

2021 Interim Results Presentation

18 February 2021

Agenda

Group update



Financial results



Lighthouse update

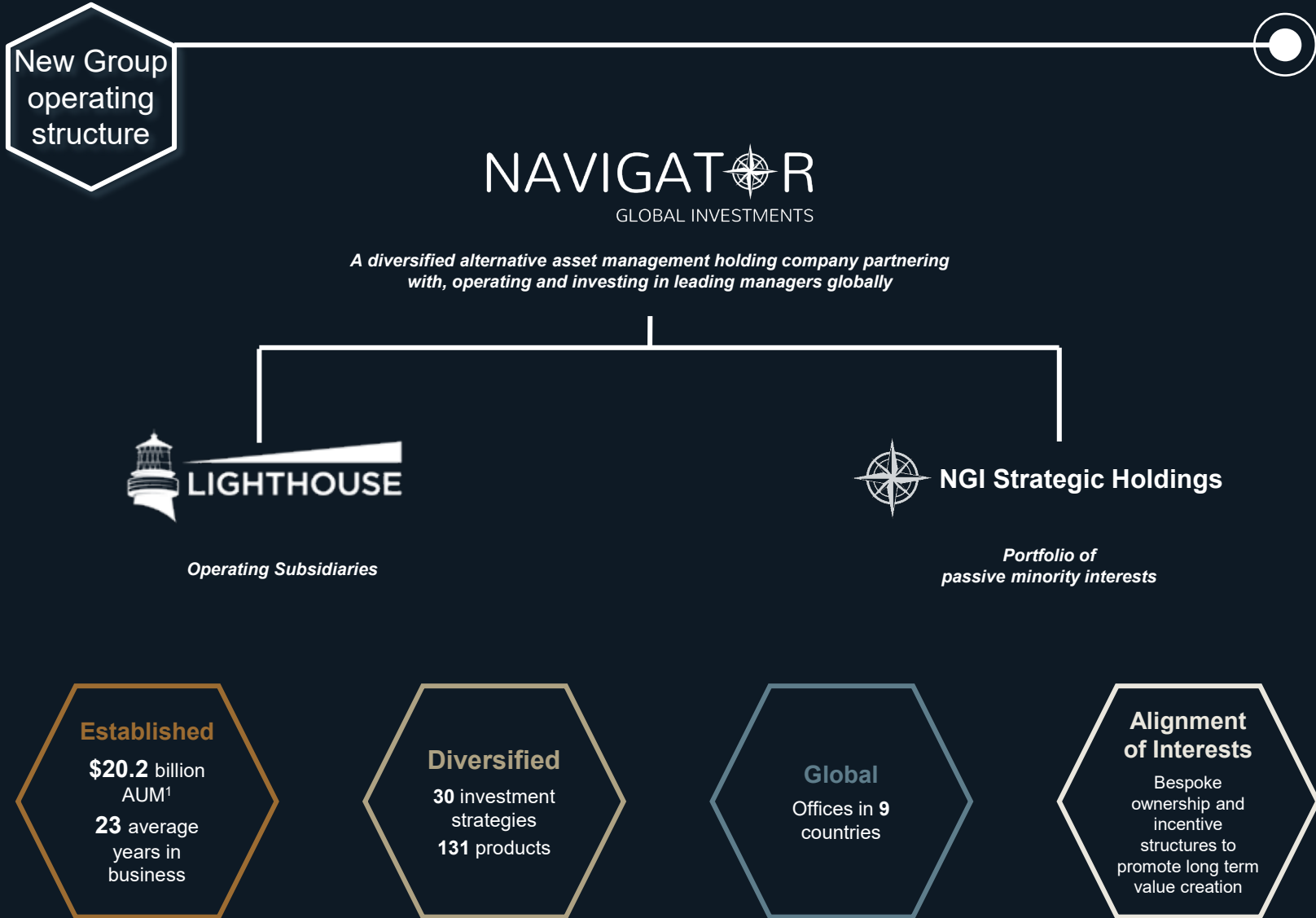


Group update

Sean McGould, CEO
Ross Zachary, MD



NGI Group structure



¹ AUM is as at 31 December 2020 for Lighthouse and Portfolio, other than one manager where AUM is as at 1 December 2020

NGI Group update

Transaction Update

- Transaction closed 1 February 2021
- Impact will be included in the 30 June 2021 financials results
- Acquisition is accretive on a cash earnings basis
- Establishes partnership with Dyal Capital Partners

Strong investment returns

- Strong investment returns across all portfolios, particularly for the December quarter
- Global long/short equity strategies performed particularly well in 2020
- All portfolios have performed well against the recent market volatility

Scale & diversification

- We believe well established and scaled platforms are best positioned for long term success
- Lighthouse AUM at 31 December 2020 of \$13.2 billion
- Acquired portfolio has aggregate AUM of approximately \$38.2 billion (non ownership adjusted)¹

New opportunities

- Strong pipeline of new investment and acquisition opportunities are under consideration; *there can be no assurance any of these discussions are executed upon*
- We remain highly selective, targeting additional transactions with substantial growth prospects that will be earnings accretive and bring further diversification to the Group

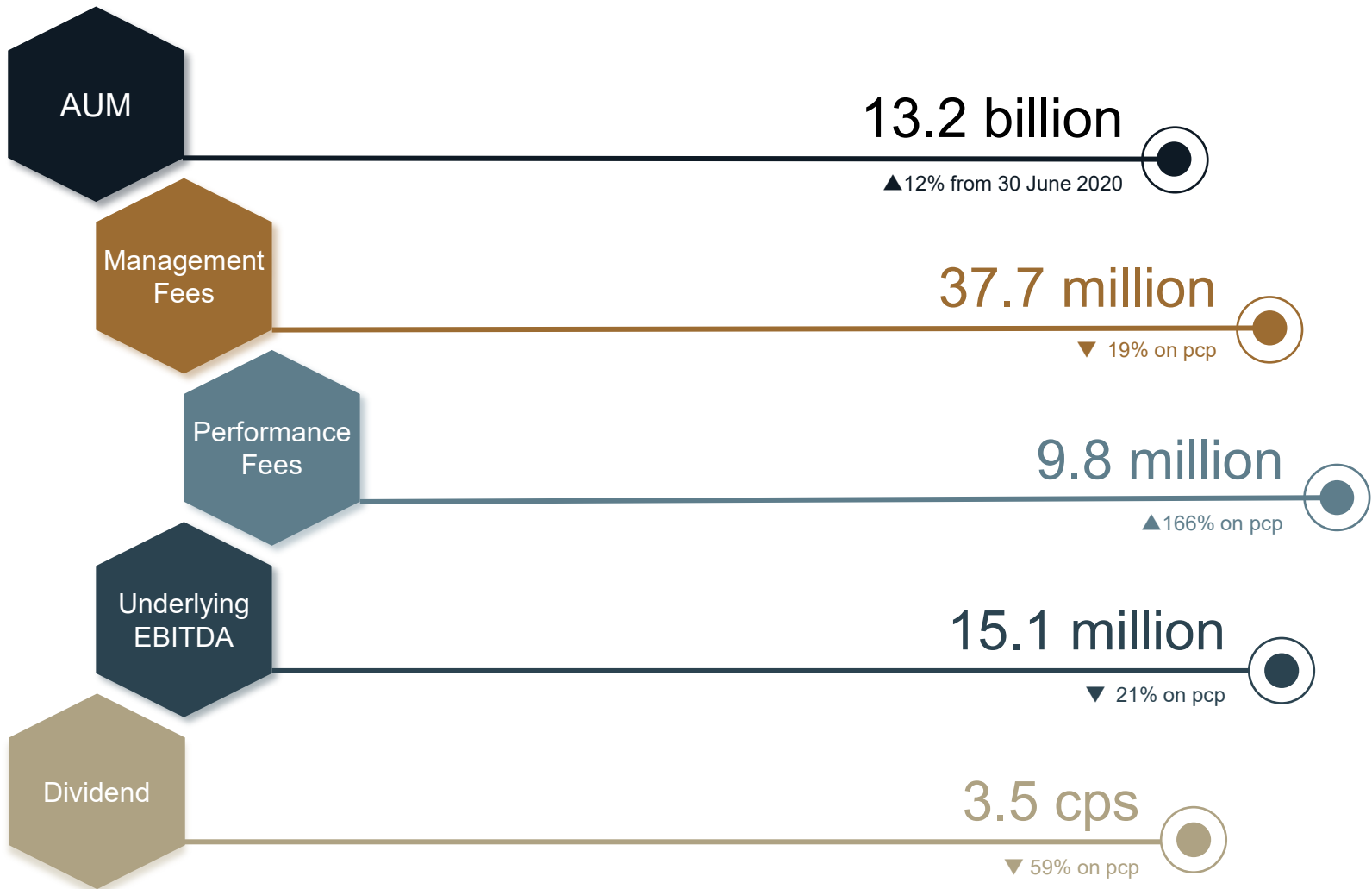
¹ AUM is as at 31 December 2020 for the Portfolio, other than one manager where AUM is as at 1 December 2020

Financial results

Amber Stoney, CFO



2021 Interim Results Snapshot



Statutory interim result

Consolidated USD millions

	31 December 2020	31 December 2019	% Change
Management fee income	37.696	46.568	(19%)
Performance fee income	9.755	3.662	166%
Reimbursement of fund operating expenses	4.449	2.702	65%
Revenue from provision of office space and services	0.843	0.879	(4%)
Total revenue	52.743	53.811	(2%)
Total expenses ¹	(38.443)	(34.240)	(12%)
Result from operating activities¹	14.300	19.571	(27%)
Net finance income/(costs), excluding interest	1.204	0.514	(134%)
EBITDA	15.504	19.571	(23)%
Net interest income/(costs)	(0.460)	(0.269)	(71%)
Depreciation and amortisation	(2.201)	(1.828)	(20%)
Profit before income tax	12.843	17.988	(29%)
Income tax expense	(4.035)	(4.501)	10%
Statutory net profit after income tax	8.808	13.487	(35%)
	USD cents per share	USD cents per share	
Basic & diluted EPS	5.43	8.32	(35%)
EBITDA margin	29%	36%	

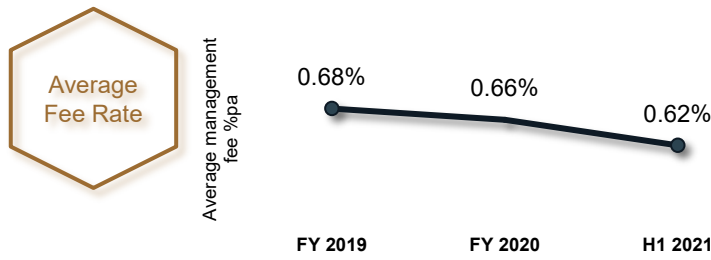
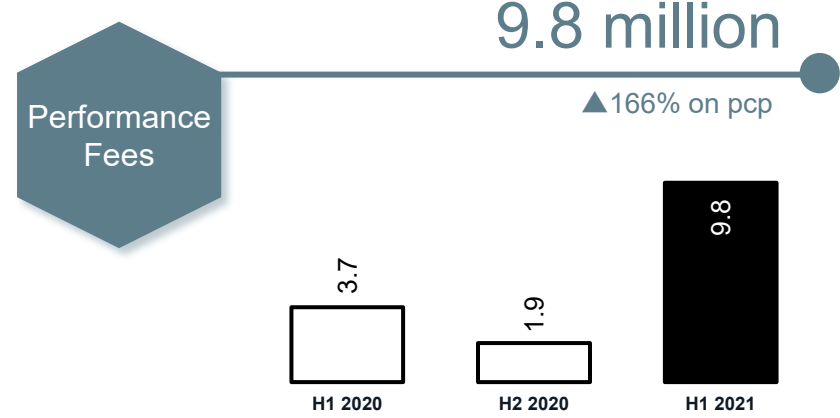
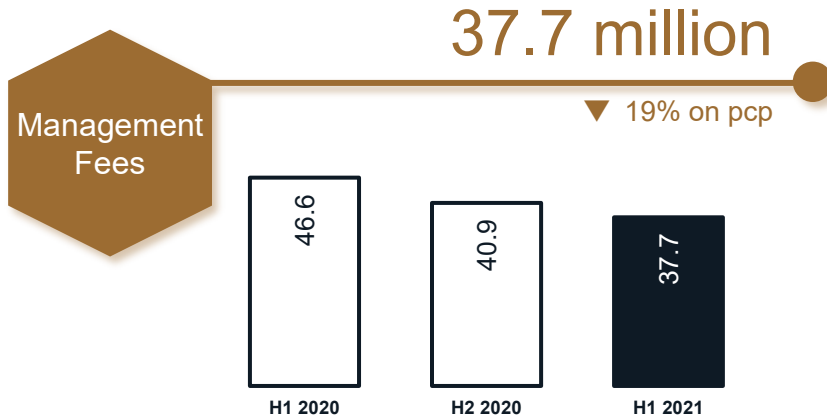
1 Excludes net finance income / (costs) including interest, depreciation of fixed assets and amortisation. These items have been excluded so as to present the expenses and result arising from the Group's core operating activities.

Underlying EBITDA

Consolidated USD millions			
	31 December 2020	31 December 2019	% Change
EBITDA	15.504	20.085	▼ 23%
① Additional cash lease payments	(1.378)	(0.956)	
② Expensed transaction costs	0.946	-	
Underlying EBITDA	15.072	19.129	▼ 21%

- ① AASB 16 *Leases* commenced on 1 July 2019. Part of the impact of its introduction is to reclassify the office lease component of occupancy expense to be a financing activity. The net cash lease payments made during the year are adjusted against EBITDA to aid comparability against the Group's historical results.
- ② Transaction costs expensed in accordance with AASB 3.

Revenue



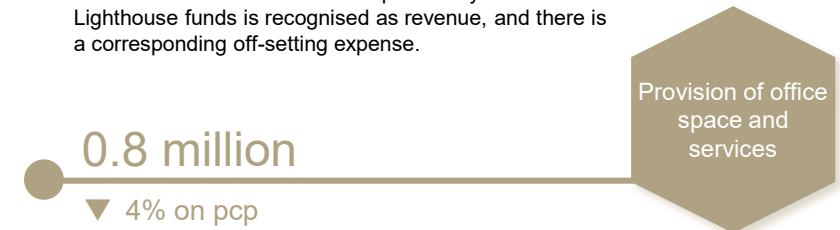
- A 12% reduction in average AUM
- A reduction in average fee rate to 0.62%pa (pcp 0.68%pa)
 - Net outflows from Commingled Funds
 - A movement of AUM within Commingled Funds to performance fee classes with nil or low management fees.
 - A 37% increase in AUM in Platform Services.



- Performance fee revenue for the six months is reflective of strong performance in the December 2020 quarter.
- Performance fees are variable in nature, and it is difficult to forecast how much, if any, performance fee revenue will be earned by the Group in future periods.



The reimbursement of certain expenses by the Lighthouse funds is recognised as revenue, and there is a corresponding off-setting expense.



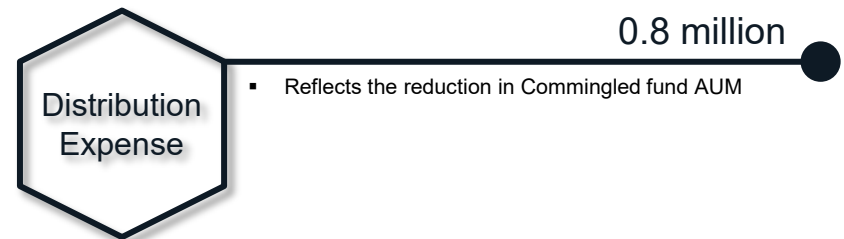
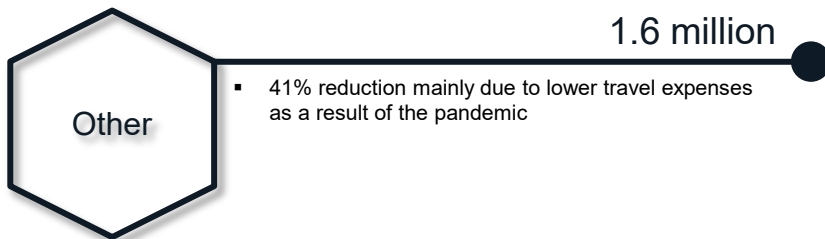
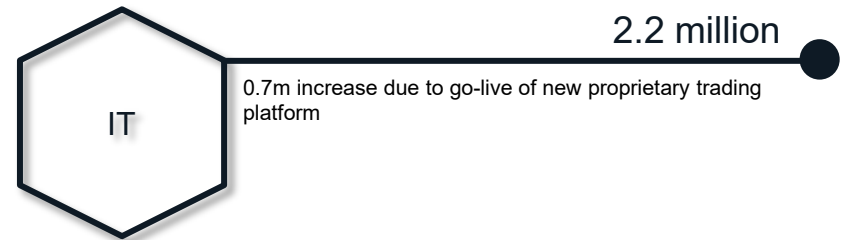
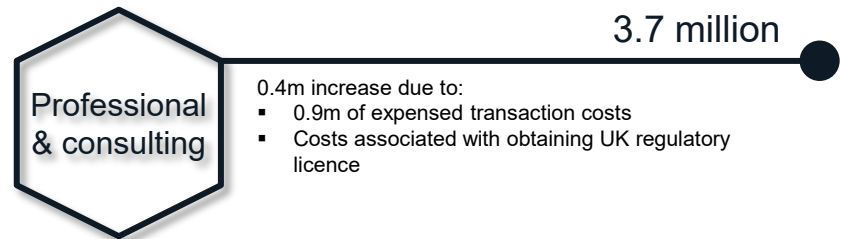
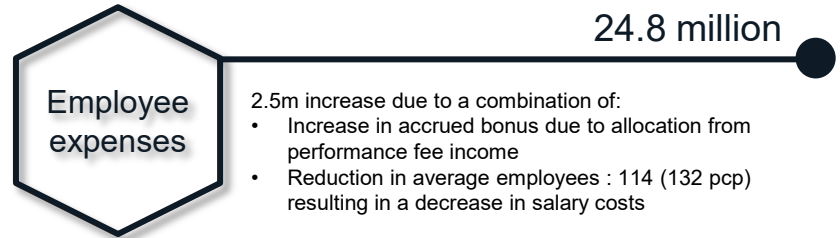
Revenue for providing third party managers with office space and other related services. This is a recharge of direct expenses (occupancy and admin costs) at no mark-up

Net operating expenses



Key expenses include:

		Change to pcp
Employee expenses	24.8m	▲ 11%
Professional & consulting	3.7m	▲ 12%
Information technology	2.2m	▲ 44%
Occupancy	0.9m	▲ 4%
Distribution expense	0.8m	▼ 41%
Other	1.6m	▼ 41%



Balance sheet

Current assets

Cash

US\$34.1 million

Key sources and uses of cash for the period:

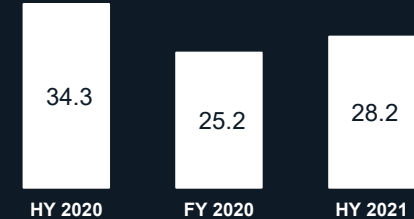
- + \$17.8 million cash generated from operating activities
- \$9.2 million paid in dividends to shareholders
- \$0.6 million paid for PPE

Trade & other receivables

US\$24.8 million

- Predominantly comprises management and performance fees receivable from funds and clients.
- Increase compared to 30 June 2020 largely due to performance fees earned during the December 2020 quarter.

Net Tangible Assets cents per share:



Non-current assets

Investments recognised at fair value

US\$16.7 million

- Investments in funds managed by Lighthouse increased by \$2.0 million to \$15.3 million.
- Strategic investments in external entities have a combined fair value of \$1.5 million.

Intangibles

US\$94.5 million

Intangible assets recognised on the balance sheet:

- \$93.8 million of goodwill
- \$0.7 million of trademarks

Deferred tax assets

US\$41.9 million

Relates to US jurisdiction, key components are:

- \$29.6 million of US carried forward tax losses
- \$12.3 million of DTA's related to impairment losses recognised on goodwill and other deductible temporary differences

The Group also has \$94.1 million of unrecognised DTAs related to the Australian jurisdiction, of which \$3.6 million relates to carried forward tax losses

Liabilities

Total liabilities

US\$39.4 million

- \$22.9 million of lease liabilities
- \$3.1 million of trade & other payables
- \$13.5 million of employee benefit provisions

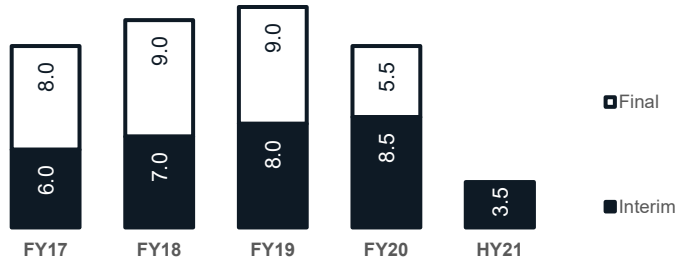
Loans and borrowings

NIL

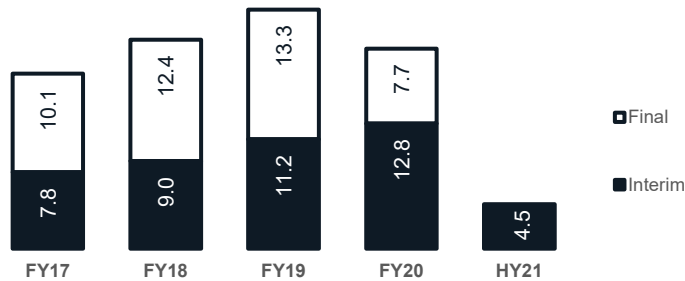
The Group has a \$15 million line of credit arrangement which is undrawn.

Dividends

Dividends in USD cents per share



Dividends in AUD cents per share



* Estimated AUD interim dividend only assuming an FX conversion rate of AUD/USD 0.7702. The actual AUD dividend per share will be determined using the AUD/USD rate on the Record Date, being 25 February 2021.

FY2021 Interim dividend – key dates

Ex Date:	24 February 2021
Record Date:	25 February 2021
Payment Date:	12 March 2021

Dividend Pay-out ratio

- Payout ratio is under the range for H1, but expect total dividends for FY21 will be within the 70-80% of EBITDA range
- Performance fee revenue not identified until after 31 December 2020 so not able to be taken into account in dividend planning to ensure 100% CFI credits.
- Dividend able to be paid is based on profits recognised at 31 December 2020 in the parent and not the consolidate group (impacts ability to attach CFI credits)
- EBITDA impact from performance fees will be taken into account when setting the FY21 Final dividend

Increase in shares participating in interim dividend

Pre-transaction Shares on Issue	162,147,897
Shares issued on 1 Feb 21	40,524,306
Shares participating in dividend via Convertible Notes issued 1 Feb 21	67,574,292
Shares participating in dividend	<u>270,246,495</u>
Dividend payment amount	\$9.5m
% of underlying EBITDA	63%

Capital management policy

The Company has set a policy of paying a dividend of 70% to 80% of the earnings before interest, tax, depreciation and amortisation (EBITDA).

Dividends will be unfranked, however may have conduit foreign income credits attached.

The payment of dividends will be subject to corporate, legal and regulatory considerations.

The above policy allows the NGI Group to retain a portion of cash generated from operating activities, and to therefore have funds available to make additional investments into the Lighthouse Funds where such investments further the overall operating interests of the Group, or to act on external investment and/or acquisition opportunities as and when they may arise.

Acquired Portfolio contribution on FY21

FY21 profit share

- First profit sharing period is contractually defined as the 18 months to 30 June 2021
- \$15.8m of relevant cash distributions already received at Closing
- \$21.1m received to date, over the minimum preferred distribution amount
- H2 FY21 accounting will not reflect actual cash contribution to NGI. Increase to NTA is identical under either approach.
- Accounting and cash contribution will align in FY22

Profit-sharing arrangements for FY21:

- Preferred minimum annual distribution of \$17m to NGI (indexed at 3%pa thereafter) *then*
- 20% above \$17m to NGI
- 80% above \$17m to Dyal

Estimated Cash Contribution to FY21

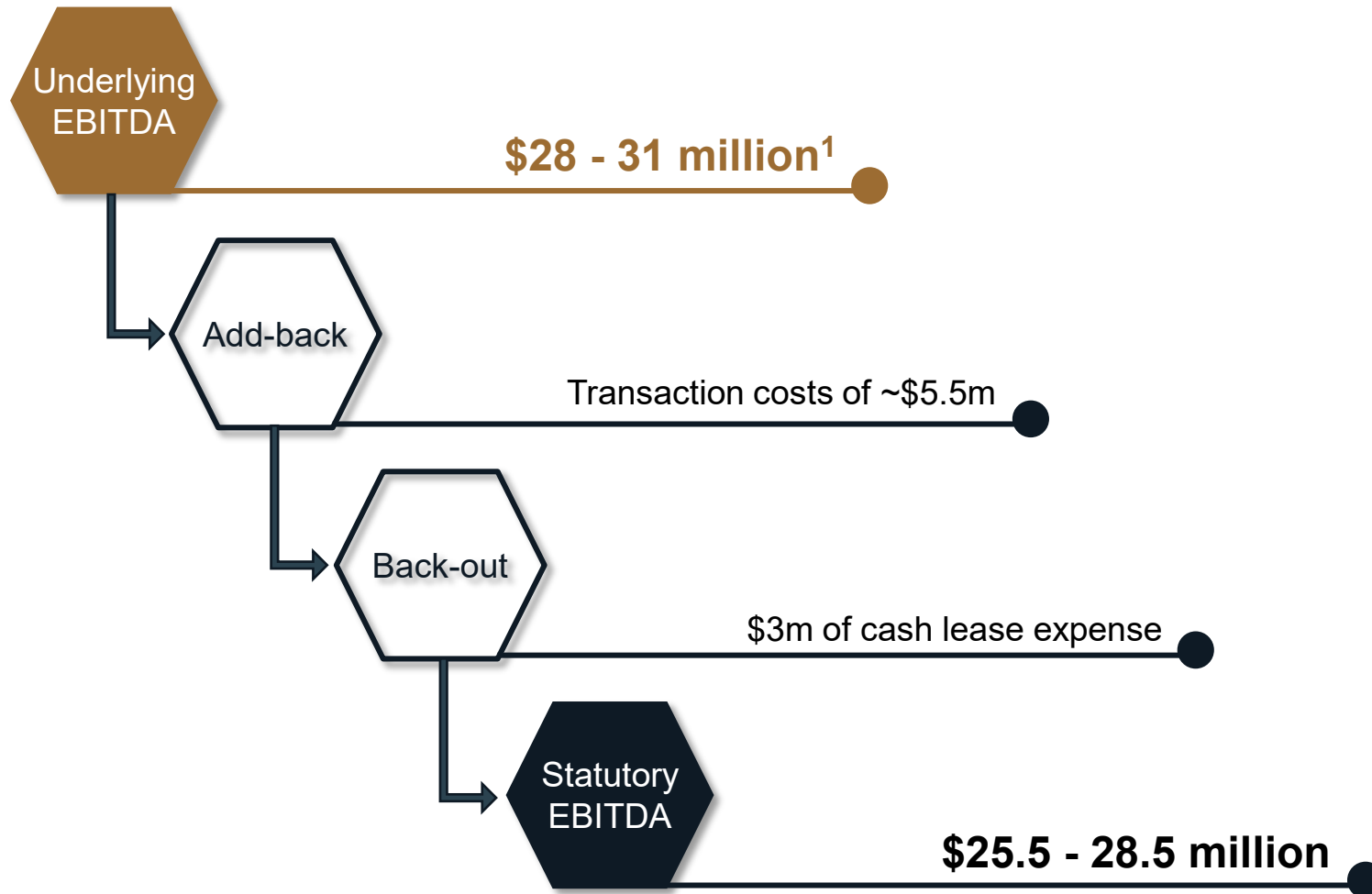
	Scenario 1 Nil additional cash distributions	Scenario 2 \$23m total received for FY21 profit-sharing	Scenario 3 \$30m total received for FY21 profit-sharing
Gross estimated receipts for 18 months to 30 June 2021	\$21.1m	\$23.0m	\$30.0m
<i>Dyal Profit-share</i>	<i>\$3.3m</i>	<i>\$4.8m</i>	<i>\$10.4m</i>
NGI Profit-share	\$17.8m	\$18.2m	\$19.6m
NGI estimated incremental expenses	(\$1.0m)	(\$1.0m)	(\$1.0m)
H2 estimated cash transaction costs	(\$5.5m)	(\$5.5m)	(\$5.5m)
Gross cash contribution	\$11.3m	\$11.7m	\$13.1m
Dyal participation in H1 FY21 dividend	(\$3.8m)	(\$3.8m)	(\$3.8m)
Increase to NTA	\$7.5m	\$7.9m	\$9.3m

Estimated Accounting Contribution to FY21

	Scenario 1 Nil additional cash distributions	Scenario 2 \$23m total received for FY21 profit-sharing	Scenario 3 \$30m total received for FY21 profit-sharing
Accounting income between Closing and 30 June 2021	\$5.3m	\$7.2m	\$14.2m
<i>Dyal Profit-share</i>	<i>\$3.3</i>	<i>\$4.8m</i>	<i>\$10.4m</i>
NGI accounting net income	\$2.0m	\$2.4m	\$3.8m
NGI estimated incremental expenses	(\$1.0m)	(\$1.0m)	(\$1.0m)
Estimated accounting EBITDA	\$1.0m	\$1.4m	\$2.8m
Acquired cash net of transaction costs and dividend participation	\$6.5m	\$6.5m	\$6.5m
Increase to NTA	\$7.5m	\$7.9m	\$9.3m

- The first earnout period ends 30 June 2021 and includes cash distributions related to calendar year 2020.
- Investments in the Portfolio are classified as FVOCI and income is recognised as and when distributions are received. Income from the Portfolio is not equity accounted or accounted for on an accruals basis. Income recognition may therefore be subject to fluctuations in timing and amount across any given period.
- Actual cash distributions will be dependent on the operating results of the managers in the Portfolio and actual cash receipts may vary given the inherent uncertainty in estimating income of this nature.
- A number of scenarios have been shown to demonstrate the potential cash and accounting contribution the acquired Portfolio may make to the Group's FY21 results.
- Purchase price allocation and acquisition accounting is still to be finalised.

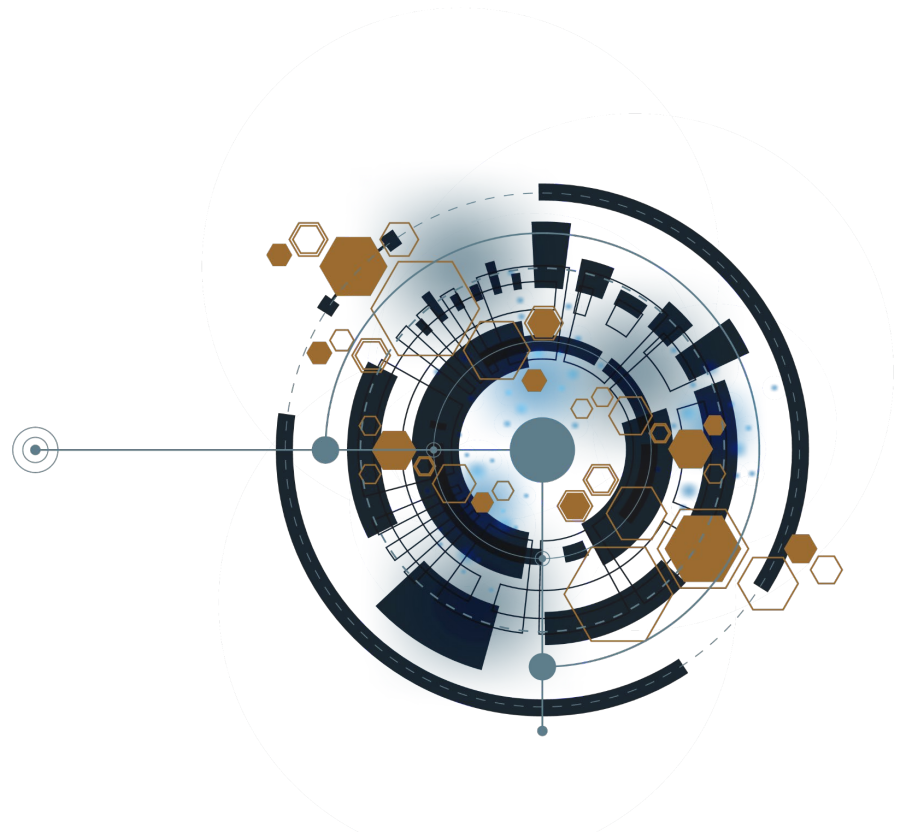
FY21 EBITDA Guidance



1 Includes estimated accounting contribution of \$2-3m from portfolio acquisition.

Lighthouse update

Scott Perkins, Lighthouse MD



Lighthouse Investment Partners

Delivering alternative investment solutions through the advantages of hedge fund managed account innovation.



Core values



Alpha: We look to generate results independent of traditional market direction by focusing on specialist managers and idiosyncratic security selection.



Innovation: We provide innovative investment solutions and services and can adapt to industry change.



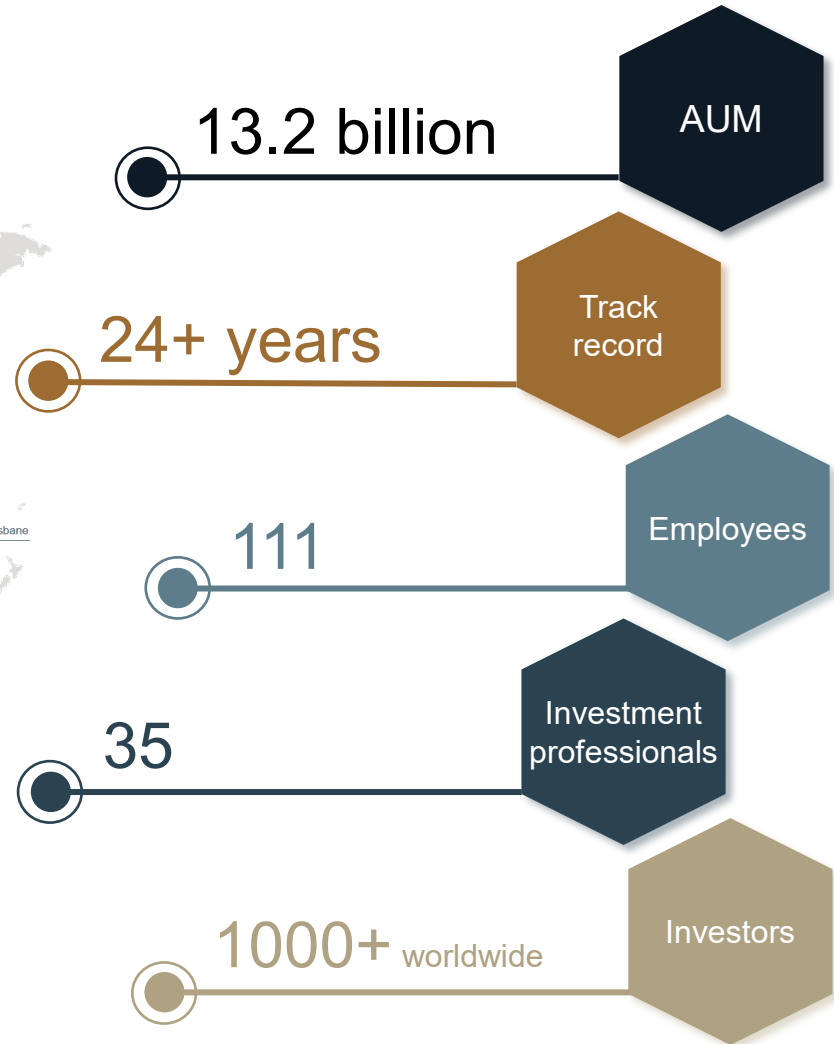
Managing Risk: We seek to protect investor capital and manage risk while growing returns.



Partnership: We are committed to providing solutions that exceed our investors' expectations and those of the managers with whom we work.

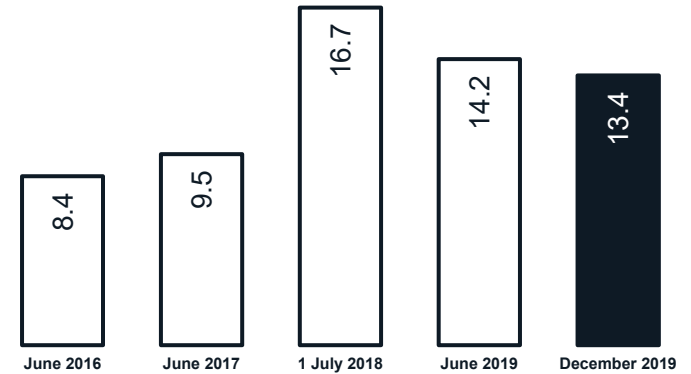
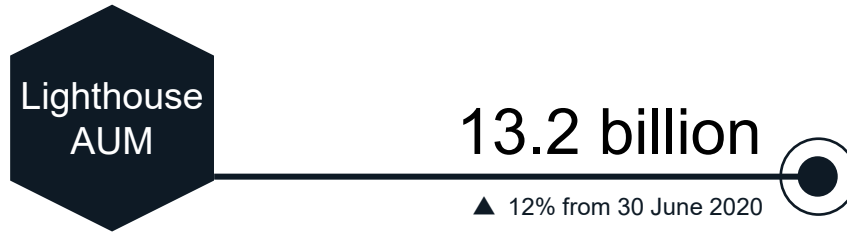


Transparency: Our managed account platform provides information on portfolio holdings on a daily basis.



Lighthouse Investment Partners

Composition of AUM as at 31 December 2020:



Movements for the six months to 31 December 2020:

	30 June 2020	Net Flows	Performance	31 December 2020
		<i>Note 1</i>	<i>Note 2 & 3</i>	<i>Note 3</i>
Commingled Funds	USD 4.76 bn	▼ USD 0.98 bn	▲ USD 0.72 bn	USD 4.50 bn
Customised Solutions	USD 3.75 bn	▲ USD 0.20 bn	▲ USD 0.64 bn	USD 4.19 bn
Platform Services	USD 3.26 bn	▲ USD 0.99 bn	▲ USD 0.21 bn	USD 4.46 bn
Combined total	USD 11.77 bn	▼ USD 0.19 bn	▲ USD 1.57 bn	USD 13.15 bn

- 1 Net flows includes monies received for applications and any redemptions effective 1 January 2021. This convention in relation to the reporting of net flows and AUM has been consistently applied by the NGI Group since January 2008.
- 2 Performance includes investment performance, market movements, the impacts of foreign exchange on non-US denominated AUM and distributions (if any).
- 3 31 December 2020 AUM is based on performance estimates which may be subject to revision upon final audit. AUM may include transfers from other Commingled Funds that occurred on the first day of the following month.

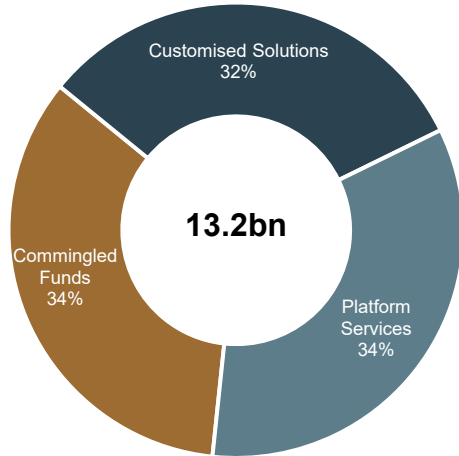
The above table sets out movements across the various products and services provided by Lighthouse. The allocation between the three categories has been revised compared to the AUM reported in the Company's ASX Announcement on 11 January 2021, although total AUM remains unchanged.

The re-allocation relates to a AUM for a client Customised Solutions client who has allocated AUM across all 3 services. Whilst previously AUM for this client was reported against Customised Solutions only, the above table shows the allocation of AUM based on the various service categories provided.

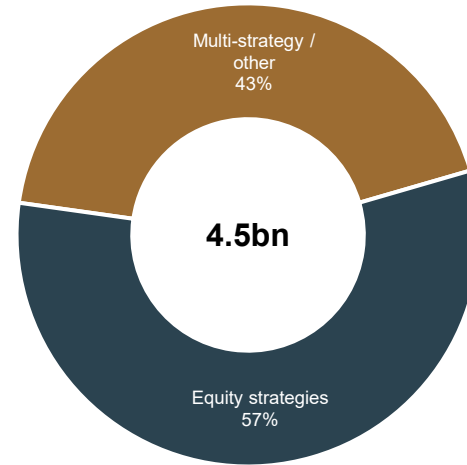
Lighthouse Investment Partners

Composition of AUM as at 31 December 2020:

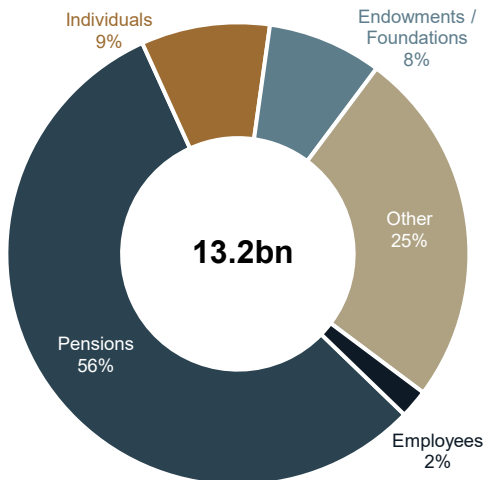
Service



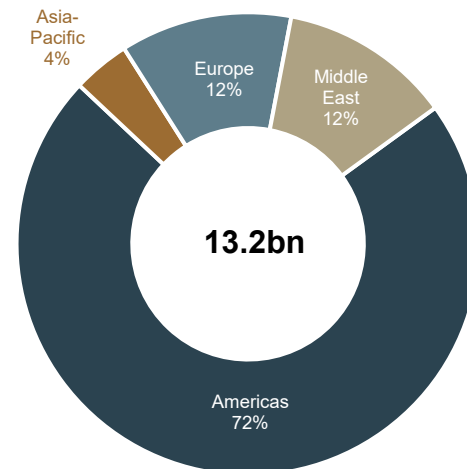
Commingled AUM by Strategy



Investor Type



Investor Geography



Lighthouse Investment Partners

Investment performance

Lighthouse Fund	January 2021	December 2020				
	1 Month	1 month	1 Year	3 Year	5 Year	3 Year Volatility
Lighthouse Diversified Fund Limited <i>Class A</i>	2.30%	5.60%	0.42%	1.32%	2.02%	11.86%
Lighthouse Global Long/Short Fund Limited <i>Class A</i>	-3.00%	6.10%	22.36%	8.48%	6.18%	7.91%
Benchmarks						
S&P 500 TR Index	-1.01%	3.85%	18.40%	14.18%	15.22%	18.80%
MSCI AC World Daily TR Gross USD	-0.43%	4.68%	16.82%	10.64%	12.86%	18.37%
Barclays US Agg Gov/Credit Total Return Value Unhedged USD	-1.04%	0.09%	8.93%	5.97%	4.98%	4.10%
91-Day Treasury Bill	0.01%	0.01%	0.66%	1.60%	1.20%	0.28%
Hedge Fund Research HFRX Global Hedge Fund Index	-0.16%	2.45%	6.81%	2.67%	3.29%	6.02%

Performance may vary among different share classes or series within a Fund. Past performance is not indicative of future results.

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December 2020 and January 2021 returns for the Lighthouse Funds, and consequently, the other figures appearing in this document that include these returns in their computation, are estimated and subject to revision near the 20th business day of the month and upon final audit. The performance data represents the returns for each of the respective Lighthouse Funds, or any related predecessor Fund, net of all fees and expenses, including reinvestment of earnings. Results include reinvestment of all income and capital gains. Performance shown for periods over one year has been annualised. 2020 and 2021 performance is not audited and is subject to revision. The performance data for the selected Class A shares of the above Lighthouse Funds is presented as a representative proxy for the two main investment strategies of AUMA invested in Lighthouse Funds. Returns may vary between different Funds of a similar strategy, as well as between share classes or series within the same Fund.

The indices included are unmanaged and have no fees or expenses. An investment cannot be made directly in an index. The Lighthouse Funds consist of securities which vary significantly to those in the indices. Accordingly, comparing results shown to those of such indices may be of limited use.

S&P 500 TR Index: This index includes 500 leading companies in leading industries of the US economy. Although the S&P500® focuses on the large-cap segment of the market, with approximately 75% of coverage of US equities, it is also an ideal proxy for the total market. S&P 500 is part of a series of S&P US indices that can be used as building blocks for portfolio construction.

MSCI AC World Daily TR Gross USD: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

Barclays US Agg Gov/Credit Total Return Value Unhedged USD: An unmanaged market-weighted index, comprised of government and investment grade corporate debt instruments with maturities of one year or greater.

91-Day Treasury Bill: A short-term debt obligation backed by the US government with a maturity of 91 days. T-bills are sold in denominations of USD1,000 up to a maximum purchase of USD5 million and commonly have maturities of one month (28 days), three months (91 days), six months (182 days), or 1 year (364 days).

Hedge Fund Research HFRX Global Hedge Fund Index: This HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.



Q & A

Disclaimer

This presentation has been prepared by Navigator Global Investments Limited (**NGI**) and provides information regarding NGI and its activities current as at 18 February 2021. It is in summary form and is not necessarily complete. It should be read in conjunction with NGI's 31 December 2020 Interim Financial Report and 30 June 2020 Annual Financial Report.

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Queries

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