

HOLST

SHAREBROKERS

FINANCIAL PLANNERS

SUPERANNUATION ADVISERS

Financial Services Guide

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The provider of the services described in this Financial Services Guide is:

F W Holst & Co. Pty Ltd ABN 67 006 545 660

Australian Financial Services Licence No. 247841

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What is the purpose of this Financial Services Guide?

This Financial Services Guide ('FSG') is designed to assist you in deciding whether to use any of the services offered by F W Holst & Co. Pty Ltd. It provides information about the range of financial services we are authorised to provide. These financial services, and the financial products covered by these services, can be complex and subject to special regulatory requirements, which will impact how we provide the services to you. This FSG also provides information about potential conflicts of interest and the remuneration that may be paid to F W Holst & Co. Pty Ltd and other relevant parties in relation to the services offered. Importantly, it provides information on what to do if ever you have a complaint and how your complaint would be dealt with. It also provides information on why we need and how we use personal information about you. In short, it is an important document and should be read and kept with your financial records.

Our aim is to provide sufficient information in relation to the range of our services for you to make an informed decision about using them. There may also be additional terms and conditions contained in documents other than the FSG. Before dealing in certain financial products you will have to execute a prescribed Agreement and we will have to provide you with prescribed information about that product.

Should you wish to discuss our services in more depth after reading this guide, please contact your Adviser. If you do not have an Adviser please contact F W Holst & Co. Pty Ltd directly by phone, facsimile or email.

If you choose to use our financial services you may receive the following documents:

- Statements of Advice
- Product Disclosure Statements

Statements of Advice ('SoA')

A Statement of Advice will usually present or confirm recommendations that we believe are appropriate for you personally. It includes detail of the advice, the basis for the advice, relevant disclosures (concerning fees, interests or benefits which may be capable of influencing our advice) and any applicable warning. A SoA is only relevant in the context of personalised advice, not product advice (i.e. General Advice) based on consideration of the investment/trading merits of the product alone. However, you will not always receive a SoA as a consequence of Personal Advice.

There is a sub-category of Personal Advice called Further Market-Related Advice ('FMRA') that will not usually result in a SoA being given to you. Instead, you will be given an oral statement at the same time as the FMRA of certain information that would have appeared in a SoA if one had been required. If you wish you can request (within 90 days) a written record of that FMRA. FMRA is discussed in more detail on page 13 of this guide.

For Personal Advice other than FMRA, unless you expressly instruct us that the advice is time-critical and, as a consequence, must be executed immediately or by a specified time, the SoA must be provided to you before the advice can be put into effect. In the non-FMRA time-critical scenario, an oral statement of certain information that will appear in the SoA will be given to you at the same time as the advice, and the SoA will then follow within 5 days. When investing or trading in 'live' markets such as ASX's SEATS market or the Derivatives Trading Platform ('DTP'), it is in your interests to instruct us that the Personal Advice is time-critical.

Product Disclosure Statements ('PDS')

When required, these accompany Personal Advice about a financial product, or accompany the issue or sale of a financial product not traded on a 'live' market. A PDS is a very important document in that it sets out all the necessary information you may require to make an informed investment decision about the particular financial product. In the case of traded derivatives, the PDS will accompany their issue or Personal Advice on those products. In the case of certain ASX traded derivatives, you will also receive the Explanatory Booklet prescribed by ASX for that product. A PDS will not accompany Personal Advice on market traded securities. Issues or sales of unquoted securities are accompanied by a Disclosure Document (e.g. a prospectus), which serves the same purpose.

Who are we and why choose our services?

F W Holst & Co. Pty Ltd ('HOLST') is a sharebroking firm, established in 1893, that specialises in providing stockbroking, financial planning and superannuation services and advice to private clients. HOLST is privately owned and managed and is dedicated to creating wealth for the private client.

HOLST is an Australian Financial Services Licensee (AFSL No. 247841) under the Corporations Act and is a Trading, Settlement and Clearing Participant of the Australian Stock Exchange Limited ('ASX'). HOLST has direct access to ASX's Equities and Derivatives Markets, the Australian Settlement and Transfer Corporation Pty Ltd ('ASTC'), which operates the Clearing House Electronic Sub-register System ('CHESS'), and to the Australian Clearing House Pty Ltd ('ACH'), which clears transactions executed on ASX Markets.

Investment is a personal undertaking and every client has individual needs. HOLST can assist you meet your needs by offering the expertise of an experienced team of investment advisers whose sole purpose is to deliver expert advice and exceptional service. Our ongoing commitment is to provide our clients with a full range of investment advisory, financial planning and superannuation services of superior quality.

The following are just a few reasons why clients choose to deal with HOLST:

Experience

On average, HOLST Advisers have in excess of 20 years experience in the market. This experience has fostered enduring relationships with our clients often spanning generations. It is this continuity of relationship that enables HOLST Advisers to provide clients with skilled, expert and appropriate guidance and advice.

Objectivity

Research and advice provided by HOLST is crafted specifically for the private client.

History

HOLST is privately owned and managed and has a history of successfully managing the wealth of private clients since 1893.

Who will be providing the services to you?

Your Adviser, who is an employee of HOLST, will be acting on behalf of HOLST. HOLST is therefore responsible to you for any advisory, dealing or other financial services your Adviser or other members of staff provide. The name of your Adviser is stated in the Adviser Information Sheet. In his or her absence, another suitably qualified member of our Adviser team will be available to assist you.

HOLST ensures your Adviser holds the necessary competency accreditations to provide the advisory and dealing services you require.

Who do we act for when providing services to you?

Usually, when providing advisory, dealing or other services to you (e.g. buying or selling shares for you), we will be acting on your behalf as your agent. From time to time we may even be acting as agent for another client who is the counterparty to your transaction (e.g. a sale of shares on market between clients). Rarely, we may act as principal on our own account when dealing with you, in which case we would disclose that we are doing so prior to entering into the transaction with you – in such circumstances we can not also act as your agent.

Where HOLST acts in the capacity of a life insurance agent, the life companies for which we act as agent are responsible for any life insurance product and advice HOLST or its Advisers provide to you.

What financial services do we provide?

HOLST provides a range of competitively priced products and services designed to meet all of your investment requirements. Whatever your investment experience, whatever your time horizon (long-term and cautious or short-term and aggressive), whatever your situation, whatever your aims, HOLST can help you achieve your goal of investing soundly whilst protecting and creating wealth.

Our services typically encompass dealing, advisory and other services relating to financial products that are traded (i.e. quoted for trading) or are to be traded on a 'live' market such as those operated by the ASX. In relation to foreign securities generally, HOLST has arrangements in place with Participating Organisations of major overseas Stock Exchanges to enable clients to transact on those foreign markets.

When you first contact HOLST we will generally presume that you have already decided to invest a particular part of your investable assets in equities (e.g. ASX quoted shares) rather than some other asset class (e.g. unlisted managed funds, real estate). If you have not made this decision or you require assistance with it you should let your Adviser know so that he or she can advise you appropriately or refer you to a HOLST financial planning expert.

HOLST is authorised by its AFSL to underwrite issues of securities and interests in managed investment schemes; and to provide advice on, and to deal in:

- Securities and certain derivatives (Australian or foreign)
- Superannuation products
- Retirement savings account ('RSA') products

- Debentures, stocks or bonds issued or proposed to be issued by Government
- Basic and non-basic deposit products
- Managed investment schemes (including WRAP Accounts)
- Foreign exchange contracts

We provide custodial or depository services but they are usually incidental to dealing services. We are authorised to issue or deal on our own account in some of these products.

HOLST provides advice, information and research on the following products and services:

Listed Securities

- Purchase or sale of securities and derivatives on ASX markets
- Advice on particular securities and derivatives (including the timing of purchases and sales)
- Identifying securities, derivatives and other financial products undervalued by the market
- Advice on floats (i.e. IPOs) and new issues by listed companies or other issuers
- Assistance with deceased estates, off-market transfers etc
- Access to offshore stockmarkets and advice on certain foreign securities
- Access to short-selling facilities

Unlisted Financial Products

- Cash Management Accounts including the HOLST Private Account
- Fixed interest investments including Bank Bills, Debentures, Bonds and Unsecured Notes
- Equity Finance facilities (eg Margin Lending) and other structured products
- Managed funds and other ‘unlisted’ trusts
- Superannuation funds and Retirement Savings Account (‘RSA’) products
- Life and Income Protection insurance products

Portfolio Management & Administration

- Portfolio reviews and advice
- HOLST Portfolio Management Service (‘PMS’)
- External Portfolio administration and reporting services
- Discretionary account services

Financial and Retirement Planning advice

- Identification of appropriate wealth creation and retirement planning strategies
- Asset protection and risk management strategies
- Asset allocation and investment selection advice (including managed funds)
- Selection of suitable superannuation vehicles (e.g. Self-Managed or public offer)
- Analysis and structuring of income streams
- Assistance with estate planning, and social security issues

Research and Information Services

- Company Research
- Overnight Report
- Newsletters (eg 'Portfolio Watch Monthly' and 'Portfolio Watch Weekly')
- Information and research on market developments and special situations

As a valued HOLST client you will benefit from having our services delivered by a dedicated team led by your Adviser.

Our dealing services

By 'dealing services' we mean buying, selling, applying for or redeeming financial products on behalf of clients.

As a Trading, Clearing and Settlement Participant for both the SEATS and DTP markets operated by ASX, HOLST has immediate and direct access to the market for order execution and subsequent clearing and settlement services.

There may be circumstances in which HOLST will not be able to accept your order instructions, but such circumstances should be considered most unlikely and we would give reasons and assist you with alternative arrangements.

A Confirmation (previously known as a 'Contract Note') will be despatched to you following execution of market transactions. It confirms the detail of the transaction and the terms and conditions applying to the transaction. The Confirmation also serves as a Tax Invoice.

In addition, HOLST can act as your Sponsoring Broker on CHESSE for your holdings of CHESSE-Approved financial products. We urge you to use this service as it has many advantages and may help minimise the risk of a failed settlement relating to a sell transaction.

You must instruct us in certain ways

You may specify how you would like to give us instructions. For example, by telephone, fax or other means such as email. As time is of the essence in 'live' markets, the telephone is the preferred means. If you need to instruct us by email please direct your email instruction to your Adviser with a copy of your instruction to **orders@holst.com.au**. Otherwise there may be a delay in dealing with your instructions. Please note that order instructions should be given in terms of volume (i.e. number of shares to be purchased or sold), not value (i.e. \$ amount). Please ensure your instructions are clear.

Market transactions may be cancelled by ASX

Please note that the ASX has the power, in certain circumstances, to cancel market transactions that have been executed. Cancellation of a transaction executed on your behalf may result in possible financial disadvantage and place you in the same position you were in prior to the transaction.

Settlement requirements

In the case of transactions executed on your behalf on ASX operated markets (and other markets) funds, documents (e.g. holding statements and share certificates) and holdings (sponsored or otherwise) must be available to HOLST by the time and date required by our terms and conditions.

More about our dealing services

We will from time to time hold funds in our trust account on your behalf. Under current regulations we are entitled to interest earned on trust account balances.

Our advisory services

Our advice will only ever fall within one of two categories. It will be either based on consideration of the product alone or the suitability of a product in light of information we have about your personal circumstances.

Product Advice (also known as General Advice) is advice based on the attributes of the financial product alone without any consideration of their appropriateness to your financial circumstances

By way of example, Product Advice includes research reports and newsletters, but it also may be oral. You should not assume that all advice or recommendations are appropriate for you personally. The process of profiling your financial circumstances is not relevant in relation to Product/General Advice, which is based solely on the investment or trading merits of the securities or other particular financial products in question, prepared without consideration of the investment needs and financial circumstances of any particular investor. It may be derived from fundamental analysis (i.e. analysis of financial reports) or technical analysis (patterns in market trading and price-movement behaviour). General Advice will be accompanied by the warning that the advice is not a recommendation that a particular transaction in those financial products is personally appropriate for any particular person, and that you will need to assess whether acting on the advice is appropriate in light of your financial circumstances.

What are the limitations of research, newsletters and other information we provide about financial products?

The research undertaken by stockbrokers, such as HOLST, involves the expression of an opinion by specialist analysts or Advisers. Forecasts can never be guaranteed. It may only be valid for a limited time and is often subject to market movements. For example, a 'buy' recommendation for a short-term investor could turn into a 'sell' recommendation where the market price of a security appreciated by a moderate amount. For a longer-term investor, this market movement may not be significant, although a larger movement might be.

The mere fact that a security is recommended or rated in a research report or a newsletter as a 'buy', 'sell' or 'hold' does not necessarily mean that a particular recommendation is appropriate for you specifically and you should consult your Adviser before acting on any research report or newsletter.

Research, newsletters and market or company information are usually provided to clients free of charge.

Personalised Advice is advice that recommends certain financial products as being appropriate for you following consideration of your personal financial circumstances

If you ask your Adviser for advice about whether a particular financial product or investment is appropriate for you, he or she is obliged to have a reasonable basis for such a personalised recommendation. To ensure this is the case, your Adviser needs to consider your investment objectives, financial situation and particular needs (i.e. your financial circumstances).

What information do we require about your financial circumstances?

We will therefore request that you provide us with this information and that you update your Adviser regarding any changes to your circumstances that may be relevant when recommendations are

given in future. This information will be kept strictly confidential. You have the right not to divulge some or all of this information to us if you do not wish to do so, but your Adviser will be limited in his or her ability to make recommendations specific to your requirements. It may mean that recommendations made to you are not as appropriate to your needs, objectives and financial situation as they could have been. If you decline to provide sufficient information we are required to warn you about the possible consequences of not doing so (i.e. the Personal Advice is based on personal information provided by you, about your relevant personal circumstances, which is incomplete or inaccurate). You should consider such warnings carefully. It is important that you keep your Adviser up to date regarding your financial circumstances.

Unless the Personal Advice is Further Market-Related Advice (see below), it will be presented or confirmed in a SoA. If you expressly instruct us that the services you need as a consequence of our advice are time-critical, we may then execute the relevant transaction(s) and confirm the advice by sending you the SoA within 5 days.

Further Market-Related Advice ('FMRA')

FMRA is a certain type of Personal Advice which:

- Is given by telephone, email, fax or any other permissible means but not face-to-face; and
- Relates to financial products able to be traded or which are of the same type as those which are traded, on a licensed market (e.g. ASX's SEATS and DTP markets); and
- Can not include any other kind of financial product advice; and
- You require (or it is in your interest that) the FMRA be provided promptly.

When we first provide Market-Related Advice to you, we may be required to issue a SoA including detail of the financial circumstances upon which that advice and further advice of that type will be based. Thereafter, for further episodes of Market-Related Advice (i.e. FMRA), we are not required to provide an SoA to you unless your personal circumstances relevant to the advice, or the nature of the advice, change significantly. **However, you may request a record of the FMRA from your Adviser within 90 days of the FMRA being provided.**

Taxation issues

Tax obligations can have a profound impact on investment or trading strategies and returns. They are complex, tend to change and vary considerably depending on whether the topic is superannuation, capital gains, status as a trader, franked dividends or other tax-effective distributions, or the relative advantages of trust or company structures.

HOLST can provide information or perspectives on tax issues but only in general terms. HOLST is not a Registered Tax Agent or Tax Adviser. If you require further information on taxation issues, HOLST may assist by referring you to an Accountant or Tax Adviser. Any tax issues specific to your personal circumstances and investment objectives or strategy should be discussed with your Accountant or Tax Adviser.

What risks are associated with investing?

We will explain any significant risks associated with the investments and strategies we recommend to you. If we do not do so, you should ask us to explain those risks to you. By 'risk' we mean the possibility that you will suffer some financial harm – that your financial position will not be as good tomorrow as it is today.

Your preparedness to carry a particular level or type of risk as part of your investment strategy is a fundamental element of your approach to investment.

There are many types of risk and while steps can be taken to minimise risk, it cannot be avoided entirely. We usually regard risk as arising from some positive course of action, but doing nothing may also entail risk, although possibly of a different kind.

Depending on your investments and your own financial circumstances, you face the risk that your purchasing power may be affected by inflation, by increased taxation or by loss of social security benefits. Investors relying on fixed interest securities are vulnerable to interest rate decreases (maturing money may have to be reinvested at a lower rate). A credit risk may exist in that the institution you have invested with may become insolvent.

Other risks that should be addressed include liquidity risk (the inability to access your money quickly and without cost when you require it), the risk of not diversifying, and mismatch risk (a particular investment may not be suitable for your circumstances).

Finally, there is market risk. Equity securities, such as shares, in common with all other asset classes (e.g. real property and government bonds), can decline in value as well as appreciate. The measure of this change in value is often referred to as ‘volatility’. The more the value varies over time, the more volatile the asset is said to be. The risk of loss is greater for more volatile securities. On the other hand the less volatile an asset is, the less likelihood there is for any significant capital gain or loss from investing in that asset. Options and warrants are the most volatile securities traded on the stock exchange. Investors should approach them with caution and only after they have had their Adviser explain the risks involved.

Summary of Risks

In summary, the main (not all) risks associated with investing or trading in equities can be categorised in the following manner. Please note that the examples listed in each category are not exhaustive.

Overall Market Risk

This is the risk of loss by reason of movements in a stock market(s) generally. These movements can be caused by any number of factors including political, economic, taxation or legislative factors. Specific examples are changes in interest rates, changes of government, changes in taxation or superannuation laws, international crises or natural disasters.

Domestic versus International Risk Factors

The value of a listed company’s equity securities is influenced by the company’s vulnerability to international events or other factors affecting the markets for its products or services. These would include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.

Sector Specific Risk Factors

These would include falling demand for the product the listed company produces, weakening commodity prices, the economic cycle of industry, changes in consumer behaviour, lifestyle changes and changes in technology.

Stock Specific Risk Factors

These would include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drilling results, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or is developing a new product.

Approach to Selling

The price of securities will sometimes fall. The lower prices may be the result of general economic changes such as recession or higher interest rates, or the perception that such events may be likely. Because these market movements are often based on perceptions, their prediction is subject to uncertainty. Over longer periods, equity securities usually perform better than fixed interest investments, but sometimes prices fall. If you are concerned about the outlook for the stock market and the effect on your investments, you are encouraged to raise the matter with your Adviser.

Time Horizon

The period of time over which an investor seeks returns on their investment is referred to as the 'time horizon'. Investors with short time horizons (three months or less) are usually known as traders (i.e. they buy and sell securities with a view to benefit from short-term price movements). Short time horizons generally involve a high level of risk and uncertainty. Investors with long time horizons (over one year) generally involve a lower level of risk and greater certainty. In very general terms, the longer an investment is held the less volatile the returns over the time horizon will usually be.

What investment strategies should you consider?

In very broad terms they are summarised as follows:

Income

You need an income stream, perhaps to meet your living expenses. You may therefore prefer to avoid shares that do not pay dividends or other financial products that do not provide income distributions.

Growth

A secure income stream is not necessary, as your income needs are met from other sources. However, you wish to achieve capital growth to provide a hedge against inflation, to accumulate wealth and/or to defer taxation. Securities that are likely to provide capital growth can also result in capital losses. Securities with the greatest potential for growth may also have the greatest potential for capital loss.

Mix of Income and Growth

Your needs may include both a secure income stream and some measure of capital growth.

Short-Term Trading

You wish to trade in shares or related derivatives with a view to profiting from short-term movements in market price.

Mixture of the Above

Financial products are to be acquired for each of the above purposes.

How are we remunerated for the services we provide?

How do you pay for our services?

HOLST may be remunerated in one (or a combination) of the following ways for the services we provide:

- You may be charged brokerage on each transaction executed on your behalf
- We may be paid by the issuer of the Financial Product at the time you invest or contract, and during the life of your investment or contract
- We may charge you a fee, depending on the time we spend developing your plan or the value of funds you invest
- We may invoice you for a fee when you receive our written recommendations
- You may pay us a management fee annually or in instalments
- We may receive ongoing payments from the Financial Product issuer
- In special circumstances we may charge an agreed performance based fee

How are our advisers remunerated?

Your Adviser may receive a share of the brokerage, commission, or fee paid to HOLST.

You have the right to know about the details of commissions and other benefits your Adviser receives for recommending investments. We are obliged to inform you of any interest(s) your Adviser, HOLST or any associate has that may reasonably be expected to be capable of influencing (or have the appearance of influencing) a recommendation made to you. Such interests will be disclosed to you at the time that a recommendation is made to you.

How are commissions, brokerage and fees calculated and charged?

Brokerage on financial products traded on ASX markets

Brokerage on each **purchase** or sale of a security traded on ASX markets is calculated as a percentage of the dollar value of the transaction.

For a purchase, the brokerage, together with any applicable duty or tax, is added to the transaction value and the total is the overall consideration due to HOLST. If payment in full is not received by the time and date shown on the Confirmation, you will be charged an administration fee or, ultimately, the holding may be sold-out at your risk and expense.

For a **sale**, the brokerage, together with any applicable duty or tax, is deducted from your proceeds. All these amounts are specified on the Confirmation sent to you confirming your purchase or sale. You will also be charged 'fail fees' if you fail to settle a sale by the time and date shown on the Confirmation. Ultimately, the unsettled position may be bought-back at your risk and expense.

We have a sliding scale of charges **per order** (excluding GST) as follows:

\$5,000 and under	2.50%
Next \$15,000	2.00%
Next \$30,000	1.00%
Next \$50,000	0.90%
Next \$100,000	0.80%

Above \$200,000 rates are negotiable.

Minimum for buying \$80

Minimum for selling \$40

For example, an order to buy \$2,000 worth of BHP shares will incur the minimum brokerage of \$80. If the order is for \$3,500, the rate will be \$2.5% costing \$87.50. However, if the order is for \$20,000 of BHP, the first \$5,000 is done at 2.5% and the remaining \$15,000 at 2.0% giving an average of rate of 2.1%. If you should happen to place orders for two traded financial products to a value of \$20,000 each, say BHP and CSR, the rate would be 2.1% on each purchase.

The negotiation of brokerage will be influenced by the size of the transaction(s), the types of shares or other financial products likely to be dealt in and whether you are Broker Sponsored by HOLST.

Brokerage on financial products NOT traded on ASX markets

We will arrange on your behalf, completion of transactions in financial products other than ASX traded financial products (e.g. fixed income securities) with organisations that specialise in the relevant products. Brokerage for dealings in these products will be negotiated with you prior to accepting your instructions.

Duties and taxes may not be payable depending on the financial products involved.

Brokerage on International Transactions

For transactions in securities quoted on a foreign exchange, the brokerage you are charged may also include some or all of the charges of the foreign stockbroking firm assisting us in that market.

Lodgement, Application and Trailing Commissions payable to HOLST

If your application for securities in a new issue, privatisation or float is stamped by us and is successful, we may receive a lodgement fee from the company, government or relevant issuer. If we act as underwriter or sub-underwriter, we will receive fees for acting in that capacity in the range of 0.3% to 5.0% commission.

All lodgement fees will be disclosed in the Disclosure Document (e.g. prospectus) or Product Disclosure Statement for the issue.

Managed Products

Initial commissions are a part of the entry fee charged by some financial product issuers (e.g. fund managers) when investment funds are placed with them. The issuer may retain a part of the entry fee and a part may be paid to HOLST. Commission paid to HOLST by the issuer may be as little as 0% or as high as 5.5%. Entry fees are charged whether you place the investment through HOLST or directly with the fund manager.

Similarly, issuers may pay ongoing commissions to HOLST from the ongoing management fee charged to you for managing your investment. This 'trailing' commission flows for as long as you continue to hold your investment with that funds manager. A Product Disclosure Statement will be provided to you at the time of investment detailing all fees and commissions payable.

Portfolio Review & Specialist Advice

HOLST may charge separately (by way of an hourly rate or a flat fee) for specialist advice or portfolio reviews. Any fees or charges will be negotiated and agreed with you when discussing your request.

Portfolio Management & Administration

HOLST provides access to both in-house and external portfolio management, administration and reporting services. Your Adviser will assist you to decide which is the most appropriate service for you.

HOLST provides a Portfolio Management Service that can help you achieve superior investment performance. The service is run on a consultative basis with a flat service charge of \$350 per annum (including GST). There is a charge of \$175 (including GST) for additional portfolios at the same address. You will receive a portfolio review every three months, which summarises all transactions and measures the performance of the portfolio against selected ASX Market Indices. Appropriate recommendations and comments are also included in the review. The portfolio value should be a minimum of \$100,000. Normal brokerage rates apply.

HOLST is also able to provide clients with access to a range of external portfolio administration and management solutions. These services (often referred to as Master Trusts or WRAP Accounts) provide portfolio management covering the full spectrum of traded and non-traded financial products. Reporting ranges from basic periodical reports to fully outsourcing the responsibility for managing your portfolio via an holistic management service covering investment selection, portfolio administration, portfolio reporting and tax reporting services. A Product Disclosure Statement will be provided to you at the time of investment detailing all fees and commissions payable.

Financial and Retirement Planning Advice

HOLST may charge an hourly rate or a flat fee for specialist financial planning advice. The type and amount of fee charged will depend on the scope and complexity of work required. Fees for advice will vary from client to client as the advice provided will relate to your particular investment objectives, financial situation and particular needs. The initial consultation is usually free of charge. All fees will be disclosed and agreed with you when discussing your request.

Life Insurance Products

HOLST is also able to provide advice on a range of products such as superannuation funds and income streams (e.g. annuities and pensions) through its agency arrangements with a number of life companies. HOLST will also receive commissions from life companies when investment or life insurance products are arranged on your behalf. Commissions relating to life insurance products are between 0% – 122.5% (GST inclusive) of the first years premium and 0% – 35% (GST inclusive) of the ongoing annual premium.

Further information about fees & benefits

Where we provide you with Personal Advice, the actual amount of commissions or other benefits that would be earned by HOLST and your Adviser, if you act on the advice, will be detailed in the SoA or noted in the record of the FMRA. The range of applicable fees and benefits are listed in the section above. However, if not calculable at the time the advice is given, the detail of how they will be calculated will be detailed in the SoA or noted in the FMRA record.

Referral fees or other rebates or benefits payable by HOLST

If you were referred to us under a referral arrangement, the referrer may receive a one-off fee or an ongoing payment of a proportion of brokerage. If your transaction(s) settle in the usual manner the referral fee or rebate is paid by us out of the brokerage paid or payable by you. Where relevant, any referral arrangements will be disclosed to you.

Associations between HOLST and financial product issuers

HOLST acts in its own capacity when recommending financial products to clients. HOLST is not owned or controlled by any product issuer, nor is it bound to recommend any product over any other to you. HOLST (including any related parties) do not maintain any particular associations or relationships with issuers of financial products that might reasonably be expected to be capable of influencing our recommendations or how we provide any of our services.

HOLST has standard commercial arrangements in place with financial product issuers (eg Banks, Fund Managers and Margin Lenders) whereby we will receive brokerage, commissions or fees for lodging business. The relevant Disclosure Document or Product Disclosure Statement will detail all fees and commissions payable to us.

What to do if you have a complaint

If you have a complaint about (or are dissatisfied with) the service provided to you, you should take the following steps:

1. Contact your Adviser and tell your Adviser about your complaint.
2. If your complaint is not satisfactorily resolved within three business days, please contact Adrian Holst (Managing Director) or, in his absence, Lindsay Mott (Executive Director) or put your complaint in writing, together with relevant documentation, and send it to us addressed to:

Managing Director
F W Holst & Co. Pty Ltd
PO Box 44 Collins Street West
Melbourne Victoria 8007

When the complaint is received Adrian Holst or, in his absence, Lindsay Mott will contact you (usually within 48 hours) in relation to resolving your complaint or to advise you of the steps that will be taken to address it. We will try and resolve your complaint quickly and fairly. If you have not already done so, we may ask you to put your complaint in writing.

3. If we are unable to resolve your complaint to your satisfaction within 45 days after we have received it, we will advise you in writing. In certain instances, where corresponding is difficult or the matter is complex or involves third parties, we are permitted up to 90 days to address your complaint. We will advise you if this longer period is required. These periods are specified by the Financial Industry Complaints Service Ltd ('FICS') and may change. You may then refer the matter to FICS, an authorised complaints resolution organisation for the financial services industry. HOLST is a member of this organisation. You may contact Financial Industry Complaints Services Ltd to obtain a complaint summary form as follows:

Financial Industry Complaints Services Ltd

Phone 1300 780 808 (Australia-wide)

Fax (03) 9621 2291

PO Box 579

Collins Street West

Melbourne Victoria 8007 Website www.fics.asn.au

The Australian Securities and Investments Commission ('ASIC') also has a toll free infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Why we need and how we use your personal information

HOLST and its employees are committed to protecting and maintaining the privacy, accuracy and security of the personal

information we will hold about you. The personal information you provide and that we collect is handled in accordance with our Privacy Policy, a copy of which is available upon request or via our website at **www.holst.com.au**.

Your personal information will be used for establishing and maintaining you as a client, to facilitate execution of transactions and registration of your holdings of securities, derivatives and other financial products, and for the purpose of providing our various services to you. Should you choose not to provide us with the personal information requested, we may be unable to provide some or all of the advisory, dealing or other services you require.

Regulatory requirements oblige us to record your identity and to know your financial circumstances sufficiently to ensure personalised advice is in fact appropriate for you. Consequently, you must notify us of changes to personal information we hold about you.

In relation to transaction services involving ASX traded products, we would usually disclose personal information about your identity and address to the Australian Settlement and Transfer Corporation Pty Ltd ('ASTC'), the operator of CHESS, and Share Registries. In general, your personal information will be disclosed internally due to matters of internal administration and operations. We may be required to disclose your information to the ASX (and ASX Group members), the Australian Clearing House Pty Ltd ('ACH'), the Securities Exchanges Guarantee Corporation Ltd ('SEGC') the operator of the National Guarantee Fund and any court or tribunal, authority or regulatory body such as ASIC and operators of disputes or complaints resolution schemes to enable compliance with relevant legislation and regulations. We may be required to disclose your information to debt collectors, credit reporting agencies, our auditors, contractors or service providers (which we may use to settle your transactions) and to other parties authorised and/or required by law to collect your information. Unless required by law or regulation, your personal information will not be passed to any third-party without your consent. Your personal information is stored securely and you have the right to review it and request its correction if in error.

If you are a company and you have provided personal information about an officer or employee of yours in respect of your account with us, you must show this disclosure statement to your officer or employee.

If you wish to receive a copy of our Privacy Policy, or to review and correct personal information we hold about you, or if you do not wish to receive further information about other services or products, or if you have a complaint in relation to the privacy of your personal information, please contact our Privacy Officer or email **privacy@holst.com.au**.

How do you contact HOLST?

You can contact HOLST at the following locations:

Melbourne

Level 8 South Tower
459 Collins Street
Melbourne
Victoria 3000

P.O. Box 44
Collins Street West
Victoria 8007

Tel +61 3 9282 8111
Fax +61 3 9282 8222

Geelong

16 Aberdeen Street
Geelong West
Victoria 3218

P.O. Box 364
Geelong
Victoria 3220

Tel +61 3 5229 4637
Fax +61 3 5229 4142

ABN 67 006 545 660

DX 30915 ASX Melbourne

E-mail **holst@holst.com.au**

Website **www.holst.com.au**

SUPPLEMENTARY FINANCIAL SERVICES GUIDE

F.W. HOLST & CO. PTY LTD

ABN 67 006 545 660 AFSL No. 247841
Participant of Australian Securities Exchange Group

Address:

Level 9, 600 Bourke Street
Melbourne Vic 3000

Tel: 03-9282 8111

Fax: 03-9282 8222

Website: www.holst.com.au

e-mail: holst@holst.com.au

This Supplementary Financial Services Guide supplements our current Financial Services Guide, dated 9 March 2004. Both our Financial Services Guide and this Supplementary Financial Services Guide are important documents and should be read together. Both should be kept with your financial records. If you would like another copy of our current Financial Services Guide, please contact **HOLST** or download a copy from our website at www.holst.com.au

The purpose of this Supplementary Financial Services Guide is to provide information to you, as required by law which came into effect for us on 1 July 2008, about **HOLST's** Professional Indemnity Insurance cover.

Please contact our office for an explanation of any point in this Supplementary Financial Services Guide which you do not understand or is not clear.

Professional Indemnity Insurance cover

HOLST has in place Professional Indemnity Insurance which satisfies the requirements of Section 912B of the Corporations Act. Section 912B relates to Retail Client compensation arrangements.

In very general terms, Section 912B requires **HOLST** to have arrangements for compensating a Retail Client for loss or damage suffered because of breaches by **HOLST**, or by our representatives/employees, of obligations under Chapter 7 ('Financial Services and Markets') of the Corporations Act, including losses caused by negligence, fraud, dishonesty or other misconduct that amounts to a breach of Chapter 7 and gives rise to a liability to a Retail Client.

Section 912B also requires our arrangements to cover our liability to a Retail Client for an award (i.e. a compensation order) made in favour of that Retail Client by the Financial Industry Complaints Service Limited (see pages 25 & 26 of our current Financial Services Guide), an ASIC-approved External Dispute Resolution Scheme of which we are a member.

The Professional Indemnity Insurance we have in place will cover claims in relation to the conduct of representatives/employees and those who no longer work for **HOLST** but who did at the time of the relevant conduct.

