



FINANCIAL SERVICES GUIDE

Select ProActive

12 December 2008

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Section 1. Select Equities Services

Select ProActive

PERSONAL ADVICE

The Select ProActive service includes a comprehensive and personalised investment advisory service for private investors. The service is managed by senior executives of the firm and provides a sophisticated approach to portfolio management, placing considerable emphasis on the efficient trade-off between risk and reward.

When you invest with Select ProActive, you can be confident your investments will benefit from our disciplined investment approach.

The service allows us to work in partnership with you on a traditional advisory basis, providing professional assistance and tailored advice.

The goal of the Select ProActive service is to increase your net wealth by investing in quality Australian companies and securities with a long term view.

You will benefit from a diligent needs and risk profile analysis undertaken by expert advisers.

You will benefit from expert investment and stock selection techniques applied by your adviser.

On a daily basis you will benefit from the disciplined research process undertaken by your adviser.

You will receive an in-depth, thorough review of your portfolio upon beginning a client-adviser relationship and every quarter thereafter.

Select ProActive Fees:

Transaction Fees are charged depending on the value of the trade.

Transaction Fees	Brokerage
Standard brokerage rate	1.100%
Minimum transaction fee	\$110
Minimum transaction fee with 3 rd party settlement (eg Margin Lending Trades)	\$130

Select ProActive Investment Management Fees, calculated and invoiced quarterly in arrears.

Portfolio Value	Annual Fee %
First \$1 million	1.100%
Greater than \$1 million	0.825%

Section 2. About Select Equities

SELECT EQUITIES

Select Equities is an independent Australian investment and advisory firm. Select Equities provides share advice and share dealing services to Private Investors, Financial Planners & Accountants, Institutional Investors and Corporates.

When you first contact us we will generally assume that you have already decided to invest, or switch, a certain amount of your investment capital into shares rather than some other asset class (e.g. unlisted managed funds). If you have not made this decision or you require assistance with it you should let your Adviser know so that we can advise you appropriately or refer you elsewhere (e.g. to a financial planner). Where relevant, you may be required to pay additional fees for advice in relation to asset classes other than shares or switching from another asset class into shares.

SELECT EQUITIES AUSTRALIAN FINANCIAL SERVICES LICENSE

Select Equities Pty Ltd is licensed by the Australian Securities & Investments Commission ('ASIC') as an Australian Financial Services Licensee (AFSL No. 282 153) under the Corporations Act.

This licence authorises Select Equities to carry on a financial services business to:

- (a) provide financial product advice for the following classes of financial products:
 - (i) derivatives;
 - (ii) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (iii) interests in managed investment schemes including:
 - (A) investor directed portfolio services;
 - (iv) securities; and
 - (v) superannuation; and
 - (b) deal in a financial product by:
 - (i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - (A) derivatives;
 - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - (A) derivatives;
 - (B) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (C) interests in managed investment schemes including:
 - (1) investor directed portfolio services;
 - (D) securities; and
 - (E) superannuation; and
 - (iii) underwriting:
 - (A) interests in managed investment schemes; and
 - (B) an issue of securities;
- to retail and wholesale clients.

YOUR ADVISER

Your Adviser represents Select Equities. Select Equities is therefore responsible to you for any advisory, dealing or other financial services your Adviser or any other member of our staff provides. Select Equities ensures Advisers hold the necessary competency accreditations to provide the advisory and dealing services you require.

ACTING AS YOUR AGENT

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.



PROVIDING US WITH INSTRUCTIONS

You may specify how you would like to give us instructions. We accept instructions by telephone, letter, fax or email. As time is of the essence in 'live' markets, the telephone is the preferred means. 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).

TRIPARTITE AGREEMENT BETWEEN YOU, SELECT EQUITIES AND OUR NOMINATED ASX MARKET PARTICIPANT

All our share dealing services are provided, inter alia, in accordance with our New Client Agreement, which we will require you to sign at the beginning of our relationship. The New Client Agreement is a tripartite agreement between you, Select Equities and Select Equities' nominated ASX Market Participant (you will also receive a Financial Services Guide directly from our ASX Market Participant).

You should read this material carefully and ask your Adviser for clarification of any matter you don't understand or which isn't clear. These arrangements impose legal and other ongoing obligations on you and on Select Equities. You should consider seeking independent advice on this documentation.

The services we provide to you through our ASX Market Participant, in relation to ASX Market dealings, are subject to:

- the ASX Market Rules, the directions, decisions and requirements of ASX, the ACH Clearing Rules and where relevant, the ASTC Settlement Rules; and
- the customs and usages of the relevant ASX Market; and
- the correction of errors and omissions.

Select Equities has immediate and direct access, when ASX Markets are open, to the order execution and transaction settlement systems for those markets. Subject to the relevant dealing and settlement regulations, Select Equities can transact your orders and facilitate settlement in relation to market quoted financial products in accordance with your instructions.

A Confirmation will be despatched to you directly by our ASX Market Participant following execution of your market transactions. It confirms the detail of the transaction and the terms and conditions which applied to the transaction. The Confirmation also serves as a Tax Invoice.

In addition, our ASX Market Participant can act as your Sponsoring Broker on CHESS for your holdings of CHESS approved financial products. We urge you to use this service as it has many advantages and minimises the risk of failed settlement of sell transactions, which in turn incurs additional fees.

Please note that ASX has the power, in circumstances where integrity of an ASX Market is at stake, to cancel or amend market transactions which have been executed. Cancellation of a transaction executed on your behalf on an ASX Market would mean that you lose the benefit of the market price and other entitlements that would have flowed from the transaction. Amendment of a transaction may have a similar impact on you. ASX's powers in this regard do not extend to markets not operated by ASX.

In the case of transactions executed on your behalf on ASX Markets, funds (i.e. cheques, direct deposits but not cash), documents (e.g. share certificates, statutory declarations) or sponsored holdings must be available to our ASX Market Participant by the time and date required by their Terms and Conditions.

Brokerage, commissions and fees charged by us for dealing services are to be paid directly to our ASX Market Participant. Our ASX Market Participants pay us a referral fee or brokerage rebate out of the brokerage paid or payable by you.

In the case of advice or securities not quoted on ASX operated markets all brokerage, commissions and fees are to be paid directly to Select Equities.

Section 3. FSG, SOA, ROA and PDS

FINANCIAL SERVICES GUIDE (FSG)

This Financial Services Guide is designed to assist you decide whether to use any of the services offered in this Guide. It provides information about the range of financial services we are authorised to provide in relation to particular financial products, such as listed shares. These financial services, and the financial products covered by these services, can be complex and subject to special regulatory requirements, which impact how we provide the services to you. This FSG also provides information about potential conflicts of interest, and remuneration that may be paid to Select Equities 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 the protection of, and 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 has been to provide sufficient information in relation to the range of our services for you to make an informed decision about using them. Our services are also subject to the terms and conditions set out in our New Client Agreement. Before dealing in certain financial products (e.g. Options) you will have to execute a prescribed Agreement and be provided with prescribed information about that product – this material will come from your Adviser.

Should you wish to discuss our services in more depth after reading this Guide, please contact your Adviser.

STATEMENT OF ADVICE (SOA)

A Statement of Advice will usually present recommendations that we believe are appropriate for you personally (i.e. Personal Advice). It includes detail of the advice, the basis for the advice, relevant disclosures (concerning fees, interests or benefits, and relationships or associations which may be capable of influencing our advice) and any applicable warning. A SOA is only relevant in the context of Personal Advice, not product advice (i.e. General Advice) based on consideration of the investment/trading merits of the product alone. You will receive a SOA upon beginning a client-adviser relationship as part of our Select ProActive personalised investment management service.

RECORD OF ADVICE (ROA)

We may keep a Record of Advice (ROA) when we provide you with further Personal Advice, where your personal circumstances and/or the basis for the advice have not changed significantly. In such cases you will not receive a SOA and we are not obliged to provide you with a written document containing our advice unless you ask for it. We are however required to keep a copy of the ROA, which can be provided to you upon request. When we provide you with further Personal Advice we are required to disclose relevant information to you about our remuneration and potential conflicts, as well as the advice, the basis for the advice and, if relevant, certain information regarding switching financial products.

PRODUCT DISCLOSURE STATEMENTS (PDS)

When required, a PDS will accompany the issue or sale of, or Personal Advice about, 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.

Section 4. General, Personal and Tax Advice

GENERAL ADVICE

By way of example, General Advice or Product Advice includes research reports and newsletters, but it also may be provided orally. 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 relevant personal circumstances.

The research undertaken by Select Equities or published by ASX Market Participants is basically the opinion of specialist analysts. It 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 small 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', 'hold', 'accumulate', 'underweight' or 'overweight' does not necessarily mean that a particular recommendation is appropriate for you specifically, and you should consult your Adviser before acting on any recommendation contained in research report or newsletter.

Clients who elect not to receive the Select ProActive personalised investment advisory service will receive General Advice ONLY. We shall ONLY be obliged to provide non-Select ProActive clients with General Advice when requested to do so by the client.

PERSONAL ADVICE

If you ask your Adviser for advice about whether a particular financial product or investment is appropriate for you (i.e. Personal Advice), he or she is obliged by law 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 relevant personal circumstances).

We therefore require that you provide us with this information and that you update your Adviser regarding any material, significant or relevant changes to your circumstances – the changes may be relevant for future recommendations. 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 relevant personal circumstances.

Personal Advice will be presented to you in a SOA. You will receive a SOA upon beginning a client-adviser relationship as part of our Select ProActive personalised investment management service.

TAX ADVICE

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.



Select Equities is not a Registered Tax Agent or Tax Adviser. Select Equities does not provide tax advice. You should have access to an Accountant or Tax Adviser. Any tax issues specific to your personal circumstances and investment objectives or strategy should be put to your Accountant or Tax Adviser. If you don't already have an Accountant or a Tax Adviser, you can ask your Select Equities Adviser, who can refer you to one.

Section 5. Risks Associated with Stock Market Investing

We will explain to you any significant risks associated with investments and strategies which we recommend to you. If we do not do so, you should ask us to explain those risks to you.

Shares and other securities, in common with all other asset classes (e.g. real property and government bonds), can decline as well as appreciate. The measure of this change in value is often referred to as volatility. The more the value of an asset varies over time, the more volatile the asset is and therefore 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.

Shares and other securities are generally more volatile than other asset classes, however, the markets for other asset classes are not as efficient or transparent as the markets administered by ASX 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 other assets is not fully appreciated.

In general, the risks of investing in equities can be categorised in the following manner. Please note that the lists of examples are not complete, as it is not feasible to list all the possible risks in each category.

- **Overall Market Risk** – This is the risk of loss because of movements in the stock markets generally. These 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 crisis or natural disasters.
- **Domestic versus international** – The vulnerability of the listed company to international events or other factors affecting the markets for its products or services, influences the value of its securities. 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 demand for the product the listed company produces, 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 listed 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.

Section 6. Client Complaints and Compensation Arrangements

If you have a complaint about, or are dissatisfied with, the service provided to you, you should take the following 3 steps:

1. Contact your Adviser and tell your Adviser about your complaint.
2. If your complaint is not resolved to your satisfaction within 3 business days, please contact our Complaints Manager or put your complaint in writing, together with relevant documentation, and send it to us addressed to:

Complaints Manager
Select Equities Pty Ltd
Level 4, 350 George Street
SYDNEY NSW 2000

When the complaint is received, the Complaints Manager 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. The issues involved may be quite complex and subject to special regulations. We will try and resolve your complaint quickly and fairly. We will 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 particularly 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 Ombudsman Service Ltd (FOS) and may change. You may then refer the matter to FOS, an authorised complaints resolution organisation for the financial services industry. Select Equities is a member of this organisation. You may contact FOS as follows:

Financial Ombudsman Service Ltd
GPO Box 3
Melbourne VIC 3001

Phone Toll Free on: 1300 78 08 08
Fax: (03) 9613 6399
Email: enquiries@fos.org.au

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.

COMPENSATION ARRANGEMENTS

Select Equities holds a Professional Indemnity Insurance Policy which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act. Subject to its terms and conditions, the Policy provides cover for civil liability resulting from third party claims concerning the professional services provided by Select Equities and its employees and representatives. This Policy covers professional services provided by employees and representatives of Select Equities while they are in our employ, even where that employee or representative has subsequently left our employ.

Section 7. Privacy Policy

We 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.

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 Personal 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 our ASX Market Participants, who in turn may pass it to the ASX 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.

Our ASX Market Participants 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) which is the operator of the National Guarantee Fund.

We, and our ASX Market Participants, may be required to disclose information about you to any court or tribunal, authority or regulatory body such as ASIC and operators of disputes or complaints resolution schemes in order to comply 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 to us in respect of your account with us, you must show this disclosure statement to your officer or employee.

If you wish 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 Complaints Manager on (02) 9232 1833.



Section 8. Schedule of Standard Fees & Charges

ALL Fees & Charges are GST inclusive & subject to change

Select ProActive Fees:

Transaction Fees are charged depending on the value of the trade.

Transaction Fees	Brokerage
Standard brokerage rate	1.100%
Minimum transaction fee	\$110
Minimum transaction fee with 3 rd party settlement (eg Margin Lending Trades)	\$130

Select ProActive Investment Management Fees, calculated and invoiced quarterly in arrears.

Portfolio Value	Annual Fee %
First \$1 million	1.100%
Greater than \$1 million	0.825%

International Securities Transaction Fees:

Transaction Fees are charged depending on the value of the trade, and may vary depending on the market.

USA Standard International Securities Transaction Fees	Brokerage
Standard brokerage rate	1.1%
Minimum transaction fee	USD 100
One off international securities trading facility establishment fee	\$440

Other Administrative Fees:

Off market share transfer	\$35.00
Amendment to share registration details (per holding)	\$12.50
12A – SRN Request	\$35.00
Contract Note Report	\$35.00
Valuation Statement (broker sponsored shares only)	\$35.00

Commission Paid to Select Equities by 3rd Party Institutions:

Trailing commissions on Margin Loan balance	0.275%
Trailing commissions on Cash Management Trust balances	0.275%

Disclosure of Interest & 3rd Party Referral Fees:

We are obliged by law to inform you of any interest(s) the Adviser, Select Equities or any associate has that may reasonably be expected to be capable of influencing advice provided to you. Such interests will be disclosed to you at the time that the recommendation is made to you.

If, under a referral arrangement, we refer or introduce you to a 3rd party financial services provider to use their specialist services, we may receive a one-off fee or an ongoing payment of a proportion of the brokerage or fees you pay to them. Similarly, we may pay a 3rd party financial services provider a one-off fee or an ongoing payment for any referrals that we receive.



Select Equities Directory

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Private Client Dealer/Research

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