

Disclosure Document for Fenton R Peterken

Part 4 of the Securities Market Act 1988

Disclosure Statement of *Fenton R Peterken*

Company/Trading Name: Capricorn Financial Services Ltd

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This statement was updated 22 February 2008

Introduction

In accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007, this Disclosure Statement provides you with information and answers to questions about Capricorn Financial Services Limited and the individual investment advisers detailed at Appendix C. It provides details about:

- The services they can provide;
- How they operate;
- What investment products they are able to sell you;
- Which financial organizations they are able to place business with; and
- How they are remunerated;

This document complies with the disclosure requirements under the Securities Markets Act 1988 and sets out the disclosure required to be made in relation to your financial adviser.

Professional Indemnity Insurance Cover

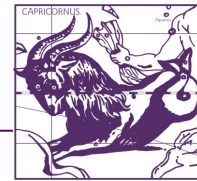
In compliance with the Institute of Financial Advisers Code of Ethics and its By-Laws, I carry professional indemnity and public liability insurance covering my activities as a chartered accountant and investment adviser.

As with all insurance, this cover has limitations and is subject to certain exclusions and terms and conditions.

This policy provides insurance cover against breach of professional duty by Capricorn Financial Services Limited and / or its principal officers. The policy is organized through C&G Rothbury, insurance brokers.

Dispute resolution facilities

Any potential complaints are best directed to Fenton Peterken at Capricorn Financial Services Limited in the first instance. Fenton is the Managing Director of Capricorn Financial Services Limited. If a satisfactory resolution cannot be found, the Institute of Financial Advisers has a complaints resolution procedure for your protection. They can be contacted on (04) 499-8062 at any time during normal business hours (8.30 am to 5.00 pm) or, PO Box 5513, Level 9, Willbank House, 57 Willis St, Wellington.



No Criminal Convictions

None of Capricorn Financial Services Limited or any of its principal officers or investment advisers (including the investment advisers detailed at Appendix C) has been, within the last five years:

- a. Convicted of an offence under the Securities Act 1978, the Securities Markets Act 1988 or the Investment Advisers (Disclosure) Act 1996, or of a crime involving dishonesty (as defined in Section 2(1) of the Crimes Act 1961)
- b. A director or principal officer of a company that committed an offence under any of the Acts listed above or an offence involving dishonesty as defined above
- c. Adjudicated bankrupt
- d. Prohibited by law from taking part in the management of a company or a business
- e. The subject of an adverse finding by a court in any proceeding taken against me in my capacity as an investment adviser, or
- f. Expelled from or have been prohibited from being a member of a professional body

Furthermore, Capricorn Financial Services Limited has not been placed in statutory management or receivership in the preceding five years.

Fees and Remuneration

The fees you will have to pay Capricorn Financial Services Limited are set out in Appendix A

Any remuneration received by Capricorn Financial Services Limited is used to pay the costs incurred in providing advice e.g.: office, staff and marketing costs along with his personal remuneration. Capricorn Financial Services Ltd and its principal officers or investment advisers are eligible to receive brokerage, bonuses and non-monetary payments from product providers in relation to the sale of products. Details on these payments are provided in Appendix A and B.

The Principal Officer of Capricorn Financial Services Limited also provides staff information / retirement seminars for both small and large corporations. These are invoiced at an agreed rate. Topics vary according to the request. We are also willing to speak to Community Service groups at no charge.

Other Interests & Relationships

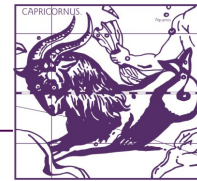
Capricorn Financial Services Ltd is the corporate Trustee for Capricorn Investment Trust which has as its beneficiaries the Trustees of the Capricorn Trust.

Capricorn Financial Services Ltd has no tied arrangement with any product provider. Capricorn Financial Services Ltd is independently owned and operated. Accordingly all investment recommendations are based upon a clients need.

Part 4 of the Securities Market Act 1988 requires advisers to disclose any direct or indirect interests which could possibly have some relevance in providing investment advice to you.

1. Fenton Peterken is the Managing Director of Capricorn Financial Services Ltd and Settlor of both the Capricorn Investment Trust and the Capricorn Trust. He is also the Managing Director & Founding Shareholder of Capricorn Chartered Accountants Ltd and Capricorn Corporate and Trust Administration Services Ltd which provide Accounting and Business Administration Services.

None of Capricorn Financial Services Limited nor any associate, including the individual investment advisers detailed at Appendix C, have any other financial or other relationship with any other person that would be reasonably likely to influence them in giving advice, except as described above.



Investment Product Providers

Capricorn Financial Services Limited and the individual investment advisers listed at Appendix C may place investments with almost any investment provider. Investment products will have the normal supplier/intermediary relationship that does not entail a detailed agency agreement to be signed. Appendix A to this statement lists those investment products which Capricorn Financial Services Limited and the individual investment advisers listed at Appendix C places investments with, as well as the remuneration payable to those companies for those placements.

Securities about which advice is given

Capricorn Financial Services Limited or any of its principal officers or investment advisers (including the investment advisers detailed at Appendix C) provides advice on comprehensive range of securities available in New Zealand.

If advice is required on an investment outside our normal field of expertise, we will either advise accordingly or undertake appropriate research or engage other professionals as required in order to provide such advice depending on the particular type of service provided.

Extent of Service

Capricorn Financial Services Limited and the individual investment advisers listed at Appendix C only give advice on products as shown above and provides only general advice on legal and tax matters as part of the investment process, referring these areas of inquiry onto suitably qualified persons for specific advice.

Money Handling Procedures

The following system and procedure is used for receiving client funds:

- a. Neither Capricorn Financial Services Limited nor any of its principal officers or investment advisers (including the investment advisers detailed at Appendix C) operate a Client Trust Account. All investment monies received from clients will be delivered to the appropriate product issuer for processing as soon as practicable after being received from the client. All property will be dealt with in a confidential and secure manner.
- b. All money that is to be invested will be via cheque and the cheque is to be written out directly to the product provider or their nominee and crossed "not transferable account payee only". We will provide a receipt for this cheque in the form of photocopying your completed cheque and signed application form and retaining this copy in your personal file.

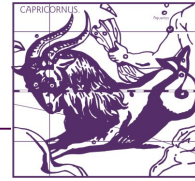
The records which we keep that relate to the investment of money are:

- a. A photocopy of the completed cheque and application form which is kept in the client's personal file. These records are maintained in either hardcopy or electronically.
- b. We manually update the client's personal file with details of the investment.
- c. During normal working hours (8.30 am – 5.00 pm Monday to Friday), all clients have access to their personal file should they wish to check the accuracy of the information contained therein.
- d. An auditor is not employed as we are not holding nor do we operate a Trust Account.

Declaration

Capricorn Financial Services Limited declares that this document complies with all the requirements of the Securities Markets Act 1988 and that the information in this statement is accurate and up-to-date as at the date of this statement and incorporates the minimum standards of disclosure, in terms of the Code of Ethics and Practice Standards required by the Institute..

Appendices: Fees (A)
Other Interests and Relationships (B)
Adviser Experience, qualifications and Remuneration (C)



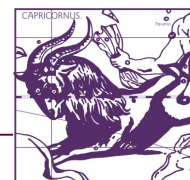
CLIENT ACKNOWLEDGEMENT

I / We, _____ acknowledge receipt of the disclosure statement for Capricorn Financial Services Limited and the individual investment advisers listed at Appendix C.

[signature]

[date]

[client name]



APPENDIX A – Fees
to the Disclosure Statement for Capricorn Financial Services Ltd

Fees and brokerage payable by clients

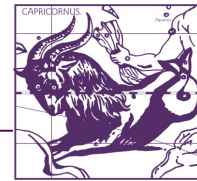
Capricorn Financial Services Limited does not charge any fees or brokerage to persons who make investment subscriptions using offer documents supplied by the company. Fees and brokerage are paid by the product provider.

New issues including initial public offers for shares, debentures, bonds, notes and other securities – no brokerage, commission or fee is payable by investors to Capricorn Financial Services Limited or its employee advisers.

Units trusts and other open ended managed funds – for fees deducted directly from individual subscriptions by the fund, issuer or promoter and which are payable to Capricorn Financial Services Limited by those parties, the company may instruct issuers, managers and promoters, as the case may be, to reduce the rate of entry fees applicable to each investor so that they are no more than 2.5 % of the sum invested and may be less in specified circumstances. No brokerage, commission or fee is payable by investors to Capricorn Financial Services Limited or its employee advisers under this section.

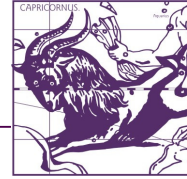
Capricorn Financial Services Limited is eligible to receive commissions from the product providers on the following products. The following table of fees / brokerages is the maximum received from the product providers and in many instances these may be discounted, particularly if a client is investing large sums of money.

Product	Product Provider	Maximum Initial Brokerage as a %	Ongoing % of total investment
Direct Fixed Interest & Direct Equities	Goldman Sachs JB Were	0.75	Nil
Unit Trusts	B T Funds Management	2.5	0.35
	B T Funds Management NZ	4	0.35
	ING (NZ)	5	0.25
	Tower	5.5	0.25
	AXA	5	0.25
	Private Portfolio Service	5	1
	ING & SIL KiwiSaver	Nil	
	Income Conservative Growth		0.15 0.2 0.25
Cash Management Trusts and Fixed Interest Investments	Government Guaranteed Kiwi Bonds	6 mths 0.25 1 yr 0.375 2 yr 0.50	Nil
	South Canterbury Finance	6 mths - 0.25 12 mths 0.50 18 mths 0.75 24 mths 1.0 36 mths 1.50	Nil
	Marac Finance	6 mths 0.25 12 mths 0.50 18 mths 0.75 24 mths 1.0 36 mths 1.50	Nil
	UDC Finance	0.25 % pa in arrears	Nil



APPENDIX B - Other Interests and Relationships
to the Disclosure Statement for Capricorn Financial Services Ltd

Periodically, Capricorn Financial Services Limited and its employee advisers detailed at Appendix C may receive certain non-monetary benefits from product providers. This could include items such as a bottle of wine at Christmas time, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events etc.



Appendix C – Adviser Experience, Qualifications and Remuneration to the Disclosure Statement for Capricorn Financial Services Ltd

Name	Experience	Qualifications	Remuneration
<p>Fenton Peterken</p>	<p>Fenton Peterken has been providing investment advice in various forms since 1994. He is the managing director of Capricorn Financial Services Ltd which is the corporate trustee for Capricorn Investment Trust which was formed in 2006. Fenton Peterken is a member of the Institute of Financial Advisers Association Inc (IFA). He is also a qualified Chartered Accountant and Member of the Institute of Chartered Accountants of NZ (ICANZ) since 1995 having obtained his degree in 1991.</p>	<p>Fenton has satisfied all the requirements to hold Public Practice certification and has agreed to abide by the IFA Code of Ethics and Professional Conduct. Fenton Peterken has the following additional relevant qualifications:</p> <p>Diploma in Business Studies (Personal Financial Planning) 1995</p> <ul style="list-style-type: none"> • Fenton Peterken was awarded the qualification of MRIAFP - Member of the Registry of the Investment Advisers and Financial Planners Assoc. in 1996. • He attended and passed with Honours Qualifications the FPG Introduction to Financial Planning Course in 1994 <p>And has kept his financial planning qualifications up to date by:</p> <ul style="list-style-type: none"> • Attending the mandatory number of certified training hours as per the IFA Standards of Professional Practice; • Regularly attending financial planning conferences and roadshows. 	<p>Fenton Peterken is paid a fixed monthly salary</p>