HORIZON
WEALTH MANAGEMENT

Ross Brown Sales Pty Ltd

Head Office ph: +612 9899 2744

fax: +612 9899 4233

General Advice Warning

This information was prepared by Horizon Wealth Management. It is of a general nature and does not take into account your personal investment objectives, financial situation or particular needs.

You should assess whether this general advice is appropriate to your individual objectives, financial situation and needs. You can make this assessment yourself or seek the help of a professional financial advisor or taxation professional.

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Agenda

1. Your benefits – an update
2. Performance of the Ross Brown Fund
3. Insurance
4. MLC's Escalator Program
5. Horizon Wealth Management's new extranet for Ross Brown staff

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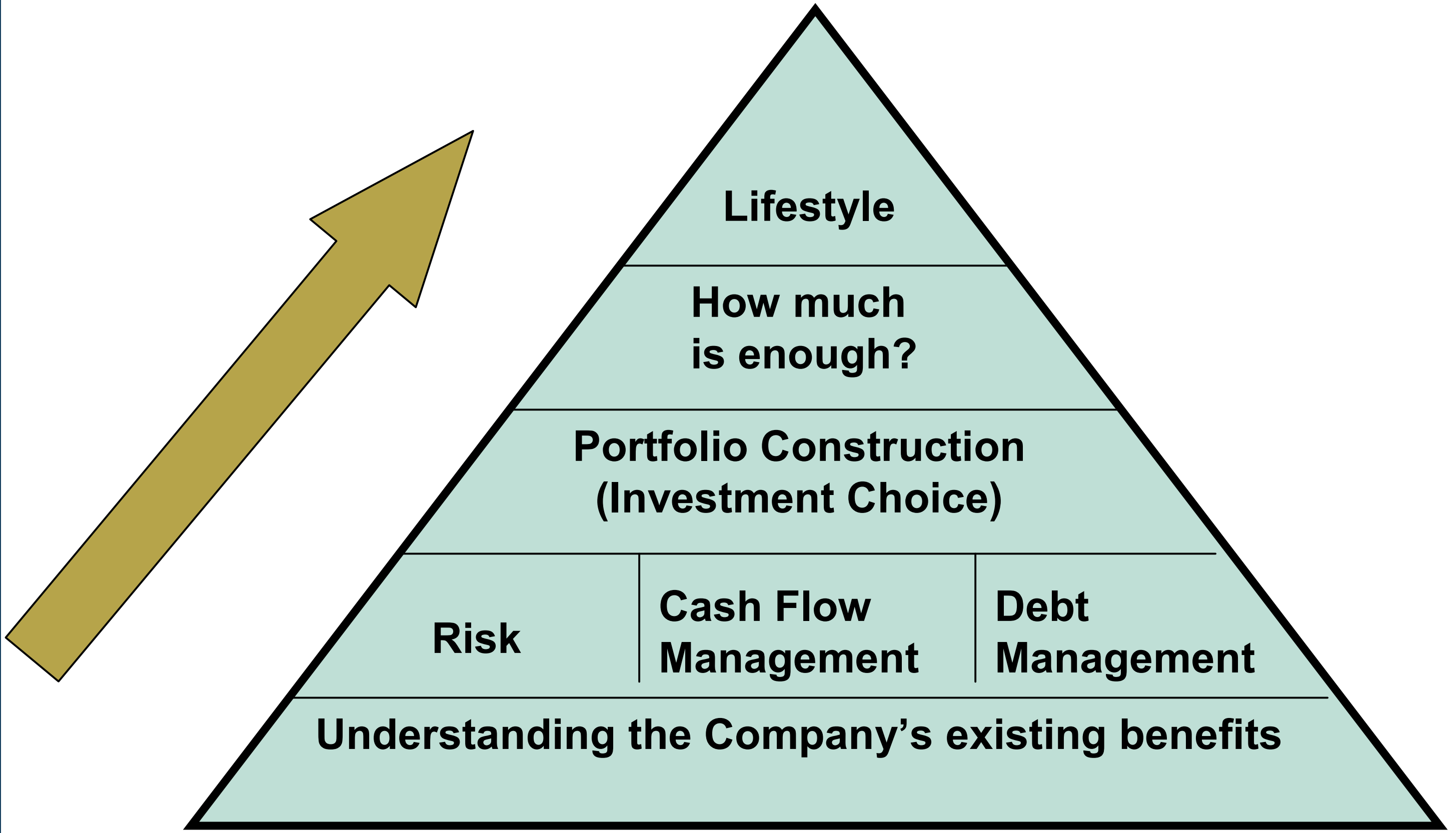
Educational seminars for members



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Ross Brown Company Benefits

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Attributes of the Fund

- Fund Size - $1,164m
- Default Portfolio – MLC Horizon 5 Growth Portfolio - growth assets 85%, interest bearing 15%
- Management Fee is 1.48% per annum (Fund balance is greater than $1m, so qualifies for large plan rebate)

Insurance

- A - Investor nominated (AAL$250,000) – requires underwriting
- B - Death and TPD $1 per week plus account balance (AAL $250,000)
- C- No Death and TPD – for casuals

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Death and TPD

- Benefit design is lesser of
  - $1 per week
  - $250,000
- It should be noted that you have freedom to elect any level of cover greater than the minimum, subject to underwriting.
- This benefit ensures that one of the most important risks ie risk to assets, is appropriately managed
- **In most cases members of the fund may be under-insured**

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Salary Continuance - Features

- The Company pays the premiums on behalf of employees – min 5 years continuous service
- Payout equals 75% of base salary
- Waiting period 90 days
- Benefits to age 65
- AAL is $48,000 per annum or $4,000 pm

This benefit ensures that one of the most important risks ie risk to income, is appropriately mitigated

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Performance of the Ross Brown Default Fund

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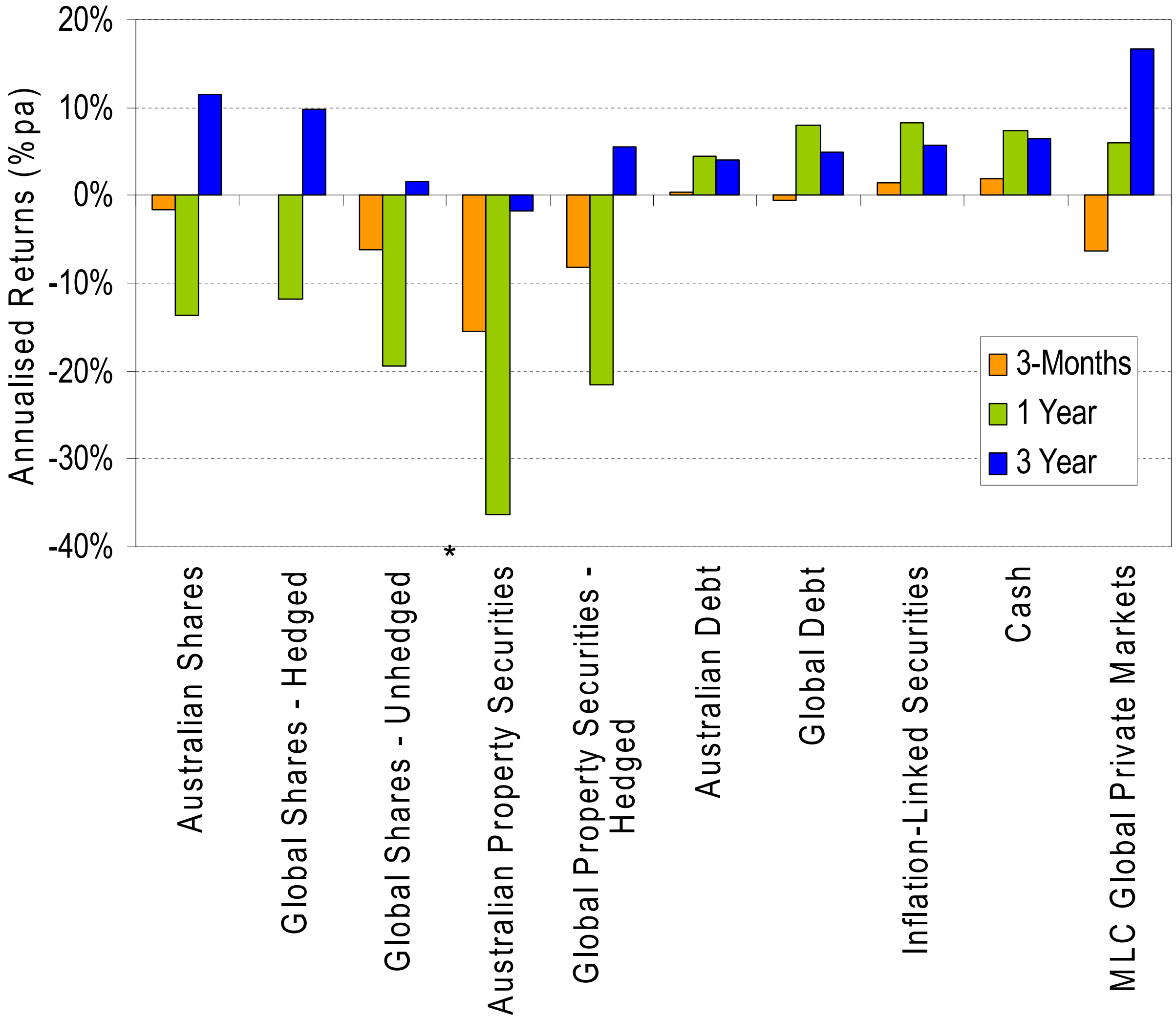
The Last 12 months…not so pretty

Asset class returns



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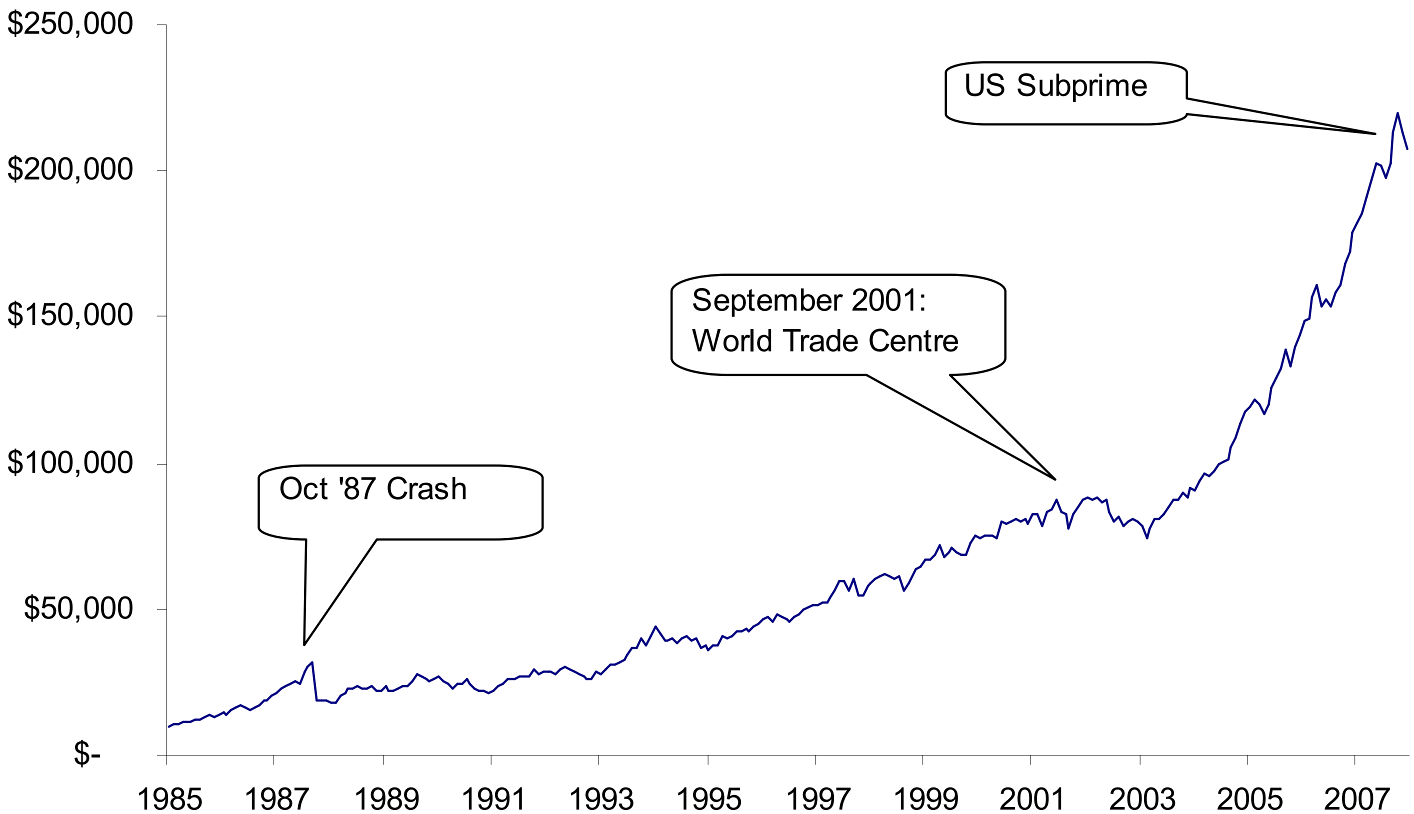
The last 22 years, pretty….

Australian Shares December 1979 - December 2007



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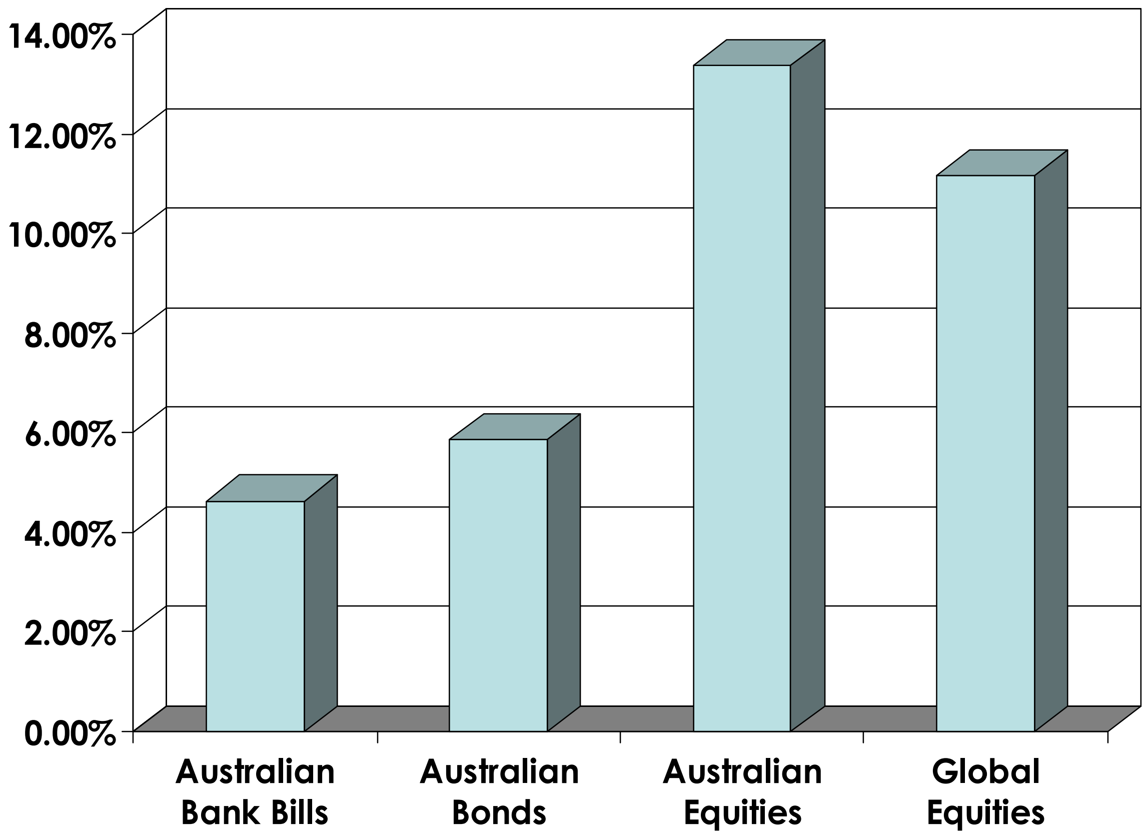
Source: ASX All Ordinaries Accumulation Index (Dec 1979 – Dec 2003), S&P/ASX 300 Accumulation Index (from Jan 2004)

The last 107 years…not so bad either

Average Annual Compound Returns
(1900 – Dec 2007)



Source: calculated by MLC Investments Limited using data presented in DMS Data Module offered through the Ibbotson Associates' software program EnCorr. Based on copyrighted books by Dimson, March and Stauton. Triumph of the Optimists, Princeton University Press © 2002 and Global Investment Returns Yearbook 2003, ABN AMRO / London Business School © 2003. All rights reserved. Used with permission0

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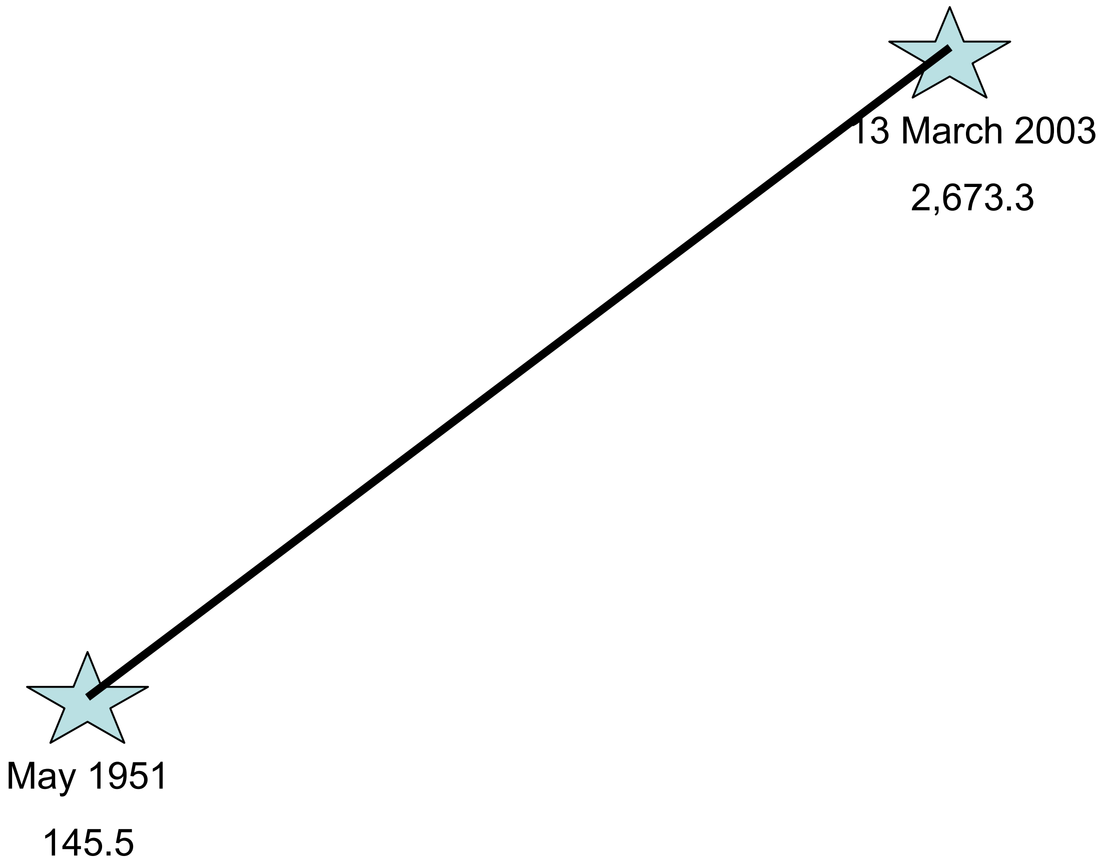
Story of Aust share market

(excluding dividends) May 1951 – March 2003



*Based on monthly data for Sydney All Ordinaries Index (1951-1980), and daily data for S&P All Ordinaries Price Index (1980-2003)

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"Bear" Markets…

Bull Market Top	Bear Market Bottom	Duration	% Decline
May 1951	Dec 1952	19 months	-33.5%
Sep 1960	Dec 1960	3 months	-19.2%
Jul 1964	Sep 1965	14 months	-17.7%
Jan 1970	Nov 1971	22 months	-34.6%
Jan 1973	Oct 1974	21 months	-54.1%
17 Nov 80	8 July 82	20 months	-36.1%
21 Sept 87	11 Nov 87	2 months	-49.7%
29 Aug 89	16 Jan 91	17 months	-26.6%
22 May 92	16 Nov 92	6 months	-17.8%
3 Feb 94	8 Feb 95	12 months	-18.7%
7 Mar 02	13 Mar 03	12 months	-19.1%

Source: Monthly data from Sydney All Ordinaries Index (1951-1980), Daily data S&P All Ordinaries Price Index (1980-2003)

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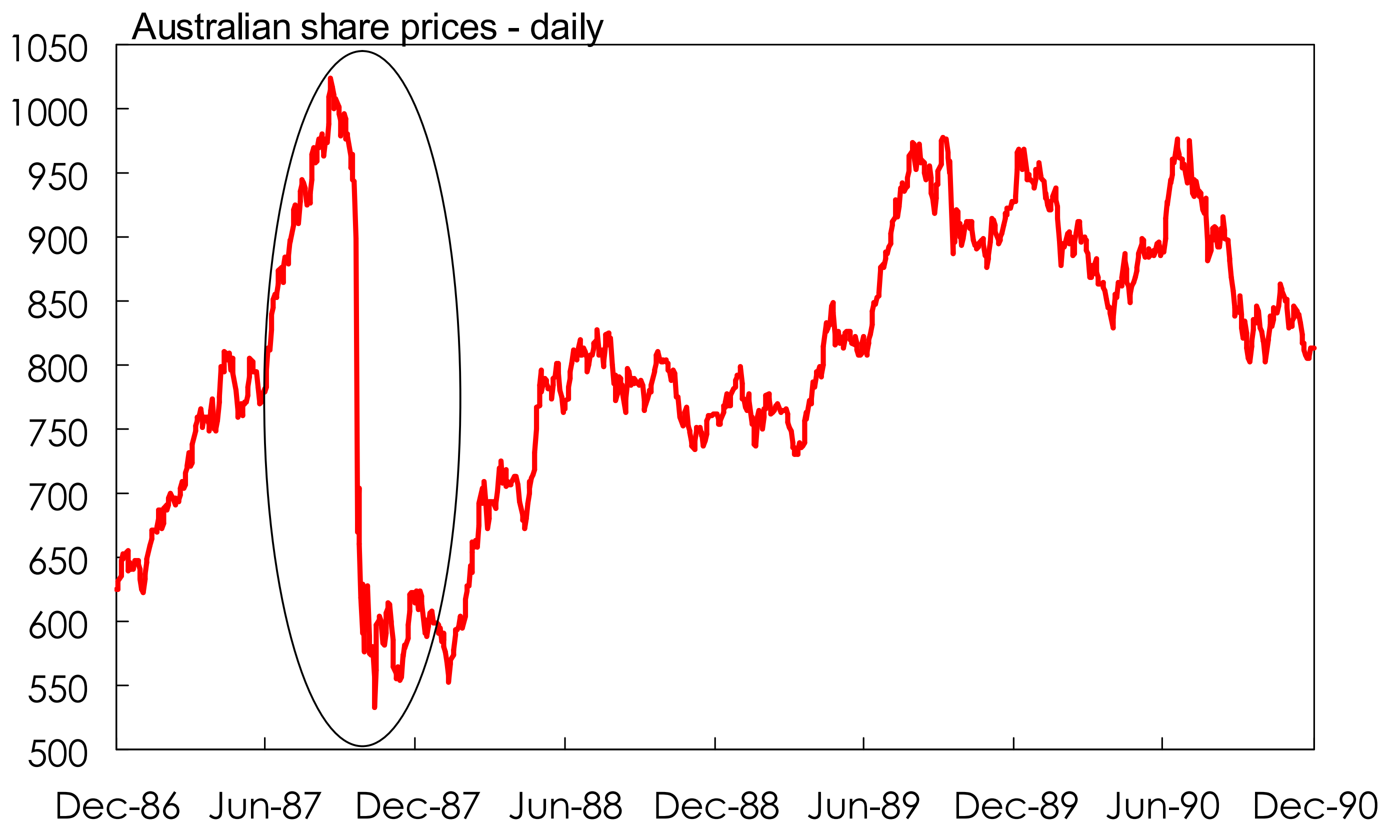
1987 – Wearing the Spectacles



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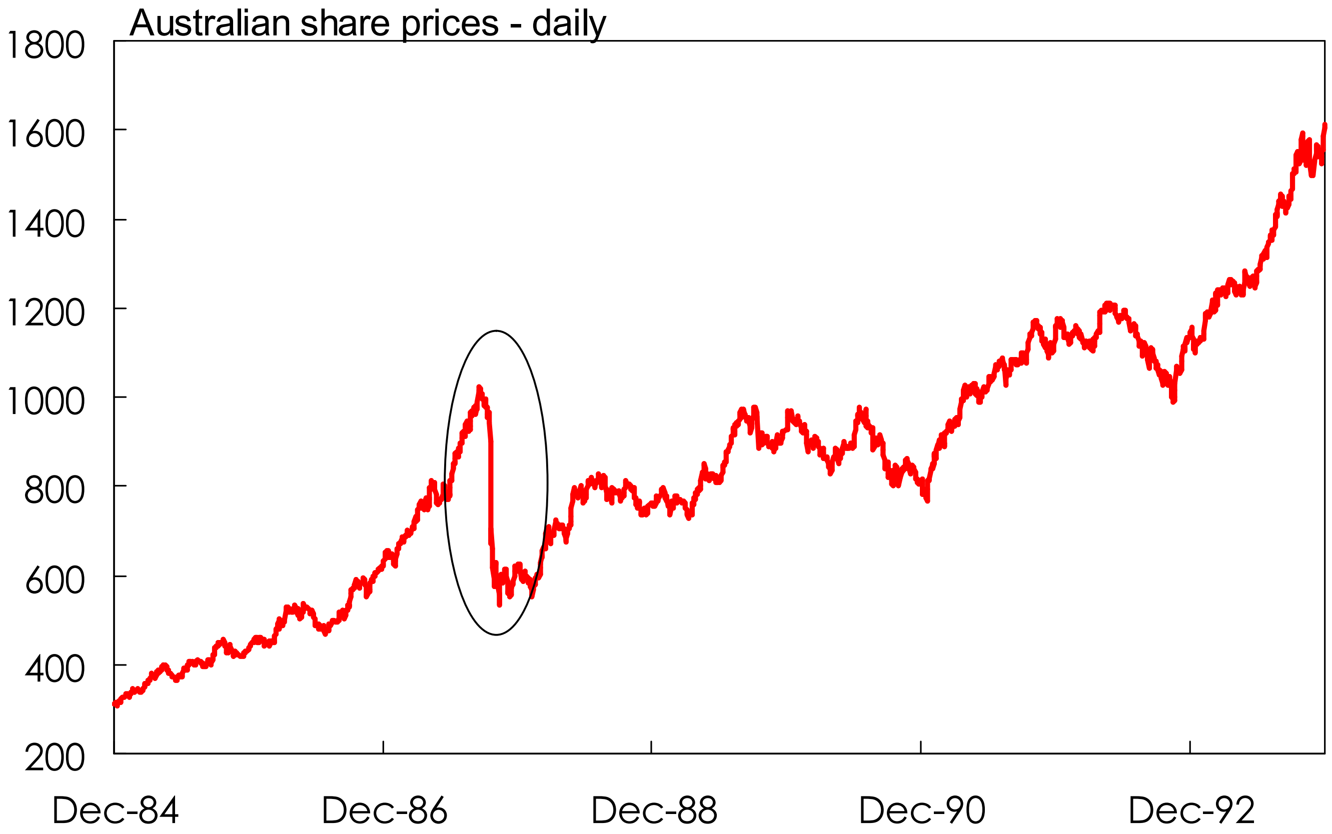
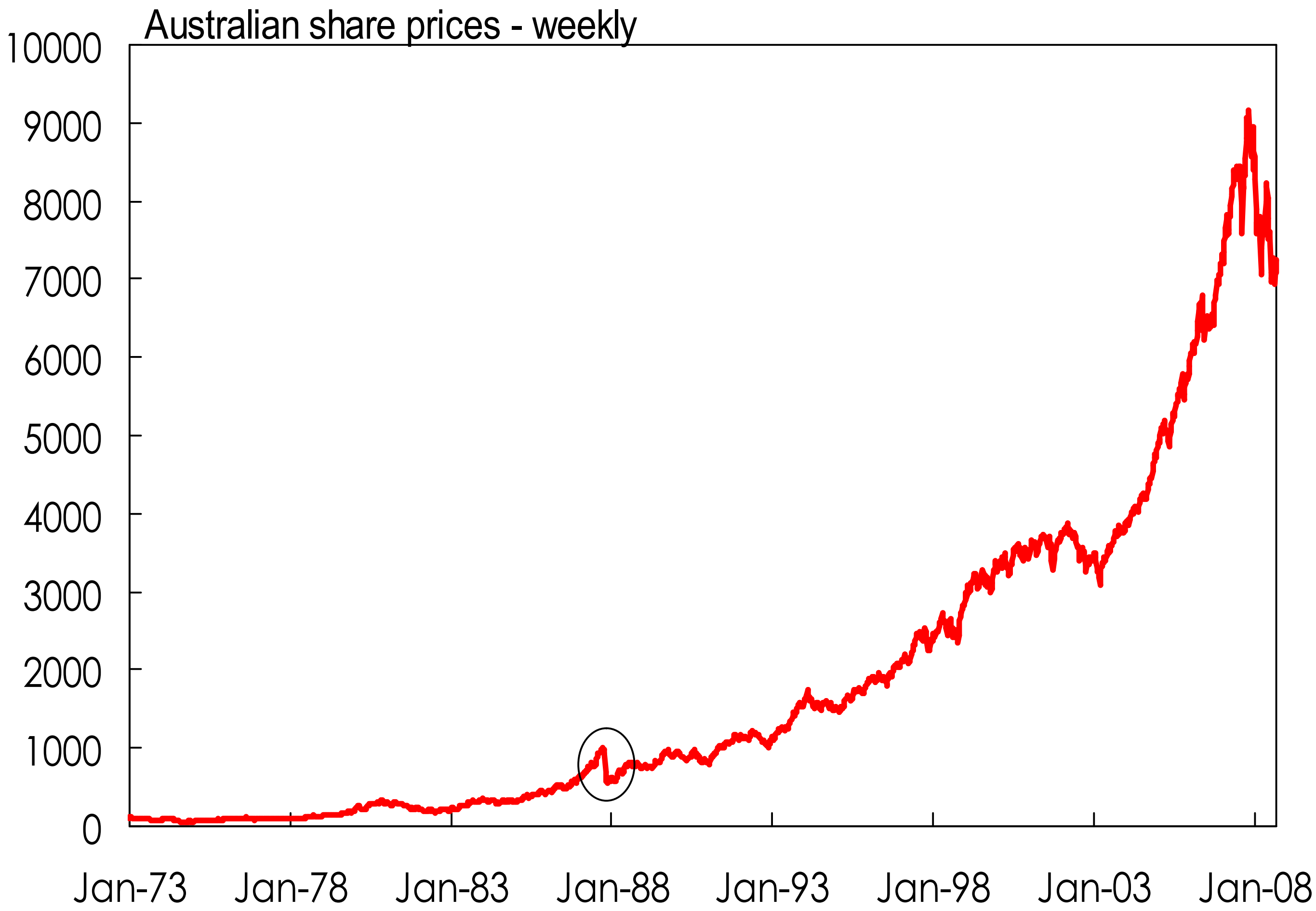
1987 – Wearing the Shades

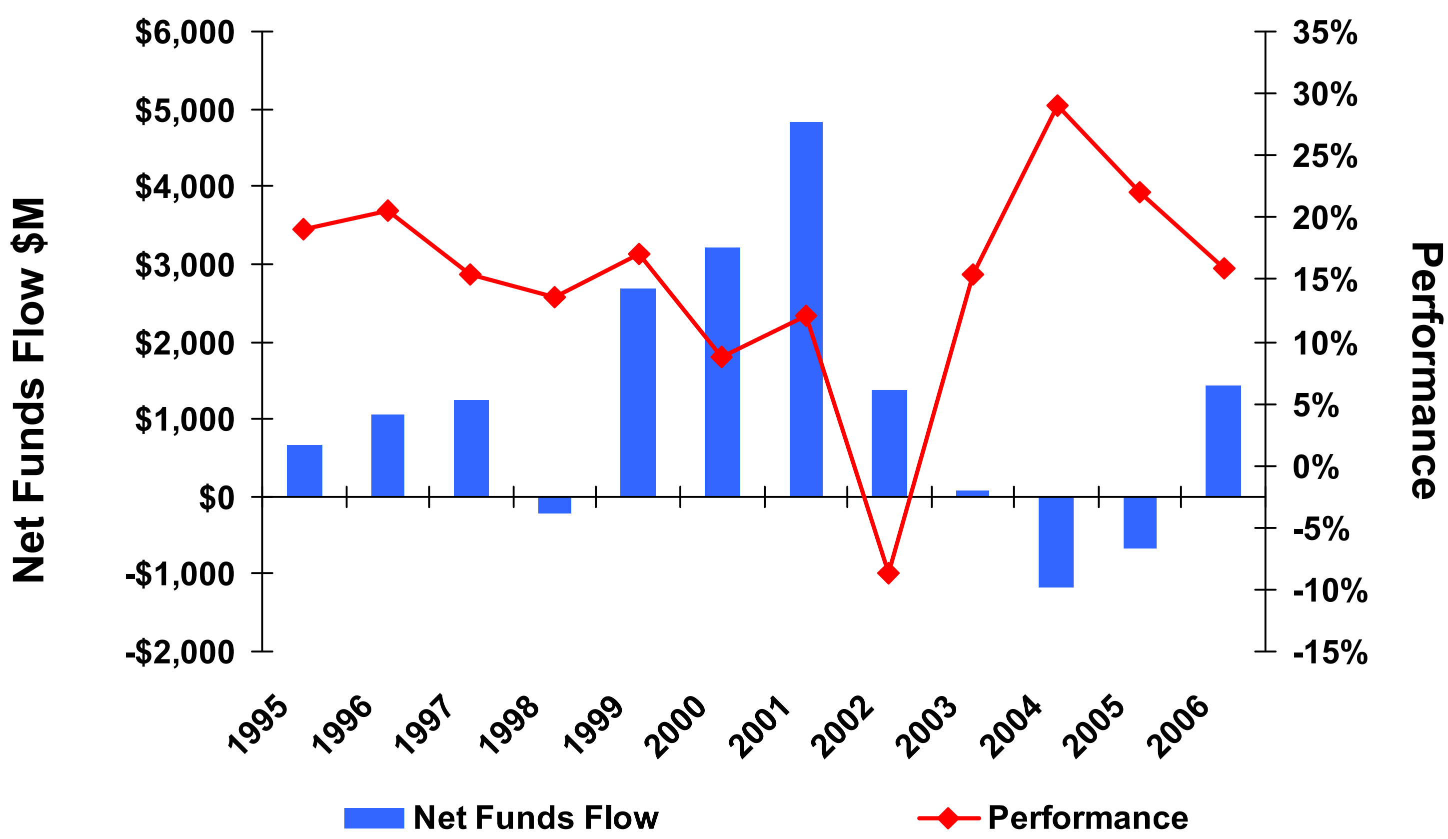


1987 – Wearing the Shades



Don’t be driven by emotions!

The Chase is on….oh heck run for the hills!



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FINANCIAL STANDARD

Trade News and Investment Analysis | www.financialstandard.com.au

SUNDAY

19 May – 23 May 2003

| Government to keep CGS market alive • Page 3 | Second good month for growth funds • Page 3

Retail investors lose the faith

Equity funds shrink by $232 million
Cash becomes King
Asset switch raises fear of bad timing

Modest income tax reductions in Federal Treasurer Peter Costello's eighth Budget may have created a small windfall for retail investors, but they have been net withdrawers from equity funds during the March quarter for the first time ever, according to the latest Assirt market share report.

"The March quarter survey of fund flows has revealed an interesting, but worrying picture of investor behaviour. For the first time ever reported by Assirt, investors have been net withdrawers from equity funds, with net outflows of $232 million being reported for the sector over the quarter," Assirt said.

"Significant falls in global and domestic equity markets coupled with uncertainties prior to the war with Iraq have clearly dented investor confidence and scared investors off equity investments," it added.

Retail investors withdrew $356.20 million from Australian equity funds during the period.

Super funds and master trusts bullish on equities

Superannuation funds and master trusts are almost unanimously confident that Australian equities will rise over the next six-to-12 months, according to the latest survey by the Financial Standard Intelligence Unit.

Ninety-five per cent of those surveyed said that domestic shares would climb in the period. None

ANALYSIS INSI

SECTOREVIE

The Financial Standard Intellig Unit puts each asset class und the microscope. Chief Econom Rob Pereira and Senior Investr Strategist Benjamin Ong take a in-depth look at:

Australian Equities
Domestic shares set to conti outperformance over interna al peers

International Equities
The strength of the Australia dollar is causing concern for unhedged international inves

Fixed Interest
Recovering equities could si an end to the bond bonanza

Alternative Investments
Delving into Venture Capital

Property
Atchison Consultants delivers snapshot of the unlisted prop sector

FINANCIAL STANDARD
Barometer

Market Expectations

Retail investors withdrew $356.20 million from Australian equity funds during the period.

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The media is **not** your friend…

Instead the stockmarket will, reasonably reliably, “look after” your money. The average return over the past 50 years is around 12 per cent a year. At that rate you’ll double your money every six years and triple it every 10. Great stuff.

THE AGE • EASTER EDITION, APRIL 14-15, 2006
theage.com.au

Why playing the average game pays

THE LOOKOUT
MARCUS PADLEY

AFTER 25 years as a stockbroker, I have sussed it. I have tried everything — traded warrants, traded crap, traded options, traded momentum, traded off charts, traded futures, having played the portfolio game, listened to everyone, listened to tips, believed fools, ignored geniuses, sweated at night, hidden losses from the wife, read everything and even having made some money, finally, I have sussed it.

There are four ways to make

Dad, Poor Dad philosophy. If you've never read the book, get it today and read it over Easter. By page 30 you'll get the idea.

money in the stockmarket, try to beat the 12 per cent average, try to transform yourself the way Warren Buffett did, and you are likely to be disappointed. Most of you will not become mega rich by playing the stockmarket. Yes some will, and some do, but the odds are that you won't. The ones that do are in a tiny minority. They are not the norm. The stockmarket is good for looking after your money, but when it comes to "making money" there are better investments of your time and energy.

I am a big fan of the *Rich*

market is 12 per cent, you have to ask, who cares about the stockmarket, what's the better investment?

The best investment is in you, your business, your employees or your career. Get on with that.

Trying to squeeze more than the average out of the stockmarket is no career. The stockmarket is a tool, not a life, unless of course you are fortunate enough to work in it.

Marcus Padley is a stockbroker and the author of the daily stockmarket newsletter Marcus Today.

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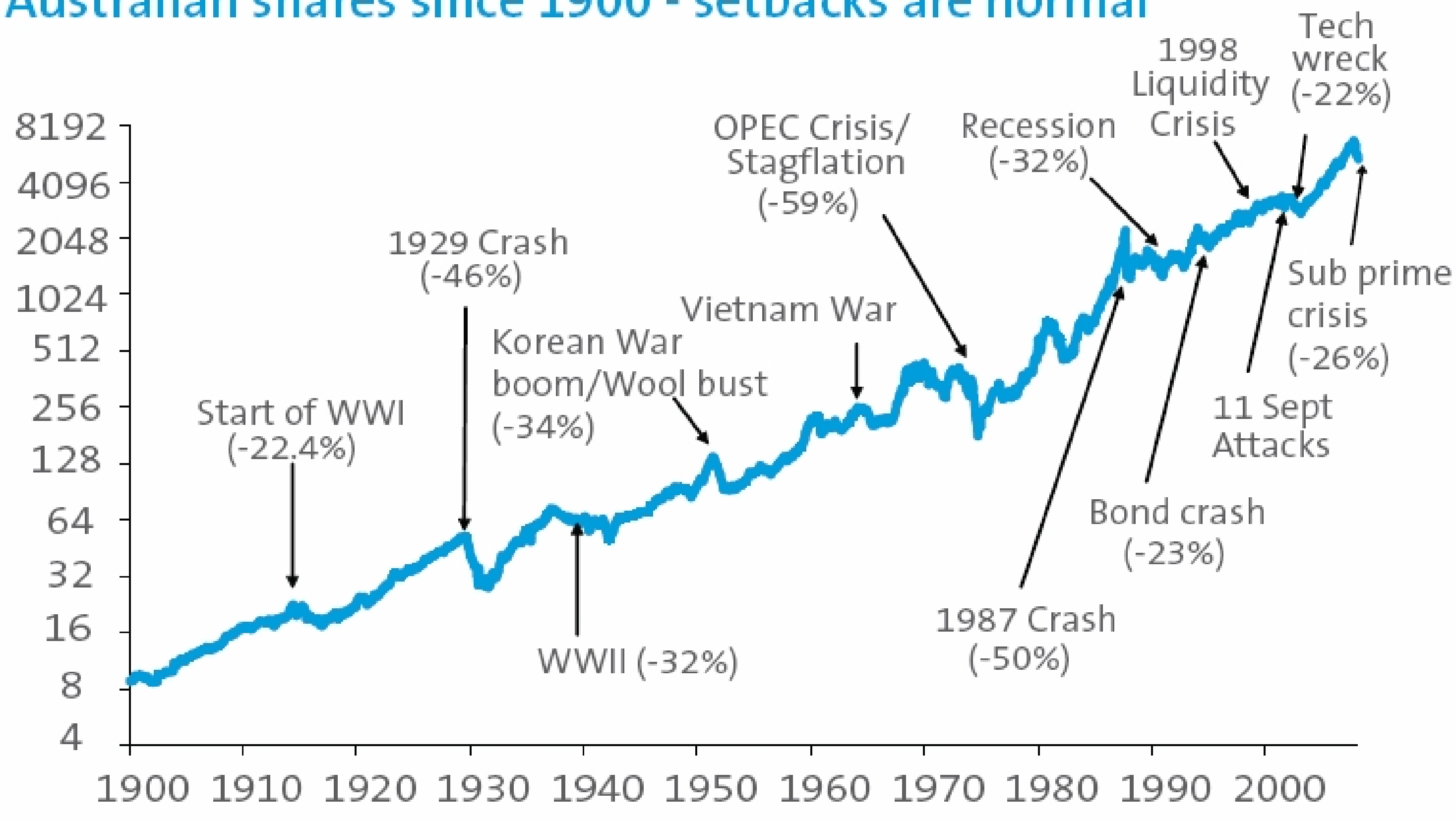
There's always things to worry about

- The 1929 crash
- Great depression
- WW II
- Korean War
- Cuban missile crisis
- Vietnam War
- OPEC oil crisis I
- OPEC oil crisis II
- Latin American debt crisis
- Australia's 'banana republic" moment
- 1987 stockmarket crash
- The fall of the Berlin Wall
- Iraq War I
- US savings and loan crisis
- The recession we had to have
- Bond market crash 1994
- Mexican debt crisis 1995
- Asian crisis 1997
- Russian debt/LTCM crisis
- Tech wreck
- September 11
- Afghanistan
- Iraq War II

Keeping the Faith

Australian shares since 1900 - setbacks are normal



Source: Global Financial Data, AMP Capital Investors

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Back to Basics - Investment Options

Tax Structure	Yourself	Company	Superannuation
	Tax Rate Up to 46.5%	Tax Rate 30%	Tax Rate 15%

Asset Classes

- Fixed Interest
- Property
- Shares

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The Chaser vs a strategic balanced portfolio

Year-ending 31 December	Global shares	Australian shares	Listed Property	Australian bonds	Cash	Chaser (% p.a)	Balanced (% p.a.)
1990	-14.6%	-17.5%	8.7%	18.4%	15.6%		
1991	20.9%	34.2%	20.1%	24.4%	10.8%	24.4%	26.0%
1992	5.1%	-2.3%	7.0%	10.2%	6.6%	-2.3%	4.9%
1993	25.0%	45.4%	30.1%	16.6%	5.2%	16.6%	28.9%
1994	-7.6%	-8.7%	-5.6%	-6.8%	5.4%	-8.7%	-7.3%
1995	26.5%	20.2%	12.7%	18.3%	8.0%	8.0%	19.7%
1996	6.8%	14.6%	14.5%	11.8%	7.4%	6.8%	12.1%
1997	42.0%	12.2%	20.3%	12.1%	5.5%	12.2%	19.3%
1998	32.6%	11.6%	18.0%	9.5%	5.0%	32.6%	16.0%
1999	17.5%	16.1%	-5.0%	-1.8%	4.8%	17.5%	7.0%
2000	2.5%	3.6%	17.8%	12.4%	6.1%	2.5%	8.6%
2001	-9.3%	10.1%	14.6%	3.8%	5.0%	14.6%	4.7%
2002	-27.1%	-8.1%	11.8%	7.7%	4.7%	11.8%	-3.4%
2003	0%	15.9%	8.8%	2.2%	4.9%	8.8%	6.8%
2004	10.9%	27.6%	28.3%	10.3%	5.6%	27.6%	20.1%
2005	17.6%	21.1%	12.5%	5.8%	5.7%	12.5%	14.8%
2006	12.3%	25.0%	34.0%	3.2%	6.0%	25.0%	16.2%
Compound Return since December 1980						**12.0%**	**13.2%**
Value of $100000 since December 1980						**$1.521,159**	**$2,183,010**

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Market timing destroys value

The cost of being out of the market at the wrong time

If you

- stayed invested, your return is $2,275,000
- missed the 10 best days $1,341,000

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Source: Investing $100,000 in Australian Shares – 25 years to Dec 04

What should I do now?

- ✓ Don’t panic!
- ✓ Be a smart investor, not an emotional one
- ✓ Choose the right portfolio to suit your long-term objectives
- ✓ Stick with your long-term strategy
- ✓ Speak to a qualified professional about your personal situation

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Your Default Portfolio
Multi manager Balanced

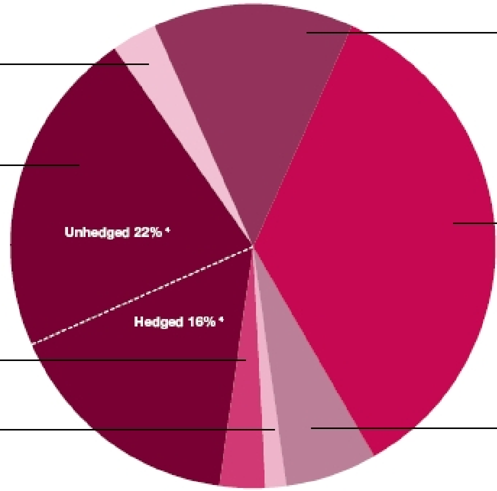
Horizon 5 Growth Portfolio[1]

Gobal Property Securities	3.0%
LaSalle Investment Management	1.2%
Morgan Stanley	1.2%
Resolution Capital	0.6%

Global Shares	38.0%
Alliance Growth Equities	5.7%
Bernstein Value Equities	6.5%
Capital International	6.8%
Dimensional	3.8%
Fortis Investments	4.6%
Walter Scott and Partners	6.1%
Wellington Management Company, LLP	4.6%

Long-Term Absolute Return Strategy[3]	3.0%
Multi-manager approach	3.0%

Global Alternative Debt[5]	1.5%[5]
Oaktree	1.5%



All-Maturity Debt Assets	13.5%[5]
Global Nominal Bonds – BlackRock	1.6%
Austrlian Nominal Bonds – NSIM	1.6%
Australian Nominal Bonds – UBS	1.6%
Australian Inflation-Linked Securities – NSIM	2.1%
Australian Inflation-Linked Securities – UBS	1.2%
Global High Yield Debt – Oaktree	0.5%
Global High Yield Debt – WR Huff	0.5%
Global Real Return Strategy – Bridgewater	2.2%
Global Real Return Strategy – PIMCO	2.2%

Australian Shares	35.0%
Balanced Equity Management	3.5%
Concord Capital	1.8%
Contango Asset Management	3.5%
Dimensional	3.5%
JF Capital Partners	3.5%
Lazard Asset Management	5.2%
Maple-Brown Abbott	5.2%
Northcape	3.5%
Northward	1.8%
Wallara Asset Management	3.5%

Global Private Markets	6.0%[2]
Multi-manager approach[2]	6.0%

1 Strategic asset allocation for Horizon 5 at 30 June 2008 (to nearest 1dp).

2 For MLC superannuation and pension products only. At present, the actual allocation to private markets was less than the target allocation, and it may take several years for each portfolio to reach the target allocation. Adverse tax impacts for ordinary money options (ie MLC Unit Trust, MLC Investment Service and MLC Wholesale funds) result in a lower after-tax return for these options, which therefore have a nil allocation to private markets. In these options, the private market allocation is allocated to global shares (hedged).

3 This strategy is currently accessed via the MLC Long-Term Absolute Return Portfolio, which is a multi-sector, multi-manager portfolio, adopting a true long-term investment horizon.

4 The global share exposure has been split into two components. One component is passively hedged back to the Australian dollar via a passive currency overlay managed by Bridgewater, State Street and J.P. Morgan Asset Management. The second component is unhedged.

5 The allocation to Australian and global debt assets is an outcome of MLC tailoring the exposure to short and all-maturity debt assets to the risk return characteristics and investment timeframe for each Horizon Sreies portfolio. As the lower Horizon Series portfolios (1, 2 and 3) have a greater focus on preserving their investment, they have a higher weighting to short-maturity debt assets. As Horizon Series portfolios 4 and 5 have a greater focus on maximising long-term returns above inflation, and can usually tolerate the short-term volatility in returns, they have a higher weighting to all-maturity debt assets.

Actual asset allocation 30 June 2008

Investment Performance
31 October 2008

Investment Funds	Compound Returns % p.a.			
	1 year	3 years	5 years	10 years
MLC Horizon 7 - Accelerated Growth Portfolio[1]	-39.6	-4.2	3.6	-
MLC Horizon 6 - Share Portfolio[1]	-30.3	-1.4	4.5	4.9
MLC Horizon 5 - Growth Portfolio[1]	-26.0	-0.7	4.6	4.6
MLC Horizon 4 - Balanced Portfolio[1]	-21.8	0.1	4.8	4.8
MLC Horizon 3 - Conservative Growth Portfolio[1]	-14.8	1.2	4.7	-
MLC Horizon 2 - Capital Stable Portfolio[1]	-8.0	1.9	4.1	4.1
MLC Horizon 1 - Bond Portfolio[1]	3.1	3.5	3.9	4.0
Global Share Fund	-24.2	-3.5	0.7	0.7
IncomeBuilder™	-30.5	-0.5	6.0	6.7
Australian Share Fund	-30.9	1.0	8.1	8.0
Property Securities Fund	-47.2	-8.7	1.0	4.2
MLC-Platinum Global Fund	-16.0	1.1	4.7	-
MLC Capital International Global Share Fund	-18.1	-1.2	1.5	-
MLC-Vanguard Australian Share Index Fund	-35.3	0.8	7.8	7.8
Cash Fund [2]	5.4	4.7	4.3	3.9
National Balanced Fund	-21.8	0.0	4.4	-
National Capital Stable	-7.8	2.7	4.7	-
Colonial First State Diversified Fund [4]	-24.0	-1.5	2.7	-
Merrill Lynch Balanced Fund [4]	-20.5	2.4	6.0	4.0
BT Active Balanced Fund [4, 6]	-24.2	-0.8	4.7	4.0
BT Balanced Fund [3]	-23.0	-1.2	2.8	2.6
INVESCO Growth Fund [2]	-28.7	-2.2	4.2	3.6
INVESCO Protected Growth Fund [2]	-0.6	3.7	4.5	3.9

Insurance

Asset Protection - Personal

- **Risk to assets – Life Insurance, TPD and Critical Illness**
- **Risk to Income – Income Protection**

Strategies to reduce Premiums

- Level Premium – save money in L/T
- Procure Insurance via Company Plan – approx 30% saving
- Factor in Self Insurance
- Assess whether you have ineffective and expensive ancillary benefits

Risks to consider

- **Nominate Beneficiaries**
- Assess level of cover to ensure risks appropriately mitigated
- **Most importantly check your spouses policies re the points above**

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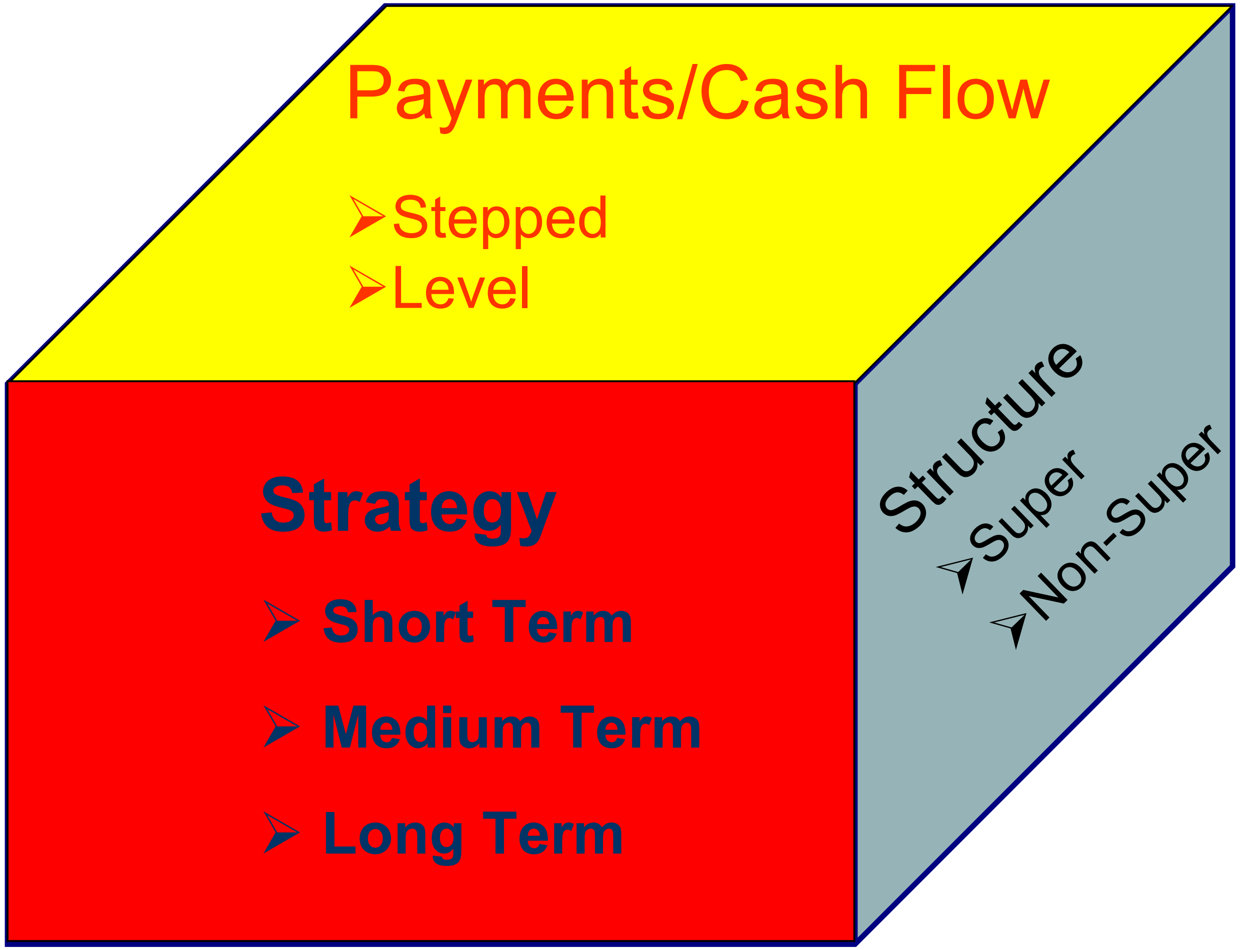
Factors to consider when designing an insurance framework



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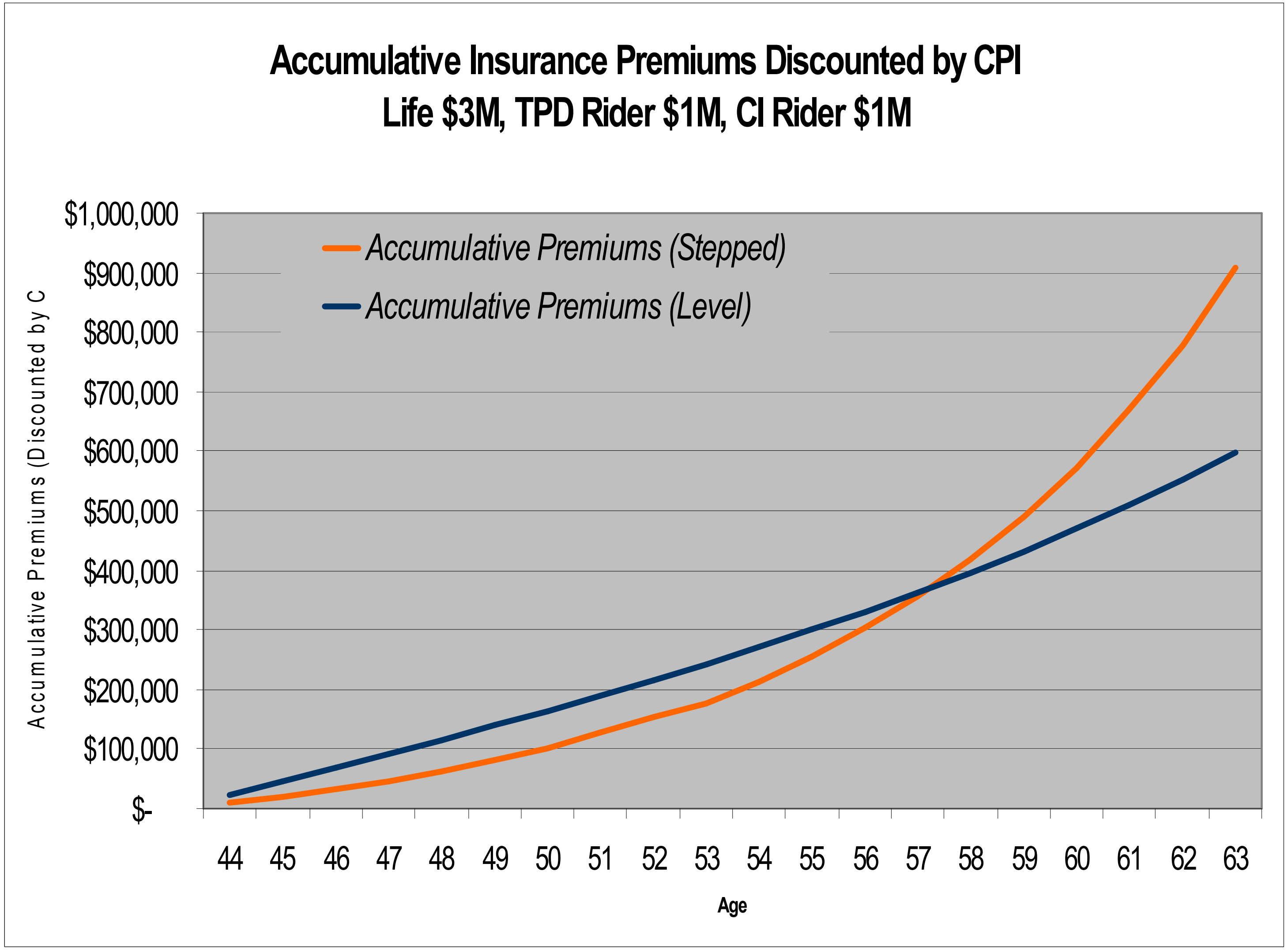
Accumulative Insurance Premiums Discounted by CPI
Life $3M, TPD Rider $1M, CI Rider $1M
Accumulative Premiums (Stepped)
Accumulative Premiums (Level)
Accumulative Premiums (Discounted by C
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Age

Unclaimed super

Could this be you?

- 1 in 3 workers have failed to claim their super
- there are over 5 million lost super accounts
- with more than $12 billion dollars of unclaimed super

Find your lost super?

Free Search with the ATO Lost Member Register

Phone: 132 865

Online: www.ato.gov.au/superseeker

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Did you know?

- $100 million was taken in fees from lost and inactive Super funds last year alone*
- The average Australian has nearly 3 Super funds
- Research shows significant fee savings by consolidating your Super **

* The Sun-Herald, June 17 2007

** Superannuation Fees Report, Market Segment Analysis at 30 June 2006, prepared by Rice Warner. Fee calculations assume superannuation accounts held in Employer Plans of Corporate Super Master Trusts with more than $5 million in assets

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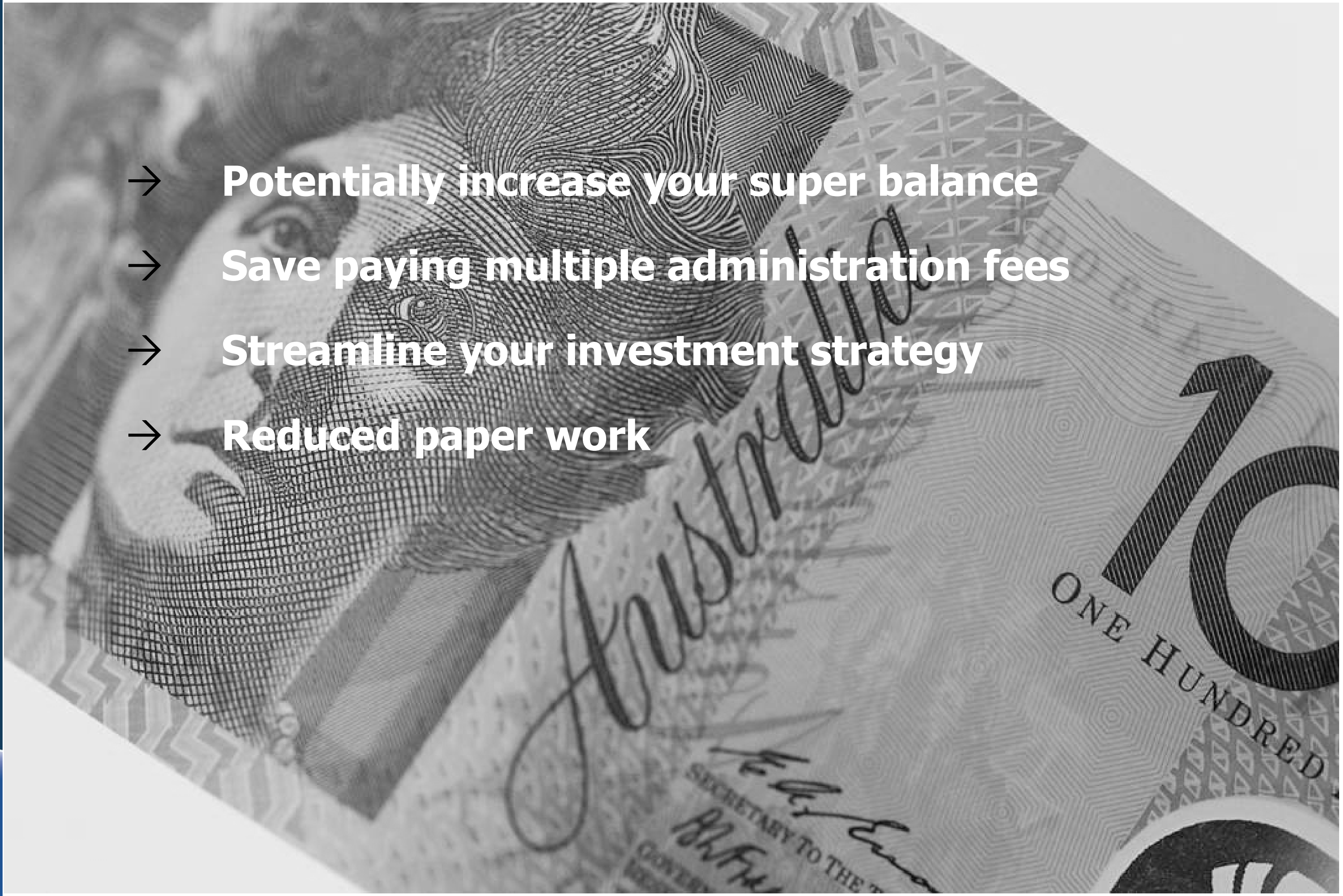
Why consolidate your Super?



- Potentially increase your super balance
- Save paying multiple administration fees
- Streamline your investment strategy
- Reduced paper work

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Your spouse can join the plan and access the same benefits as you

- No minimum investment
- Same discounted fees
- Group life insurance premiums
- Ability to link your accounts and view them simultaneously online

How do you open up a spouse account?

- Complete a ‘Spouse Application’ Form

Who can I nominate as a beneficiary of a Super account?

☑ **Spouse**	Including de facto, but not same sex partner*
☑ **Child**	Any age, including step children and adopted children
☑ **Financial dependent**	A child or an individual who is financial dependant on you at the time of your death
☑ **Interdependent relationship**	A person with who you are in an interdependent relationship
☑ **Estate**	Your benefit will be paid to your Legal Personal Representative for the benefit of your estate

* Superannuation law does not treat a same sex partner as a ‘spouse’. So, a same sex partner must be actually in an interdependent relationship with or is financially dependent on you at the date of your death

Binding vs non-binding nominated beneficiaries

Binding		Non-binding
Non - lapsing Fixed nomination Must be signed by 2 witnesses (must be over 18 years and not a beneficiary themselves)	or	Only a preferred nomination Valid for entire term that you are an investor unless you lodge another valid nomination Requires no witness signature

Note: Your nominations will be displayed on your account online, as well as on your annual statement

What does Horizon do for its clients

- Horizon Wealth Management is an **independently owned** financial advisory firm.

- Horizon Wealth Management is in the business of assisting individuals in the efficient management of their personal wealth, helping them to **become financially independent**.

"How successfully you invest your current income and assets…. will determine your family's long term financial well being."

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What does Horizon do for its clients

- We **help** our clients create wealth so that they become **financially independent**.
- We **help** our clients make personal financial decisions within an intellectually robust **framework.**
- We **solve** their financial concerns, **simplify** their lives and **save them** time.
- We assist our clients in making **sound** financial decisions so that they **avoid costly mistakes.**

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What to remember

- Log into www.mlc.com.au
- Review your portfolio
- Nominate your beneficiaries (and check that your spouse has to)

Take ownership – it's your money

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Creating wealth is not about competing against someone else or a benchmark, but rather ensuring that over time, your investments outperform the value of your expenses.

Questions and Answers

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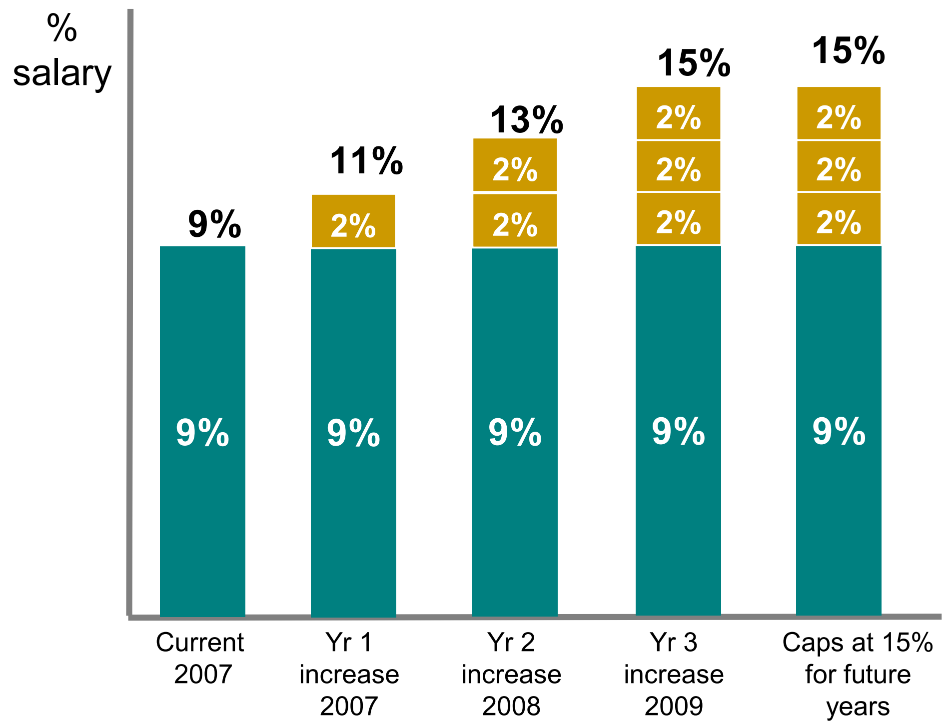
Take the escalator

Escalator Program: 'Set and forget' saving

- Mike can choose to save in increments of: 1% 2% or 3% of salary
- He chooses 2% p.a. up to a max of 15%p.a.
- Makes the commitment to start contributing in the future (say in 3 months)



It's so gradual, you may not even notice the increases

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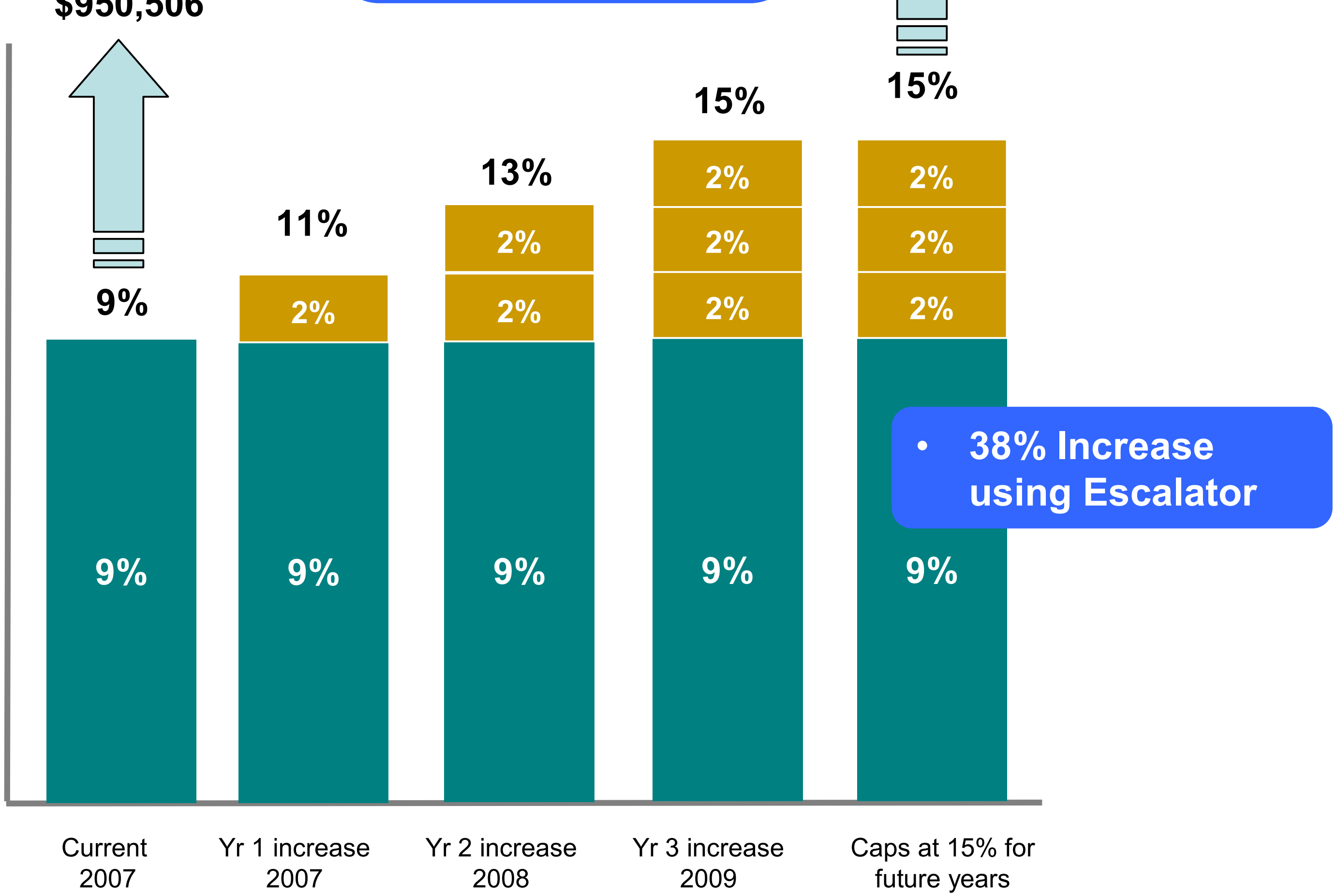
Example

- **Salary - $50,000**
- **Balance - $40,000**
- **Age - 30**



HORIZON
WEALTH MANAGEMENT

Assumptions: Member will retire at age 60, giving an investment timeframe of 30 years. Salary is indexed at 3% pa. In addition to receiving 9% SG contributions, they make pre-tax (salary sacrifice) contributions each year. These contributions increase by 2% at the beginning of each year until a maximum contribution rate of 15% (including SG) is reached. Total return is 8% pa (split 3% income and 5% growth). The overall franking level on investment income is 25%. All figures are after income tax and capital gains tax (including discounting). No lump sum tax is payable as they retire after age 60. These rates are assumed to remain constant over the investment period. All figures are expressed in today's dollars assuming an inflation rate of 3% pa.

Extranet for Ross Brown staff

Feedback to David or
info@horizonwealth.com.au