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Executive Chairman & CEO  
HFA Holdings Limited**

**UBS Emerging Companies Conference  
Presentation**

**6<sup>th</sup> April 2011**

New York Chicago Florida London Hong Kong Brisbane Sydney Melbourne

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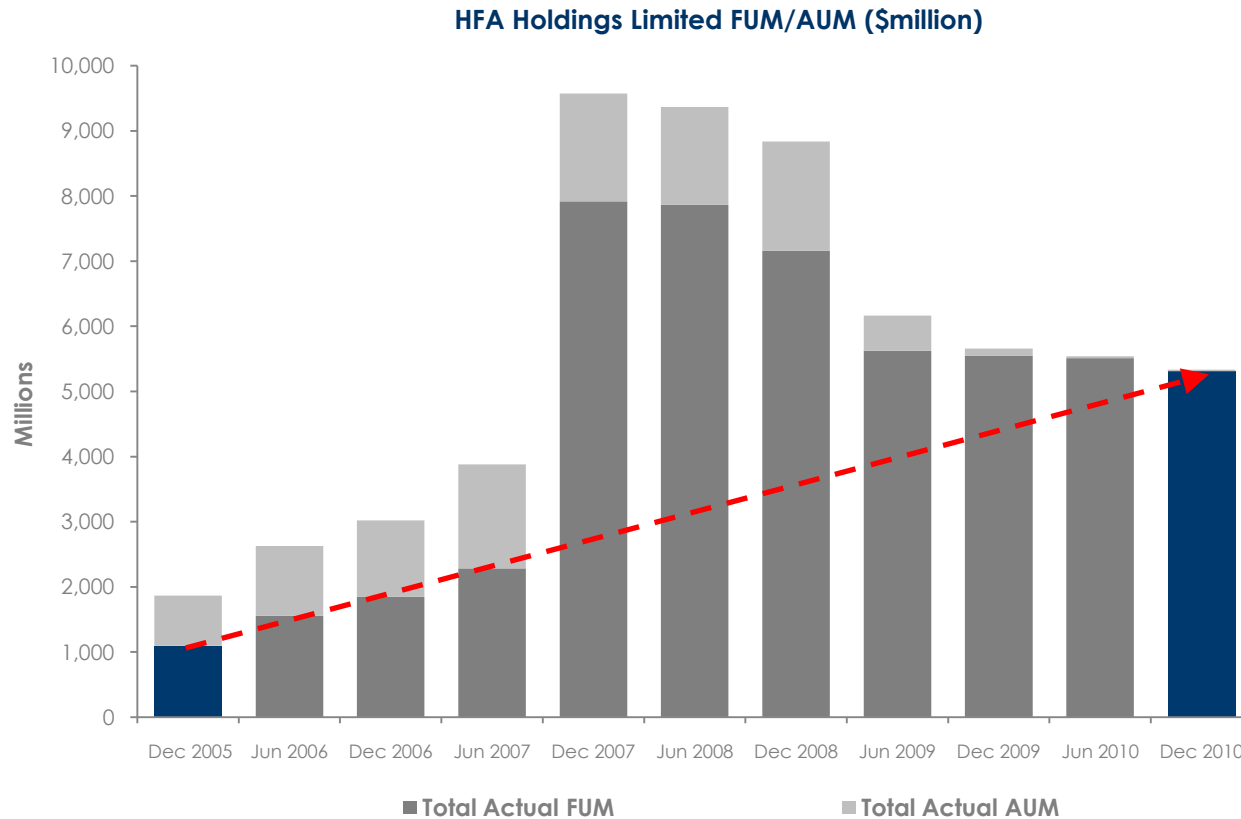
SECTION 1

# Company History

# HFA Holdings (ASX: HFA)- A Brief History

- HFA Asset Management Founded in 1999 .....12 years since inception.
- In 2000, entered exclusive Investment Adviser relationship with Lighthouse Partners.
- In 2006, 28 April, listed on the ASX as HFA Holdings ..... 5 year anniversary in May 2011. At listing...
  - FUM A\$1.4b / AUM A\$2.5b
  - Market Cap A\$220m
- In 2008, 03 January, completed acquisition of Lighthouse Partners ...
  - FUM A\$7.9b / AUM A\$ 9.6b
  - Market Cap A\$864m
- In 2009, GFC adversely affected FUM /AUM. Severe reduction of leverage in retail structured products.
  - FUM USD5.2b / AUM USD5.3b ..... (as at 28 February 2011)
  - Market Cap A\$151m ..... (as at 31 March 2011)
- In 2010, Lighthouse completes implementation of proprietary managed accounts program with approximately 90 accounts across 10 investment strategies. One of the largest in the global FOHF industry.
- In 2011, HFA strengthened balance sheet and entered key shareholder and distribution relationship with Apollo Global Management, one of the worlds leading and largest Alternate Investment Managers.
- HFA grown from domestic distributor of external investment product to leading vertically integrated Global Fund Manager delivering Absolute Return Customer Solutions and investment product to a diverse international client base including Retail, Family Office, HNW, Corporate, Endowment and Pensions.
- HFA Founder Spencer Young continues as Executive Chairman, CEO & shareholder.
- Lighthouse Founder Sean McGould continues as Executive Director, CIO & substantial shareholder.

# Group FUM positioned to regain growth trajectory ....



**37%  
CAGR  
in FUM**

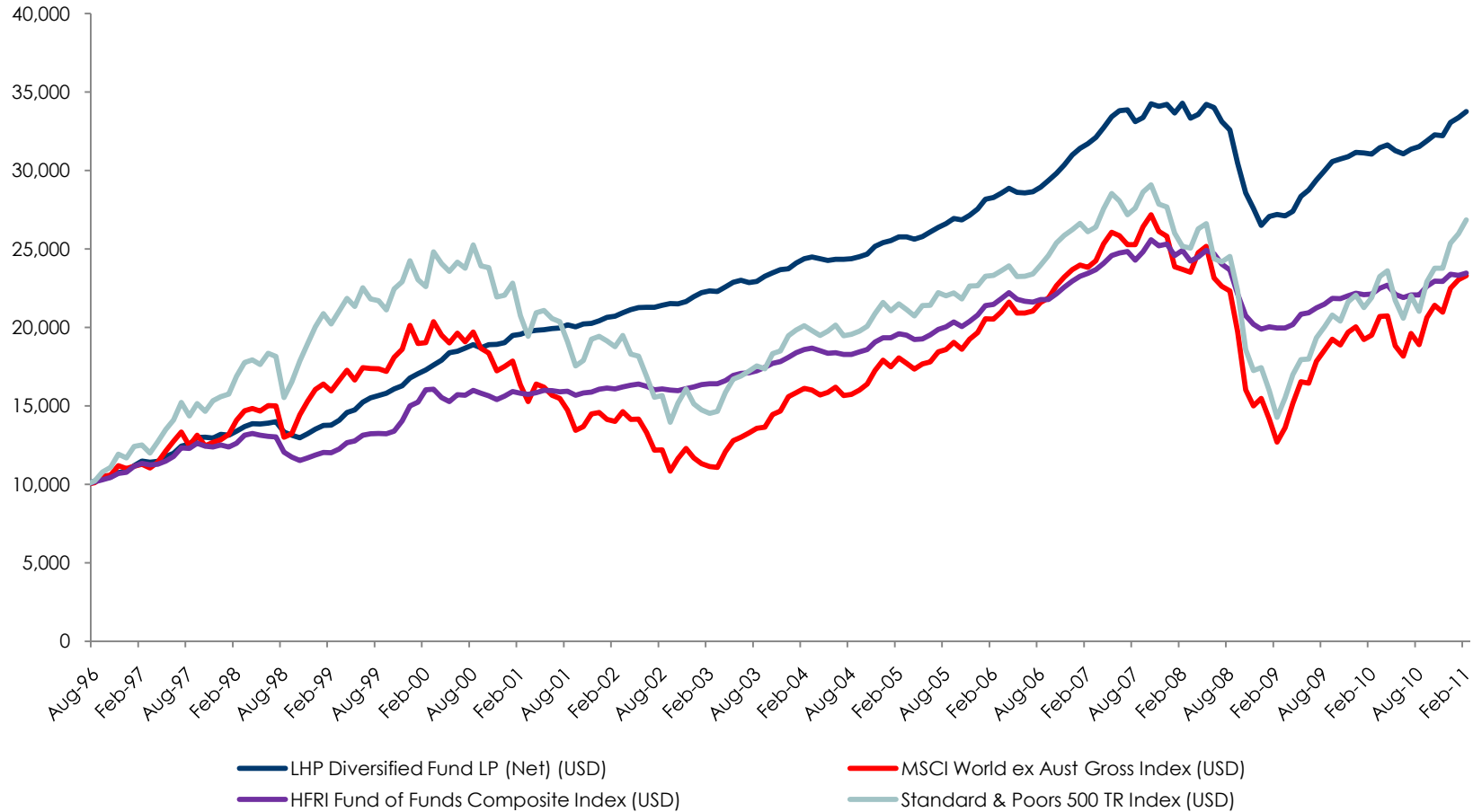
Source: HFA Holdings Limited. Past performance is not an indicator of future performance.

SECTION 2

# INVESTMENT PERFORMANCE

# Strong investment performance partnered with Managed Account structure provides solid platform for business growth...

Growth of \$10,000 Since Inception



1. LHP Diversified Fund LP inception being August 1996 – assumes reinvestment of all distributions and net of all fees. Source: Lighthouse, MSCI and Bloomberg. Past performance is not an indicator of future performance.

# Lighthouse Partners Product Performance

## Comparative Fund Returns (after fees & expenses) to 28 February 2011

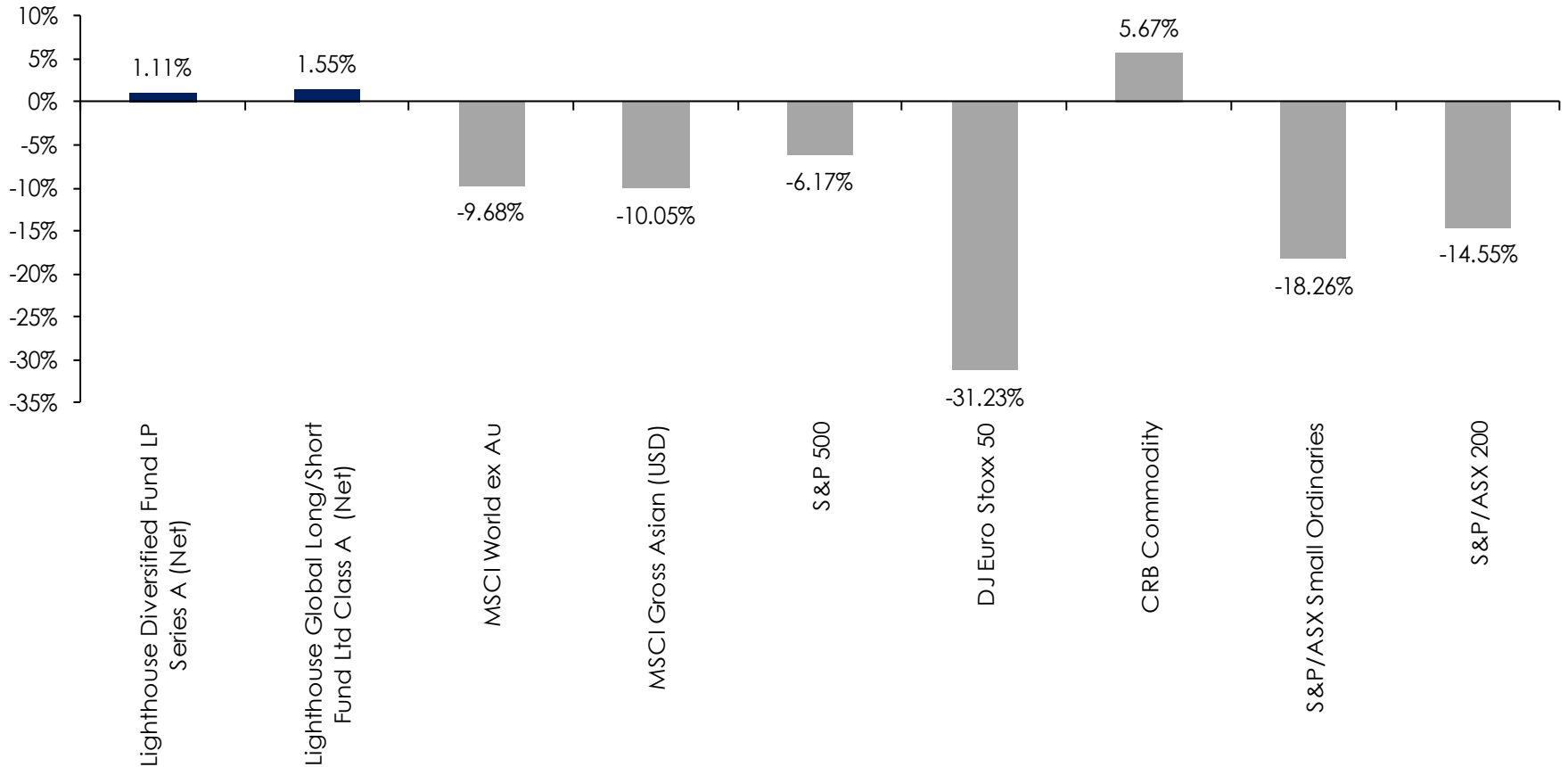
	LHP Diversified Fund LP (Net) %	HFRI Fund of Funds Composite Index %	LHP Global Long Short Fund Ltd (Net) %	MSCI World Ex Au (USD) %	Standard & Poor's 500 TR Index (USD) %
12 Months	8.72%	6.69%	5.85%	22.32%	22.57%
2 Years p.a.	11.41%	8.74%	8.26%	37.13%	37.22%
3 Years p.a.	<b>-0.52%</b>	<b>-1.77%</b>	<b>1.08%</b>	<b>0.21%</b>	<b>2.19%</b>
4 Years p.a.	1.57%	0.17%	2.53%	0.03%	0.71%
5 Years p.a.	<b>3.60%</b>	<b>1.92%</b>	<b>4.60%</b>	<b>3.05%</b>	<b>2.87%</b>
6 Years p.a.	4.60%	3.14%	5.68%	4.76%	3.77%
7 Years p.a.	<b>4.75%</b>	<b>3.47%</b>	<b>5.96%</b>	<b>5.77%</b>	<b>4.22%</b>
8 Years p.a.	5.30%	4.65%	N/A	10.01%	8.00%
9 Years p.a.	5.57%	4.36%	N/A	6.10%	4.06%
10 Years p.a.	<b>5.60%</b>	<b>4.10%</b>	N/A	3.86%	2.62%
Inception p.a. <sup>1</sup>	8.70%	6.07%	6.39%	6.12%	2.62%
<b>Inception Total<sup>1</sup></b>	<b>237.47%</b>	<b>136.03%</b>	<b>55.89%</b>	<b>53.04%</b>	<b>37.93%</b>

1. LHP Diversified Fund LP inception being August 1996 – assumes reinvestment of all distributions and net of all fees. LHP Global Long Short Fund Ltd inception being January 2004. Source: Lighthouse, MSCI and Bloomberg. Past performance is not an indicator of future performance.



# Strong Relative Outperformance for Lighthouse Funds

Investment Value from 1 October 2007 to 28 February 2011<sup>1</sup>



1. The above chart represents the period since the previous market high and how the Funds performed against the major market sectors. Source: Lighthouse, MSCI and Bloomberg. Assumes reinvestment of all distributions and net of all fees. Past performance is not an indicator of future performance.

# Certitude Global Investments Product Performance

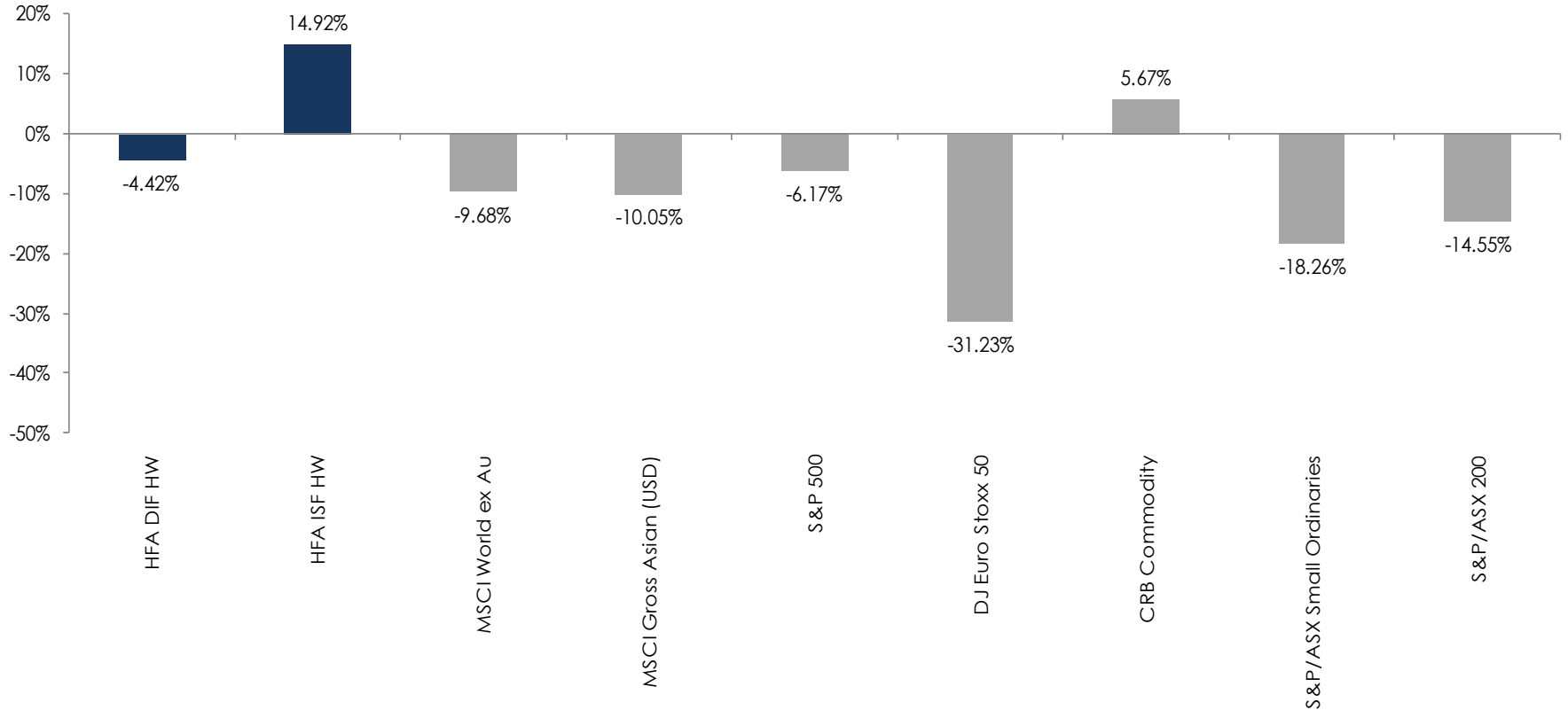
## Comparative Fund Returns (after fees & expenses) to 28 February 2011

	HFA Diversified Investments Fund (Net) %	HFRI Fund of Funds Composite Index %	Australian 90 Day Bank Accepted Bill %	HFA International Shares Fund (Net) %	MSCI World Ex Au (USD) %
12 Months	8.94%	6.69%	4.79%	8.73%	22.32%
2 Years p.a.	10.13%	8.74%	4.17%	8.76%	37.13%
3 Years p.a.	<b>-2.37%</b>	<b>-1.77%</b>	<b>5.03%</b>	<b>4.86%</b>	<b>0.21%</b>
4 Years p.a.	-0.40%	0.17%	5.51%	5.11%	0.03%
5 Years p.a.	<b>1.62%</b>	<b>1.92%</b>	<b>5.66%</b>	<b>6.36%</b>	<b>3.05%</b>
6 Years p.a.	3.03%	3.14%	5.69%	7.14%	4.76%
7 Years p.a.	<b>3.69%</b>	<b>3.47%</b>	<b>5.68%</b>	<b>7.46%</b>	<b>5.77%</b>
8 Years p.a.	4.30%	4.65%	5.61%	9.00%	10.01%
9 Years p.a.	4.72%	4.36%	5.52%	7.00%	6.10%
Inception p.a. <sup>1</sup>	4.68%	4.18%	5.47%	6.14%	4.60%
<b>Inception Total<sup>1</sup></b>	<b>57.38%</b>	<b>50.06%</b>	<b>69.54%</b>	<b>80.52%</b>	<b>56.22%</b>

1. HFA Diversified Investments Fund inception being March 2001. HFA International Shares Fund inception being March 2001. Assumes reinvestment of all distributions and net of all fees. Source: Certitude Global Investments Limited, MSCI and Bloomberg. Past performance is not an indicator of future performance.

# Strong Relative Outperformance for Certitude Global Investments Funds

Investment Value from 1 October 2007 to 28 February 2011<sup>1</sup>



1. The above chart represents the period since the previous market high and how the Funds performed against the major market sectors. Source: Certitude Global Investments Limited, MSCI and Bloomberg. Assumes reinvestment of all distributions and net of all fees. Past performance is not an indicator of future performance.

SECTION 3

# **Material Enhancements to Investment Management Capabilities ...**

# HFA Holdings

...moving past the limits of traditional hedge fund investing

## Lighthouse

Industry leading Managed Account program

- **Liquidity** – enhanced investment-level liquidity
- **Transparency** – daily visibility into all portfolio positions aggregated across each manager and portfolio
- **Security** – legal structure provides better asset protection and mitigation of operational risk of underlying managers

## Certitude

Open architecture model of product delivery

- **Liquidity** – new products which can offer daily or weekly pricing to meet retail investor needs
- **Transparency** – via Lighthouse managed account program or single manager funds
- **Security** – selection of product partners who are structured to provide appropriate asset protection



# A New Era in Multi Manager Funds

Benefit	Managed Account	Traditional Fund Investment
Full Position Transparency	✓	✗
Daily Data / Risk Analysis	✓	✗
Not Subject to Lock Ups, Gates, Suspensions	✓	✗
Ownership of Assets	✓	✗
Segregation of Assets	✓	✗
Customised Risk / Investment Constraints	✓	✗
Approval of Trading Counterparties, i.e. Prime Brokers	✓	✗
Diversification of Counterparty Risk	✓	✗
Active and Nimble Portfolio Management	✓	✗
Contractual Investment Covenants	✓	✗
Revocation Rights	✓	✗

# HFA Holdings

.. delivering results by focussing on products, distribution and performance



## Products

- New funds and services utilising managed account program

- Creation of active management "alpha" products
- 2-3 New product partners
- 6 new products over next 2 years
- Multi-strategy absolute return products to be retained and enhanced



## Distribution

- Focus on broadening and deepening institutional relationships
- Continue to diversify across geographical areas, in particular Europe and Asia
- APOLLO Marketing Alliance

- Move to a key account focus targeting specific segments and specific channels:
  - Retail (broaden existing)
  - HNW/SMSFs
  - Alliances (eg Dealer Groups)
  - Multi-Managers

## Performance

- Competition continues to reduce with the on-going rationalisation of fund manager competitors
- Achieving absolute returns with greater transparency, control and flexibility

- Focus on active management solutions to deliver "alpha" returns
- Broaden existing absolute return focus, by also providing market segment and concentrated portfolio funds

SECTION 4

# **APOLLO TRANSACTION OVERVIEW**



# The transaction with Apollo illustrates the appeal of Lighthouse's managed account program and its strong track record...

## Mandatory Convertible Notes

- USD75m face value, issued to an Apollo group entity and a co-investor
- Mandatory conversion into HFA shares after 8 years, at an initial conversion price of USD0.9768
- Holders may convert at anytime; HFA may cause conversion after 4 years subject to certain conditions
- Interest accrues at the rate of 6.0% p.a., paid via principal capitalisation for the first 4 years, and thereafter either in cash or via principal capitalisation (at HFA's discretion)

## Marketing Agreement

- Once licensed, Apollo will provide certain distribution services in connection with the sale of Lighthouse investment products, including:
  - Working with Lighthouse management to develop a comprehensive distribution plan
  - Assisting with distribution efforts across Apollo's client relationships.

## Options

- 31.25 million options issued to an Apollo group entity and a co-investor
- Exercise price of A\$8.00
- Exercisable at any time until the 8<sup>th</sup> anniversary of the issue date, subject to certain limitations

## Right of First Refusal

- Certain Lighthouse senior management shareholders have agreed to grant the Apollo group a right to purchase specified HFA shares that they own if they elect to dispose of such holdings
- Bilateral arrangement between these shareholders and the Apollo group

## Escrow

- Escrow provisions are included in the new Lighthouse senior management employment agreements
- The escrow restrictions cease to apply after a period of 2 years, or in certain other circumstances

## Apollo Performance Rights

- 1 million performance rights issued to an Apollo group entity to incentivise performance under the Marketing Agreement
- Vesting conditions include Lighthouse achieving USD35m of EBITDA in any 12 month period prior to 2014

All amounts are expressed on a post share consolidation basis

# HFA Holding's securities on issue and share register

## A diverse mix of committed shareholders

HFA Holdings on issue of Mandatory Convertible Notes	HFA Holdings – pro forma assuming conversion of Mandatory Convertible Notes on issue date	HFA Holdings – pro forma assuming conversion of Mandatory Convertible notes after 4 years
117,332,831 Ordinary Shares	194,129,882 Ordinary Shares	214,617,038 Ordinary Shares
USD 75,000,000 of Mandatory Convertible Notes	Nil Mandatory Convertible Notes	Nil Mandatory Convertible Notes
31,250,000 Options	31,250,000 Options	31,250,000 Options
8,968,935 Performance Rights	8,968,935 Performance Rights	8,968,935 Performance Rights
Substantial shareholders (excluding Performance Rights)	Substantial shareholders (excluding Performance Rights)	Substantial shareholders (excluding Performance Rights, Options and ROFR)
<ul style="list-style-type: none"> <li>Delaware 19.0%</li> <li>Sean McGould 16.6%</li> <li>Bank of America 10.7%</li> <li>UBS 9.1%</li> <li>Spencer Young 4.8%</li> <li>Other employees 14.3%</li> </ul>	<ul style="list-style-type: none"> <li>Apollo 26.4%</li> <li>PA HH 13.2%</li> <li>Delaware 11.5%</li> <li>Sean McGould 10.0%</li> <li>Bank of America 6.4%</li> <li>UBS 5.5%</li> <li>Spencer Young 2.9%</li> <li>Other employees 8.6%</li> </ul>	<ul style="list-style-type: none"> <li>Apollo 30.2%</li> <li>PA HH 15.1%</li> <li>Delaware 10.4%</li> <li>Sean McGould 9.1%</li> <li>Bank of America 5.8%</li> <li>UBS 5.0%</li> <li>Spencer Young 2.6%</li> <li>Other employees 7.8%</li> </ul>

For further details of the pro forma impact of the MCN interest, Performance Rights, Options and ROFR on capital structure and substantial shareholdings, see the Notice of Meeting and Explanatory Memorandum

SECTION 5

# STRATEGIC RATIONALE

# HFA has proactively taken steps to position itself for growth...

## Positive steps...

### HFA Holdings (corporate)

- USD75m raised via the issue of Mandatory Convertible Notes

### Lighthouse Partners

- Strategic alliance with Apollo Global Management, under which the Apollo group will distribute Lighthouse investment products and services
- Lighthouse senior management entry into new employment contracts, including escrow arrangements

### Certitude Global

- Migration to open architecture
- Launch of 1<sup>st</sup> new product – Certitude Asian Opportunities Fund with Marshall Wace / Gavkal

## ... to build a stronger HFA

### 1. Improved growth outlook

- We believe Lighthouse would benefit from Apollo's distribution relationships, and association with the Apollo brand
- Certitude focused on targeting identified key channels

### 2. Strengthened financial position

- Balance of the senior loan facility substantially matched by cash holdings
- Senior loan facility maturity of 5 years

### 3. Greater ability to attract/retain employees

- Due to improved growth outlook and strengthened financial position

### 4. Positioned to benefit from industry trends

- Lighthouse's managed account program provides enhanced transparency, liquidity and security
- Certitude's open architecture model provides a multi-capability platform
- Balance sheet able to support any industry consolidation opportunities that may arise

# Key investment highlights

## Resilient fund flows

- Group AUM as at 28 February 2011 is USD5.3bn, an 11.6% increase from 30 June 2010 in USD terms
- Lighthouse has a 2.5% increase in AUM for FY11 YTD
- Lighthouse redemption levels witnessed at the height of the crisis have diminished, with positive fund flows for 5 of the past 8 months

## Experienced management team

- Key management personnel have been on board for over 10 years, have developed strong client relationships and have aligned interests through HFA ownership stakes and investment in funds
- The Apollo transaction will improve the group's ability to attract, retain and motivate key employees

## Strong balance sheet

- Residual balance of the senior loan facility is substantially matched by HFA's cash holdings
- New senior loan facility maturity of 5 years
- Mandatory Convertible Note will be largely equity classified on the balance sheet

## H1 FY11 result

- H1 FY11 EBITDA of A\$10.8m, and NPAT of A\$3.0m
- Includes A\$338k of non-cash employee share plan expense, with approximately A\$1.6m of non-cash expense expected to be recognised in the H2 FY11 period.
- Reflects performance fee revenue of A\$2.0m for the 6 months to 31 December 2010

## Positioned for growth

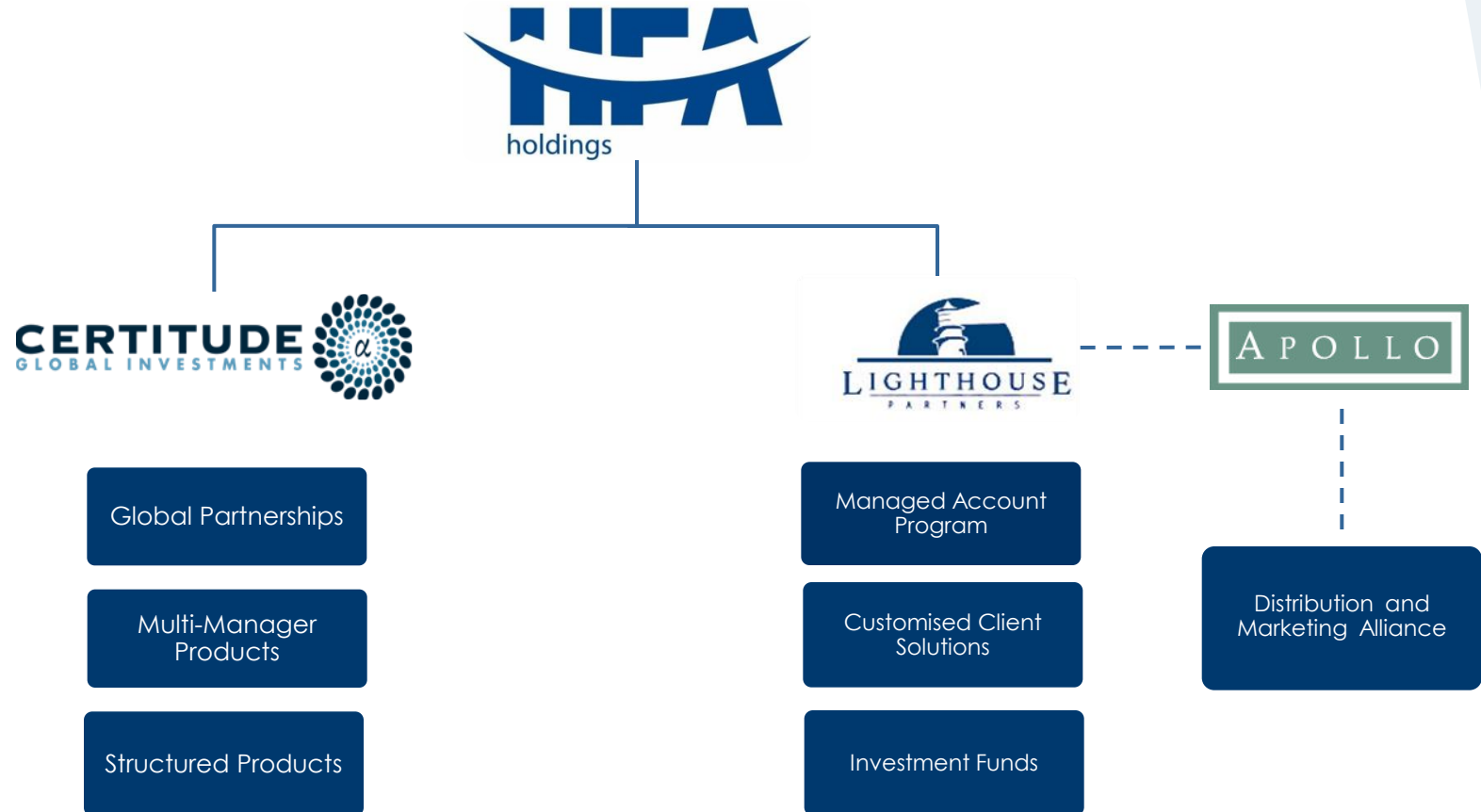
- Managed account program provides the enhanced transparency, liquidity and security that fund investors now demanding
- Lighthouse continues to achieve strong investment performance versus most relevant indices
- Going forward, AUM growth is expected to benefit from (i) access to Apollo's distribution relationships, (ii) association with the widely recognised Apollo brand, and (iii) the strengthened balance sheet
- HFA's balance sheet is better positioned to benefit from industry consolidation opportunities.

## Diverse investor base

- HFA's distribution channels are highly diversified by both investor type and geography
- Lighthouse has a strong presence in both the institutional and high net worth markets
- Certitude products are approved or recommended by over 457 retail financial planner dealer groups, representing more than 11,580 advisers and over A\$267bn in funds under advice

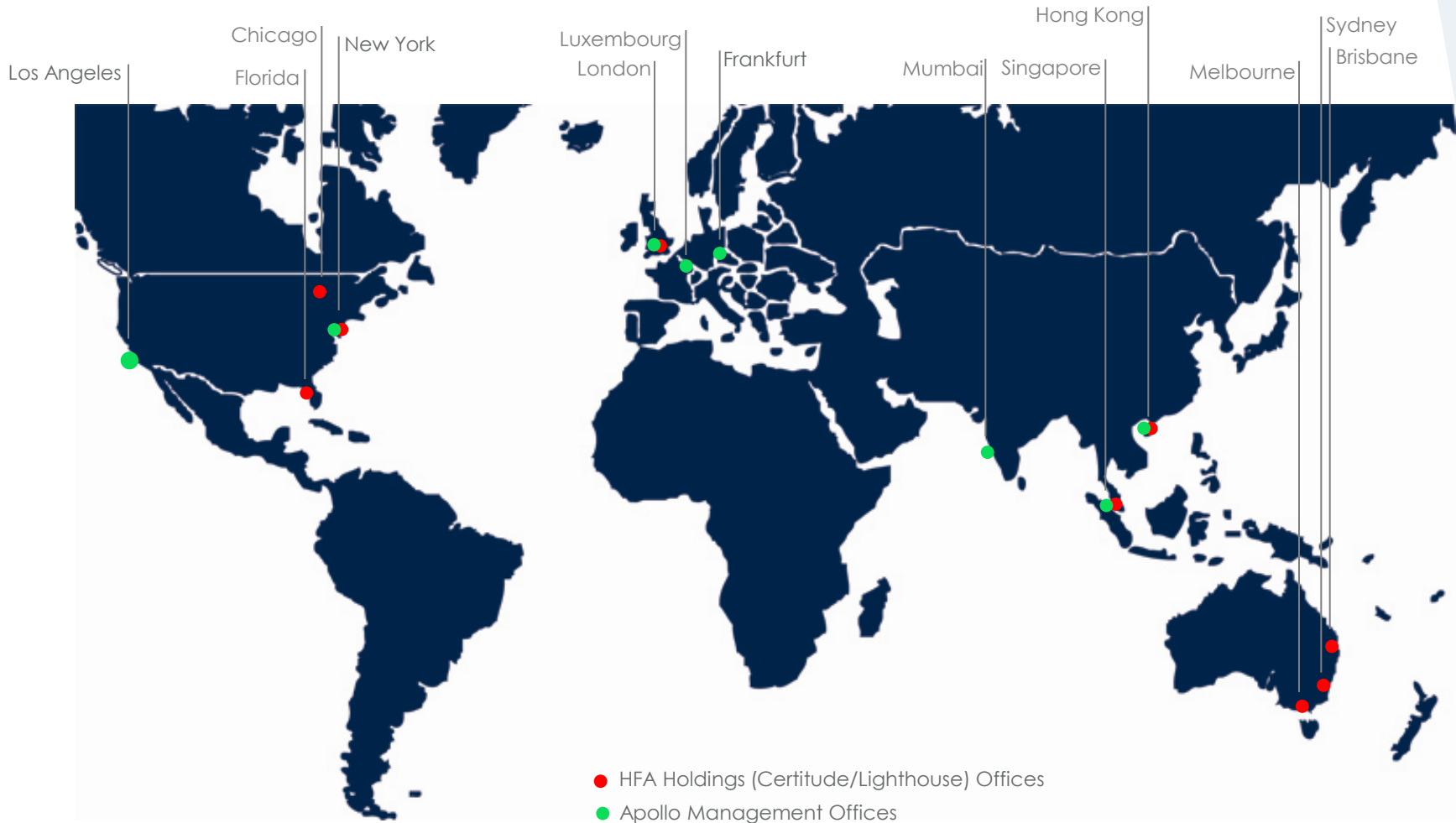
# HFA Holdings

... a diversified, global fund manager



# HFA Holdings

... a global network of investment professionals



# HFA Holdings

## ... a mature Board with global experience

**Spencer Young**  
Executive  
Chairman, Chief  
Executive Officer

Spencer founded HFA Asset Management in 1998. He has more than 20 years of alternate asset class investment experience and relationships with a network of international hedge funds and domestic research and rating agencies. He has held several senior investment positions including Executive Director of Rothschild Australia Private Equity and Lend Lease Corporation's senior executive in the USA for venture capital and private equity investments. Spencer holds a BEng (UQ) and an MBA (Harvard).

**Sean McGould**  
Executive Director,  
Co-CIO

Sean is the co-founder of Lighthouse and serves as President and Co-Chief Investment Officer. He supports the investment team in the manager search, selection and review process and is the Chairman of the Investment Committee. Sean has been overseeing all aspects of the portfolios since August 1996. Sean joined Asset Management Advisors ("AMA"), a multi-family office as Chief Investment Officer in August 1996. Lighthouse was formally spun out of AMA in 1999. Sean holds a B.Sc (Accounting)

**Andy Esteban**  
Independent Non  
Executive Director

Andy has 30 years experience in the financial services industry, of which 21 years were with Perpetual Trustees Australia Ltd. In December 1999 he established FP Esteban and Associates, a private business specialising in implementing and monitoring risk management and compliance frameworks in the financial services industry. He has provided compliance consulting services to a number of organisations including UBS Global Asset Management. He is currently a member of compliance committees or risk and audit committees for a range of managed investment schemes, superannuation, insurance and infrastructure products (retail and wholesale) including Macquarie Bank, Credit Suisse Asset Management, Suncorp, Schroder Investment Management, AllianceBernstein and Deutsche Asset Management Australia Ltd. Mr Esteban holds a B.Bus.

**John Larum**  
Independent Non  
Executive Director

John has extensive experience in the financial services industry having held a range of senior positions including, President of China Business for UBS Global Asset Management, Chief Executive Officer of UBS Global Asset Management (Australia), and Chief Economist for UBS Warburg (Australia). Prior to joining UBS, he spent more than a decade with the Federal Treasury in Canberra, where he rose to the position of Assistant Secretary, Domestic Economy Branch, Economic Division. John holds a Bachelor of Commerce (Econometrics) from the University of New South Wales and a Master of Economics from the Australian National University.



# HFA Holdings

## ... an experienced Board with global experience

**Michael  
Shepherd**  
Independent  
Non Executive  
Director

Michael has extensive experience in financial markets and the financial services industry having held a range of senior positions including Vice Chairman of ASX Limited, Chairman of the ASX Market Rules Committee, and Directorships with Australian Clearing House Pty Ltd, SFE Corporation Limited, SFE Clearing Corporation Pty Ltd and Austraclear Limited. Currently, Michael is Chairman of the Shepherd Centre and is an independent Compliance Committee Member for UBS Global Asset Management (Australia) Limited.

**James Zelter**  
Non Executive  
Director

**Managing Director and Head of Global Capital Markets for Apollo Capital Management, LLC, and Chairman and Chief Executive Officer of Apollo Investment Corporation**

James joined Apollo in 2006 from Citigroup where he was employed from 1994 to 2006. Most recently, he was responsible for the global expansion and strong financial performance of the Special Situations Investment Group, a proprietary investment group he founded within Citigroup's Fixed Income Division. From 2003 to 2005, he was Chief Investment Officer of Citigroup Alternative Investments, and prior to that he was responsible for the firm's Global High Yield franchise. Mr Zelter has a degree in Economics from Duke University.

**Anthony Civale**  
Non Executive  
Director

**Senior partner of Apollo Management L.P**

Anthony currently serves on the board of directors of Berry Plastics Group and has previously served on the boards of directors of Breuners Home Furnishings Corp., Goodman Global, Inc., Harrah's Entertainment and Prestige Cruises. In addition to responsibilities in Apollo's private equity business, Mr Civale co-manages Apollo's senior loan business and also has responsibility for corporate development of Apollo Global Management, LLC. Mr. Civale graduated from Middlebury College with a BA in Political Science.

**Grant Kelley**  
Non Executive  
Director

**Managing Director and Head of Asia for Apollo Global Real Estate**

Mr. Kelley has over 20 years of experience in corporate strategy, private equity and real estate investment in Australia, Asia, Europe and the United States. Prior to joining Apollo, Mr. Kelley was the Founder and CEO of Holdfast Capital, a pan-Asian real estate private equity firm whose operations were acquired by Apollo in February 2010. Prior to founding Holdfast, Mr. Kelley was the CEO of Colony Capital Asia. Mr. Kelley holds a Bachelor of Laws degree from the University of Adelaide, a Master of Sciences degree in International Relations from the London School of Economics and Political Science, and an MBA from Harvard.