

MALLESONS STEPHEN JAQUES

Regional Director
Australian Competition and
Consumer Commission
Level 35, The Tower
360 Elizabeth Street
Melbourne Centre
Melbourne Vic 3000

25 November 2002

A Bodger
Partner
Direct line
(61 3) 9643 4069

FILE No.
DOC: D02/62291
MARS/PRISM:

Dear Sir/Madam

Synergy Capital Management - Notification of Third Line Forcing Exclusive Dealing

We act for Synergy Capital Management ("Synergy").

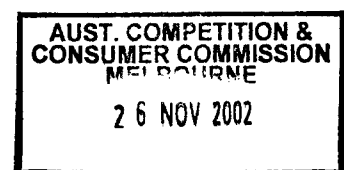
We enclose for lodgement:

- exclusive dealing notification on behalf of Synergy Capital Management Limited;
- exclusive dealing notification on behalf of Challenger Managed Investments Limited;
and
- cheque for the applicable lodgement fees of \$1,200 (\$1,000 for the first notification and \$200 for the further related notification).

Please do not hesitate to contact Amanda Bodger should you have any queries or comments.

Yours faithfully

Malleons Stephen Jaques



COMMONWEALTH OF AUSTRALIA
TRADE PRACTICES ACT 1974 - Subsection 93(1)
EXCLUSIVE DEALING: NOTIFICATION

TO THE AUSTRALIAN COMPETITION & CONSUMER COMMISSION:

Notice is hereby given, in accordance with subsection 93(1) of the *Trade Practices Act* 1974, of particulars of conduct or proposed conduct of a kind referred to in subsection 47(6) or (7) of that Act in which the person giving notice engages or proposes to engage.

1 (a) Name of person giving notice:

Synergy Capital Management Limited (ABN 19 062 264 108) of Level 5, 152 Macquarie Street, Hobart, Tasmania ("SCML").

(b) Short description of business carried on by that person:

SCML provides managed fund, administration, transaction and investment services.

(c) Address in Australia for service of documents on that person:

C/- Amanda Bodger
Mallesons Stephen Jaques
Level 28, Rialto
525 Collins Street
Melbourne Vic 3000

2 (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Products and services supplied by SCML including managed fund and investment products and services, administration services, transaction and custodial services, consolidated reporting and management services, portfolio management services and wrap account products and services ("SCML Products").

Products and services supplied by the following related bodies corporate of SCML:

- Challenger First Pacific Limited (ABN 49 010 879 900) of Level 18, 10 Eagle Street, Brisbane, Queensland ("CFPL") including sharebroking services, share trading advice, investment advice and CHESS sponsorship services ("CFPL Products");
- Challenger Managed Investments Limited (ABN 94 002 835 592) of Level 41, Aurora Place, 88 Phillip Street, Sydney, NSW ("CMIL") including cash management trust accounts ("CMIL Products"); and
- Challenger Share Finance Limited (ABN 47 091 338 822) of Level 41, Aurora Place, 88 Phillip Street, Sydney, NSW ("CSFL") including margin lending services and facilities for share and managed fund investments ("CSFL Products").

(b) Description of the conduct or proposed conduct:

SCML proposes to:

- (a) refuse to supply or refuse to offer to supply a SCML Product for the reason that that the customer has not acquired or has not agreed to acquire one or more CFPL Products, CMIL Products or CSFL Products; and/or
- (b) give or allow or offer to give or allow a discount, allowance, rebate or credit in relation to a SCML Product on the condition that the customer also acquires one or more CFPL Products, CMIL Products or CSFL Products.

Examples of the proposed conduct are set out below

SCML proposes to supply or offer to supply a consolidated reporting services as part of its new wrap account product known as “Galaxy Investment Wrap” that includes reporting on one or more CFPL Products, CMIL Product or CSFL Products to investors on condition that the investor acquires the relevant CFPL Product, CMIL Product or CSFL Product.

The proposed conduct will be of benefit to the public as it will

- provide customers with greater convenience in dealing with SCML, CFPL, CMIL and CSFL;
- promote competition in the relevant markets by encouraging competitors to offer similar value added services;
- assist SCML, CFPL, CMIL and CSFL (as related bodies corporate) to achieve greater efficiencies;
- enable SCML to promote and provide consolidated administration and reporting services as part of its wrap account product.

The conduct will not lessen competition in the markets for the relevant products and services as:

- competition in the relevant markets is vigorous and there are many competitors; and
- the parties are related bodies corporate;
- the number of consumers potentially affected by the proposed conduct is insignificant compared to the total number of consumers who acquire the relevant products and services; and
- consumers may acquire the relevant products and services from a range of other suppliers.

The benefits from the proposed conduct outlined above will outweigh any possible detriment considered to arise from the conduct.

3 (a) **Class or classes of persons to which the conduct relates:**

Potential customers of SCML.

(b) **Number of those persons**

(i) At present time: The public generally.

(ii) Estimated within the next year: The public generally.

(c) ***Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:**

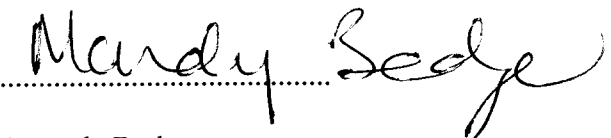
Not applicable.

2 **Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice:**

Amanda Bodger
Mallesons Stephen Jaques
Level 28, Rialto
525 Collins Street
Melbourne Vic 3000

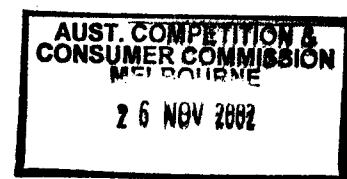
Dated: 25 November 2002

Signed on behalf of the person giving this notice:



Amanda Bodger

Solicitor



DIRECTIONS

- 1 If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the person giving the notice.
- 2 If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1(a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
- 3 In item 1(b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
- 4 If particulars of a condition or of a reason of the type referred to in subsection 47(2), (3), (4), (5), (6), (7), (8), or (9) of the **Trade Practices Act 1974** have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
- 5 In item 3(a), describe the nature of the business carried on by the persons referred to in that item.
- 6 In item 3(b)(ii), state an estimate of the highest number of persons with whom the person giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.

NOTICE

If this notification is in respect of conduct of a kind referred to in subsection 47(6) or (7), or paragraph 47(8)(c) or (9)(d), of the Trade Practices Act 1974 (“**the Act**”), it comes into force at the end of the period prescribed for the purposes of subsection 93(7A) of the Act (“**the prescribed period**”) unless the Commission gives a notice under subsection 93A(2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under subsection 93A(2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under subsection 93(3A) of the Act. The notification comes into force when the decision is made.

If this notification is in respect of conduct of a kind referred to in subsection 47(2), (3), (4) or (5), or paragraph 47(8), (a) or (b) or (9)(a), (b) or (c), of the Act, it comes into force when it is given.