



Happy New Year!

Welcome to GSI's summer edition of 'The Investor Newsletter'. We hope you managed to have a relaxing break over the festive season and you enjoyed your Christmas and New Year celebrations.

In this edition of 'The Investor', we provide an update on the Government's Deposit Guarantee Scheme, we profile our Maffra branch and we introduce you to the GSI board of Directors and our Administration Manager. We also report on the success of our 'Self Managed Super Fund' seminar mentioned in our last edition. We promote the 'GSI Kings Cove Metung Open Classic Golf Tournament in June and once again we share with you some of our regional school sponsorships and note some important dates to mark down in your diaries.

Finally, from everyone at GSI, we thank you for your ongoing support and we look forward to another year of assisting you with your financial needs.

G. A. Sanford

Glenn A. Sanford
Managing Director



Staff of head office Bairnsdale sharing in the spirit of Christmas



GSI Kings Cove Metung Open Classic 2009

GIPPSLAND SECURED INVESTMENTS

SATURDAY 20TH & SUNDAY 21ST JUNE 2009 - Tee off at 9am daily

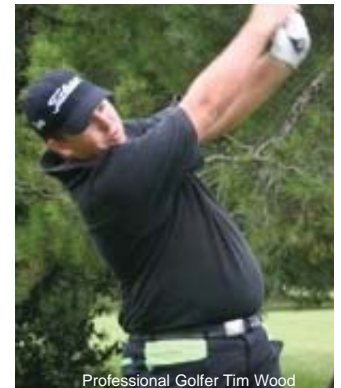
GSI is once again the major sponsor of the feature golf event at Kings Cove Metung – the 2009 Open Classic.

This year's event is an open competition aimed at attracting the best of the region's amateur golfers over two days of competition.

The Saturday will be a 'Four Ball Ambrose Event/Scramble' with Sunday an 'Individual Stableford Competition'. Entrants are invited to play either day or if you're a keen golfer, you can participate in both.

We invite all clients, friends, family and associates who have a registered handicap to register. For more information &/or an entry form, please contact our head office or Kings Cove Golf Club, Metung.

As a footnote to the GSI Kings Cove Metung Pro-Am event conducted in 2007 and 2008, we note with some pride the recent efforts of Tim Wood. Tim won the Pro-Am in 2007 and then went on to win a string of regional events before winning the 2008 NSW PGA title. Tim also tied for 11th place in the 2008 Australian Open, after vying for the lead on the final day. We will continue to follow Tim's career with interest.



Professional Golfer Tim Wood



GSI's Admin. Manager

There wouldn't be too many customers who don't already know Marg Cusack GSI's Administration Manager. Marg first joined GSI in 1977 and returned full-time in 1994 as Administration Manager, based at head office in Bairnsdale.

Marg has been instrumental in implementing and adapting GSI's systems and procedures as the business has grown over the years. Her role now focuses on managing the day to day administration of GSI's client base, drawing on her wealth of experience to lead her team of Investment Officers throughout GSI's seven branches.

In Marg's spare time she enjoys walking the Mitchell River track after work with friends, boating on the magnificent Gippsland Lakes and rivers, along with attending to her garden.



Business Update



Government Guarantee

The Federal Government's deposit guarantee scheme caused quite a jolt to the financial landscape when it was first announced last October. The market repercussions are still being felt among all financial institutions, whether guaranteed or not and at this stage the guarantee is due to expire in 2011. Those institutions guaranteed are wrestling with the issue of its cost, rates and what will happen when the guarantee expires, while non-guaranteed institutions such as GSI are working hard to maintain their competitiveness. For several weeks after the guarantee was introduced, we saw some investors anxious about the economic situation and the comparative safety of their investments. Since then, the level of concern has dissipated and by keeping our investment rates competitive, our overall deposit levels are edging within a few percent of the pre-guarantee figure.

Whilst we question the merits of the scheme and the bias it has created in favour of banks and others, we are still pursuing the possibility of inclusion in the scheme by way of becoming APRA regulated. Whether we are ultimately covered by the guarantee or not, we aim to continue going about our normal business of attracting investor funds by way of a good rate of interest and providing secured lending by way of mortgage over local real estate to no more than 70% of valuation. Our portfolio of loans at 30th September had a very conservative overall loan to valuation ratio of 54%. Our lending has a strong local focus and we are proud to be playing our part in assisting the economic well-being of the region.

Interest Rates

The interest rate cycle is firmly in its downward trend with the latest 1% reduction by the Reserve Bank on the 4th February. The current Cash Rate is 3.25% and is the 5th consecutive decrease in the relatively short term of the last 6 months.

The previous upward cycle started in May 2002 and over the following 6 years we saw 12 consecutive increases with rates climbing from 4.25% to a peak of 7.25% in March 2008.

GSI's investment rates have also been trending down, although not quite to the same extent as the banks due to the guarantee. We anticipate further reductions are still to come to the RBA's Cash Rate although via smaller decrements, until the RBA is satisfied the Australian economy has been sufficiently cushioned from the contractionary forces coming from overseas.

Prospectus 14

For a copy of the latest prospectus dated 12/02/2009, call into your nearest GSI branch or visit us on-line at www.gsi.com.au.

Glenn Sanford
Managing Director

GSI Occupation, Health & Safety Staff training



Jo Hurley performing hands on training using a fire extinguisher to put out a prepared demonstration & training fire.



Local CFA members Craig Freshwater & Alan Cracknell



From left: Jo, Marg, Trudi, Keith, Trish & Pam

An important part of any business is to ensure the safety of its staff, clients and visitors to the office.

On 7th November last year, head office staff attended an OH&S training session where safety issues were discussed and company policies refined.

Part of the training session involved a CFA demonstration by local CFA members Craig Freshwater and Alan Cracknell. It was a very thorough and informative presentation with staff learning fire safety and evacuation procedures, that in the event of an emergency, will assist the safety of everyone in the vicinity at the time.

GSI supports... St. Brendans Primary School - Lakes Entrance

On Sunday 2nd November 2008, St Brendan's Primary school in Lakes Entrance held its annual school fete where in excess of \$14,000 in funds was raised for the benefit of school programs.

GSI was pleased to offer its support by sponsoring the children's art expedition. It was a tough decision for the judge to pick the place holders with 15 encouragement awards issued. However, it was Grade 2 student Damon Young who was awarded 1st place, Grade 6 student Samantha Beha 2nd and Grade 4 student Brittany Wykes 3rd place.

GSI congratulates all the children who participated in the art expo. Who knows, there may be a 'Leonardo Da Vinci' amongst this talented group of young, creative art enthusiasts!

Karen Cox – GSI Business Development Manager, Damon Young - Winner and Janine Graske – GSI Investment Officer Lakes Entrance Branch.



Samantha Beha 2nd Place, Brittany Wykes 3rd Place, Karen Cox, Damon Young – 1st Place and Janine Graske.

GSI's board of Directors

GSI is managed by a Board of Directors who meet regularly to despatch business and oversee the strategic direction of the company.

GSI presently has six (6) Directors, all of whom have a long history with the company and a wealth of experience in the financial, legal and property sectors.

The GSI Chairman, Ian Campbell, was a founding Director when the company was first established in 1970. Tony Stewart was also a founding Director and returned to the Board in 2000 after a long legal career in Melbourne. John Stephenson was the Company's first Managing Director and his successor, Glenn Sanford, has also been the Company Secretary since 1999. Peter Murphy and Geoff Ellis both joined the Board in 1986 in their capacity as then Partners in the legal firm of Warren, Graham & Murphy.

All Directors have a long association with the Gippsland region and all currently reside in the area, apart from Tony Stewart who now lives in Melbourne. The Directors' local knowledge of the people and places of



Gippsland has allowed the Company to keep in tune with the local finance and property markets and identify new opportunities for GSI growth. All Directors have a significant shareholder stake in the Company and a united vision to ensure GSI continues to be a successful financial institution with a reputation for assisting regional development, whilst valuing individual customer service.



Ian R. Campbell
LLB
Years Director: 39



Glenn A. Sanford
CPA, B.Bus.F.Inst.L.Ex.
Years Director: 6



Peter M. Murphy
Ba., LLB
Years Director: 23



A. Tony Stewart
LLB
Years Director: 27



John T. Stephenson
OAM
Years Director: 34



Geoff D. Ellis
LLB
Years Director: 23

Maffra in focus



The township of Maffra has a population of some 4,000 people and the region is the home of major agricultural industries, government departments and authorities. The town also acts as a service centre for the thriving dairying and developing vegetable industries, as well as being a residential location for people working in Sale, the Latrobe Valley and surrounding districts.

LJ Hooker Maffra is home to GSI's Maffra branch, located at 120 Johnson Street, next to the Maffra Community Sports Club.

Owners Patrick Weatherley and Lindsay Wigg have been involved in the Real Estate industry for nearly 50 years and lead their team at LJ Hooker Maffra. Lindsay's knowledge of the area and his involvement in many community organisations has earned him wide respect from both clients and peers alike and he specialises in rural sales and subdivisions. Patrick is born and bred in the area and is committed to providing honest and reliable service and is involved in many sporting and community groups. The office is staffed by five personnel, including three sales representatives, a property manager and an administrator/receptionist.

Previously, the dual role of LJ Hooker Administrator/Receptionist and GSI Investment Officer was filled by Rosheen Stephenson, however, Rosheen has recently taken up a new position within LJ Hooker. As a result, the office welcomes Alyce Schilg as their new Administrator/Receptionist who now shares the role of GSI Investment and Customer Service Officer with Rosheen.

Pat and Lindsay are pleased to incorporate GSI into their day to day business, providing GSI clients with local representation and customer service. Staff strive to deliver a professional image of both companies as well as a strong sense of genuine care to LJ Hooker and GSI clients.



From Left: Alyce Schilg & Rosheen Stephenson, GSI Investment & Customer Service Officers Maffra Branch



Staff of LJ Hooker / GSI Maffra branch

Dates to remember

*Please note the following Gazetted public holidays for 2009:

Monday 9th March	Labour Day
Friday 10th April	Good Friday
Monday 13th April	Easter Monday
Monday 8th June	Queens Birthday
Tuesday 3rd November	Melbourne Cup Day
Friday 25th December	Christmas Day
Monday 28th December	In lieu of Boxing Day

*Dates supplied by respective government departments and correct at the time of printing.



The GSI traveller is in...



Whilst relaxing on holidays recently, I obviously need to get away more, I came up with the idea for a feature titled 'The GSI traveller'.

Most people take holidays at some stage in their lives and it would be great to share with our readers some of the interesting places people visit.

This photo was taken in **Port Douglas QLD** and is an example of the idea. I invite readers to send in an image,

inclusive of our GSI drink bottle, of an interesting place you visit.

So next time your off on a holiday, purchase a GSI drink bottle for \$5 (remember 50% of the purchase price is being donated to local charities), take it on your holiday and set up a photo of the bottle in front of something original, different, exciting and/or adventureist and send it in.

Email your photo and a short note advising the destination details to kcox@gsi.com.au and remember, use your imagination to make the image & feature interesting!

Happy & safe holidays everyone!

Karen

* We will endeavour to publish all items received, subject to being appropriate

Brrrrm, brrrrm..... she's off and racing!



Sometimes when you go to a meeting, function or business dinner, upon arrival you are issued with a ticket to win a lucky door prize. Most of us never win, but imagine winning the prize that every male in the room so desperately wanted to receive? To her great surprise, Val Pearson of our Warragul branch did exactly that.

Warragul staff attended the end-of-year Warragul Business Group Dinner and it was lucky Val whose ticket number was drawn from 120 attendees to take a 'hot lap' with V8 Supercar driver Jason Bargwanna.

Good luck Val – can't wait to hear how it goes. We hope they take pictures!



V8 Supercar driver Jason Bargwanna with Val Pearson.

Self Managed Super Funds

Taking control of your super

On Thursday 30th October, 2008, GSI in partnership with WG&M Lawyers and WHK Armitage Downie Financial Planners, Accountants and Auditors, presented a seminar advising on everything you need to know about Self Managed Super.

Presented to a full house of 50 attendees, the seminar was deemed very informative given the amount of

positive feedback received.

GSI's 'At Call Super Account' with no minimum deposit, interest calculated daily and no account charges, makes for a great facility to manage the cash component of any Self Managed Super Fund. Offering you flexibility and a competitive rate of interest, it puts you back in control of your super.



Speakers from left: Russell Needham & Cameron Whyte – WHK Armitage Downie, Glenn Sanford - GSI & Rohan Hubbard - WG&M Lawyers



Head Office
Bairnsdale
119 Main Street, Bairnsdale 3875
Phone: (03) 5150 1405 Facsimile: (03) 5152 5444 Email: gsi@gsi.com.au

Branches

Warragul

64 Smith Street, Warragul 3820
Phone: (03) 5622 3346

Sale

99 Raymond Street, Sale 3850
Phone: (03) 5144 7200

Mallacoota

62 Maurice Street, Mallacoota 3892
Phone: (03) 5158 0600

Maffra

120 Johnson Street, Maffra 3860
Phone: (03) 5147 1088

Orbost

14 Ruskin Street, Orbost 3888
Phone: (03) 5154 2010

Lakes Entrance

383 Esplanade, Lakes Entrance 3909
Phone: (03) 5155 1286

www.gsi.com.au

GSI Debentures are unrated non-bank investments. No independent assessment has been made about the risk of loss to investors. Investments may only be made on an application form accompanying Prospectus No.14 dated 12/02/2009 which should be considered before investing and is available at any GSI branch or on the website. NOTE: GSI does not provide financial product advice and only gives factual information about its own debenture products and services. Before acting on any such information you should consider the appropriateness of the information to your situation. Financial advice that takes into account your personal situation, needs or objectives may be obtained from a licensed financial adviser. We recommend that you obtain financial, legal and taxation advice before making any financial investment decision.

*Growing
Gippsland's
Future*