



Market Announcements
ASX Limited
27 November 2012

Purchase of stake in API Capital (API)

Further to discussions announced earlier in the year, Easton Investments (EAS) is pleased to announce that it has entered into a share sale agreement to acquire an initial 19.9% equity stake in API Capital. Subject to the pre-completion conditions, the initial stake will be purchased via the issuance of 2 million options* in EAS to the selling shareholders of API Capital. EAS will also provide a working capital commitment to assist API Capital to achieve its growth objectives.

As part of the transaction EAS has the option to move, for no additional cost, to 50% ownership of API Capital based on the attainment of funds under management (FUM) hurdles.

API Capital is an investment / funds management company that has now established a leadership team with skills across Investment Management, Marketing and Operations and has staff based in Sydney, Melbourne and London. API Capital currently offers global equity and fixed income strategies to direct, intermediated and institutional clients in Australia and Asia through its wholly owned subsidiary GWA Asset Management (GWAAM) and its recently established distribution relationship with Stratton Street Capital LLP in London.

API Capital has the essential licensing and infrastructure in place to manage significant assets for clients in Australia and overseas. Its team members have on average 16 years of experience in funds management gained in Australia and abroad.

Robert Swift, Managing Director of API Capital, said "We are excited by the prospect of joining forces with Easton. We are looking forward to working with their wealth advisers in Australia and Asia and helping them create strategies that their clients want and need. We also look forward to sharing our investment insights with Easton Asset Management. Together we can offer equity, fixed income and asset allocation expertise to Easton, and other groups, globally."

Rodney Green, the recently appointed Chairman of Easton, said that "API Capital has an impressive collection of individuals and is well placed to grow its business through its current and potential offerings. It is early days in our journey and it is very exciting for me to be involved again in this type of venture."

The Managing Director of Easton, Campbell McComb stated “Easton is a growing wealth advisory business and this transaction provides our advisers and clients with direct access to further global expertise and experienced investment professionals to complement our capabilities at Easton Asset Management. People need wealth management services coupled with intelligent financial advice, now more than ever, and Easton is well placed to capitalise on the favourable long term trends in wealth accumulation in the region.”

For further information, please contact:

Campbell McComb
Managing Director
Ph: 03 9661 0444

API Subsidiary / Product Summary

GWA Asset Management (GWAAM) is a wholly owned global equity manager. Its investment philosophy is implemented through a systematic and disciplined approach placing emphasis on the wealth a company creates, regardless of its market capitalisation. GWAAM seeks to provide clients with returns which are differentiated from the majority of equity managers who manage against a traditional index.

Stratton Street Capital LLP

API Capital also offers a unique approach to fixed income strategies through its relationship with Stratton Street in London. Stratton Street has been managing and advising client portfolios for over a decade and has achieved superior returns through the skilful application of an investment philosophy which emphasises a focus on the net creditor status of the debt issuer rather than the size of debt outstanding. This philosophy has helped Stratton Street position themselves in the bond markets with the lowest threat of default through currency debasement, inflation or write downs. Experts in sovereign, and credit risk assessment, Stratton Street currently manages over \$1.5bn for clients globally. Like GWAAM, Stratton Street provides clients with returns which are differentiated from the majority of managers who start with a traditional index.

* Each option will entitle the holder to acquire 1 fully paid ordinary share in EAS for cash consideration of 25c, subject to adjustment in accordance with the ASX Listing Rules. The options will expire on the 3rd anniversary of the date of completion of the transaction. Shareholder approval for the issue of the options will not be sought (and is not required).