FINANCIAL SERVICES GUIDE

ABOUT THIS FINANCIAL SERVICES GUIDE

In this Financial Service Guide (FSG), when the terms We, Our or Us are used, it means ETRADE Australia Securities Ltd (ACN 078 174 973), ETRADE Australia Nominees Pty Limited (ACN 080 523 217) and ETR Nominees Pty Limited (ACN 101 455 207) together, and each of them separately, unless otherwise specified

PURPOSE OF THE FINANCIAL SERVICES GUIDE

This FSG contains information that has been prepared without taking into account your objectives, financial situation or needs. Accordingly, you should consider the appropriateness of the information contained herein having regard to your particular circumstances.

The FSG is an important document. We have designed this FSG to assist you in deciding whether to Use any of the financial services We offer.

This FSG must provide you with information about:

- Our name and contact details;
- The financial services We are authorised to provide and the products to which those services relate;
- The cost of any services We provide;
- Any remuneration, commissions or other benefits that We, or any relevant person, may be paid in relation to the financial services We offer;
- Any relationships We have with any other organisations affiliated with Us or with product issuers, which might influence Us in providing the services; and
- Details of Our internal and external complaints-handling procedures and how you access these.

OTHER DOCUMENTS YOU MAY RECEIVE FROM US

When We provide you with a financial service, We may also have to provide you with a Product Disclosure Statement.

A Product Disclosure Statement (PDS) is a document that provides you with information about a financial product and the entity that issues the financial product (the Issuer). We must provide you with a PDS about a financial product when:

- We recommend that you acquire the financial product; or
- We offer to issue, or to arrange to issue, the financial product to you.

The PDS must contain information about the financial product so that you can make an informed decision whether or not to acquire it. A PDS about a financial product must state, amongst other things:

- The name, licence number and contact details of the Issuer;
- The significant benefits and risks associated with holding the financial product;
- The fees, expenses or other costs associated with holding the financial product;
- Commission or other payments that may reduce any return from the financial product;
- Other significant characteristics of the financial product;
- The rights, terms, conditions and obligations of the financial product;
- Dispute resolution procedures covering complaints in relation to the financial product, and how you can process these dispute resolution procedures; and
- General information about the significant taxation implications (if any) of a financial product.

We are not required to give you a PDS where you are dealing in ASX-listed equity securities and warrants.

If We provide you with personal advice, We will, where We are required to do so under the law, issue you with a Statement of Advice that will set out the personal advice We have given you, including any recommendations We offer along with Our rationale for any recommendations and information about any fees, commissions, associations or relationships which might influence the provision of that advice.

PROVIDER OF THE FINANCIAL SERVICES

ETRADE Australia Securities Ltd (ACN 078 174 973) (E*TRADE Australia) and its representatives are the provider of the financial services offered below. E*TRADE Australia is authorised by the Australian Financial Services Licence (No. 238277) issued under the Corporations Act to provide these services to you.

E*TRADE Australia is a wholly owned subsidiary of ETRADE Australia Ltd (ACN 003 042 082) and a Participant of the ASX Group.

E*TRADE Australia is authorised to provide financial product advice and deal in the following financial products:

- Basic deposit products;
- Derivatives;
- Foreign exchange contracts;
- Debentures, stocks and bonds;
- Interests in managed investment schemes;
- Securities; and
- Miscellaneous financial investment products (including warrants).
- Underwrite interests in managed investment schemes, or issues of securities; and
- Provide and operate custodial and depository services.

FEES PAYABLE FOR EACH SERVICE PROVIDED

Part 1 and of Appendix A details the current list of fees and charges that you will pay for Our services.

HOW WE ARE PAID FOR SERVICES PROVIDED

E*TRADE Australia is remunerated directly through the fees We charge you. With certain products (such as margin lending products) We are also remunerated in the form of commissions (including trailing commissions) by product providers. Refer to Part 2 of Appendix A for more details.

HOW TO USE OUR SERVICES

If you wish to execute transactions Using Our services, you can give Us instructions by telephone, or through Our website. The method by which E*TRADE Australia will accept your instructions will be subject to the terms and conditions of trading with E*TRADE Australia (available at www.etrade.com.au/terms), and your application in relation to the services.

Should you wish to contact Us, please:
Call Us on 1300 658 355 or visit **www.etrade.com.au**
Write to Us at: ETRADE Australia Securities Ltd
Reply Paid 1346
ROYAL EXCHANGE NSW 1224

ASSOCIATIONS WITH PRODUCT PROVIDERS

E*TRADE Australia may provide you with financial products and services from either related or non-related product providers.

E*TRADE Australia may receive a commission payment from product providers where you invest in one of their products or services. Refer to Part 2 of Appendix A for more details.

NON ADVICE SERVICES

If you use Our online services for trading in listed financial products, derivatives and managed funds We will not provide you with personal advice. Accordingly, We will not take into account your objectives, financial situation and needs and a Statement of Advice will not be provided.

COMPLAINTS

You may advise Us of any complaint or dissatisfaction with the service We provide to you. The following dispute resolution procedure is in place to ensure that your enquiries and complaints are handled efficiently.

Contact E*TRADE Australia or a nominated representative on 1300 658 355 and advise Us of your complaint. A representative of E*TRADE Australia will attempt to resolve your complaint and will notify you of any proposed resolution.

If your complaint is not resolved to your satisfaction, please send a written complaint addressed to:

Complaints Manager,
ETRADE Australia Securities Ltd
Reply Paid 1346
ROYAL EXCHANGE NSW 1224

If you are still not satisfied with the resolution of any complaint, you may complain in writing to The Financial Ombudsman Service (FOS), of which E*TRADE Australia is a member.

The FOS can be contacted as below:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001
Telephone: 1300 780 808
Facsimile: (03) 9613 6399
Email: info@fos.org.au
Internet: www.fos.org.au

COMPENSATION CLAIMS

Where you make a claim against Us for breach of one of the obligations under Our Australian Financial Services Licence, We will rely, to the extent possible, on Our professional indemnity insurance policy. This policy enables Us to satisfy the requirement to have compensation arrangements in place for the benefit of Our customers under section 912B of the Corporations Act. It provides coverage for civil liability from claims made against Us concerning the professional services provided by Us, Our employees and representatives (both past and present).

Alternatively, you may be able to make a claim under the National Guarantee Fund in certain circumstances. For more information, you should contact the Securities Exchange Guarantee Corporation Limited.

APPENDIX A

ETRADE Australia Securities Ltd ABN 93 078 174 973

FINANCIAL SERVICES GUIDE – FEES AND CHARGES

The current list of fees and charges that you may pay is detailed below and on the Rates and Fees page of Our website. Any fees and charges relating to specific products can be found in the relevant Product Disclosure Statement. All fees and charges include GST unless stated otherwise.

PART 1 STANDARD FEES AND CHARGES

1. E*TRADE AUSTRALIA'S FEES AND CHARGES FOR RETAIL STOCKBROKING SERVICES

BROKERAGE ON LISTED FINANCIAL PRODUCTS

Internet Trading. The following standard rates apply to equities trades placed via the internet:

TRADES PER MONTH	UP TO $5,000	$5,001 - $10,000	$10,001 - $28,000	OVER $28,000
1st	A$19.95	A$24.95	A$29.95	0.11%
2nd & subsequent	A$19.95 up to $18,000 then 0.11%			

TABLE 1.1

Phone Trading. The following standard rates apply to equities trades placed by telephone:

TRADE VALUE	STANDARD BROKERAGE
$0 – $15,000	A$69.95
$15,001 – $55,000	0.40% of trade value
$55,001 – $1million	0.35% of trade value
$1million +	0.13% of trade value

TABLE 1.2

SharePack. SharePack attracts the following brokerage:

AMOUNT OF TRADE	BROKERAGE
$5,500 – $80,000	A$80.00
$80,000+	0.11% of trade value

TABLE 1.3

BROKERAGE AND FEES ON OPTIONS

TRADES PER MONTH (ACCOUNT)	STANDARD BROKERAGE
1 – 10	Greater of A$44.95 or 0.55% of trade value
11 – 20	Standard Brokerage less $5 rebate
21+	Standard Brokerage less $10 rebate

TABLE 1.4

- All Exchange Traded Option trades incur an additional ASXC fee of $1.43 per contract traded.
- Eligibility for brokerage rebates is calculated on the number of option trades (including option phone trades) completed within one calendar month. Rebates will be made after month-end in a single payment. Equities trades do not count towards option trade rebates.
- Single-Leg Option orders placed by phone will be charged at the above rates plus $38.50 when executed.
- Multi-Leg Option orders will be charged at the standard brokerage per leg (when executed).

BUY WRITE TRADING

Buy Write trading is charged using a combination of the cost of both the option and equity trade components.

- Standard Brokerage is charged for the equity component - see table 1.1 for more details.
- Standard Brokerage is charged for the options component - see table 1.4 for more details.
- Option trades and the equity component trades that make up a Buy Write order will be included in the calculation of active trader platform rebates.

EXERCISING OPTIONS

Exercising of options will be charged brokerage at the greater of $44.95 or 0.22% of trade value plus an ASXC exercise fee of $0.55 multiplied by the number of contracts exercised.

2. MANAGED FUNDS

Specific details about the fees and charges which will apply to your investment in any managed fund will be set out in the Product Disclosure Statement relating to that investment. However, the majority of funds typically have ongoing fees of up to 2.5% pa. In addition, the following portfolio fee is charged monthly to your ANZ E*TRADE Cash Investment Account by Us and is based on the average daily balance of the managed funds in your portfolio.

TOTAL HOLDINGS	PORTFOLIO FEE
For holdings of value up to $100,000 (inclUsive)	Flat fee of 0.66% pa
For holdings of value greater than $100,000 and less than $500,000	Fee of 0.66% pa for first $100,000 and only 0.55% pa on excess up to $500,000
For holdings of value greater than $500,000	Fee of 0.66% pa for first $100,000, fee of 0.55% pa for next $400,000, and only 0.5% pa for excess greater than $500,000

3. ACCOUNT MAINTENANCE FEE

If your trading account does not satisfy one of the following criteria at the end of each quarter:

- the total account value (Cash + Shares + Options + Managed Funds) of your trading account is more than $10,000; or
- you executed one or more trades

We will charge you an account maintenance fee of $19.95 per quarter

If you want to avoid this account maintenance fee, you can choose to receive the 'Basic' level of service from Us. Under the Basic service, you will receive stock quotes on a 20 minute delayed basis and will not have access to some trading tools. Please see the Rates and Fees: Other Fees section of Our website for further details.

4. BANKING FEES

CASH

Your E*TRADE ANZ Cash Investment Account earns a tiered interest rate which is subject to change without notice. Please refer to www.etrade.com.au Rate & Fees - Cash section of the website.

No monthly account-keeping fees will be charged on your E*TRADE ANZ Cash Investment Account.

TRANSACTIONS	CHARGE (INC GST)
Transfer Money In – ANZ Internet & Phone Banking	Free[1]
Transfer Money In – BPAY	Free[1]
Transfer Money In – Telegraphic Transfer	Free[1]
Transfer Money In – Cheque or Money Order	Free[1]
Cash Withdrawal via web	Free
Cash Withdrawal request via phone or fax	$5.00
Telegraphic Transfer	$30.00[1]^
International Telegraphic transfer	$37.00
Cheque drawing fee	$10.00
Change nominated bank (max. twice per year)	Free
Bank Statement Reprint	Free[1]

[1]Bank fees may be applicable.
^Please note: Charges for RTGS transfers to an ANZ nominated account are $5; RTGS transfers to a non-ANZ nominated account are $30.

5. OTHER SERVICES

5.1. TRANSFERS OF FINANCIAL PRODUCTS

TYPES OF TRANSFERS	CHARGE
Issuer Sponsored Transfer to E*TRADE	Free
Broker Sponsored Transfer (Partial) to E*TRADE	Free
Broker Sponsored Transfer (Full) to E*TRADE	Free
Transfer to Issuer Sponsored	Free
Transfer to another Broker (Partial)	Free
Transfer to another Broker (Full)	Free
Off Market Transfer	$50.00
Request lost SRN (this fee is passed on to the ASX)	$16.50
CHESS Statement reprint (this fee is passed on to the ASX)	$16.50
Corporate Actions	Free

5.2. CONTRACT NOTE DELIVERY

CONTRACT NOTE DELIVERY	CHARGE
Email	Free
Web site archive (in Trade History)	Free
Postal Mail (standard rate)	$2.20
SMS alert	$0.33
Rebooking fee (if requested)	$27.50

5.3. YEARLY STATEMENT

TYPE OF STATEMENT	CHARGE (INC GST)
Email	Free
Website archive (in Trading History)	Free
Yearly Statement postage and handling	$5.00

5.4. CUSTOMER SEVICE FEES

TRANSACTIONS	CHARGE (INC GST)
Change of Contact details	Free
Name Correction request and Indemnity	Free
Change of Address Notification and Advice	Free
Linking Accounts	Free
Third party access	Free

5.5. CONDITIONAL ORDERS

TYPE OF ORDER	CHARGE
Basic Order	$7.95 per executed order
Intermediate Orders	$19.95 per executed order
Advanced Orders (Straddle Sell)	$19.95 per executed order
Advanced Orders (Buy then Sell)	Either $7.95 or $19.95 for an executed buy order (depending upon the type of buy order selected); and $19.95 for an executed sell order
SMS Messaging Fee	$0.33
Email Fee	Free

5.6. SMART ALERTS

SMART ALERT	CHARGE
SMS Messaging	$0.33
Email Messaging	$0.11

5.7. ACTIVE TRADER PLATFORMS (POWER E*TRADE AND E*TRADE PRO)

We offer two active trader platforms, Power E*TRADE and E*TRADE PRO.

a. General Subscription

Subscription to E*TRADE's Active Trader Tools (Power E*TRADE and E*TRADE PRO) are charged at $79.90 per calendar month per service. The monthly fee is discounted by $7.99 for each Equity or Option trade placed under each User ID during the calendar month. If 10 or more trades are executed within the month, your subscription to Power E*TRADE or E*TRADE PRO is free.

b. Rebate

The quarterly rebate applies when at least 30 trades or trades which generate A$988.50 in brokerage are executed within a calendar quarter. In either of these cases, any subscription fees paid for that quarter will be rebated.

c. Other Active Trader Fees

i. Option Pricing and Valuation:
Available on both Power E*TRADE and E*TRADE PRO for $9.90 per month. Free when one Options trade is executed within the month.

ii. International Markets Pricing
Available only through Power E*TRADE. A $7.70 subscription fee applies per month.

5.8. TAX TOOLS PLUS ANS PREMIUM

Subscriptions to Tax Tools Plus and Premium attract the following fees:

TAX TOOLS	QUARTERLY	YEARLY
Tax Tools Plus	$29	$99
Tax Tools Premium	$139	$479

If you have multiple linked accounts and subscribe to Tax Tool Plus or Premium for more than one of them, we offer you the following discounts:

NO. OF ACCOUNTS	DISCOUNT
2 accounts	10%
3 accounts	20%
4 accounts or more	30%

5.9. ASX FEES

You may also be required to reimburse Us for any amounts We incur as a result of a failed settlement, in accordance with schedules set by the ASX.

5.10. INVESTMENT LOANS

Interest rates attributable to your Investment Loan are subject to change. Active traders receive a discount off the standard interest rate. Customers who settle their trades through an investment loan may be entitled to discounted rates of brokerage, depending on their loan balance and/or the number of trades they place a month. There are no transaction fees on your loan balance. For information on current interest rates and discounted brokerage which may apply to you, please refer to the Rates & Fees: Loan section of Our website.

PART 2 COMMISSIONS AND BENEFITS PAID TO E*TRADE AUSTRALIA

We receive commissions or other benefits from some companies in respect of or attributable to the provision of financial services, including:

- A commission from a company undertaking an initial public offering (IPO), issuing the financial products or underwriting the IPO; and
- Up to 1.1% of the amount of any instalment warrants that are rolled over by the issuer of the instalment warrants.

We may rebate commissions We receive from warrant issuers as part of a trading promotion to you.

- We maintain a trust account, the purpose of which is for, among other things, holding funds used for share trading. We will retain any interest that may be earned on this account.