



FOREIGN INVESTMENTS WITH A DIFFERENCE!

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One of the outcomes of the international financial crisis is that governments and financial regulators are tightening up the legislation and the policing of financial institutions. This is not surprising, because the main problem behind the world wide credit crunch resulted from unscrupulous lending practices by banks.

South Africa has been a world leader through relevant legislation so that the impact of the past two years did not affect the local financial institutions in the same severe way as in the Northern Hemisphere. The Financial Services Board, as Regulator in South Africa, is also doing an excellent job in its myriad of compliance functions.

The standards set by the Regulator for individuals and legal entities to stay involved in the financial services markets are becoming higher and higher. A new set of mandatory examinations are now required from each and every participant – key individuals of businesses, as well as their representatives. The entry level qualification for representatives in the field of investments, is now a relevant bachelors degree.

The purpose of the new rules is not to make it unreasonably difficult for the participants in the market, but to protect the general public and to enhance compliance and accountability. As responsible fund managers, we welcome accountability and transparency; attributes that we at Capital-Builder Investments value highly since our inception in 2001. All individuals involved as key individuals at Capital-Builder Investments passed the qualifications.

Unfortunately there are still illegal operators. Recently a scam was unearthed in the Southern Cape that involved millions of Rands. There are still illegal operators that advertise on a daily basis on prominent news websites. As investor, it is your responsibility to do proper due diligence before parting with your funds. Here is how to do it:

Go to www.fsb.co.za (the official website of the Financial Services Board). From the tabs at the top of the page, click "FAIS". A new page will open. Click on the 4th search function "Search for Financial Services Providers". Enter the FSP number, name or postal code of the company and check the details. If you type in 21606 and submit, you will see the information of our business. If anyone approaches you and this company or product is not listed, please advise us so that we can lay a complaint at the FSB. We are committed to rid the market place of illegal operators!

As a responsible investor, you owe it to yourself to look outside the traditional investment "box" and consider the value Capital-Builder Investments can add to your investment portfolio. We are a unique company that offers unique products for discerning investors! Our revamped website will be available soon! We invite you to spend a few minutes with us on www.capital-builder.com.

The CBI Team

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