

The combined

Financial Services Guide

of HiFX Limited and HiFX Australia Pty Ltd.

A Guide To Our Relationship With You And Others

This Financial Services Guide (FSG) is issued by:

HiFX Limited (HiFX) ARBN 106 779 953 AFS Licensee: 240914 and

HiFX Australia Pty Ltd (HiFX Australia) ABN 78 105 106 045 AFS Licensee: 240917.

Prepared on 1 July 2008



This FSG contains important information about:

- who we are;
- how we can be contacted;
- the services and products we offer;
- how we are paid;
- how our associates are paid;
- any associations or relationships we may have with Financial product issuers and details of any potential conflicts of interest; and
- our internal and external dispute resolution procedures and how you can access them and lodge a complaint.

What Is The Purpose Of This FSG?

The purpose of this FSG is to inform you of the financial services we offer and your rights as a client to help you decide whether to use the Financial services we offer i.e. to provide you with key information about the type of services that we offer and to ensure that you receive the information required to make an informed decision about whether to use the financial services that are offered by us.

Under the Corporations Act we are obliged to provide you with this FSG. Our FSG informs you of any charges for which you are liable and how we and any other relevant person will be remunerated for the services that we offer. It also sets out your rights as a client and how we will handle any complaints you may have against us. It is intended that this FSG will assist you in determining whether to use any of the services we offer as described in it.

Other statutory documents you may receive

You should also receive from us a Product Disclosure Statement ("PDS") about the products issued by HiFX. Also, if we recommend to you another person's financial product (such as a basic deposit product or cash management trust account), that person will provide you their PDS about that product. The PDS contains information about the particular product, including any relevant terms, significant risks and details of other fees and charges which may apply. The PDS will be provided to assist you in making an informed decision about that product.

When we provide you with personal financial product advice (rather than general financial product advice), we will give you a Statement of Advice (SOA), except in the circumstances permitted by law. Personal financial product advice is advice that takes into account or could reasonably be regarded as having taken into account one or more of your objectives, financial situation and needs. HiFX predominantly provide general advice, especially when providing information pertaining to the markets and/or current foreign exchange rates.

You will not receive an SOA where:

- We give you further advice and your relevant personal circumstances are not significantly different from your relevant personal circumstances in your previous SOA.

- You may request a record of the, further advice given to you within 90 days of the further advice being given to you if you have not already been given that record. You may request the record by contacting us in writing.
- You have elected not to provide us with sufficient information concerning your personal financial objectives, circumstances and needs, and have acknowledged to us that only general advice will be provided to you. In situations where only general advice has been provided, you must ensure that the advice is appropriate for you considering your personal financial objectives, circumstances and needs,

The Statement of Advice will contain the advice and the basis on which it is given and information about our fees and commissions and any associations we have with financial product issuers or other parties which may have influenced the advice to you.

If you would like further information, please ask us. Our contact details are on the last page. Further details about our services and the foreign exchange market is available on our websites, www.hifx.com.au or www.hifx.co.nz

What Kinds Of Financial Services Are We Authorised To Provide And What Kinds Of Financial Products Do Those Services Relate To?

1. HiFX Australia is authorised by its AFS licence to provide financial product advice in the following financial products:

- Deposit and payment products limited to basic deposit products;
- Derivatives; and
- Foreign exchange contracts; and
- Interests in managed investment schemes excluding investor directed portfolio services.

and to deal (by arrangement) in the following financial products:

- Derivatives; and
- Foreign exchange contracts

2. HiFX is authorised by its licence to offer financial product advice in the following financial products:

- Deposit and payment products limited to basic deposit products;
- Derivatives;
- Foreign exchange contracts; and
- Interests in managed investment schemes excluding investor directed portfolio services.

and to deal and make a market in the following financial products:

- Derivatives; and
- Foreign exchange contracts.

What Services Are Provided And Which Licenced Entities Does This Document Refer To?

HiFX and HiFX Australia ("HiFX Group") specialises in providing foreign currency advisory and dealing services to both corporate and individual clients who need to buy or sell foreign currencies for a commercial purpose or take physical delivery of the currency purchased i.e. the HiFX Group offers its clients the facility to buy or sell foreign currency at pre-determined prices using 'spot' and 'forward' contracts i.e. foreign exchange contracts and derivative contracts.

HiFX also offers clients Option contracts in foreign exchange. For private clients this product is referred to as an "Exchange Rate Guarantee", whereas for our corporate and more experienced clients we generally refer to this product as a "Vanilla" Option contract. Even though the Terms and Conditions of these products are different, both of these products are Option contracts and are described as such henceforth in this document.

These Options are derivatives (i.e. the price is derived or based on something else) and they give the buyer of the contract the right (but not the obligation) to buy or sell a currency at a pre-agreed exchange rate on a predetermined date in the future (for further information about this product we refer you to our PDS). HiFX only allows its clients to purchase Option contracts to enable them to protect against their currency risk.

HiFX Australia provides advisory and dealing (by arrangement) services in derivatives and foreign exchange contracts. HiFX Australia is primarily a sales and marketing office but also accepts instructions from clients which are passed on to HiFX for execution. Accordingly, HiFX Australia acts as an intermediary and "arranges" for its clients to deal with HiFX.

There may be circumstances where your order is taken and executed in Australia by either:

- A representative of HiFX Ltd or
- HiFX Australia (or its representatives), who in that circumstance, will be acting as a representative of HiFX Ltd.

For example, this might occur in situations where representatives of HiFX in New Zealand are unavailable (due to international time differences or where there is a major disaster or other event affecting markets or communications).

HiFX provides advisory, dealing and market making services in derivatives and foreign exchange contracts to companies and private clients.

HiFX offers its foreign exchange and derivatives services to Australian clients either via its subsidiary company, HiFX Australia and/or directly to Australian clients.

In addition, both HiFX Australia and HiFX also provide advisory services in:

- Basic deposit and payment products (such as interest

- bearing accounts); and
- Cash management trust accounts, which are managed investment schemes i.e. investors actually receive units in a Trust.

This is on the basis that, in certain circumstances, HiFX Australia and HiFX may need to recommend to you a suitable account, maintained by a third party, to deposit your funds (in your name). As a result, we may recommend a bank or other financial institution whereby you can invest these funds.

Who Is Responsible For The Financial Services Provided?

HiFX is responsible for the dealing and market making services and for advisory services when provided by an HiFX representative. HiFX Australia is responsible for the dealing (by arrangement) services and for advisory services when provided by an HiFX Australia representative.

Who Is My HiFX Representative?

Your HiFX Representative will be one of the team of advisors employed by either HiFX Australia or HiFX. If you do not wish to receive our advice, we will transact with you by simply carrying out your instructions.

What Is The Nature Of The Advice?

HiFX Australia and HiFX predominantly provide general advice but may on occasions provide limited personal advice regarding the foreign exchange market i.e. derivatives and foreign exchange contracts. We do not collect, nor take into consideration, all information regarding your financial circumstances and needs except to the extent they are relevant to your foreign exchange transaction request(s). We recommend that you take all reasonable steps to fully understand the outcomes of specific foreign exchange trades and strategies adopted in relation to utilising advice provided by the HiFX Group.

How Can You Give Us Instructions?

You can give instructions in person or over the telephone. It is your responsibility to ensure that orders sent electronically have in fact been received by us.

Who Do We Act For?

HiFX acts as principal when executing client orders i.e. HiFX is the party to the other side of the transaction and with whom you are entering a contract.

HiFX Australia accepts instructions from clients which are passed onto HiFX for execution. Accordingly, HiFX Australia acts as an agent or an intermediary and "arranges" for clients to deal with HiFX.

HiFX Australia and/or HiFX refer clients to financial institutions whereby they can invest funds into financial products such as a basic deposit product or cash management trust account.

How Is My Personal Information Dealt With?

We recognise the importance of ensuring that you have confidence in the way we handle your personal information and that it is kept private. The HiFX Group is bound by, and committed to the terms of the Privacy Act 1988 and the National Privacy Principles forming part of that Act. A copy of our Privacy Policy is available on our website or by contacting us.

How Are We Remunerated For The Services We Provide?

Neither HiFX Australia nor HiFX charge a fee or a commission to the client.

HiFX earns its revenue from the spread between the wholesale price achieved and the client's trade price or from the Premium for an Option. More details are given in the PDS.

HiFX remunerates HiFX Australia by way of an inter-company charge based on HiFX Australia's costs plus a fixed 5.66%.

HiFX Australia and/or HiFX is also entitled to receive a referral fee (as a percentage of the amount invested by you) for recommending a financial institution whereby you can invest your funds (into a basic deposit product or cash management trust account). This amount will vary depending upon the financial institution we recommend but note that the referral fee is disclosed in the PDS of that financial institution which will be provided to you. Ordinarily, the referral fee ranges between 0.01% and 0.015% depending upon the amount and the length of time invested with that financial institution.

In regards to any Option contracts (including the Exchange Rate Guarantee product), HiFX charges a flat fee (the purchase price of the product/Option). This price is also known as the Premium and will vary depending upon the strike or exercise price (for the Exchange Rate Guarantee product this is referred to as the guaranteed rate of exchange), the size of the transaction and the length of time to expiry of the Option/Exchange Rate Guarantee.

How Will My Representative Be Remunerated?

Your HiFX or HiFX Australia Representative receives a base salary together with a commission based upon a percentage split (between 1%-10%) of the net revenue earned by HiFX. Advisors may also receive benefits based upon bonuses at the discretion of senior management, having regard to standards of service to clients and feedback from them, the level of revenue they generate and reaching a range of personal performance targets.

Do We Have Any Associations & Relationships With Others?

HiFX and HiFX Australia do not have any relationships or associations which might influence us, other than the parent

– subsidiary relationship, in providing you with our primary services i.e. buying or selling foreign currencies and Options (such as the Exchange Rate Guarantee product).

We do however receive a referral fee for recommending you deposit your funds with a financial institution and thus have a relationship with those entities which may influence us in providing you with such advice.

HiFX and HiFX Australia pay a "referral fee" to referring agents of up to 10% of income generated by those clients referred to HiFX and/or HiFX Australia.

Do We Have Compensation Arrangements in Place?

Both HiFX and HiFX Australia are covered by a Professional Indemnity Insurance Policy which satisfies the requirements of section 912B of the Corporations Act 2001 (Commonwealth).

Subject to its terms and conditions, the Policy covers certain clients for loss or damage suffered as a result of breaches of the relevant obligations of HiFX and HiFX Australia and their employees and representatives in relation to their respective AFS licences.

Subject to its terms and conditions, the Policy also covers certain breaches by the employees and representatives employed by HiFX and HiFX Australia at the relevant time.

What Do I Do If I Have A Complaint?

Both HiFX Australia and HiFX have internal and external dispute resolution procedures to resolve complaints from clients who receive Financial services. A copy of these procedures may be obtained by contacting us and requesting a copy. Initially, all complaints will be handled and investigated internally.

Should you still feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for a resolution.

If you have a complaint about the financial services provided to you, please take the following steps:

1. Contact your HiFX Representative and discuss your concerns. Please confirm to us whether your complaint is about the services of HiFX or of HiFX Australia.
2. If your complaint is not satisfactorily resolved, contact either HiFX Australia or HiFX complaints officer to inform us about your complaint. You may do this by telephone, facsimile, email or letter.
3. If you are dissatisfied with the outcome, you have the right to complain to the Financial Ombudsman Service (FOS) who may be contacted on 1300 780 808 or in writing at P.O. Box 579, Collins Street West, Melbourne VIC 8007. HiFX and HiFX Australia are members of FOS. Our membership number is 11670 respectively. The service is provided to you free of charge.
4. You can contact the Australian Securities and Investments Commission (ASIC) on 1300 300 630. This is a Freecall Infoline. This is another alternative that you may use to make a complaint and obtain information about your rights.

How to Contact Us

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