

This Financial Services Guide ("FSG") is an important document which contains important information about the types of financial services we can provide you. In this document, "We", "Us" and "Baillieu" mean E.L. & C. Baillieu Stockbroking Ltd.

The purpose of the FSG is to explain important information about the types of financial services we can provide you, our methods of remuneration, details of some of the risks involved in investment, and what you may do in case you wish to make a complaint.

The matters covered by the FSG include:

- who we are and how we can be contacted
- what services and types of products we are authorised to provide
- how we (and any other relevant parties) are remunerated
- details of our internal and external dispute resolution procedures and how complaints are dealt with.

It is intended that this FSG should assist you in determining whether to use any of our services.

If you choose to use any of our products and services you may also receive other documents which you should read carefully. These documents may include the following:

Statement of Advice (SOA)

This will usually be given if we provide you with personal advice, that is financial product advice where we take into account your personal objectives, financial situation and needs. The SOA will contain the personal advice, the basis on which it is given and other information including details about fees, charges, other benefits, commissions and associations which may have influenced the provision of the advice.

However, in certain circumstances, that is the provision of further advice, a SOA may not be provided. Details of such advice will be recorded in a Record of Advice (ROA) which you will have the right to request after the advice has been given.

Product Disclosure Statement (PDS)

This will usually be provided when we make a recommendation to you to acquire, continue to hold or dispose of a financial product (other than securities) or offer to issue or arrange the issue of such a financial product on your behalf. This document is produced and made available by the issuer of the financial products, who decides the content. The PDS will contain information about the financial product necessary for you to make an informed decision about whether to acquire, hold or dispose of that product.

Prospectus

This will usually be provided when we make a recommendation to you to acquire securities under a new issue offering or a float, prior to quotation of the securities on a prescribed financial market such as the ASX. The Prospectus will contain information about the securities and issuer necessary for you to make an informed decision about whether to acquire the securities.

1. Who is E.L.&C. Baillieu Stockbroking Ltd?

E. L. & C. Baillieu Stockbroking Ltd is a Participant of the Australian Stock Exchange Group. The firm commenced business in 1889, some five years after The Stock Exchange of Melbourne was founded, and traded as a partnership until March 1986.

On 1 April 1986, the partnership of E. L. & C. Baillieu ceased trading and was succeeded by E. L. & C. Baillieu Limited, which subsequently changed its name to E. L. & C. Baillieu Stockbroking Ltd in January 1998.

The company has been granted and holds Australian Financial Services Licence (AFSL) No 245421 issued by the Australian Securities and Investments Commission.

2. Your Adviser

Your adviser is an employee of Baillieu, we are therefore responsible for any advisory services you receive.

Your adviser's name will be included in all confirmations issued to you.

3. Financial Services available from Baillieu

Advisory services provided by Baillieu include:

- Giving advice (both general and personal) and dealing in:
 - Basic deposit products
 - Non-basic deposit products
 - Derivatives limited to old law securities options contracts¹ and warrants
 - Foreign Exchange contracts
 - Government debentures, stocks or bonds

- Life Products
- Managed Investment Scheme interests
- Managed Discretionary Account services
- Retirement Savings Account products
- Securities
- Superannuation products
- Investor Directed Portfolio Services (IDPS)
- ASX Managed Investment Warrants

¹ Option contract was defined under section 9 of the Corporations Act immediately prior to 11 March 2002 and were securities under section 92 (1) of that Act.

- Providing custodial or depository services (other than IDPS) to retail and wholesale clients.

In providing you with these financial services, we will be acting on your behalf unless otherwise notified to you. For example, from time to time, Baillieu acts as the manager of initial public offerings (IPO) and placements.

Advice. If we provide you with advice, you will receive either personal financial product advice (**Personal Advice**) or general financial product advice (**General Advice**). In order for you to receive Personal Advice you will need to give Baillieu details of your personal objectives, current financial situation and needs, and any other relevant information, so that we can provide you with appropriate advice.

You have the right not to provide us with this information. If you choose not to provide us with your relevant information, or the information you provide is incorrect or becomes incorrect, this may affect the advice provided to you. You should consider the appropriateness of any advice in respect of your relevant personal circumstances before you act on the advice.

We may also provide you with limited Personal Advice, that is, advice that is limited to a particular Financial Product range and/or based on limited relevant information. This may mean the advice and resulting investment may not be appropriate to your needs, objectives and circumstances. You should make your own assessment of the appropriateness of any such advice to your needs.

We will only give Personal Advice to you if you secure the services of one of our advisers and specify that we are giving you Personal Advice. We will not give you Personal Advice in our regular updates or marketing material, when you visit our website, or if you contact our non-advisory staff.

General Advice is advice that does not contain any direct or implicit recommendation that the Financial Products referred to are appropriate to your own investment objectives and personal circumstances. You should not rely on General Advice without making your own inquiries or assessment about the suitability of the Financial Product to your own individual investment objectives, financial situation and needs.

Newsletters and research reports on a variety of companies, both industrial and mining, which are published regularly.

Our advisers can provide guidance to clients on a wide range of investments and strategies ranging from long term investment to short term speculation.

Portfolio and financial advice. We are pleased to evaluate and comment on clients' portfolios and to prepare suitable portfolios to meet clients' particular needs.

Arrangement of investment in fixed interest securities issued by the Commonwealth of

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Australia and State instrumentalities, or public company debentures. We offer advice on the suitability, security and general worthiness of a wide, but conservative range of fixed interest securities.

Arrangement of short term fixed interest investments. This includes the placing of clients' money at call with sound and conservative cash management trusts or common funds managed by trustee companies, and the purchase of bank bills which provide an attractive and secure medium for investment for clients wishing to deposit monies for periods ranging from one to six months.

Cash Management Trust. We offer clients the convenience of establishing a cash management account for transactions on their portfolio. Baillieu has co-branded cash management account facilities for its clients, which are operated and provided by St George Bank Limited ABN 92 055 513 070 AFSL No. 240997.

Establishing a Self Managed Superannuation Fund (SMSF). We are pleased to assist clients in the establishment of their own SMSF, and will provide ongoing administration and investment management services to the appointed SMSF trustee as agreed by arrangement with the trustee.

How you can give us instructions.

You can give us instructions in relation to market transactions by telephone, facsimile, letter, email or by any other means as may be mutually agreed in writing. However, when giving us order instructions, unless you speak to one of our advisers, we cannot guarantee that your order will be carried out.

For all other instructions, you will need to provide us with written and signed documentation.

Cancellation of Market Transactions.

Under ASX Group Rules, the ASX is permitted to direct us to cancel or amend any market transaction that is effected by an error or omission. Under those Rules, we may elect (by agreement with the other broker) to cancel or amend a market transaction(s), or we may be directed by the ASX Group to cancel or amend a market transaction(s) due to (a) an honest and genuine mistake in relation to the characteristics, details or execution of a market transaction, or (b) a breakdown or malfunction of the ASX Group's systems or any other technical or administrative error effecting the market transaction. Where a transaction is executed by us on your behalf, you consent to any decision made by us to cancel or amend such market transaction(s), or any direction by ASX compelling us to cancel such market transaction(s), and agree that we will not be liable to you or any other person in contract or tort or any other basis for any loss, damage, cost or expense arising directly or indirectly from such cancellation or amendment.

4. Charges and means of remuneration

4.1 How you pay for services

Brokerage and other charges which apply to each of the advisory services we offer are explained below. Fees for portfolio administration and investment products are also explained below. Newsletters and research reports are provided free of charge. All brokerage, commission and other charges to be paid by you, are to be paid directly to E. L. & C. Baillieu Stockbroking Ltd.

4.2 Calculation of brokerage, commission and other charges

4.2.1 Securities quoted for trading on markets administered by ASX

Brokerage charges apply to the purchase and sale of products quoted for trading on prescribed financial markets such as ASX, including equities, options, warrants, fixed interest products and interests in listed managed investment schemes. The schedule of fees is shown below.

Annual Account Keeping Fee

N/A

Minimum Brokerage

\$60 + GST

Maximum Brokerage

2.50% + GST on amount transacted

Brokerage is charged on each transaction, and is calculated as a percentage of the dollar value of the transaction plus goods and services tax (GST).

Brokerage rates are negotiable and will be agreed with you prior to the execution of a transaction, however a minimum charge of \$66 (including \$6.00 GST) per transaction applies.

Brokerage Example: If the amount transacted is \$10,000 the maximum brokerage is \$250 plus GST of \$25.00 (total \$275.00).

For a purchase, the brokerage is added to the transaction value to form the total consideration payable to E.L. & C. Baillieu Stockbroking Ltd to effect the transaction. For a sale, the brokerage is deducted from your proceeds from the transaction. These amounts are specified on the Confirmation with regard to your purchase or sale.

You may also be charged "fail fees" or "late payment fees" (charged by ASX) if you fail to settle a purchase or sale transaction by the time and date specified on the Confirmation. These fees are shown below.

Confirmation Value (Amount Transacted and Brokerage + GST)	Fail Fee / Late payment Fee
\$100,000 or less	\$100 + GST per day
Above \$100,000	0.1% of consideration + GST per day (up to a maximum of \$5,000 + GST per day)

Consideration is calculated based on the previous day's closing price of the products to be transacted plus the unpaid brokerage.

Fail Fee / Late Payment Fee Example: For a sale of shares where the amount transacted was \$115,000 and brokerage was 2.5% + GST, the consideration will be \$118,162.50. The fail fee / late payment fee will be \$130.00 and on subsequent days the fee will be adjusted according to movements in the previous day's closing price for the transaction / product.

4.2.2 Provision of Financial Advice

Baillieu may charge a fee for the provision of financial advice. This fee will vary depending on the complexity of the advice and strategy provided (based on hours to prepare the advice). Your adviser will agree the fee with you prior to the preparation of the financial advice.

Where personal advice is provided, further details of the fees for advice provided will be contained in the SOA you receive.

4.2.3 Investment Product Fee

The table below is a summary of the range of fees or commissions we may receive from product issuers for referring clients who acquire their investment products:

Upfront Fee

0% to 6.60% of the amount you invest

Trail Commission

0% to 1.1% (per annum) of the ongoing value of your investment

The amount of the fee or commission we receive is dependent on the identity of the issuer, the fee or commission which they pay or rebate and the nature of the product.

4.2.4 Portfolio Performance Fee

A client who appoints Baillieu to advise on their direct share portfolio investments may be charged a performance fee on any out performance of that portfolio's agreed benchmark in exchange for being charged lower brokerage (paragraph 4.2.1).

Portfolio Performance Fee Example: The performance fee may be 12.5% of out-performing the S&P/ASX 300. If 20% out-performance is assumed, then this equates to a performance fee of 2.5% per annum.

4.2.5 Portfolio Administration Service Fee

Baillieu can provide administration services for your investment portfolio. A summary of the fees that apply to that service are set out in the table below.

Portfolio Administration Service Fee Example: The market value of the investment we administer on your behalf is \$100,000 at the end of the month. The ongoing service fee which may be charged for that month is one twelfth of \$1,000 + GST, or \$83.33 plus GST of \$8.34 (total \$91.67).

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Establishment Fee

Cash only

Minimum	\$ 0
Maximum	\$ 0

Cash & Investments

Minimum	\$ 250 + GST
Maximum	\$ 1000 + GST

Ongoing Service Fee

(calculated on the market value of funds under administration)

Minimum	\$ 0
Maximum	\$ Up to 2%* per annum of the market value of funds under administration + GST, calculated on the month end portfolio balance

* minimums may apply

Other fees and charges described in this FSG are additional to the Portfolio Administration Service fee. For example, brokerage (refer 4.2.1 above) will apply on all ASX traded securities transactions within the Portfolio Administration Service.

4.2.6 New issues, privatisations and floats

You are not charged brokerage or commission when making an application for securities in a new issue, privatisation or a float. If, however, your application is stamped by Baillieu and is successful, we may be entitled to receive a lodgement fee from the company, government or relevant issuer, which will vary depending on the issuer.

Where we act as underwriter or sub-underwriter or manager of such an issue, we will receive fees for acting in that capacity. Details of lodgement and other fees will be disclosed in the prospectus for the issue, and will depend on the individual circumstances and type of the issue.

4.2.7 Fixed Interest/Cash Management Trusts

No brokerage or commission is charged by us where we lodge funds on your behalf in a cash management trust or where you purchase fixed interest securities in the primary market, that is, through a prospectus.

We will, however, receive a commission from fixed interest borrowers and cash management trustees for any funds lodged with them on behalf of our clients. This commission is payable only to licensed institutions, such as ourselves, and is not payable to investors. You are in no way disadvantaged by arranging these facilities through us. The amount of commission we receive varies depending on the identity of the issuer and the nature of the product, but typically ranges from 0.25% (inclusive of GST) to 0.44% (inclusive of GST) of the average daily balance of the amount lodged.

Where we purchase discounted securities such as bank bills of exchange or promissory notes, we deduct and retain 0.25% from the yield negotiated with the seller.

4.2.8 Self Managed Superannuation Fund (SMSF) Service

In addition to the fees and commissions described above, where we assist clients to

establish and set up a SMSF, a minimum fee of \$1,555 inclusive of GST is charged.

4.3 Means of remuneration

Directors and Client Advisers of Baillieu are remunerated by salary or on a commission basis or on a combined salary/commission basis. Advisers remunerated on a commission basis receive up to 50% of brokerage charged to the client, up to 60% of any Portfolio Administration Service Fees and Portfolio Performance Fees and up to 70% of any new issue, privatisation and float commissions received by Baillieu.

5. Your rights

Where you receive personal advice, your adviser is obliged to have a reasonable basis for making that recommendation.

This means that your adviser must give consideration to the information available about your investment objectives, financial situation and particular needs. If you do not wish to provide such information, or you only provide limited information your adviser will be limited in his or her ability to provide financial advice specific to your requirements. In such cases, any financial advice given will only be general in nature.

You have the right to know about details of commissions and other benefits your adviser receives for providing financial advice to you and we are obliged to disclose any interest of the adviser that may reasonably be expected to be capable of influencing financial advice provided to you. We will provide the information to you when we provide that advice.

6. Provision of Information to Stockbrokers

6.1 Provision of personal information to your client adviser

When you contact a client adviser with a stockbroking organisation, he or she will generally presume that you have already made the decision to invest a particular part of your investable assets in equities rather than some other asset class.

If you have not made this decision or you require assistance with it, you should let the client adviser know, so that he or she can advise you appropriately or refer you elsewhere.

In order for us to provide advice which is appropriate to your personal circumstances, you will be asked to provide certain detailed personal information about your investment objectives, financial situation and particular needs, either in writing or orally.

This information will be kept strictly confidential.

If you wish to rely on our advice it is incumbent upon you to have provided us with full details of your personal circumstances so that we can make a proper judgement as to the suitability or otherwise of the securities under discussion.

If you choose to provide this information you should ensure that your adviser becomes aware of any changes that may be relevant when advice is given in the future.

6.2 What are the possible consequences of not providing this information?

You are of course at liberty to decline to provide some or all of this information, but if you do not provide it, your client adviser will only be able to provide general financial advice to you on the basis of the information you do provide. Thus any resulting investment may not be appropriate to your investment objectives, financial situation and particular needs. If you do not provide all information relevant to your investment objectives, financial situation and particular needs:

- we may not be able to undertake a comprehensive analysis of your investment objectives, financial situation and particular needs;
- accordingly, our advice may be based on incomplete or inaccurate information relating to your relevant personal circumstances; and
- before acting on the advice, you need to consider whether our general advice is appropriate having regard to your relevant personal circumstances.

This process does not apply in relation to the provision of written or oral general advice, such as that contained in newsletters and research reports. General advice is based solely on the investment merits of the financial products, and is prepared without consideration of the investment objectives, needs and financial circumstances of any particular investor and includes the warning that the advice is not a recommendation that a particular transaction in those financial products may not be appropriate or suitable for the recipient of the advice.

7. Limitations of research

The research undertaken by stockbrokers is basically the opinion of specialist analysts. It can never be guaranteed, is only valid for a limited time and is often subject to market movements.

For example, for short term investors a buy recommendation could turn into a sell recommendation where the market price of a stock appreciated by a small amount.

For a prospective longer term investor this market movement may not be significant, although a larger movement might be.

The mere fact that a stock is recommended by an analyst as a "Buy" does not necessarily mean that the stock is a suitable investment for you and you should consult with your client adviser before acting on any research report.

8. General risk disclosure statement and guidance for investors

8.1 Introduction

We will explain to you any significant risks associated with investments and strategies which we recommend to you. You can ask us to explain those risks to you at any time.

Equity securities, in common with all the other asset classes (eg real property and government bonds) can decline in value as well as appreciate.

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The measure of this change in value is often referred to as volatility, i.e. the more the value varies over time, the more volatile the asset is and therefore generally the more risk involved in investing in it. 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.

Equity securities are generally more volatile than other asset classes; however the markets for other asset classes are not as efficient or transparent as the stock market in terms of the information available to investors and the process for continuously determining and making public the real market value of the particular asset. For this reason the real volatility of those assets is often not fully appreciated.

8.2 What are the risks?

In general the risks of investing in equities can be categorised in the following manner. (Please note that the lists below do not purport to be complete, as it would not be feasible to list all the possible risks in each category).

Overall market risk

This is the risk of loss by reason of movements in the share market generally. These can be caused by any number of factors. Specific examples are changes in interest rates, political changes, changes in taxation or superannuation laws, international crises or natural disasters.

Domestic versus international factors

The vulnerability of a company to international events or market factors influences the value of its shares. These would include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.

Sector specific factors

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

Stock specific 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, drill 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.

8.3 Basic investment strategies – What are they?

Income - you may need an income stream, perhaps to meet your living expenses. You may also tend to avoid shares which do not pay franked dividends.

Growth - a secure income stream may not be necessary, as your income needs are met from other sources. However, if you wish to achieve capital growth to provide a hedge against inflation, to accumulate wealth and/or to defer taxation, growth stocks may be appropriate to your needs.

Shares which are likely to provide capital growth can also result in capital losses and the shares with the greatest potential for growth may also have the greatest potential for loss in value.

Mix of growth and income - your needs may include both a secure income stream and some measure of capital growth.

Short term trading - you may wish to trade in shares with a view to profiting from short term price movements in the stock market.

Mixture of the above - some shares to be acquired for each of the above purposes.

8.4 Privacy - What information do we maintain about you?

At Baillieu the privacy of your personal information is important to us. Any personal information collected will be handled in accordance with our Privacy Policy. Our Privacy Policy details how we comply with the requirements of the Privacy Act in the handling of your personal information.

We will only disclose personal information to third parties carrying out functions on behalf of the firm on a confidential basis, or to the extent necessary to comply with our obligations as required or authorised by law. Our Privacy Policy Statement is available on our website www.baillieu.com.au or you may contact our office for a copy.

If you wish to discuss these details, you should contact your adviser.

9. Professional Indemnity Insurance cover

E. L. & C. Baillieu Stockbroking Ltd 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 E. L. & C. Baillieu Stockbroking Ltd to have arrangements for compensating a Retail Client for loss or damage suffered because of breaches by E. L. & C. Baillieu Stockbroking Ltd, or by our representatives/employees, of obligations under Chapter 7 ('Financial Services and Markets') of the Corporations Act.

The Professional Indemnity Insurance we have in place will cover claims in relation to the conduct of representatives/employees who no longer work for E. L. & C. Baillieu Stockbroking Ltd but who did at the time of the relevant conduct.

10. If you have any complaints

To improve our level of customer service, Baillieu has a complaints handling procedure. If you have a complaint about the service provided to you, you should take the following steps:

1. Contact your adviser and tell him/her about your complaint.
2. If your complaint is not satisfactorily resolved within 3 days, please contact our Compliance Manager on 9602 9222 or put your complaint in writing and send it to us addressed to:

The Compliance Manager
E. L. & C. Baillieu Stockbroking Ltd
PO Box 48, Collins Street West
Melbourne Vic 8007

We will try and resolve your complaint fairly and expeditiously.

3. If you still do not obtain a satisfactory outcome, you have the right to complain in writing to:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Tel: 1300 78 08 08
Fax: 03 9613 6399
Email: info@fos.org.au
Web: www.fos.org.au

We are a member of this scheme.

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

Melbourne

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