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Brochure



CAPSTONE WEALTH MANAGERS



Company Profile:

Capstone Wealth Managers

Wealth Management

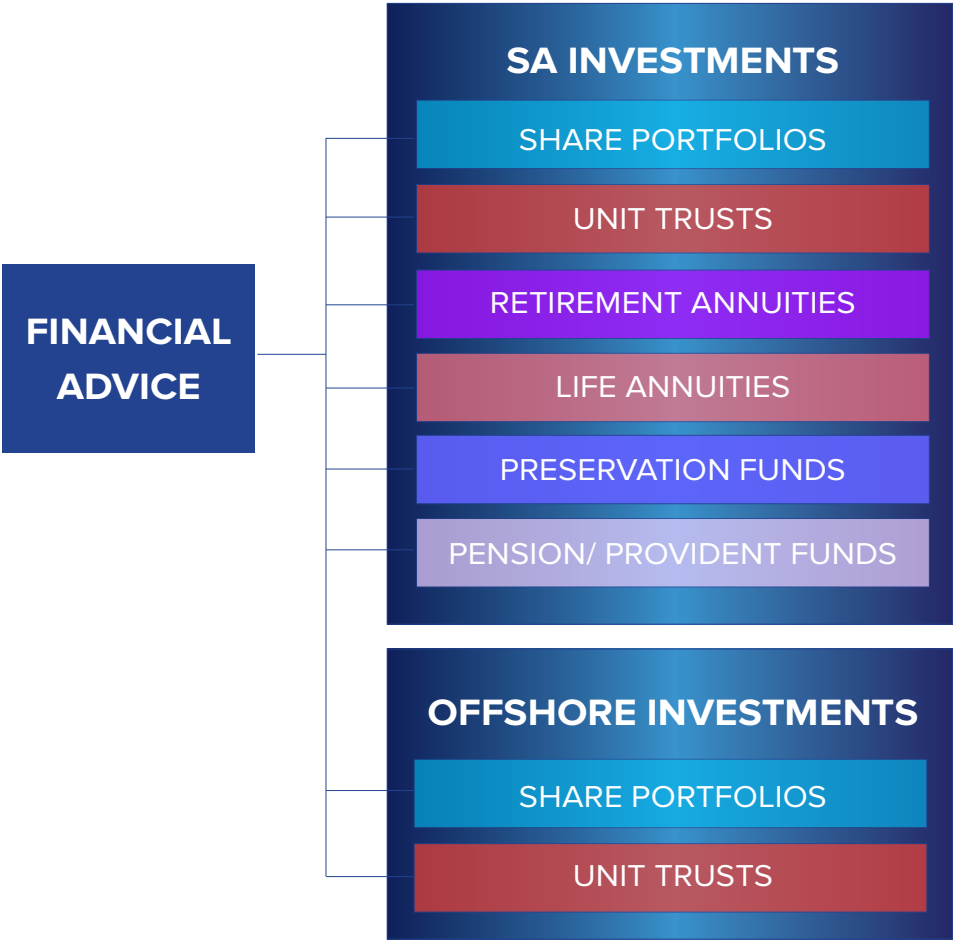
*“A professional service which
is the combination of
financial & investment advice,
accounting & tax services,
and legal & estate planning
for one fee”
~ definition*

History

Capstone 293 (Pty) Ltd was registered in 2004 as Category II Financial Services Providers The company began in 2004 with less than R20 million in investments and has grown the client assets to R1.6 billion at the end of 2021 under the care of six financial advisors and two investment managers.

Financial Advisors

Capstone has a team of well qualified financial advisors with a number of years of experience in all aspects of investment planning. Four of the six financial advisors are Certified Financial Planners® and are able to provide ongoing financial advice on the following investment products:





Our advisors are focussed on long term strategic financial advice where consideration is given to change of life circumstances, tax and inflation concerns in our strategic financial plans. We believe that a well constructed strategic financial plan is very important in meeting long term financial goals. Whilst there are many ways to generate a return on investment it is the quality of the strategy that will determine whether you will achieve your goals.

We are passionate about service and, after the initial investment is finalised all our financial advisors apply a client appointment rotation model whereby our clients are visited on a regular basis to keep track of investment performance and if necessary make adjustments to the portfolios.

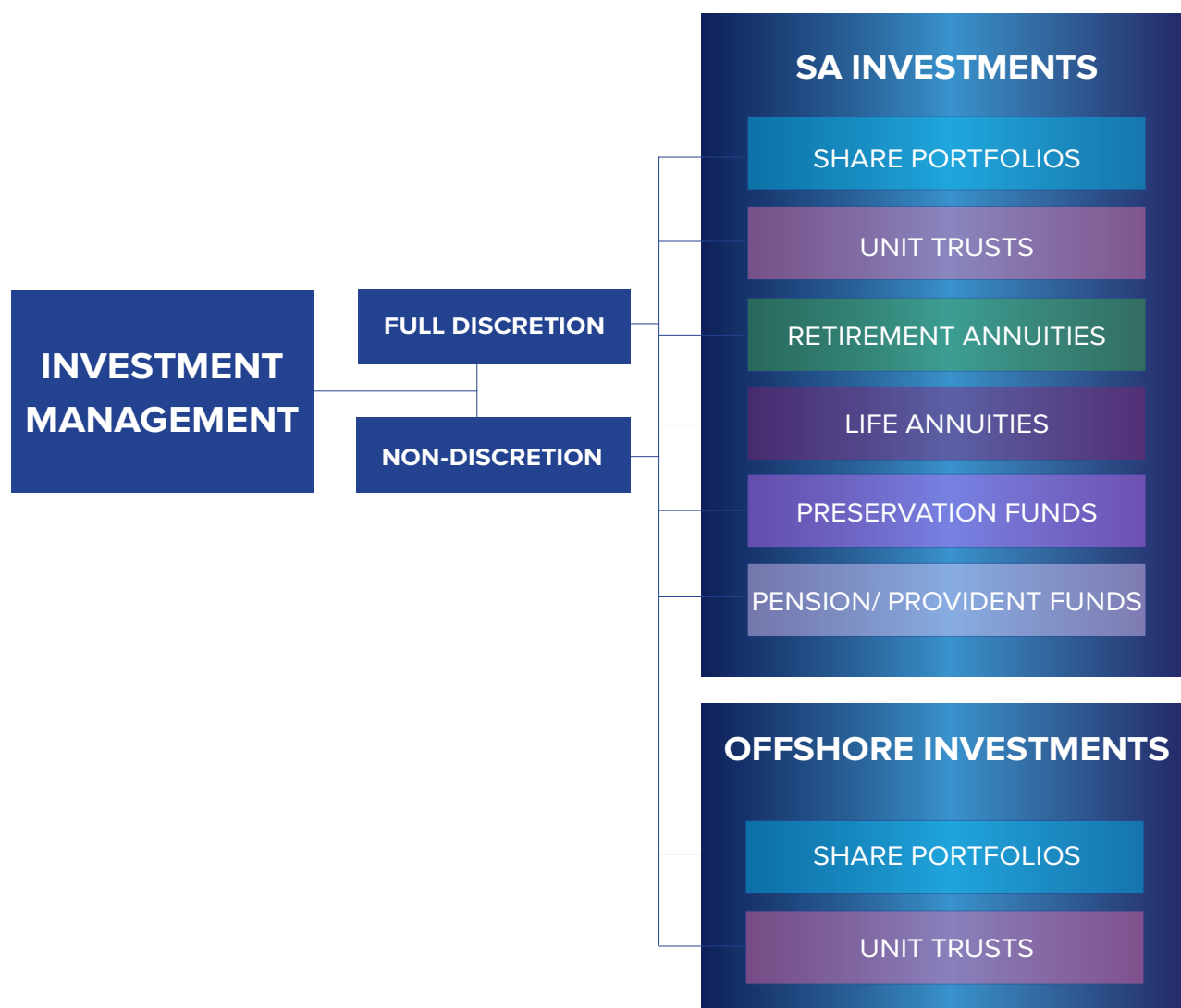
Investment Management

As a Category II Financial Services Provider, Capstone has a licence to manage collective investments, shares & money market instruments and multi-asset funds. We manage two risk profiled investment portfolios, four share portfolios each of which caters for different client needs and two equity linked notes through Rand Merchant Bank.

Capstone has an internal investment committee made up of two CFA Charterholders and an economist. Capstone has a few strategic alliances with other investment professionals who provide investment consulting services in areas that the core team are unable to cover in detail. The investment team manages the following portfolios together with assistance from outside consultants:

TYPE	PORTFOLIO	DESCRIPTION	IDEAL INVESTMENT TERM
MULTI ASSET FUNDS	CAPSTONE BALANCED FUND	A multi manager portfolio designed to beat average medium equity fund over a rolling 5 year basis. The portfolio is Reg 28 compliant.	5 YEARS PLUS
	CAPSTONE CAUTIOUS INFLATION +3% WRAP FUND	A multi manager portfolio designed to out perform CPI + 3% over a rolling 3 year basis. The portfolio is Reg 28 compliant.	3 YEARS
	CAPSTONE ULTRA HIGH DIVIDEND MODEL	A very high dividend paying equity portfolio designed to pay income to investors who are looking for a high level of income with the prospect of some capital growth over time.	5 YEARS PLUS
	CAPSTONE SA HIGH DIVIDEND MODEL	A high dividend paying equity portfolio designed to pay dividend income to investors and generate long term capital growth	5 YEARS PLUS
	CAPSTONE OFFSHORE HIGH DIVIDEND MODEL	An offshore high dividend paying equity portfolio designed to pay income to retired investors and generate long term capital growth	5 YEARS PLUS
	CAPSTONE OFFSHORE GROWTH MODEL	An offshore share model that aims to generate above average capital growth over the long term	5 YEARS PLUS
EQUITY LINKED NOTES	RMB STARMINE GROWTH NOTE	An SA equity portfolio managed on a quantitative multi factor model	5 YEARS
	RMB DEEP VALUE EQUITY NOTE	A specialist portfolio that is made up of deep value shares that should recover over a period of 3 - 5 years	5 YEARS PLUS

Clients have the option to have their investments managed on a non-discretionary or a full discretionary basis. Managing on a non-discretionary basis will entail a relationship where the financial advisor will provide the client with an overview of investment performance and ongoing advice on the most suitable investments for the client. Full discretion defines a relationship where the client permits Capstone to manage the investments on their behalf without having to revert back to the client to make changes to the underlying portfolios. At the regular review meeting the financial advisor will report back on the changes made and the prospects going forward. Clients can amend their agreements between the two relationships at any time.



Other Services:

Banking Services - Capstone operates the Investec Corporate cash manager system which provides you with access to a full suite of Investec Private Bank's savings vehicles at very competitive rates.

Stockbroking - Capstone operates a full stockbroking service to investors dealing in local and offshore share portfolios. Capstone is able to provide share dealing and portfolio management services for clients on a discretionary or non - discretionary basis.



Fee Structure: Capstone Investment Fee Structure

Capstone's fee structure includes an upfront fee or "fee for service" and an ongoing service fee on all investments.

The fee for service is a fee charged for financial advisory and intermediary services provided to new or existing clients where the work undertaken is not covered by an ongoing service fee.

Our ongoing service fees are based upon your portfolio value and are charged in arrears. The fee represents our primary remuneration and is received over the long term rather than up front, which makes us more accountable for our advice and ongoing services.

Option 1 - Financial Advisory Fees

Initial Fees	Fee %	Cumulative Fee	VAT
0 - R100,000	2.50%	R 2,500	R 2,850
R100,000 - R250,000	2.00%	R 5,500	R 6,270
R250,000 - R500,000	1.50%	R 9,250	R 10,545
R500,000 - R1 million	1.00%	R 14,250	R 16,245
R1 million plus	0.50%	Based upon Investment Sum	
Annual Fees			
All amounts	0.50%	VAT inclusive fee	0.57%

Option 2 - Financial Advisory Fees

Initial Fees	Fee %	Cumulative Fee	VAT
0 - R500,000	1.50%	R 5,000	R 5,700
R500,000 - R1,000,000	1.00%	R 7,500	R 8,550
R1,000,000 plus	0.50%	Based upon Investment Sum	
Annual Fees			
All Amounts	0.75%	VAT inclusive fee	0.86%

Investment Management Ongoing Fees

WRAP Fund Portfolio Management Fee	0.30%	VAT inclusive fee	0.34%
Share Portfolio Management Fee			
R0 - R10,000,000	1.00%	VAT inclusive fee	1.15%
R10 000 000 plus	0.50%	VAT inclusive fee	0.58%

Brokerage Fees

Managed Accounts	0.3%	VAT Inclusive fee	0.34%
Non Managed Accounts	0.5%	VAT Inclusive fee	0.57%

"Capstone will not charge an investor a fee for an introductory meeting. The purpose of the meeting is to introduce the company, discuss the investor's needs and explore ways in which the company can meet those needs. This discussion will include the anticipated fees for any service to be provided".



FAIS Disclosure: Disclosure in terms of the FAIS Act No37 of 2002

As a prospective client you have the right to information relating to our professional services as required in terms of the FAIS Act. Please note that this is an important document and is to be read carefully. You may be asked to sign an acknowledgement of receipt and understanding.

Capstone 293 Pty Ltd (Capstone) is a licensed Financial Services Provider, license number, 5712.

A copy of the license is available upon request.

Authorised Representatives

Capstone has duly authorized the individuals below to render advice and intermediary services as defined in terms of FAIS in respect of the following FAIS Product Categories:

Key Individuals	CAT I	CAT II
Wayne Smith	•	•
Hanneke Ferreira	•	•
Representatives	CAT I	CAT II
Wayne Smith	•	•
Hanneke Ferreira	•	•
Nico Greyling	•	
Leon Louw	•	
Karimma Erasmus	•	
Wynand Du Toit	•	

Capstone has the necessary controls and procedures in place to ensure that the Key Individuals and Representatives comply with the prescribed FAIS Fit and Proper Requirements (including experience, qualifications, regulatory examinations and honesty and integrity requirements).

Capstone accepts legal responsibility for the rendering of the Services by the said Representatives and notes that some of its representatives may be acting under supervision.

Exemptions with regard to any matter covered by the FAIS Act

The following exemptions were granted to Capstone by the Registrar:

1. Exemption of investment managers and linked investment services providers and their related functionaries from fit and proper requirements (Board Notice 97 of 2003)
2. Exemption of financial services providers as regards to representatives (Board Notice 95 of 2003)
3. Exemption of licensees as regards the display of certified copies of licenses (Board Notice 40 of 2004)
4. Exemption of licensees as regards to references to licenses in business documentation (Board Notice 71 of 2004)

Financial Services and Products

Capstone is authorized to render advice and recommend financial products in respect of the financial product types listed below:

	FAIS CATEGORY I	FAIS CATEGORY II
Long Term insurance Subcategory A, B1 & B2	•	
Long Term insurance Subcategory C		•
Retail Pension Benefits	•	•
Pension Funds Benefits (excluding retail)	•	•
Shares	•	•
Money Market instruments	•	•
Participatory interests in Collective Investment Schemes	•	•
Participatory interests in a Hedge Fund	•	•
Short Term Deposits	•	
Long Term Deposits	•	

Contracts with Product Suppliers

We offer financial products from a number of product suppliers. For a listing of these suppliers please see Annexure A.



What will you have to pay us for our services?

Our fee disclosure is contained in this brochure and will be discussed before we conclude any business with you.

Compliance with Financial Advisory and Intermediary Services Act “FAIS”

Capstone uses internal and external compliance officers to ensure compliance with the FAIS Act and associated legislation. Our external compliance officers are Compli-Serve SA (Pty) Ltd, a licensed compliance practice.

Confidentiality

Where applicable all information will be kept by Capstone on a confidential basis and will not be made available to third parties by Capstone unless so authorized by the client beforehand or if Capstone is required to divulge such information in the public interest or under any law.

Conflicts of Interest

In accordance with Capstone conflicts management policy Capstone places a high priority on its clients' interests. As conflicts of interest affecting clients could undermine the integrity and professionalism of our business, any instances must be identified as early as possible. If conflict situations cannot be avoided, they must be managed equitably and in the client's interest. Detecting potential or recognized conflicts of interest that could compromise the interest of its clients and managing and limiting the impact of conflicts of interest therefore constitute an integral part of Capstone's duties and obligations.

Potential conflicts of interest are inherent in any business and therefore it is not the aim of Capstone to avoid all conflicts but rather to take steps to identify and manage conflicts of interest to ensure that our clients are not unduly prejudiced. Capstone maintains an active Conflicts of Interest Management Policy which can be obtained on the website (<http://www.cstone.co.za>).

Complaints

In the event that you are dissatisfied with any aspect of our service you may contact our offices at the address shown at the end of this brochure.

Should you wish to pursue a complaint against an authorised representative of Capstone you should address your complaint in writing to Wayne Smith a registered key person of Capstone again at the address shown at the end of this brochure.

If you cannot settle your complaint, you are entitled to refer it to the FAIS Ombud. The Ombud has been created to provide you with a redress mechanism for any inappropriate financial advice that may have been given to you.

Contact particulars of the Ombud:

PO Box 74571, Lynnwood Ridge 0040, Tel 012 470 9080

Fax 012 348 3447, info@faisombud.co.za , www.faisombud.co.za

Professional Indemnity and Fidelity Insurance

Capstone Wealth Managers holds professional indemnity and fidelity insurance cover.

Basis of Advice

In order for us to provide you with appropriate advice and financial products it is important that you give us sufficient particulars of your financial affairs. Failure to make a full disclosure could result in our advice being compromised and may result in you making a financial commitment to a product inappropriate to your needs and objectives. To help ensure that you make a financial commitment to a product that is appropriate to your needs you are strongly advised to provide your advisor with all the necessary documentation and information that you require before you make a final decision.

Advice Documentation - You are hereby advised and cautioned that, unless otherwise agreed, any advice, quotation recommendation or variation thereof that you receive in writing from Capstone that it shall not be used as a basis of advice subsequently concluded with another Financial Services Provider.

In the event that you elect to present the Advice Documentation to another Financial Service Provider, Capstone takes no responsibility for the appropriateness of the final advice offered by any subsequent advisor.

Financial Intelligence Centre Act (FICA)

Please note that in terms of the Financial Intelligence Centre Act (FICA), Capstone is obliged to report suspicious and unusual transactions that may facilitate money laundering to the authorities.

Annexure A: List of Product Suppliers

Allan Gray Investments	
Boutique Collective Investments	BCI Collective Investments
	Boutique Investment Partners
Coronation Asset Management	
DMA (SAXO Bank)	SA and Offshore Capital Markets
Investec Plc	Investec Private Bank
	Investec Securities
Momentum Group	Momentum Wealth
	Momentum Funds at Work
Mi-Plan (Pty) Ltd	
M&G Asset Management	
Ninety One Asset Management	
Old Mutual Plc	
Prudential Asset Management	
RMB	Asset Management
	Ashburton Investments
Sanlam Ltd	Glacier Investments
	Sanlam Private Wealth (SPW)
	Sanlam Umbrella Fund
Sasfin Ltd	Sasfin Securities
	Sasfin Bank
Stanlib	
Sygnia	

Capstone 293 (Pty)

Limited Reg. No.

2001/023109/07

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