



GEARED
INVESTMENTS

File

17 December, 2008

Colonial Geared Investments

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Dear Colonial Geared Investments Client,

Re: Your Margin Loan managed by Storm Financial Limited

It has become apparent from our recent telephone discussions with some clients who are advised by the Storm Financial Group that they have not been kept informed of their current margin loan situation. Concern about this lack of information, particularly during a period of significant share market decline has led us to produce an interim statement for every Storm Financial client who has recently been in margin call. Please find attached a current statement for your Colonial Geared Investment Margin Loan. This statement covers the period from your last statement 1 October, 2008 through to Thursday 11 December, 2009*.

It is important that you are aware of the relationship between Storm Financial, Colonial Geared Investments and you, the investing client. Storm Financial is your personal adviser. They provide you with investment advice through a statement of advice under their Financial Services Licence. They are completely responsible for your financial position and any advice they might offer to you regarding that position. Colonial Geared Investments is a product provider. We provide you with a margin loan facility that supports the investment strategy proposed for you by Storm Financial.

We provide Storm Financial daily updates on the status of your margin loan. Storm Financial is primarily responsible for your margin loan and we are disappointed if they have not kept you informed of your account position or any instance of margin call.

There is no agreement between Colonial Geared Investments and Storm offering any form of remedy for impaired loans. This loan remains your responsibility and your obligations are outlined in the product terms and conditions which can be found at www.colonialgearedinvestments.com.au

We are concerned that Storm Financial has not been offering you the type of personalised advice that a product of this nature requires. With this in mind, we would like to offer you the opportunity to meet with a Financial Planner who is independent of Storm Financial for a 1 hour consultation to discuss your financial situation. The consultation will be free to you and Colonial Geared Investments will cover the cost of this meeting. Please call the Financial Planning Association on 1800 337 301. They will allocate a planner in your region from their membership should you choose to take up the offer.

Given the circumstances we would urge you to avail yourself of alternative advice.

*Your account may show managed funds lodged as collateral. In most instance these managed funds have been redeemed to cash. These funds may be showing on your account as we await confirmation of the cash proceeds from the Fund Managers. To check your position please call 1800 252 351

If you have any questions, or would like further information please call Colonial Geared Investments on 1800 252 351.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Clothier". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Clothier".

John Clothier
Head of Colonial Geared Investments