



HFA Holdings Limited

2012 Full Year Results

15 August 2012



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2012 – Year in Review

HFA Holdings (Group)

- AUMA of USD 6.6 billion, up 15%.
- Group revenue down 3% to USD 66.2 million
 - USD 3.0 million decrease in performance fees
 - 23% decrease in Group net management fee percentage*
- EBITDA down 23% to USD 15.2 million
 - Increase in operating expenses, including higher US compensation for retention and alignment to industry
- Final dividend of 3.0 cps (total FY12 dividends of 5.0 cps)

Lighthouse Investment Partners

- AUMA increase of 23% to USD 5.7 billion.
- Positive net inflows of USD 1.2 billion
- On-going expansion of its managed account program and creating a separate line of business around custom solutions
- Acquired strategic 10% stake in 361° Capital, LLC, a provider and distributor of alternative investment mutual funds.

Certitude Global Investments

- Net outflows reduced total AUMA by 15%
- Raised a total of AUD 25 million in new investments in extremely difficult market
- 33% of gross outflows related to legacy structured products
- Launched the well-rated Threadneedle Global Equity Fund
- Signed a relationship deed to exclusively market and distribute Columbia Management for Global Fixed Income into the Australian market

* The decrease in net management fees is consistent with "likely developments" disclosure in the 2011 Annual Financial Report

Agenda

1. Financial Performance

2. AUMA and Fund Performance

3. Business Overview

4. Outlook

NOTE: The functional and presentation currency of HFA Holdings Limited is USD. The financial results included in this presentation are presented in USD, unless otherwise indicated as being presented in Australian dollars (AUD).

Higher expenses impacted earnings

	30 June 2012	30 June 2011	Change
Assets under management and advice	6.649 billion	5.807 billion	↑ 15%
<i>USD (millions)</i>			
Operating Income	54.768	55.665	↓ 2%
Operating Expenses	40.180	34.256	↑ 17%
EBITDA	15.210	19.680	↓ 23%
Net Profit after Tax	2.690	5.527	↓ 51%
EBITDA Margin	23%	29%	↓ 21%
Final Dividend	USD 3 cps	USD 5 cps	-
Interim Dividend	USD 2 cps	-	-

Key Financial Outcomes

Income

- Operating Income**
- Operating income of \$54.8 million (2011: \$55.7 million).
 - Lighthouse operations contributed \$47.7 million, up 2% despite performance fee revenue being \$2.3 million lower than in the prior year.
 - Certitude operations contributed \$7.0 million, down 19%. Half of the reduction is due to \$0.7 million less performance fee revenue being earned in the current year, the remainder is driven by lower average AUMA and a slight reduction in the average net management fee rate.

Expenses

- Operating Expenses**
- Operating expenses (excluding non-cash depreciation, amortisation and equity settled transaction costs) up 17% to \$40.2 million.
 - This is due mainly to increased personnel expenses, including:
 - higher US compensation for retention and alignment to industry
 - \$1.1 million of non-recurring costs associated with the stepping down of the HFA Holdings CEO and other Australian staff redundancy costs.

Earnings

- Operating EBITDA**
- The increase in expenses led to a 23% fall in EBTIDA to \$15.2 million.
- NPBT**
- Pre-tax earnings of \$2.7 million compared to \$6.4 million.
- NPAT**
- Net profit after tax of \$2.7 million (2011: \$5.5 million).

Debt

- Bank Debt**
- \$26.3 million as at 30 June 2012 (30 June 2011: \$28.3 million).

Key Financial Outcomes

USD '000	30 June 2012	30 June 2011	% Change
Revenue	66,150	67,969	(3)%
Investment management costs	(11,382)	(12,304)	7%
Operating income	54,768	55,665	(2)%
Operating expenses, excluding depreciation and amortisation	(40,180)	(34,254)	(17)%
Net finance costs, excluding interest income / (expense)	(103)	2	-%
EBITDA (before equity settled transactions)	14,485	21,413	(32)%
Equity settled transaction expenses (non-cash)	725	(1,733)	142%
EBITDA (after equity settled transactions)	15,210	19,680	(23)%
Depreciation and amortisation	(10,024)	(10,054)	-%
Net interest income / (expenses)	(2,479)	(3,215)	23%
Profit/(loss) before income tax	2,707	6,411	(58)%
Income tax benefit / (expense)	(17)	(884)	98%
Net profit /(loss) after income tax	2,690	5,527	(51)%
Basic EPS (cents)	2.71	4.51	

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15% increase in Group AUMA

AUMA	Lighthouse Partners	Certitude Global Investments	Total Group
30 June 2012	USD 5.705 billion	AUD 0.926 billion	USD 6.649 billion
30 June 2011	USD 4.641 billion	AUD 1.086 billion	USD 5.807 billion
% Change	+23%	-15%	+15%

Lighthouse

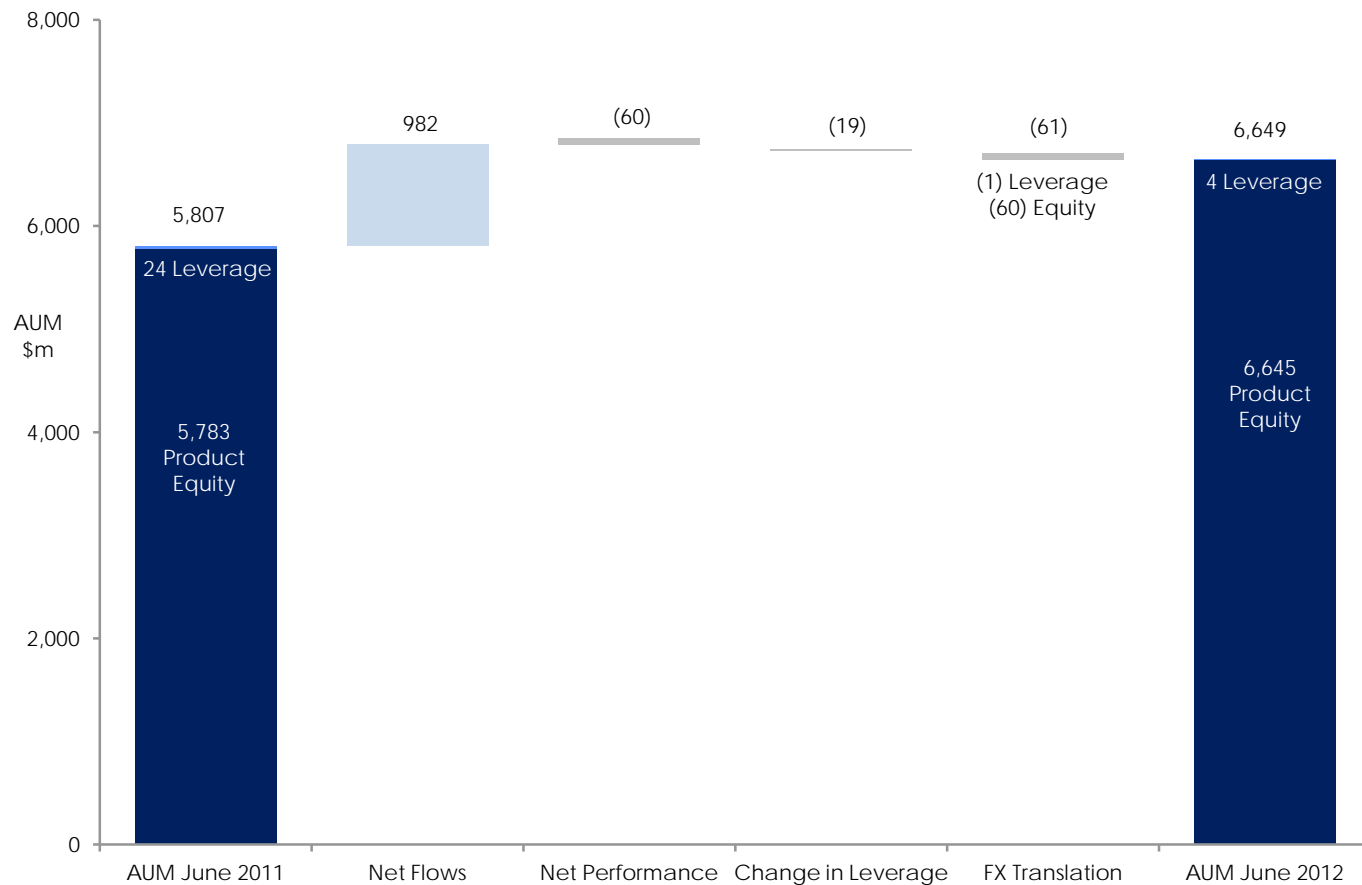
- Lighthouse has experienced a USD1.064 billion increase in AUMA since 30 June 2011.
- Net inflows for the 12 months were USD1.2 billion, predominantly into the Lighthouse strategic partnerships
- Market volatility during the period impacted negatively on performance, off-setting the increase in AUMA from net fund flows

Certitude

- Certitude's AUMA fell by AUD160m over the 12 months to 30 June 2012.
- Approximately AUD119m of this decrease relates to the HFA Diversified Investment Fund, which removed all restrictions on withdrawals from 1 July 2011. Redemptions appear to have stabilised.
- Approximately AUD71m of outflows were from closed-ended structured products, a portion of which pay nominal or nil fees.

Increase in AUMA driven by net flows

HFA Holdings Limited - Consolidated USD AUMA movements
for the year ending 30 June 2012



Lighthouse Funds – performance

June 2012 Performance Estimates*

Lighthouse Fund of Funds	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
Lighthouse Diversified Fund LP	-0.58%	5.58%	0.01%	4.75%	3.75%
Lighthouse V Fund Ltd	-0.12%	4.52%	-0.31%	n/a	3.66%
Lighthouse Credit Opportunities Fund LP	1.16%	12.92%	1.21%	n/a	5.84%
Lighthouse Funds of Managed Accounts	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
Lighthouse Global Long/Short Fund LP	-0.23%	3.58%	0.38%	n/a	5.18%
Lighthouse Multi-Strategy Fund Ltd	0.42%	4.67%	n/a	n/a	4.27%
Lighthouse Alpha Series	2.96%	2.86%	1.07%	n/a	3.87%
Lighthouse Managed Futures Fund LLC	0.35%	2.53%	4.86%	n/a	8.70%
Benchmarks	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
S&P 500 (with reinvested dividends)	5.44%	16.39%	0.21%	5.33%	16.11%
MSCI AC World Index	-5.97%	11.35%	-2.18%	6.26%	18.22%
Barclays Government / Credit Bond Index	8.78%	7.34%	6.90%	5.79%	3.32%
91 Day US Treasury Bills	0.05%	0.12%	0.98%	1.87%	0.03%
HFRX Global Hedge Fund Index	-5.78%	1.39%	-3.72%	1.56%	4.91%

* Performance for 2012 is not audited and is based on estimates for June 2012. Therefore, all performance data herein for the Lighthouse Funds is subject to revision. Performance may vary among different share classes or series within a fund. Past performance is not indicative of future results.

Certitude Funds – performance

30 June 2012

	Performance					
	1 year	3 year (pa)	5 year (pa)	10 year (pa)	Since Inception (pa)	Since Inception Volatility (pa)
Threadneedle Global Equity Fund	n/a	n/a	n/a	n/a	7.98% (05-Sep-2011)	n/a
Benchmark: MSCI ACWI Gross (AUD unhedged)	n/a	n/a	n/a	n/a	11.51% (05-Sep-2011)	n/a
Certitude Asian Opportunities Fund	1.29%	n/a	n/a	n/a	-0.07% (12-Oct-2010)	n/a
Benchmark: MSCI AC Asia Pacific Index	0.00%	n/a	n/a	n/a	1.00% (12-Oct-2010)	n/a
LHP Global Long/Short Fund (Wholesale)	2.40%	5.99%	3.34%	6.69%	5.71% (31-Mar-2001)	5.02%
Benchmark: MSCI ACWI Net (100% hedged to AUD)	-0.76%	12.51%	-2.06%	6.13%	3.92% (31-Mar-2001)	15.81%
LHP Diversified Investments Fund (Wholesale)	2.91%	7.56%	-0.80%	4.42%	4.50% (31-Mar-2001)	6.67%
Benchmark: HFRX Global Hedge Fund Index (100% hedged to AUD)	-2.38%	4.92%	-1.35%	3.94%	4.35% (31-Mar-2001)	6.09%

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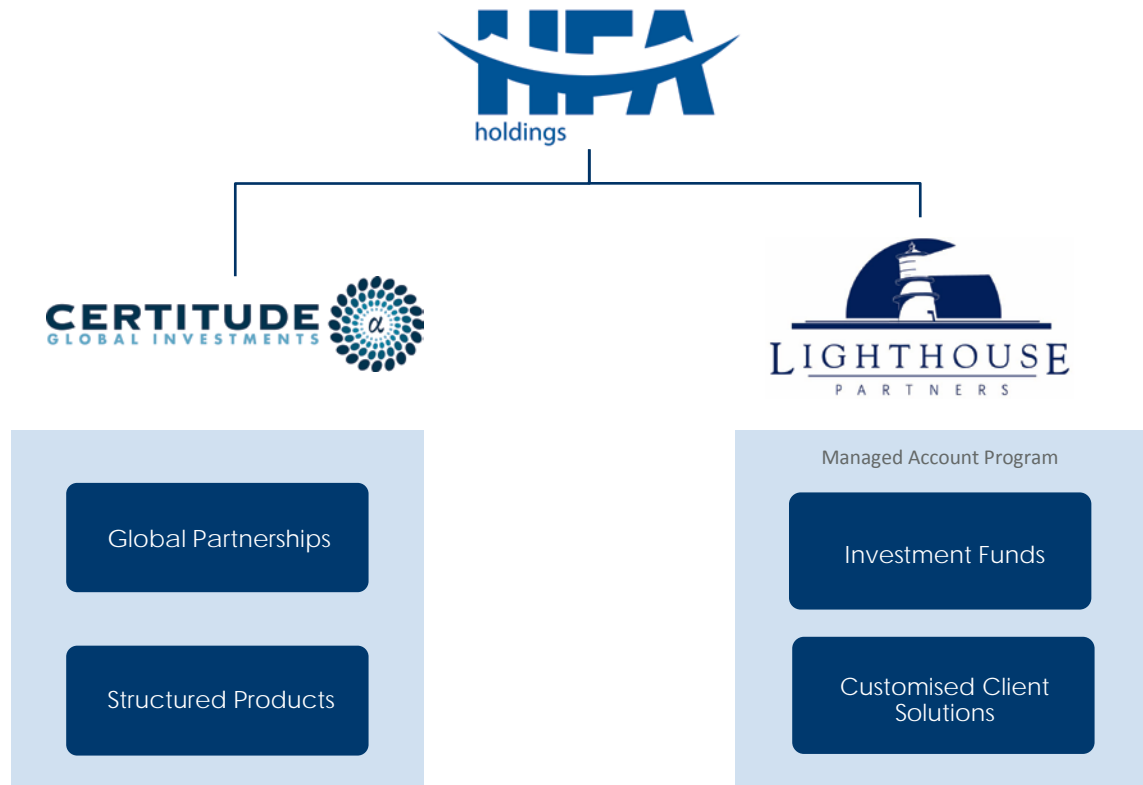
1. Financial Results

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... a diversified, global fund manager



... focussing on products, distribution and performance

Products



- New funds and services utilising Managed Account Program



- Creation of active management "alpha" products
- 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
 - Dealer Group Model Portfolios
 - 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



Lighthouse...a global leader in managed accounts

- Lighthouse Investment Partners is a US based investment manager dedicated to managing funds of hedge funds for diversification and absolute return.
- Investor base spans North America, Europe, and Asia and includes high net worth individuals, family offices, endowments, foundations, trusts, investment banks, benefit plans, pension funds, healthcare and insurance companies.
- Lighthouse has developed two business lines, each of which utilise its proprietary managed account program.

Lighthouse

Proprietary Managed Account Program

Lighthouse Managed Funds Multi-strategy and strategy-focussed funds

- Lighthouse manages a number of multi-strategy and strategy-focused funds.
- The funds utilise Lighthouse's proprietary managed account investment structure, in which Lighthouse Funds own the assets custodied in a prime brokerage account and authorise external fund managers to trade the assets within predetermined guidelines.
- The managed account structure provides:
 - transparency into asset positions;
 - vast amounts of daily data to allow timely risk management and monitoring of external fund managers;
 - enhanced control and security of assets;
 - investment flexibility;
 - administrative cost savings; and
 - overall improved liquidity compared to traditional fund-of-fund structures.

Investment Solutions Customised client solutions

- The development of the managed account program for Lighthouse's own managed funds created a new opportunity for Lighthouse to develop a customised client solutions business.
- This business offers investors who are able to commit to a significant investment size the ability to access the benefits of the managed account structure in their own customised portfolio.
- Lighthouse is able to work closely with large strategic investors to customise their alternative investment exposure and meet specific needs across middle office, risk monitoring and investment advisory services.
- Investors can choose some or all of the available services depending on their own requirements, and fees are structured accordingly



Lighthouse... a diversified portfolio of funds

Fund	Strategy	Proportion held in Managed Accounts (offshore fund/onshore fund)	Inception ¹
Lighthouse Diversified	Multi-strategy	88% / 76%	August 1996
Lighthouse Credit Opportunities	Diversified Credit	86% / 72%	January 2003
Lighthouse Global Long/Short	Global Equity Long/Short	100%	January 2004
Lighthouse Managed Futures	Managed Futures	100%	January 2006
Lighthouse Alpha	Equity Market Neutral	100%	July 2006
Lighthouse Healthcare	Long/short Healthcare Sector	100%	January 2007
Lighthouse Multistrategy	Multi-strategy	100%	January 2009

1. Inception relates to the Lighthouse vehicle with the longest track record within each particular strategy



Certitude ... an independent provider of active managers

What does Certitude do?

- Certitude selects high quality active investment managers from around the globe and brings their expertise to Australian investors
- These active solutions aim to deliver outperformance, or 'alpha', allowing investors to complement their passive strategies with a strong risk management focus

Who are our investment partners?

- Our managers provide a global investment view that is thoroughly considered and time-tested
- Certitude's investment partners are located across all the major financial markets and their selection is underpinned by a robust investment process



FY12 highlights and milestones

- Signed relationship deed to exclusively market and distribute Columbia Management for Global Fixed Income into the Australian retail and whole market;
- Launched the well-rated Threadneedle Global Equity Fund (unhedged);
- Certitude Asian Opportunities Fund's manager, Marshall Wace GaveKal Asia Limited was nominated as Morningstar's 'Emerging Manager of the Year'
- The LHP Global Long/Short Fund won 'Global Long/Short Manager of the Year' in May 2012 in the Money Management/ Lonsec awards
- The LHP Diversified Investments Fund returned to monthly liquidity



Certitude... Global partners, global view

GLOBAL
ALTERNATIVES



Lighthouse Investment Partners, LLC ('Lighthouse') is a US based investment manager dedicated to managing funds of hedge funds for diversification and absolute return. Lighthouse manages funds for a worldwide client base that includes corporations, university endowments, public and private foundations, pension plans, family offices, insurance companies and individual investors.

MULTI-ASSET



Marshall Wace GaveKal Asia Limited ('MWG') is incorporated in Hong Kong, and is a joint venture between Marshall Wace LLP ('Marshall Wace') and GaveKal Holdings Limited ('GaveKal'). This joint venture brings together GaveKal's knowledge of the Asia-Pacific region alongside the innovative product design, portfolio construction and disciplined risk management processes of Marshall Wace.

GLOBAL
EQUITIES



Threadneedle is a leading international investment manager with a strong track record of outperformance across asset classes. Threadneedle actively manages approximately US\$110bn of assets, investing on behalf of individuals, pension funds, insurers and corporations. Threadneedle's distinctive investment approach is based on creative thinking, sharing of ideas and rigorous debate.

GLOBAL
INCOME



Columbia Management Investment Advisers, LLC (U.S.) is one of the leading asset managers in the US with a competitive track record in global fixed income strategies since 1989. Columbia Management believes global bonds and currency are only partly efficient and that active management of global fixed income portfolios can add value for clients. They believe that adding value consistently requires an emphasis on risk-adjusted returns, in which the pursuit of outperformance is balanced against the active risk taken to generate that outperformance.

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Outlook

- The Group will continue to develop both its managed fund and customised client solutions business over the coming year
- We expect investors to remain cautious in committing capital, however both Lighthouse and Certitude will remain active in meeting with prospective clients and servicing existing clients
- With investment markets likely to remain volatile in the foreseeable future, it is difficult to forecast the impact of this on the Group's future profitability.