

Associated Advisory Practices Has Closed for New Dealers

Gold Coast, 4 October 2007 - Professional Investment Services (PIS) has closed the first tranche of its very successful spin-off, Associated Advisory Practices Pty Ltd (AAP). AAP was founded in May 2006 as a joint venture between Professional Investment Services Group and its clients, a consortium of independently-owned financial services licence holders.

AAP was established to provide boutique dealer groups with cost effective back-office services, business development support, and an opportunity for equity participation. Having exceeded its targets in terms of funds under management, revenue and number of clients the venture was closed to new entrants so as to maintain shareholder equity levels.

103 dealer groups with approximately 600 authorised representative joined phase one of AAP between May 2006 and 30 September 2007, the final entry date for new dealer groups.

Robbie Bennetts, chief executive officer of Professional Investment Services Group, said the success of AAP was remarkable. "When we set up AAP Phase One, we envisaged that around a 100 dealer groups would be the optimal size for the venture, both in terms of numbers and revenue, and also to ensure reasonable equity levels for the dealer groups. To reach our target in less than 18 months is far beyond our expectations."

Mr Bennetts put the success of AAP down to the compelling offer to independent dealers. "Many small firms want to keep their independence but find today's regulatory, compliance and marketing requirements burdensome. AAP enables them to offload many of these challenges, taking advantage of the infrastructure that PIS has in place nationwide, whilst still maintaining their identity, brand and focus on customer service."

The closing of phase one also allows for the conversion of AAP equity into ordinary equity prior to the proposed listing of parent company Professional Investment Holdings (PIH) on the ASX in the first half of next year. Mr Bennetts assures other independent dealer groups that the second tranche will open soon. "We have a substantial pipeline of interested dealers for Phase Two, and we will announce an opening date shortly."

AAP offers dealers a range of services including cost-effective back-office and business development support, professional development days and conferences, plus access to approved products, analyst research and industry software.

Precise Advice Financial Services Ltd, a six-person boutique dealer group in Keysborough, the outer south-eastern Melbourne suburb, joined AAP in late 2006. Liz Scott, a partner at Precise Advice explained that AAP filled a previously unmet demand from boutique dealers. "We were looking for a forum to share ideas on practice

management and business growth with like-minded boutique dealers facing similar challenges. But as an independent firm operating as an authorised representative since 1985 and with our own licence since 1994, we value our own autonomy and licence. We were attracted to AAP because it helped us concentrate on our core business, advising clients, whilst also offering the opportunity to benefit from equity participation.”

Ms Scott is a satisfied member. “The service has been wonderful. The AAP-organised conferences have lived up to their promise. Some of the presentations have been inspirational and the events have been valuable occasions to network and share views with other dealers and receive business and professional development advice. We are also very pleased with the marketing support provided by AAP.”

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