

## MEDIA RELEASE

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### **GENESYS RAMPS UP MEMBER FIRM INVESTMENTS FACILITATING M&A BETWEEN MEMBER FIRMS**

Genesys Wealth Advisers has increased its stake in member firms within the group, completing a part-purchase of a significant Perth-based practice, as part of an ongoing initiative to fund the growth of its member firms through equity investments.

Investment in large Perth-based Genesys practice, Aspire2, caps off a busy six months for the group, in which total member firm investments reached \$20 million.

Genesys now has a footprint, through the part or full ownership of member firm practices, in cities across all states of Australia, including Toowoomba, Gold Coast, Brisbane, Sydney, Canberra, Melbourne, Adelaide, Perth, Launceston, Bernie and Hobart.

Chief Executive of Financial Planning at Challenger, Greg Kirk said the Genesys' investment model had proved attractive to practices seeking capital to fund succession or growth.

"We've developed a model that allows Genesys to provide capital without ceding business control or removing the member firm principal's entrepreneurial drive. We want to encourage growth and share in it," said Kirk.

"The firms that we have invested in over the years have become our fastest growing and most profitable, which is to the benefit of Genesys and the adviser.

"We continue to actively look for new opportunities, both within Genesys and externally," said Kirk.

The innovative Perth-based transaction involved a mixture of equity and debt allowing Malcolm Davis and Kim Hunter, the principals of an existing Genesys firm, to merge with a second Genesys firm, HLM, to form Aspire2. This allowed the principal of HLM, Bruce Langoulant, to begin a gradual transition into retirement after 21 years in financial planning.

"I was looking for a successor to buy in to the practice, one which would provide new energy, along with a high quality advice offering. Of course, I wanted to realise the true worth of the business but equally important was getting the best outcome for my clients," said Langoulant.

"My preference was to remain with Genesys Wealth Advisers to allow me to transition my clients under the same trusted brand, reducing any confusion or upheaval.

"Genesys assisted throughout the process in identifying suitable firms, structuring the deal and integrating the two practices," said Langoulant.

Malcolm Davis, principal of the practice buying into Aspire2, said the ability to participate in such mergers was a key benefit of being part of Genesys.

"When Genesys brought the opportunity to us, it was immediately clear that this was the chance to take our business to the next level," said Davis.

"The Genesys equity model offers us a low-cost form of finance that provides a return to Genesys but otherwise allows us to run the business as we see fit.

"We had looked at external acquisitions, but our preference was to merge within the group to reduce the level of risk. We know the compliance regime and the policy and procedures that are in place, which gives us a greater level of comfort, as does the ability to deal with clients under the same brand.

“Since joining Genesys Wealth Advisers almost two years ago, we have been working towards building a truly corporatised practice with a practice manager and client service specialists. That leaves me to set the overall strategy for the business and do what I do best, help clients.

Mr Davis nominated cultural fit as the most important aspect in any merger of two practices, particularly as part of a succession plan.

“Everyone needs to be on the same page. There is no point trying to take people with you if they don’t share the same vision,” said Davis.

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**For More information contact:** Genesys Communications team, 1800 066 577

**Note to editors:**

Genesys Wealth Advisers has a network of around 370 advisers in 150 practices around Australia. It provides financial services to around 100,000 Australians and advises on more than \$12 billion of investments, and risk insurance premiums totalling more than \$100 million per year. The group is wholly owned by AXA Asia Pacific Holdings.