



FSP Equities Management Presentation to Scarborough Equities AGM 17th November 2006

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Who is FSP Group?

- One of Australia's largest non – institutionally owned Financial Services providers
- Shareholders are Directors & Management 33%
Babcock & Brown 29%, Tower Australia 6%, Advisers 32%
- FSP Group owns two Dealer Groups Financial Services Partners & Vector Financial Services. In combination the Group has over \$2.5 billion in funds under advice, including \$900 million in its own administration platform

Total Shareholder Return (TSR) for Scarborough Equities 12 months

June 30 2005 share price was 50 cents

June 30 2006 share price was 90 cents

Two dividends of 2.4 cents each were paid

TSR for the year to June 2006 was 89.6%

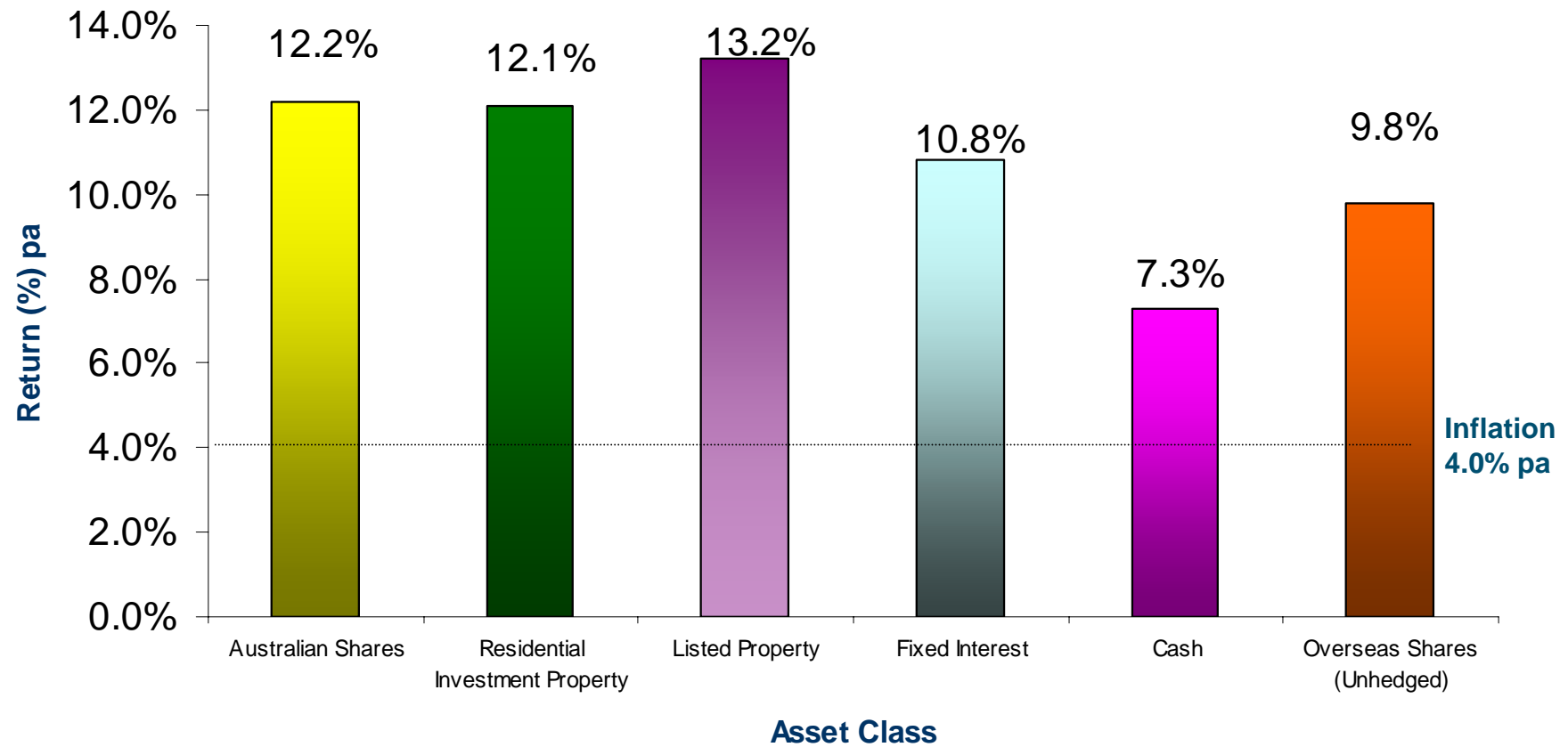
Why Invest In Equities?

End of June	Aust Shares	Cash	Inflation
1990	4.1	18.5	7.7
1991	5.9	12.6	3.4
1992	13.4	8.4	1.3
1993	9.9	5.6	1.9
1994	18.5	4.7	1.7
1995	5.7	6.6	4.5
1996	15.8	7.5	3.1
1997	26.6	6.3	0.3
1998	1.6	5.0	0.7
1999	15.3	4.8	3.2
2000	15.5	5.2	3.2
2001	9.1	5.8	6.0
2002	-4.7	4.5	2.8
2003	-1.7	4.7	2.7
2004	21.9	5.0	2.5
2005	26.4	5.3	2.5
2006	23.9	5.5	4.0

First time ever
3 consecutive June year
+ 20% returns

ASX Results by Investment Sectors – 20 years

Investment Returns for 20 years to December 2005

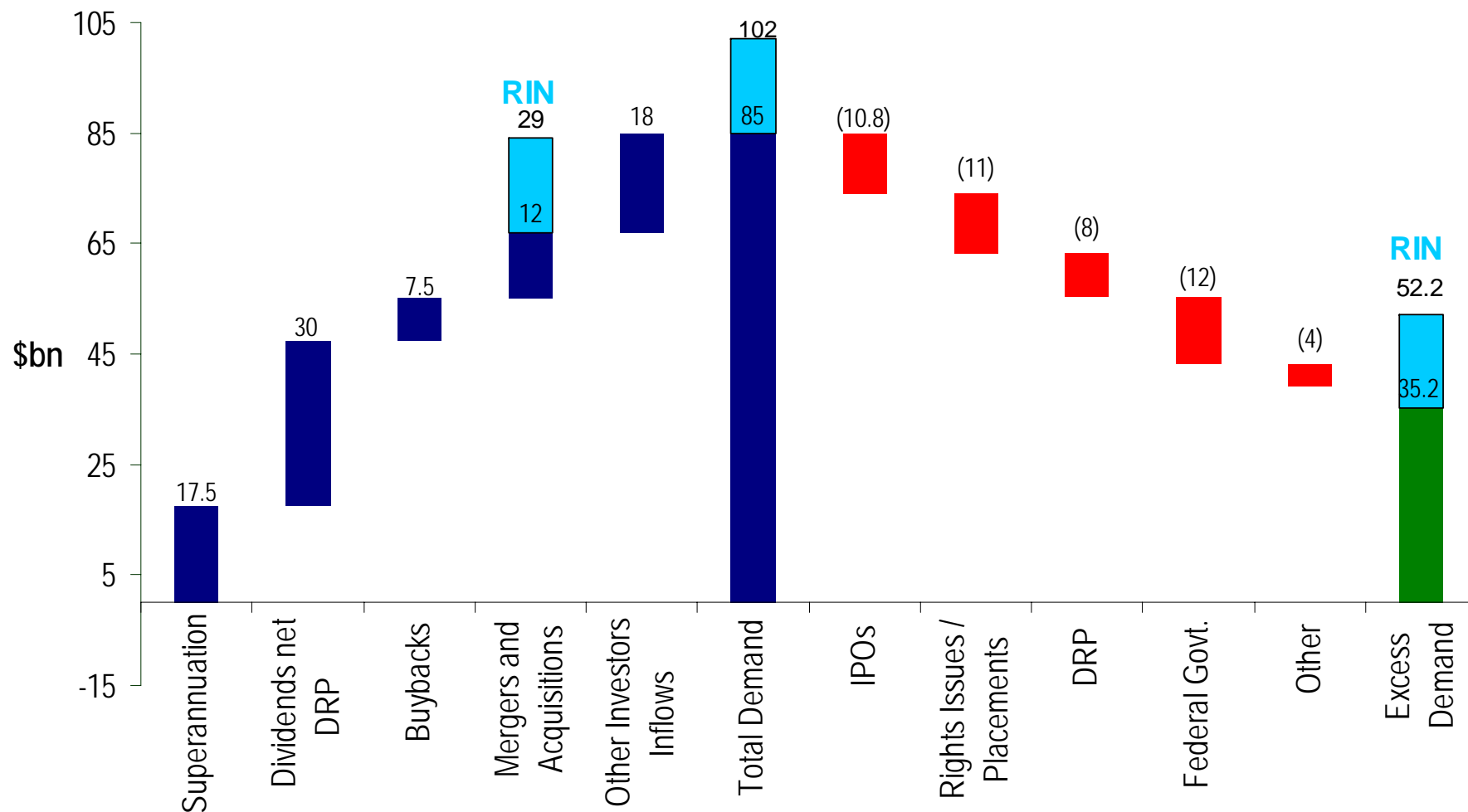


Source ASX

Australia does well in 2006

	Index	June 2005	June 2006	% Change
Australia	ASX 200	4277	5073	18.6
US	Dow Jones	10275	11150	8.5
UK	FTSE	5113	5833	14.1
Japan	Nikkei	11584	15505	33.8

Australian Equity Demand/Supply



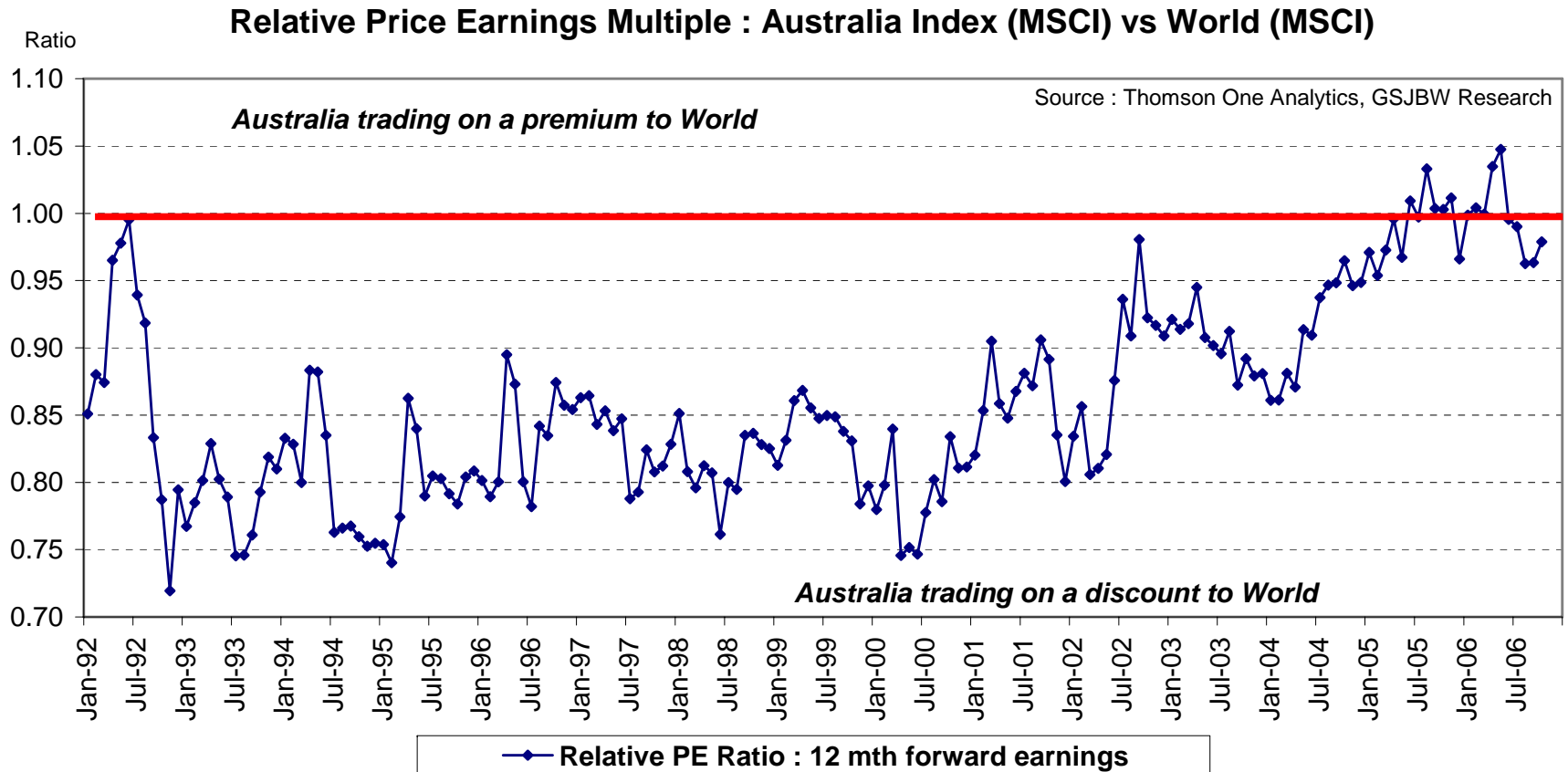
15 Year Change

December 1989

November 2006

Bancassurance	11.6%	35.3%
Property Trust	2.8%	9.8%
Resources	35.0%	21.5%
Media & Telco	2.6%	4.9%
Balance	48.0%	28.5%
	100%	100%

Currently cheap v's other Int'l



	Net Return	S&P / ASX 200 Accumulation
Since inception April 02	144.6%	93.9%

- In the 12 months to June 2004 net return 50.4%
- In the 12 months to June 2005 net return 24.9%
- In the 12 months to June 2006 net return 25.1%
- In the 4 months to 30 Oct 2006 net return 14.0%

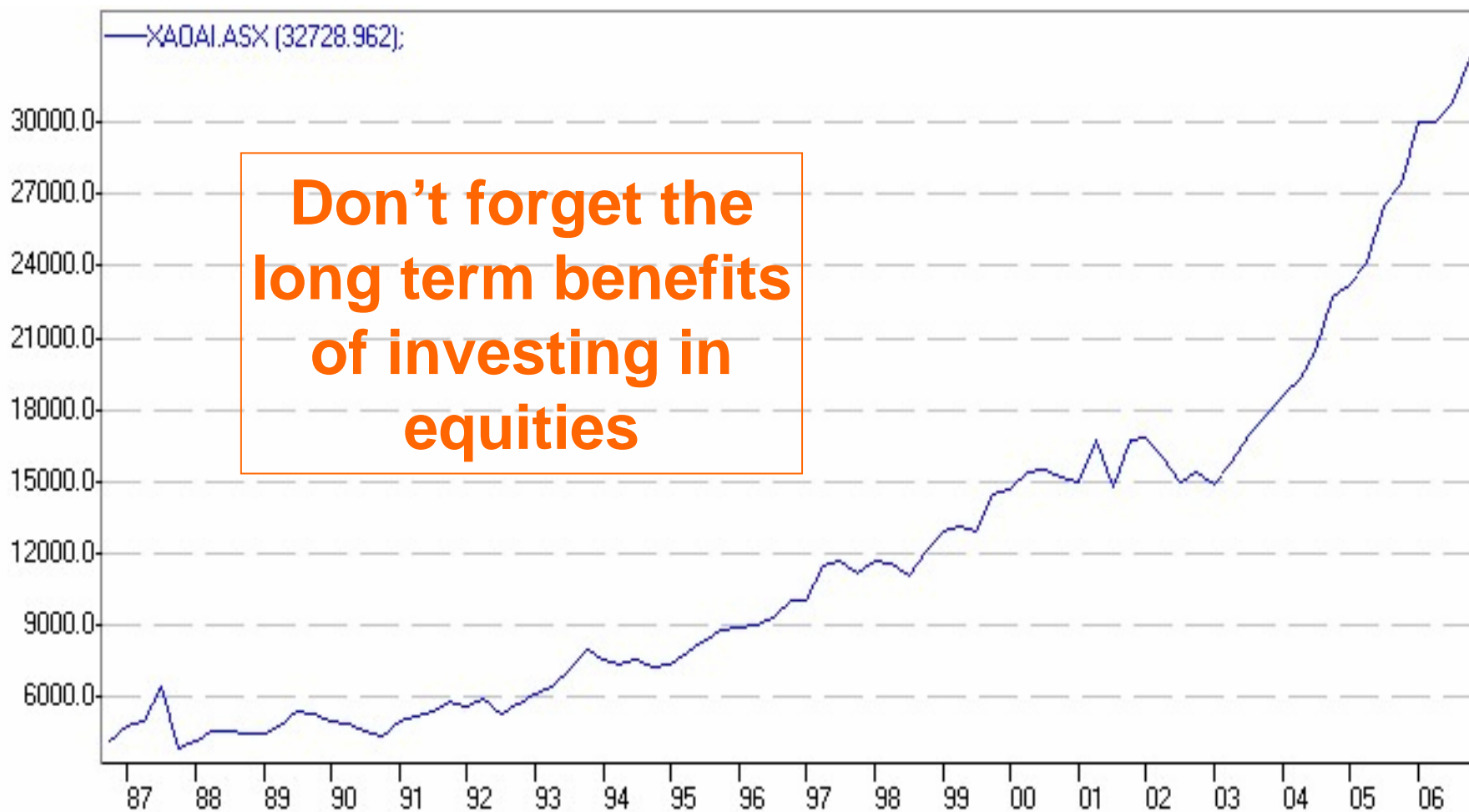
Country	2006	2007
Australia	3.2	3.3
Austria	2.4	1.9
Belgium	2.6	1.9
Britain	2.6	2.5
Canada	3.1	2.8
Denmark	2.7	2.3
France	2.2	2.0
Germany	2.0	1.3
Italy	1.5	1.2
Japan	2.8	2.3
Netherlands	2.5	2.2
Spain	3.3	2.8
Sweden	4.1	2.9
Switzerland	3.0	1.9
United States	3.4	2.5
Euro Area	2.3	1.8
China	10.1	9.7
India	8.5	8.5

Largest 15 Stocks

As at 30th September 2006

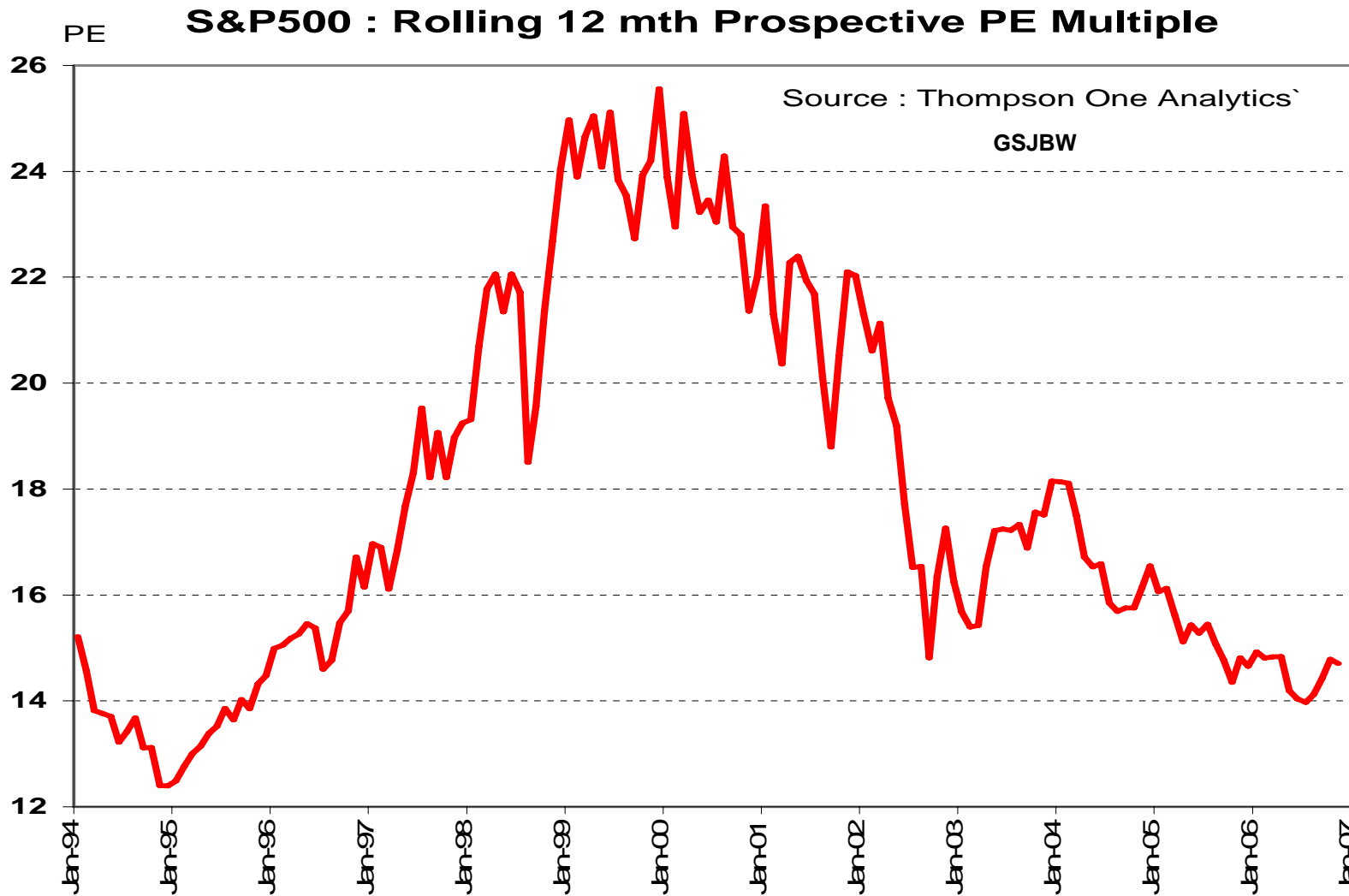
Portfolio Weight % ASX 200 Weight %

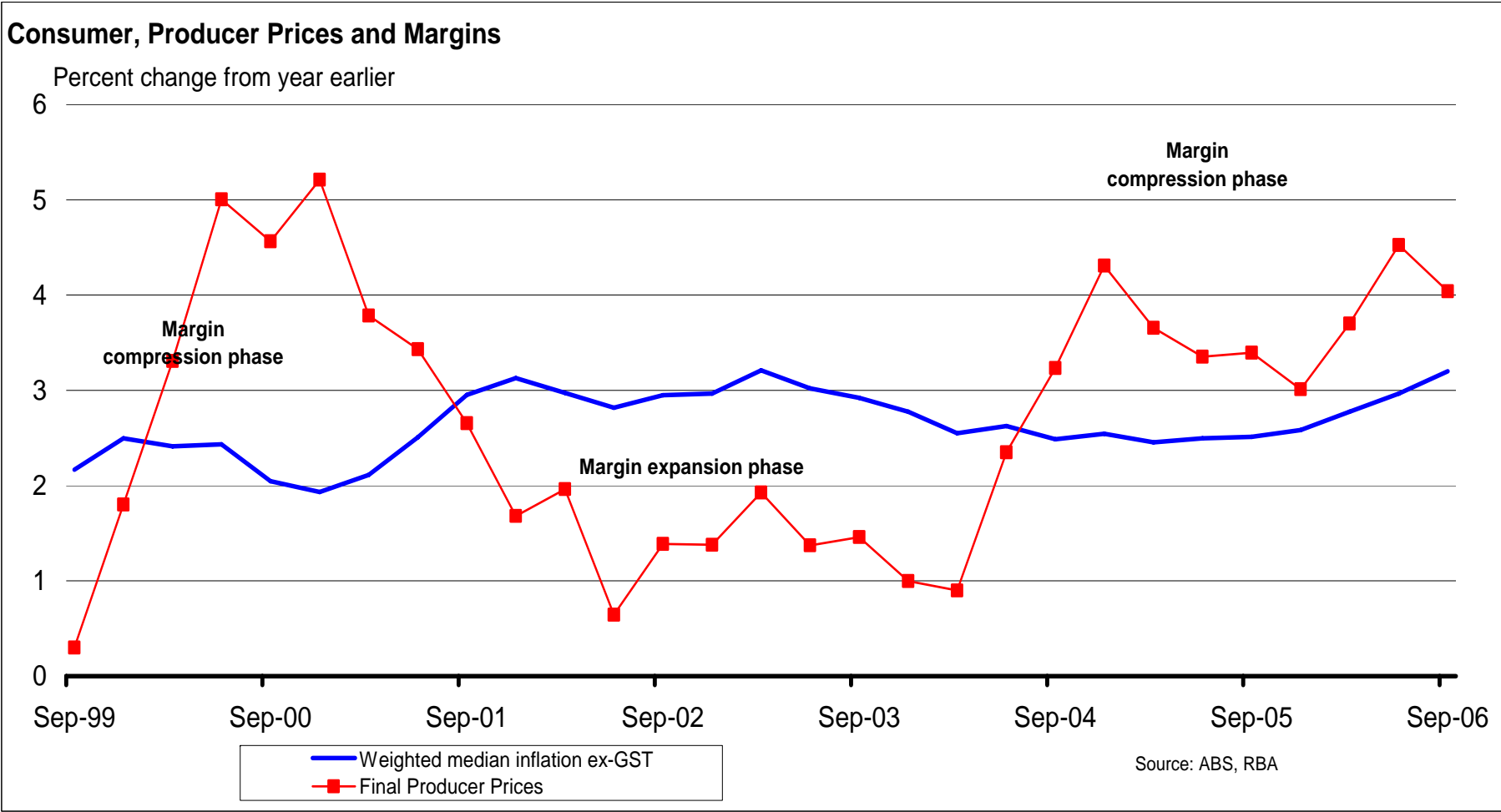
National Australia Bank	6.4	5.9
Coles Myer	3.7	1.5
Rinker	3.6	1.6
Cochlear	3.4	0.3
Babcock	2.7	0.3
Brambles	2.5	1.1
Macquarie Bank	2.4	1.7
Insurance Australia	2.1	0.8
QANTAS	2.1	0.8
DCA Group	2.0	0.1
Cash	2.0	-
Ten Network	1.9	0.1
Bank of Queensland	1.8	0.1
Toll	1.8	0.8
Transfield	1.8	0.1
Total from Largest 15	40.2	15.2





S&P 500: Rolling 12 month prospective PE Multiple





- Expect Australian equities to give positive returns over the next 12 months but after 3 consecutive + 20% pa returns, one should be cautious
- Uncertainty factor increasing wages/raw material cost are increasing at a higher rate than CPI, RBA has raised rates 5 consecutive times since 2004
- Australian stock market is trading on approximately 14 times 2007 earnings. Valuations are fair, no longer cheap
- Fund has done well buying into good stocks post large falls eg: Rinker bought at \$13 after stock peaked at \$21
DCA Group bought at \$2.50/2.70 following peak of \$4
- New paradigm affecting equity market ?? Recent changes in super very positive for Australian Equities, takeovers at record levels. Leverage buy out groups, eg: DCA Group, Network Nine, Coles
Day Traders have re-emerged, estimate of 20,000 by \$50,000 = \$1B

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