



Introduction

Capital Builder Investments has the pleasure of welcoming you to this presentation. We trust that this information will increase your wealth and will result in a long and profitable relationship.

What do we offer?

In short, we offer you the potential to earn excellent returns on risk capital.

Balancing Reward and Risk:

Generally speaking, investments that are high risk carry the potential for high reward, and high losses, whereas those that are low in risk offer low rewards with a low possibility for loss.

We at CBI strive to offer a harmonious balance by combining a high reward with the lowest possible risk.

Principles of Wealth Creation:

Robert Kiyosaki, author of “Rich Dad, Poor Dad” and known the world over as the millionaire maker, tells us that there are three types of income:

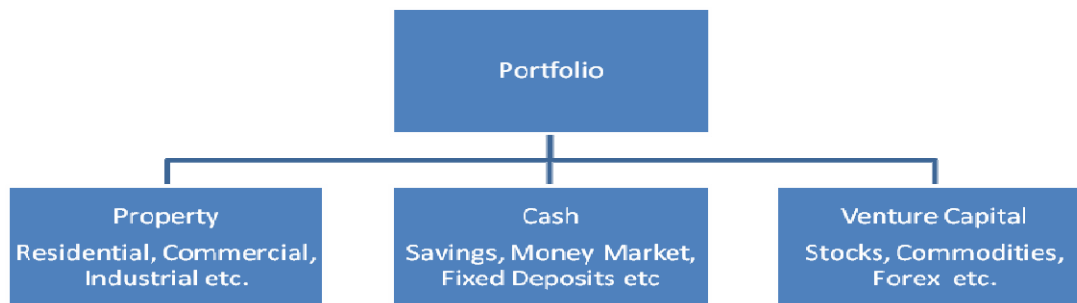
- ✚ Earned income – generally comes from a job in the form of a salary or wage cheque.
- ✚ Portfolio income – generally derived from paper assets such as stocks, bonds, mutual funds, etc.
- ✚ Passive income – generally derived from real estate, royalties, patents or licence agreements.

He tells us that in order to become wealthy; we should work at creating portfolio and passive income by converting earned income into one of these two vehicles as efficiently as possible. Thereafter, he says, one should not focus solely on the return **on** our investment. It is perhaps more important to also ensure that you protect the return **of** your investment – in other words, safeguarding your investment against loss is just as important as the profits that you will make from the investment.

Our unique offering focuses on return **of** investment as well as return **on** investment.

A Typical investment portfolio must be balanced:

An investor needs to have a balanced investment portfolio that is spread between property, cash and venture capital.



CBI does not want to compete with property as an investment vehicle, which is the corner stone of a balanced portfolio. We also do not want to compete with the traditional banking sector and insurance company related investment products. Everybody must structure their portfolio in such a way as to be able to have cash available. Our focus is on the risk capital sector where individuals and institutions invest billions on a daily basis. Example: on average, the Johannesburg Securities Exchange has a daily volume of R12 billion. Investors who part with their money by buying stocks, shares, commodities (oil, gold, platinum, etc) have NO GUARANTEES that they will be rewarded with capital growth or dividends.

CBI believes that our Investment Product should be an essential part of your Venture Capital portfolio, especially to minimise risk. Why? Because, of our specific risk disclosure.

Warren Buffet, arguably the world's greatest investor has this to say about diversification: "The strategy we've adopted precludes our following standard diversification dogma. Many pundits would therefore say the strategy must be riskier than that employed by more conventional investors. I disagree. We believe that a polity of portfolio concentration may well decrease risk if it raises, as it should, both the intensity with which an investor thinks about a business and the comfort level he must feel with its economic characteristics before buying into it." Translated into plain-speak, he is telling us that a portfolio that focuses on a few investments (rather than diversifying) is a better strategy to adopt.

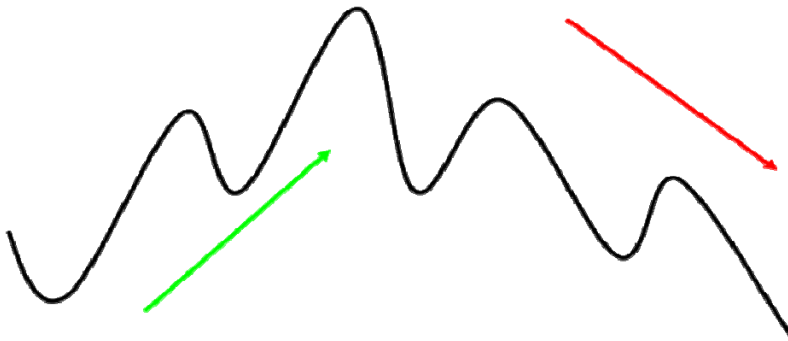
He goes on to say that average investors avoid volatility because they think volatility is risky, but he says that the true investor actually welcomes volatility.

Inherent problem in the market place:

All markets go through cycles. Unsophisticated investors often lose money because they wait too long to get into the market, and just as they are entering the market, the cycle changes and the market drops, resulting in them losing money, particularly in a market where short selling is not always possible or viable. Market recovery can often be a long-term thing, and in some cases, it may never recover.

A qualified investor has learned the mechanisms of the market, and hedges his bets using short selling and put options to ensure that he profits in the upward and the downward cycles. Our traders are all qualified to gauge the market, both fundamentally and technically.

It is important to remember that during a crash, many people become exceedingly rich!



We have the opportunity to introduce you to the most exciting market – the foreign exchange market:

- It is the biggest market – US \$3.6 trillion per day (larger than the entire US budget for 2008!)
- The market never sleeps – it operates 24 hours a day for the 5 working days of the week.
- International exposure – not regional or country based.
- Allows for accurate risk management.
- Both long and short positions are possible.
- Allows profiteering in up or down trends, and also allows for sideways strategies.

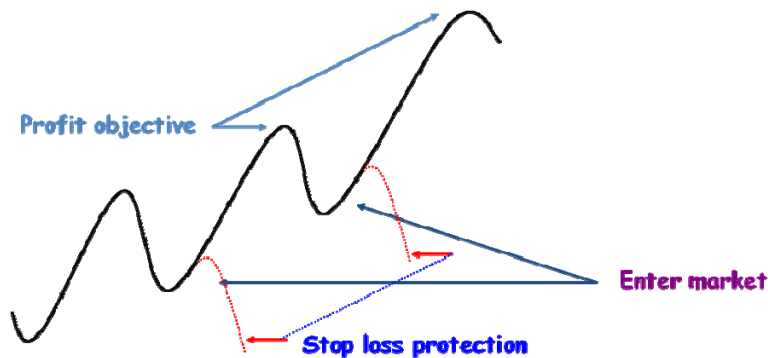
The Forex market:

- Our traders do a fundamental analysis of the market, by focusing on the theoretical models of exchange rate determination, and on the major economic factors, and their likelihood of affecting foreign exchange rates. Fundamentals may be classified into economic factors, financial factors, political factors and crises.
- They use advanced technical analysis where they analyse market movements (the movement of prices, volumes and open interests) over a period of time. Basically, this is a chart study of past behaviour of currency prices in order to forecast future performance. This is one of the most significant tools available for forecasting financial markets. CBI has a proud tradition as being leaders in the science of technical analysis.
- We operate on a speculative trading basis where we capitalise on the volatility, in the currency market caused through factors such as interest rate adjustments, commodity market disturbances and short-term capital mobilities.
- Trades are electronic and immediate, through state of the art technology.
- The market is a virtual one – there is no centralised location.
- Accurate risk management is possible.

Typical Market Activity:

Markets do not move in a straight line in any direction, but rather in zigzags. It is the direction of these peaks and troughs that create the market trend. Trends may be upward, downward or sideways. It is these trend lines that show the direction of the currency, and it is relatively rare that a trend line will suddenly reverse direction. We always use stop loss protection, in order to minimise the risk of these exchange rate fluctuations.

The Long Position: We get to trade with the up position and stand aside as the market pulls back.



Short position: We get to trade with the short position and stand aside when the market pulls back



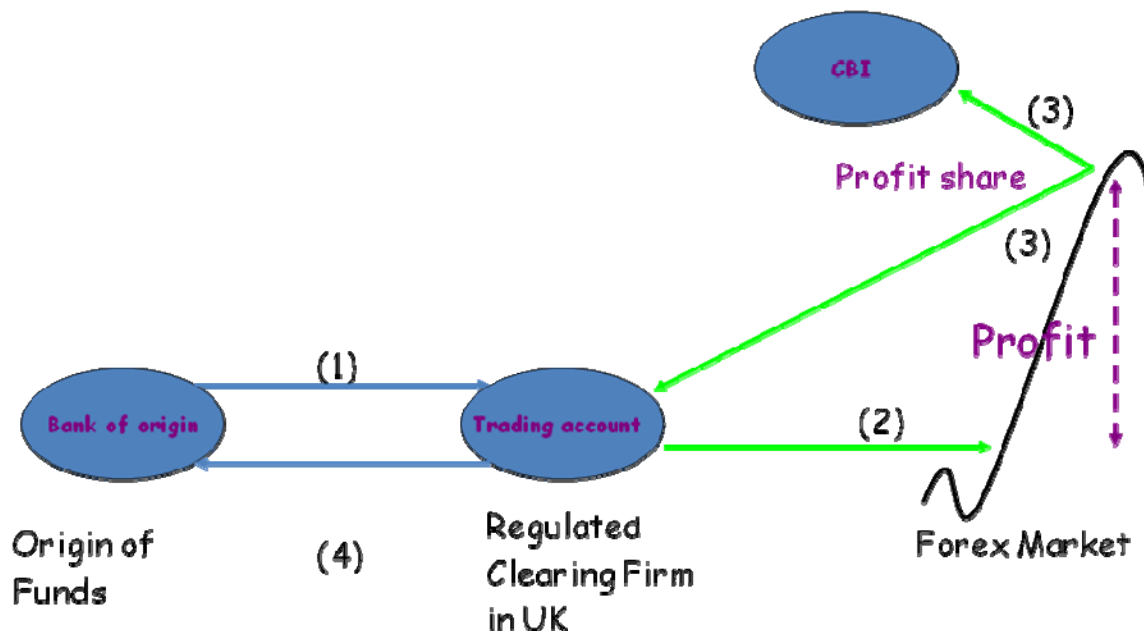
Risk Management:

You might ask how we manage risk. This is done in a number of ways:

- Advanced fundamental and technical analysis by our traders.
- Maximum exposure of 5% of your capital at any one time, with a typical exposure being 2% of capital.
- The level of each trade's stop loss is very carefully calculated and related to the potential profit in a particular trade.
- Investment is split between up to 5 trading teams.
- Total transparency – we provide free software that enables you to view your investment, live on line. A daily email is sent to all clients with complete account details.

- Maximum draw-down = 20% - see explanation below.

Money Flow Chart



Investor transfers funds into investor's own trading account at the clearing firm (1)

Trade opportunity arises and the clearing firm transfers funds from the trading account into the Forex market (2)

When profit objective is reached, the profit is shared between the investor and CBI according to the Investor's mandate and your portion of the profits are transferred back into your trading account (3)

Profit taking: Funds are transferred from the trading account back to the bank of origin (4)

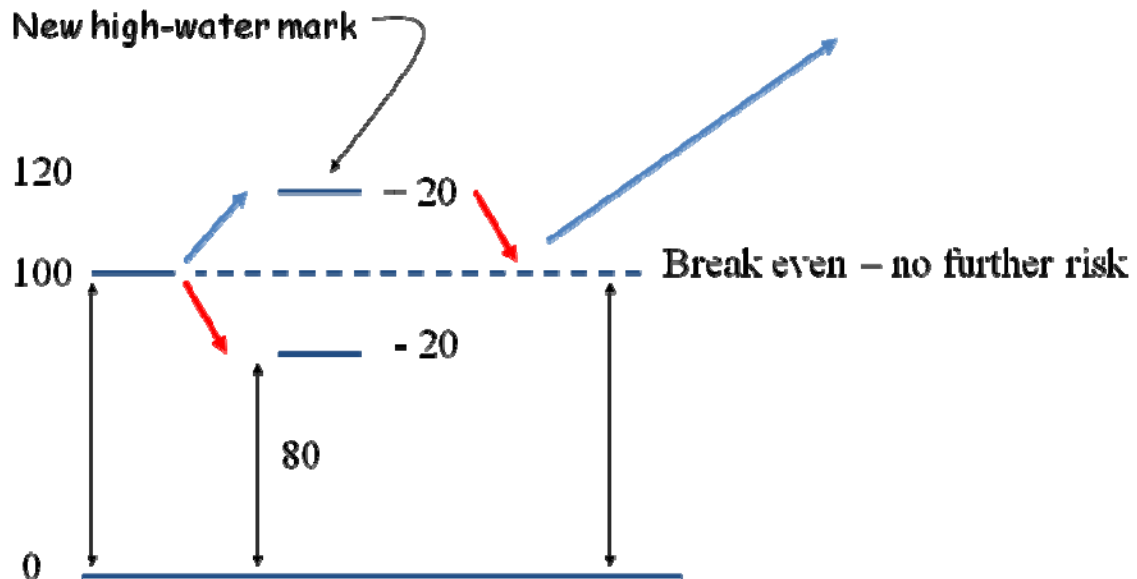
Profit share concepts:

Concept A: Limited profit

Concept B: All profit to the client but with high commissions to fund managers.

CBI's unique concept: Profit share/performance fee – "If we cannot achieve profits for our clients, then we do not eat"

Draw-Down



CBI is authorised by the Financial Services Board to a risk factor of a 20% draw-down. In the above diagram, we make the assumption that you invested R100 000,00. As you are credited with your profits earned, your capital and profits balance increases steadily, creating a new “high water mark”, so this figure increases (i.e. R100 000,00) This represents your breakeven point. Thereafter, you are risking the profit you have earned on your investment, but the 20% “draw down” remains in place. So, should your investment reach, say R150 000,00, a 20% draw down is R30,000, therefore R120 000,00 will be new account balance.

About CBI

We are registered with the Financial Services Board of SA as an authorised category 2 Financial Services Provider – licence number 21606.

External compliance officers ensure that we trade ethically, based on a stringent set of rules. Moonstone Compliance, a reputable company with head office in Stellenbosch, is contracted as compliance officers.



Trading expertise – our trading teams have a combined trading experience of 30+ years in the Forex market.

About ODL Securities Ltd

ODL Securities Ltd, situated on three floors in the Northern and Shell building and overlooks the Thames River and the Tower of London, is a major player in the international markets, with more than 15,000 clients in more than 100 countries. They have more than \$6 billion under asset management with an immaculate record.

CBI is proud to be associated and being accepted by ODL Securities as one of their successful fund managers.

About Deutsche Bank AG

Investments from South Africa can not be placed at Deutsche Bank as yet, until we received certification from the FSB.

Deutsche Bank is a leading global investment bank with a strong and profitable private clients franchise. This bank has more than 78,000 employees in 76 countries and offer unparalleled financial services throughout the world. As far as Forex is concerned, it has won several accolades for their Forex division and is said to be the world's biggest bank that handles approximately 21% of the total transactions in Forex.

About the Investment

Profit share (performance fee): This fee is determined by the size of the investment and your investment profile, but you will earn typically between 70% and 85% of the profits.

Minimum investment: R 50 000 (neg)

Investment term – there is no fixed term but 12 months is strongly recommended.

Yield: Projected nominal yield of 30% pa or better

Risk: Maximum draw-down of 20% and maximum of 5% exposure of capital (2% being the norm)

Cost:



For the ODL product: Entry fee of 3%, no admin costs for the duration of the investment, normal bank charges for withdrawals.

For Deutsche Bank product: No entry fee, but an annual 1.5% administration fee will be levied.

Notice period: 30 days.

Website Home Page

Web address is www.capital-builder.com

Feel free to have a look at the ODL Securities site or Deutsche Bank, by using the icons at the bottom of our home page screen

Compliance Officer

Leanne Morgan – 083 654 1777

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Stellenbosch – Telephone +27 021- 883 8000

Contact Details

Should you wish to discuss this opportunity further, you can reach me on the details supplied below, and I will be happy to answer any questions that you may have.

Note that these answers will be factual information about the product and the offering, as I am not accredited or licensed to give advice.

If you need specific financial advice, you will have to contact a key person of CBI, who is licensed and accredited to give advice. Please phone our head office at 041 365 1206 and ask for a Key Person or Representative that is registered with the Financial Services Board.

Many thanks for reading through our offer. I look forward to hearing from you.



Warm regards,

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Contact details:

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