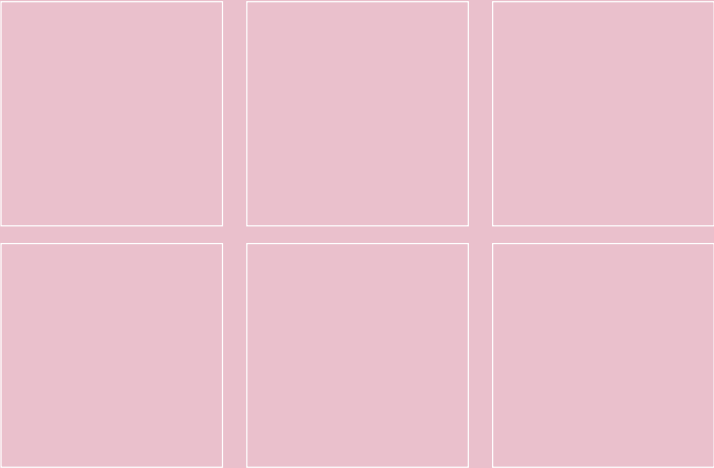


Financial Services Guide

1 December 2008



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Victorian Securities Corporation Limited,
6 Chancery Lane, Ballarat, Vic. 3350
ABN 32 004 496 208. AFSL No. 237904.

A subsidiary of Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo Vic 3550
ABN 11 068 049 178. AFSL No. 237879.

Throughout this Financial Services Guide, Victorian Securities Corporation Limited is referred to as “Victorian Securities”, “we”, “us” and “our” and any such variations.

About this Financial Services Guide

This Financial Services Guide (FSG) has been designed to assist you in deciding whether to use the financial services we offer. It also contains general information about how Victorian Securities, its staff and other representatives are remunerated in relation to those services as well as information about dispute resolution.

Other documents you may receive

You may also receive other documents when we provide services or products to you:

- Product Disclosure Statement (PDS) – this will be provided to you if we recommend a financial product to you or arrange a financial product for you, you are issued with a financial product or we offer to issue a financial product to you. However, if the relevant financial product is a ‘security’ (e.g. a debenture issued by us) you will receive a prospectus, not a PDS (see below). So you can decide whether or not to acquire the financial product, the PDS sets out the key features, significant benefits, risks and fees associated with the financial product.
- Prospectus – this will be provided to you if we offer or recommend securities to you. So you can decide whether or not to acquire securities, the prospectus will contain information you need to make an informed assessment about the securities on offer.
- Statement of Advice (SoA) – this is a record of personal advice provided to you. Personal advice is advice that takes into account any one or more of your objectives, financial situation and needs.

The SoA will contain the advice, the basis on which the advice is given and information about fees and commissions, as well as details of any potential conflicts of interest. You will receive a SoA when personal advice is given to you except where the advice relates to deposit and payment products.

Contact details

You can contact us at our principal place of business at:

- 6 Chancery Lane, Ballarat Vic 3350
Telephone 1300 363 673 (for the cost of a local call from anywhere in Australia)
Facsimile (03) 5304 4455
Email address: info@vsc.com.au
Website address: www.vsc.com.au

Instructing us

Generally, you need to give us instructions in writing unless another method has been agreed by us. You can give us instructions by using the contact details set out above. Some products and services may have their own requirements as to how to provide instructions or execute certain transactions. Please refer to the prospectus, PDS or other disclosure document for the relevant product for these details.

Bendigo and Adelaide Bank Group

Victorian Securities is a member of the Bendigo and Adelaide Bank Group of companies and is a related company of each of the following financial product issuers:

- Bendigo and Adelaide Bank Limited; and
- Sandhurst Trustees Limited.

Victorian Securities is authorised by a number of other financial product providers to distribute their financial products.

Our financial services

We are responsible for the financial services we provide to you under our Australian Financial Services Licence (AFSL).

We are authorised under our AFSL to deal in relation to a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following financial products:

- deposit and payment products limited to non-cash payment products such as direct debit and cheque facilities
- derivatives
- general insurance
- life risk insurance products limited to consumer credit insurance
- debentures

We are also authorised under our AFSL to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following financial products:

- deposit and payment products limited to basic deposit products and deposit products other than basic deposit products
- derivatives
- government debentures, stocks or bonds
- managed investment schemes (including investor directed portfolio services ie IDPS).

We are also authorised under our AFSL to provide both general and personal advice in relation to the following financial products:

- deposit and payment products limited to non-cash payment products such as direct debit and cheque facilities
- general insurance
- life risk insurance products limited to consumer credit insurance
- life risk insurance products limited to debentures
- health insurance

Benefits we or our related companies or associates may receive

We receive commissions directly from the product issuer in relation to insurance products that we recommend to, or arrange for you.

Commissions – Insurance Products

Commissions are included in the amount you pay for the product and the rate of commission depends on the particular type of product you purchase:

- Insurance products sold by us are issued by either CGU Insurance Limited, QBE Insurance (Australia) Limited, Allianz Australia Insurance Limited or Swann Insurance (Aust) Pty Ltd. Commissions for insurance products are paid to us on a monthly or annual basis depending on the payment method chosen.
- For car and caravan insurance, the commission is up to 10% of the annual base premium¹.
- For motorcycle and marine insurance, the commission is up to 20% of the annual base premium¹.
- For travel insurance, the commission is up to 35% of the total base premium².
- For all other general insurance products, including house and contents, residential landlords and construction insurance, the commission is up to 22.5% of the annual base premium¹.
- For consumer credit insurance, the commission is up to 20% of the total base premium².

In all cases, the commission is based on the premium before the addition of government charges. For example, if the premium of your house and contents policy is \$400 (before the addition of government charges), we would receive a commission of up to \$90.

Importantly, these commissions and the other benefits referred to below are not charged directly to you. Rather they are paid from the product fees applicable to the financial product you acquire.

¹ “annual base premium” means the amount charged to the customer for an insurance product by the insurer for a 12 month period (excluding stamp duty and GST).

² “total base premium” means the amount charged to a customer for an insurance product by the insurer for the period of coverage selected (excluding stamp duty and GST).

Other Benefits

We may receive other benefits on the sale of certain products or referrals leading to the provision of advice.

These benefits may take various forms including:

- a bonus payment under a profit share arrangement with CGU Insurance Limited, which is dependent upon our account operating profitably over a specified period; and
- a marketing allowance from CGU Insurance Limited to conduct marketing campaigns.

Personal Advice

If you receive personal financial product advice, you will be provided with a SoA which includes any remuneration and other benefits (where possible actual dollar amounts). However, in relation to deposit and payment products, this information will be included in another communication. If the exact amount is not known at the time you are given the SoA or other communication, the manner in which the remuneration (including commission) and any other benefits to be calculated, will be set out.

Referrals

You may receive advice in relation to the products we offer from financial advisers that do not work for Victorian Securities. These advisers, and the licensee for whom they work, may receive remuneration from us. Your adviser is required to set out the remuneration (including commission) and other benefits they receive in the SoA which they must give to you. Some of these advisers may be representatives of other licensees in the Bendigo and Adelaide Bank Group.

If we issue you a debenture and you have been referred to us by someone else, we may pay that person remuneration (including commission) or other benefits (which may be a fixed amount or up to 0.25% pa of the amount you invest and up to 0.4% pa of the average retained monthly investment balance or calculated on some other basis). Importantly, these commissions and bonuses are not charged directly to you.

Remuneration which we or our related companies or associates may receive in our capacity as issuers of products

Remuneration received by us for products we issue

Victorian Securities is the issuer of debentures and will receive remuneration in its capacity as product issuer of this product. This remuneration relates to the difference between our profits from our lending business and the interest rate we pay you for your investment.

Remuneration received by other Bendigo and Adelaide Bank Group companies for products issued by them

If you acquire a product issued by a company in the Bendigo and Adelaide Bank Group of companies, the relevant company may receive product fees in relation to that product, including commission, referral fees, entry fees, management fees, exit fees and any other fees specified in the PDS, terms and conditions or other disclosure document for that particular product. These product fees may ultimately benefit other Bendigo and Adelaide Bank Group members or associates.

Bendigo Bank cheques

If we arrange a bank cheque issued by Victorian Securities drawn on Bendigo Bank for you, we will charge you a fee of \$7.00.

How our staff are paid

Our staff are paid salaries, not commissions.

Our staff may be eligible for a performance bonus payment that is based on a number of factors, including the overall performance of the Bendigo and Adelaide Bank Group. These include performance against growth projections, personal development and customer service standards. From time to time our staff may also receive non-monetary benefits from product providers, such as tickets to events or promotional merchandise.

Privacy

We are committed to ensuring your privacy is protected and understand your concerns regarding the confidentiality and security of personal information you provide to us.

We collect and use your personal information in order to provide you with financial products and services. To do that, we may disclose your personal information to other organisations within the Bendigo and Adelaide Bank Group, including alliances and joint venture partners.

Bendigo and Adelaide Bank Group's Privacy Policy is available upon request by contacting our office or on our website at www.vsc.com.au.

If you have a concern or complaint

If you have a concern or a complaint, please let us know. We will attend to your concern promptly and courteously.

There are five ways you can tell us about the issue prompting your complaint:

1. telephone our office on 1300 363 673 (for the cost of a local call from anywhere in Australia); or
2. fax our office on (03) 5304 4455; or
3. write to Victorian Securities Corporation Limited, PO Box 645, Ballarat, Vic. 3353; or
4. visit our principal place of business in person at: Victorian Securities Corporation Limited, 6 Chancery Lane, Ballarat, Vic. 3350; or
5. email us at info@vsc.com.au or via our website www.vsc.com.au

We do not anticipate a situation where we cannot resolve a concern or complaint to your satisfaction. However, should this happen, you have the option to contact the external dispute resolution scheme.

- The Financial Ombudsman Service
GPO Box 3, Melbourne Vic. 3001
Telephone: 1300 780 808 (local call fee)
Facsimile: (03) 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

The Financial Ombudsman Service will then be able to advise you as to whether or not they can be of assistance in this matter.