



ASX Announcement

31 May 2018

Update on Lighthouse acquisition of Mesirow Financial's Multi-Manager Hedge Fund Business

Navigator Global Investments Limited ('Navigator' or 'the Company') announced on 5 March 2018 that its United States subsidiary, Lighthouse Investment Partners, LLC ('Lighthouse') signed a definitive agreement to acquire substantially all the assets of Mesirow Advanced Strategies ('MAS'), the multi-manager hedge fund division of Mesirow Financial. Mesirow Financial will continue to operate its other investment management businesses.

AUM

We are pleased to provide an update on the investor consent process related to the transaction.

MAS and Lighthouse received a positive response to the proposed transaction. We expect approximately US\$5.2 billion of assets under management to transition to Lighthouse at closing. We are still working through some final consents and this amount is subject to change. The Board believes based on the nature of the transaction, the MAS assets that are transitioning to Lighthouse may experience a higher level of investor redemption activity than Lighthouse has experienced over the past few years. This should be taken into consideration when assessing the longer term impact on revenue from the transitioned assets.

Financial impact

We expect the average net management fee earned on the transitioned assets to be approximately 65 basis points per annum. As previously disclosed, a significant portion of the existing MAS team is expected to join Lighthouse as part of the transition. The transitioning MAS team will continue to provide investment oversight, operational support and client service to the legacy MAS business. We anticipate that the acquired assets will initially have lower operating margins than the existing Lighthouse business. We expect these margins to normalise over three years as Lighthouse works to integrate the assets and team while providing a high level of service to our clients.

Closing date

Both parties continue to work on the transition process, and the transaction is expected to close on 1 July 2018. The transaction still remains subject to certain limited customary closing conditions.

For further information please contact:

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