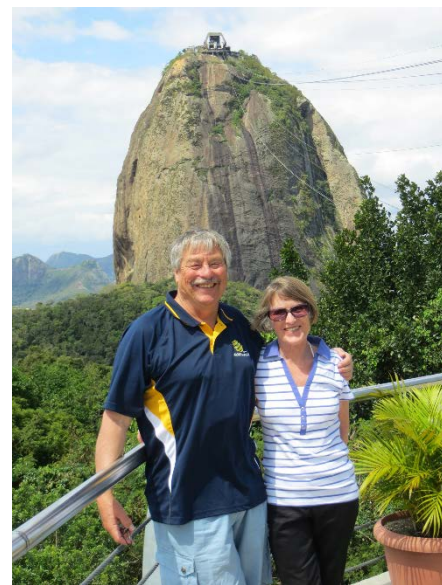
Every time you think what you have seen cannot be matched something else turns up. We flew to Puerto Maldonado via Lima in Peru, half an hour's drive from the boat that took us to our Amazon adventure. No electricity in our cabins and no hot water, 40-degree heat and high humidity. The first morning we got up at 2.30am for a 3am departure to see birds swarm to the clay lick, a 2-hour boat ride up stream. Unfortunately a snake or some other predator warned them off and 4 hours later we returned to camp. I used earplugs as the noise of the forest is deafening at dawn.

We flew to Cuzco to acclimatise to the altitude of 3,400 metres. I had a bit of a hiccough at the start but from the following day things got a lot better. We had several days wandering around

the city, especially the old part. The main church has so much gold leaf and solid silver it's a wonder it doesn't tilt. The cedar is easily carved and then covered in gold leaf. There were several examples of wealthy families building their own altars along one side. They could do far more for the general population by spending it on schools and hospitals.

The citizens of Cuzco fashioned a black Christ for their cathedral, but the church in Rome wouldn't have it so the locals made him into the saint for Cuzco. Many Peruvians worship the Catholic faith plus the Inca animistic religion in unison. I can't understand how they can given what the Spanish Catholics did to their Inca heritage - tore everything down and built churches on the same spot with the Inca's stone work.

We travelled by bus through the Sacred Valley to Ollantayambo for 3 nights before going on to Machu Picchu by train. The train running along the valley next to the raging river with huge boulders between peaks of the Andes was a memorable experience. We had climbed so many steps up Inca ruins that we were truly ready for the rigours of Machu Picchu. It was as fabulous as we had hoped.





In Peru and Bolivia taxes are paid on partially completed homes depending on their size, number of doors and windows etc. However you don't pay the whole requirement until the house is finished. So in the last census 4 years ago 95% of houses in Juliaca remain unfinished. It is an appalling sight. Row upon row as far as the eye can see is covered in housing with steel reinforcing rods sticking out the top to show they aren't finished. No rendering, no painting, just red bricks.

From Puno to Lake Titicaca, which is the highest navigable lake in the world. It is 8,300sq kms in area, 170 km long and 67km wide. We had an all day trip on the lake to see the reed communities that live on pontoons constructed of reeds as well as their boats and houses. It takes 5 men one week to construct a boat and 5mths for it to disintegrate. The communities were quite small and dwindling but the tourist industry has greatly expanded their area. There are 3 types of communities, those that live the life and don't mix, those that live on the pontoons and embrace tourists and those who go to the pontoons during the day and high tail it back to their houses, electricity and television on the edge of the lake when the last tourists have gone each day. At least it has meant better lives for their children through better education.

The following day we left Puno for Bolivia via a 6-seater vehicle to the border. En route we visited a livestock yard where all the animals are traded. The traditionally dressed women in Peru and Bolivia have been endlessly fascinating to me. I just couldn't get enough of trying to study them. They work so hard, carry so much and are very strong. The men weren't interesting - or very few of them anyway.

After we crossed the border into Bolivia we were on another bus to Copacabana, then a hydrofoil to Sun Island, then Moon Island and finally onto a tourist type bus to La Paz.

The 158km from the hydrofoil depot to La Paz was amazing. It was a huge plain

above tree level so the only vegetation was very low tufted grass. All along we could see the Andes with snow-capped peaks and looking back from where we'd come there was this endless snow-capped range. The size and magnitude of the Andes that run the length of Sth America have such an impact and are so impressive.

It is 4,000m above sea level. We managed really well. La Paz is amazing. The city of La Paz is very uphill and down dale. The town around it is called Alto and it is as flat as a tack. La Paz

looks like it's in a crater. Houses cling to the sides of hills that look like they are rapidly eroding. The landscape on the way up to a place called the Moon, made of clay, was far more interesting. When it rains the clay changes and it really is a weird place.

It has been an amazing journey, full of colour and wonderful experiences. One word of advice, try to avoid early morning flights as you will be heading for the airport at 2.30am or thereabouts for a 3 + hour wait.

Ian Harding and Merideth deMamiel



## Investment Briefs

### WPL



One of the most noticeable market movements of 2014 was the collapse in the price of crude oil. The commodity began the year trading at \$98.50 per barrel but ended the year some 45% lower to trade at \$53.70. Oil has continued to fall, with the last price recorded at \$44.40. The move which caught many by surprise was predominately on the back of OPEC's decision not to curtail supply. OPEC's philosophy was for the organisation to maintain market share and in turn affect the supply coming on stream from the US thereby impacting prices. As expected, Australian oil and gas companies have borne the full brunt.

Since crude oil's 2014 peak (and subsequent 60% decline), Santos (STO) has fallen by 48%, Origin Energy (ORG) by 27%, Oil Search (OSH) by 22% and Woodside Petroleum (WPL) by a comparatively solid 20%. Clearly OPEC is attempting to flood a large number of US shale producers out of the market. The IEA forecast that the marginal cost of production of US shale is between \$60 - \$80 per barrel. At current market prices, a large portion of US shale production isn't viable.

As investment managers, we need to make educated forecasts to assist our investment decisions. With a marginal cost of production significantly above the current crude oil price, we believe an amount of supply will leave the market in turn lifting the price of oil. As a result, we believe the market may have overextended to the downside over the medium term.

We began building positions in WPL back in 2012 on the anticipation of one of the company's main projects, Pluto coming on stream. This meant that WPL would soon have greater capacity to finance distributions to shareholders and with a depressed share price this presented a good opportunity. This came to fruition and WPL management have increased dividends healthily. We still believe WPL is

a good investment at these levels and for slightly more risk tolerant investors, the current weakness may present a good opportunity.

### WOW



Debate has ensued recently about the future of the Australian supermarkets industry. The industry is dominated by two players Woolworths (WOW) and Coles (owned by Wesfarmers (WES)) who between them currently hold 72.5% market share. However, the recent strong performance from German discount grocer Aldi has had some asking questions about the longevity of the former two's market dominance.

Aldi has certainly bounded ahead in terms of total market share. It has grown from 2.9% share in 2005 to 10.3% in early 2014. The company offers product sometimes at a steep discount to both WOW and Coles and has been able to attract market share in times of a softer economy. However, it is important to work out which operators Aldi has predominately taken market share from. Although WOW has lost market share since 2005 (from 40.2% market share to today's 39%) Aldi has taken most of its market share from the independents (6.4% in fact) which have seen their market share decimated from 14.1% in 2005 to 7.7% today.

We are very favourable of the WOW investment thesis. The supermarket chain has many investment characteristics that we admire. A wide economic moat (dominance alongside Coles in the Australian Supermarkets industry) translates into what has been a consistently elevated return on total assets. We have taken advantage of the recent share price weakness to build on existing positions in the company. WOW also offers a very competitive dividend yield of 6.1% (inclusive of franking).

### FLT



The internet has been a major disruptor in many industries. It has essentially decimated print media and is having wide reaching impacts on other industries such as traditional department stores. One company that would be expected to be in the firing line is travel agency group Flight Centre Travel Group (FLT). FLT is in the business of on selling holiday packages, flights and corporate travel predominately through its many bricks and mortar stores.

We have seen the shakeup of the travel industry through the proliferation of the internet causing many customers to now search on line for flights and accommodation. However, instead of becoming yesterday's news, FLT has thrived. Its business model is based on a small footprint of stores staffed with ambitious sales people earning commissions. This has resulted in a more personable service level which the internet cannot offer. Furthermore, customers are seeking out FLT for more complex transactions involving hotels and multiple flight legs.

FLT has been a stellar performer since listing on the ASX. It currently enjoys a return on equity in excess of 23% and a healthy free cash flow yield of 4.5%. The share price has struggled of late due to a cyclical downturn in travel expenditure. However, stronger results from its international operations and more affordable travel due to the falling crude oil price should provide some buffer. We have confidence the FLT bricks and mortar model will continue to work into the future however as some form of insurance the company is employing a hybrid online model to complement its current offering. FLT also offers an attractive 5.8% dividend yield (inclusive of franking).

**Lachlan McKenzie-McHarg**

Adviser Equities Dealings and Research



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## CHART PACK

Information at a glance

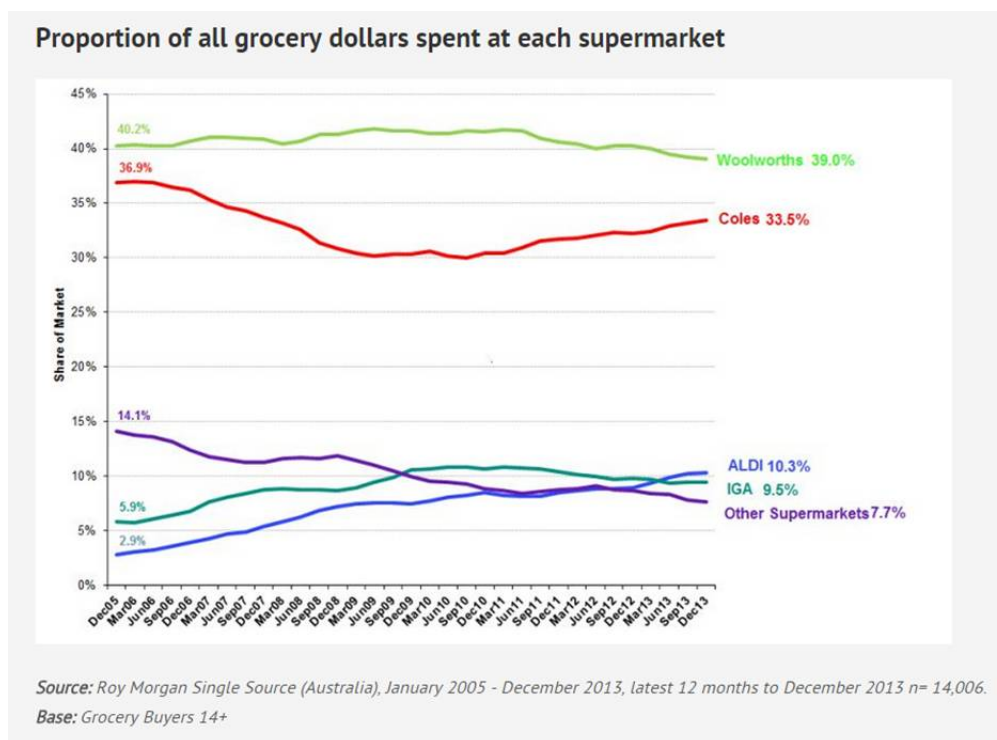
### Crude Oil - Falling down the well



Source: ProfitSource

Crude oil has collapsed, falling 55% in the last eight months alone.

### Retail - Credible third player?



Source: Roy Morgan

Aldi's success has broadly been at the independent supermarkets expense



## CHART PACK *Information at a glance*

### Going against the grain



**Source:** Trading Economics

Despite rhetoric from the Fed (increasing interest rates) the US 10 Year Government Bond Yield continues to decline in yield.

### All time low for Australian interest rates



**Source:** Trading Economics

RBA cuts in February on weakness in the economy and slowing global growth

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