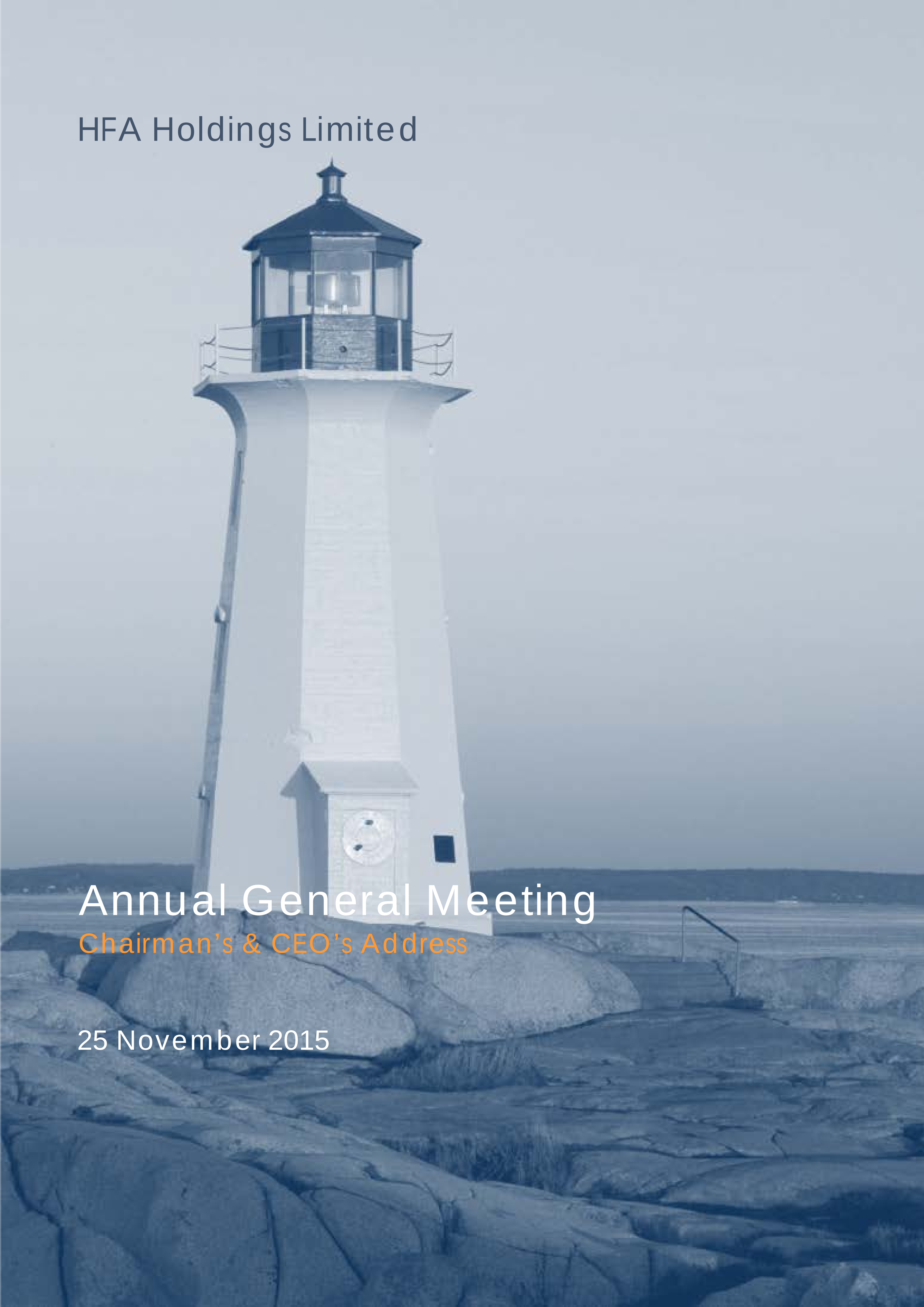

HFA Holdings Limited

Annual General Meeting

Chairman’s & CEO’s Address

25 November 2015

Annual General Meeting

I'm pleased to be addressing you once again as the Chairman of HFA's board of directors.

2015 was another eventful year for the Company, and one which provided tangible value for shareholders through capital reconstructions, earnings per share growth and a continuing increase of dividends paid to shareholders.

[Refer slide 3 of the AGM Presentation]

When presenting results for the 2015 financial year, the Company reported both statutory earnings and underlying earnings. I'll come back to the statutory results and the non-recurring transaction impacting them in a moment, but first would like to focus on the underlying results, which I believe provide the most accurate picture of the Company's ongoing prospects.

[Refer slide 4 of the AGM Presentation]

In reviewing our 2015 results, I will highlight that we report in US dollars, so all the figures quoted in the presentation today refer to US dollars unless otherwise indicated.

Our underlying earnings are underpinned by revenue earned from management and platform fees. The three key factors driving this are:

- Assets Under Management and Advice,
- the fee rates; and
- investment performance.

Assets Under Management and Advice, or AUMA, is a key indicator for us, and we saw a 9.5% increase in Lighthouse's Average AUMA for the 2015 financial year as compared to 2014. As previously disclosed, the Group's AUMA was impacted by a $500 million redemption of a very low fee paying account, as well as the reduction of $260 million due to the sale of the Australian Certitude business in April this year. This lead to us closing out the financial year with AUMA of $8.7 billion.

We also saw a 2 basis point increase in the average net management fee for the year to 73 basis points.

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation for the 2015 financial year were $28.8 million, a 4% increase on the prior year. This increase is relatively modest. However, it is a largely a reflection of the fact that we had stronger than normal performance fee revenue in the prior financial year. Encouragingly, our base management and platform fee revenue showed a $7 million or 11% increase for the 2015 year.

We continue to be very focussed on controlling our operating costs. As our employee remuneration expenses are the largest component of the operating costs of the business, the HFA board has given particular attention to the remuneration arrangements of our US business over the past year. We engaged a US remuneration consultant to assist in the review of these arrangements and assess them against US market practice. We are sensitive to the fact that our business now operates wholly within the US environment which can have markedly different regulation and practices. As is common in the United States, our remuneration structure has a low fixed component and the potential for higher variable remuneration linked to the profitability of the business and the returns of our funds.

We will continue to give our attention to these arrangements in the 2016 financial year, as we seek to ensure that we have the appropriate arrangements in place to retain our key staff and to motivate good performance by all employees to continue growing the business.

Now I'd like to touch on our statutory results. Whilst the statutory earnings are of course compliant with the Corporations Act and Australian Accounting Standards, they include some non-recurring items which had a significant impact on the Company's financial statements.

The largest impact was the recognition on the balance sheet of existing US deferred tax assets. Whilst this resulted in a once-off tax benefit of $118 million, importantly it indicates the confidence that the Board has in the Lighthouse business generating future taxable income to utilise these tax assets.

The other non-recurring items that impacted the 2015 statutory result were the $2.2 million accounting loss made by the Company on the buy-back of 50 Convertible Notes and the subsequent conversion of the remaining 25 Convertible Notes at the beginning of the financial year, and the $800 thousand combined operating loss from and profit on sale of the Certitude business in April 2015.

[Refer slide 5 of the AGM Presentation]

The most satisfying thing for the board is seeing how the capital reconstructions completed over the few past years, coupled with the consistent hard work of the business to deliver investment performance and increase Assets Under Management, has delivered significant shareholder returns.

The Company has a market capitalisation of around $500 million Australian dollars. This, together with the invigorated liquidity in the trading of HFA shares, has lead to HFA's inclusion in the ASX300 index in September this year. An important milestone, and one which we as a Board are proud to have achieved given the challenges the Company has overcome since the Global Financial Crisis.

To finish, let me say how pleased we are to have the Company in the position that it is today. By March 2016 we will have repaid in full the $150 million bank loan the Company originally drew down in 2008, putting our balance sheet in the best shape it's ever been. We have a strong shareholder register, and we have a business that can be flexible and nimble in exploring and acting on opportunities which come our way.

Before I hand over to Sean, I would like to make special mention of and give thanks to our KPMG audit partner, Mr Stephen Board. The 2015 financial year was Stephen's fifth year as the lead audit partner for HFA Holdings, and in accordance with both HFA's and KPMG's auditor independence policies, this AGM marks his final service to HFA in this role. Replacing Stephen will be KPMG audit partner Matthew

McDonnell, who will be responsible for conducting the 2016 financial year audit. On behalf of the HFA Board and management, we offer our sincere thanks to Stephen for his services and expertise over the past 5 years.

I would also like to give my thanks to my fellow directors and the staff of the HFA Group for their efforts of the past year.

I will now hand over to Sean McGould for his presentation.

Thank you Mike, and welcome to everyone in attendance today.

[Refer slide 7 of the AGM Presentation]

To provide a snapshot of the HFA Group, which is now effectively our Lighthouse business, we currently have $8.74 billion of Assets under Management. These assets are split fairly evenly between our Lighthouse Funds which have commingled investors, and our Customised single investor clients.

Our investment team remains strong and stable, with 19 dedicated investment professionals managing money for more than 900 clients from around the world.

[Refer slide 8 of the AGM Presentation]

We take a global view on everything we do in our business – investments, research, clients and marketing.

Our goal for our clients is to create and deliver innovative investment solutions that compound our clients' capital. In our portfolios we look to diversify from traditional markets through exposure to hedged strategies run by experienced portfolio managers.

We've spent more than 10 years at Lighthouse building and refining systems and processes to improve our ability to deliver results to clients.

All of these tools and systems, and in particular our proprietary managed account platform, are designed to deliver three key aspects which are integral to delivering on our clients' investment goals:

- transparency
- protection; and
- control

More than ever, our clients need to know what they own, that they actually own it, and that it is being effectively monitored and managed.

Importantly, our system and processes also provide us with invaluable data that ensures that they are positioned to achieve consistent investment returns.

[Refer slide 9 of the AGM Presentation]

Firstly, a brief update on how Lighthouse's AUMA has moved over the first 4 months to October. Investment performance for the first fiscal quarter was negative due to difficult global markets, however we did see some rebound in October which has gone some way in mitigating the previous negative impacts on our

Assets Under Management and Advice. We have seen positive inflows within our expectations. These positive and negative factors have combined to have AUMA as at 31 October 2015 of $8.74 billion, which is where we started this financial year.

[Refer slide 10 of the AGM Presentation]

Consistent with our expectations at the beginning of the fiscal year, global markets have been difficult, although as noted we did see some good investment returns in October to help balance this. We expect that challenging market conditions will prevail for several more months, but we're confident that we have positioned our portfolios appropriately to weather this storm.

[Refer slide 11 of the AGM Presentation]

So in terms of outlook for the business, I'm happy to be able to say that we are almost at the end of our goal to clean up our balance sheet and return us to a simple capital structure. Our existing bank loan will be repaid in full by March next year.

I also note that the majority of our current amortisation expense will cease after December this year also.

Our philosophy is that by looking after our clients and their investments first and foremost, this will naturally lead to the most sustainable growth of our Company.

The core of the Lighthouse business is creating consistently positive investment returns for clients. This provides a solid foundation for growth of our Assets Under Management. We will continue to develop our data analytics capability so that we have they have the tools to deliver investment performance to clients.

We have a strong focus on client service throughout Lighthouse, ensuring our clients have contacts and assistance with specialist Lighthouse staff throughout our organisation. A high level of client service provides the right environment to ensure we retain existing clients.

At present our gross inflows are received fairly equally between existing and new clients, which we see as an encouraging sign. We will continue to pursue new distribution markets, particularly in Asia, the Middle East and Europe.

[ENDS]