



HFA Holdings Limited

Half Year Results

14 February 2013



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Non-IFRS financial information

HFA results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures, including EBITDA which is used to provide a measure of the Group's performance before the impact of non-cash items such as depreciation and amortisation, as well as interest costs associated with the Group's external debt facility and convertible notes on issue. Non-IFRS measures have not been subject to audit or review.

Half Year in Review

HFA Holdings (Group)

- AUMA of USD 7.1 billion, up 7% from 30 June 2012.
- Group revenue up 2% on prior year to USD 33.6 million
 - USD 0.9 million increase in performance fees
 - 10% decrease in Group net management fee percentage
- EBITDA up 114% to USD 8.7 million
 - Decrease in operating expenses and nil equity settled transaction expenses
- Interim dividend of 3.0 cps

Lighthouse Investment Partners

- AUMA increase of 8% to USD 6.2 billion.
- Positive net inflows of USD 0.2 billion
- Continued expansion of managed account program and creating a separate line of business around custom solutions

Certitude Global Investments

- Net outflows reduced total AUMA by 3%
- Raised a total of AUD 21 million during the half year in new investments in difficult market
- 51% of gross outflows related to legacy structured products
- Launched the well-rated Threadneedle Global Equity Income Fund (Unhedged)

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 revenue and lower expenses had a positive impact on earnings

	31 Dec 2012	31 Dec 2011	Change
Assets under management and advice	7.109 billion	6.102 billion	↑ 17%
<i>USD (millions)</i>			
Operating Income	28.614	26.724	↑ 7%
Operating Expenses	20.178	21.386	↓ 6%
EBITDA	8.657	4.041	↑ 114%
Net Profit /(loss) after Tax	2.582	(2.229)	↑ 216%
EBITDA Margin	26%	12%	↑ 109%
Interim Dividend	USD 3.0 cps	USD 2.0 cps	-

Key Financial Outcomes

Income

- Operating Income**
- Operating income of \$28.6 million (2011: \$26.7 million).
 - Lighthouse operations contributed \$26.1 million, up 12% driven by performance fee revenue \$0.8 million higher than in the prior period.
 - Certitude operations contributed \$2.5 million, down 27%. This reduction is due to 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) down 6% to \$20.2 million, due mainly to decreased personnel expenses.

Earnings

- Operating EBITDA**
- The increase in operating income and decrease in operating expenses led to a 114% rise in EBITDA to \$8.7 million.
- NPBT**
- Pre-tax earnings of \$2.6 million compared to a loss \$2.2 million.
- NPAT**
- Net profit after tax of \$2.6 million (2011: loss of \$2.2 million loss).

Debt

- Bank Debt**
- \$25.3 million as at 31 December 2012 (30 June 2012: \$26.3 million).

Key Financial Outcomes

USD '000	31 Dec 2012	31 Dec 2011	% Change
Revenue	33,632	32,876	2%
Investment management costs	(5,018)	(6,152)	18%
Operating income	28,614	26,724	7%
Operating expenses, excluding depreciation and amortisation	(20,178)	(21,386)	6%
Net finance costs, excluding interest income / (expense)	221	(221)	200%
EBITDA (before equity settled transactions)	8,657	5,117	69%
Equity settled transaction expenses (non-cash)	-	(1,076)	100%
EBITDA (after equity settled transactions)	8,657	4,041	114%
Depreciation and amortisation	(4,911)	(5,014)	2%
Net interest income / (expenses)	(1,153)	(1,248)	8%
Profit/(loss) before income tax	2,593	(2,221)	217%
Income tax benefit / (expense)	(12)	(7)	(61%)
Net profit /(loss) after income tax	2,582	(2,228)	216%
Basic EPS (cents)	1.92	(0.45)	

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7% increase in Group AUMA

AUMA	Lighthouse Partners	Certitude Global Investments	Total Group
31 Dec 2012	USD 6.177 billion	AUD 0.898 billion	USD 7.109 billion
30 June 2012	USD 5.705 billion	AUD 0.926 billion	USD 6.649 billion
% Change	+8%	-3%	+7%

Lighthouse

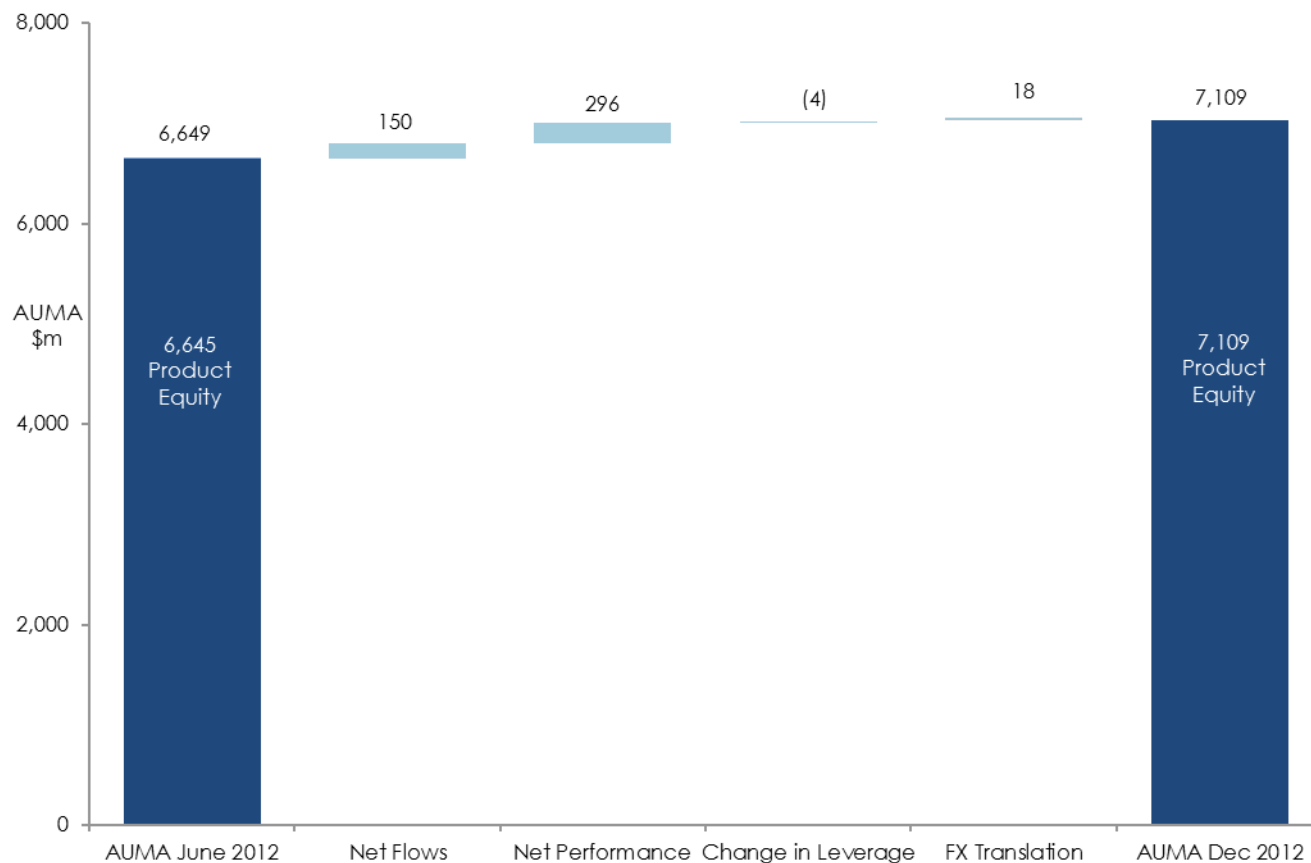
- Lighthouse has experienced a USD0.472 billion increase in AUMA since 30 June 2012.
- Net inflows for the 6 months were USD0.2 billion, predominantly into the Lighthouse strategic partnerships
- Positive performance also added to the increase in AUMA from net fund flows

Certitude

- Certitude's AUMA fell by AUD28m over the 6 months to 31 December 2012.
- AUD 21m in gross inflows to open and new products for the six months
- AUD17m in outflows from closure of 2 structured products
- AUD24m 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 six months ending 31 December 2012



Lighthouse Funds – performance

December 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	6.05%	3.75%	0.33%	4.71%	3.35%
Lighthouse V Fund Ltd	5.59%	2.56%	0.41%	4.00%	3.20%
Lighthouse Credit Opportunities Fund LP	9.07%	9.45%	1.86%	7.57%	5.21%
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	6.63%	3.21%	1.04%	n/a	5.06%
Lighthouse Multi-Strategy Fund Ltd	6.81%	3.77%	n/a	n/a	4.09%
Lighthouse Alpha Series	8.65%	3.73%	1.85%	n/a	4.07%
Lighthouse Managed Futures Fund LLC	-1.82%	1.80%	3.46%	n/a	9.05%
Benchmarks	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
S&P 500 (with reinvested dividends)	16.00%	10.87%	1.66%	7.10%	15.30%
MSCI AC World Index	16.80%	7.19%	-0.61%	8.66%	17.35%
Barclays Government / Credit Bond Index	4.82%	6.70%	6.06%	5.25%	3.01%
91 Day US Treasury Bills	0.11%	0.11%	0.52%	1.79%	0.03%
HFRX Global Hedge Fund Index	3.17%	-0.37%	-2.95%	1.60%	4.54%

* Performance for HY13 is not audited and is based on estimates for December 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

31 December 2012

	Performance					
	1 year	3 year (pa)	5 year (pa)	10 year (pa)	Since Inception (pa)	Since Inception Volatility (pa)
Threadneedle Global Equity Fund	11.96%	n/a	n/a	n/a	11.75% (05-Sep-2011)	n/a
Benchmark: MSCI ACWI Gross (AUD unhedged)	15.34%	n/a	n/a	n/a	15.72% (05-Sep-2011)	n/a
Threadneedle Global Equity Income Fund (Unhedged)	n/a	n/a	n/a	n/a	1.39% * (30-Nov-2012) *1 month figure	n/a
Benchmark: MSCI ACWI Gross (AUD unhedged)	n/a	n/a	n/a	n/a	2.81%* (30-Nov-2012) *1 month figure	n/a
Certitude Asian Opportunities Fund	12.96%	n/a	n/a	n/a	4.63% (12-Oct-2010)	n/a
Benchmark: MSCI AC Asia Pacific Index	15.58%	n/a	n/a	n/a	5.41% (12-Oct-2010)	n/a
LHP Global Long/Short Fund (Wholesale)	8.82%	6.03%	4.20%	7.82%	5.90% (31-Mar-2001)	4.93%
Benchmark: MSCI ACWI Net (100% hedged to AUD)	18.53%	8.86%	0.12%	8.70%	4.63% (31-Mar-2001)	15.51%
LHP Diversified Investments Fund (Wholesale)	10.11%	6.08%	0.23%	4.56%	4.73% (31-Mar-2001)	6.53%
Benchmark: HFRX Global Hedge Fund Index (100% hedged to AUD)	6.93%	3.31%	-0.22%	4.00%	4.49% (31-Mar-2001)	5.97%

Past performance is not an indicator of future performance.

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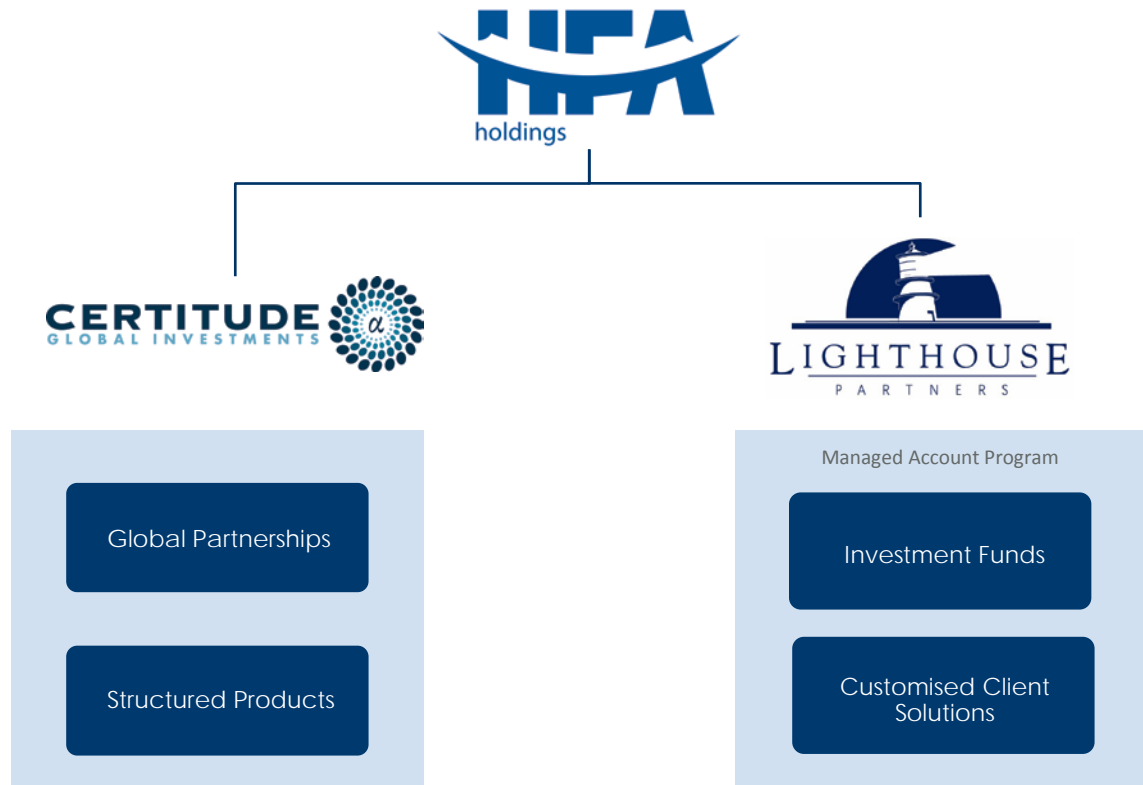
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... a diversified, global fund manager



... focussing on products, distribution and performance

Products

- New funds and services utilising Managed Account Program in both managed funds and customised solutions for clients

- Established partnerships with leading global managers
- Continued expansion of actively managed global "alpha" product range



Distribution

- Broadening and deepening institutional relationships
- Diversification across geographical areas, in particular Europe and Asia
- Apollo Marketing Alliance

- Key account focus targeting specific segments and specific channels:
 - Retail (broaden existing)
 - HNW/SMSFs
 - Dealer Group Model Portfolios
 - Multi-Managers

Performance

- Achieving absolute returns with greater transparency, control and flexibility

- Focus on active management solutions to deliver "alpha" returns



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 Multi-strategy	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



2013 Half-year highlights and milestones

- Launched the well-rated Threadneedle Global Equity Income Fund (Unhedged)
- Recent mandate wins, totalling \$120million, expected to be funded in the next few months:
 - \$60 million into the Columbia Credit Fund;
 - \$45 million into the Lighthouse Partners Global Long/Short Fund; and
 - \$15 million into the Certitude Asian Opportunities Fund
- Closure of 2 structured products as at 31 December 2012



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

- Continue to pursue the existing strategies:
 - Lighthouse will continue to develop both its managed fund and customised client solutions business over the coming year
 - Certitude will continue to strengthen its global partnerships and introduce new products, particularly in the global credit space
- 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
- Given the volatile nature of investment markets, it is difficult to forecast the impact of this on the Group's future profitability.
- The interim dividend is not necessarily an indicator of future dividend policy. In addition, based on the Company's franking account balance, it is expected that any final dividend paid by the Company in relation to the 2013 financial year will be approximately 50% franked, and that dividends paid thereafter are unlikely to be franked.