



Australian Value Funds Management Ltd

Level 16, 90 Collins Street
Melbourne VIC 3000
Ph: (03) 9639 8709
Fax: (03) 9639 0311
ACN 009 487 674

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Australian Stock Exchange
Continuous Disclosure Area

In principal agreement to buy in to Garnaut Private Client Advisers

Australian Value Funds Management Limited (ASX Code: AVU) has entered into an agreement to acquire shares giving it a 40% interest in the business of Garnaut Private Client Advisers (GPCA).

GPCA is a high quality, long established business, specialising in investment management to high wealth individuals and small to medium enterprises and currently has in excess of \$400M under advisement. GPCA's client base is spread throughout Australia, predominately in Melbourne, Sydney and ACT.

The transaction upon completion, is anticipated to be immediately earnings per share and dividend per share accretive for AVU.

The consideration being paid by AVU for the acquisition is 11,333,333 fully paid ordinary shares in AVU and \$3M in cash. This will give the GPCA owner a relevant interest of 17.5% of the issued capital of AVU.

The owner of GPCA will retain a 60% relevant interest in GPCA and its CEO Mr Chris Garnaut has entered into a 3 year service agreement.

The Agreement is subject to, a number of conditions precedent, including:

- (a) the completion of due diligence on GPCA and its business by AVU (which is well advanced); and;
- (b) the obtaining of all necessary shareholding approvals under the Listing Rules and the Corporations Act.

The Directors of AVU are extremely pleased at being able to bring to AVU this investment in one of Australia's leading independent financial advisory businesses.

AVU, having completed its purchase of 28% interest in Carroll, Pike & Piercy effective January 2005, is now well positioned to achieve one of its stated objectives, that being the establishment of a meaningful presence in the Australian financial planning and superannuation advisory industry.

It is currently proposed that the EGM of AVU will be held in late April, 2005 to approve the purchase.

For further information contact Mr Campbell Kennedy (Chief Operating Officer / Company Secretary of AVU) on (03) 9639 8709.