ASX Announcement

26 September 2023

2023 Annual General Meeting

Navigator Global Investments Limited (ASX:NGI) provides the following documents in relation to NGI's 2023 Annual General Meeting (AGM):

- Notice of Meeting
- Voting Form
- Online Meeting Guide

The AGM will be held at **12 noon (Sydney time) on Friday, 27 October 2023** as a hybrid meeting:

- in person at Australian Institute of Company Directors, Clarence Room, 18 Jamison Street, Sydney; and
- virtually, using an online AGM platform at https://meetings.linkgroup.com/NGIAGM23

For further information please contact:
Amber Stoney
Chief Financial Officer & Company Secretary
07 3218 6200

Authorised by: Amber Stoney, Company Secretary

Notice of Annual General Meeting and Explanatory Memorandum

This document is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Important Notices

General

Shareholders should read and carefully consider this document in its entirety before making a decision as to how to vote on the Resolutions to be considered at the Annual General Meeting (**AGM**) scheduled to be held on 27 October 2023.

This document is dated 25 September 2023.

Purpose of this document

The purpose of this Notice of Meeting and Explanatory Memorandum is to explain the items of business to be considered at the AGM. This Explanatory Memorandum provides Shareholders with the necessary information to assist them in deciding how to vote on the Resolutions to be considered at the AGM including the Transaction Resolutions relating to the Proposed Transaction.

Responsibility for information

The information contained in this Notice of Meeting and Explanatory Memorandum (except for the Independent Expert's Report and GP Strategic Capital Information) has been prepared by Navigator Global Investments Limited (**Navigator** or the **Company**).

The Independent Expert has prepared the Independent Expert's Report pertaining to the Proposed Transaction and takes responsibility for the Independent Expert's Report. It has consented to the inclusion of the Independent Expert's Report in this Explanatory Memorandum. The Independent Expert is not responsible for any other information contained within this Explanatory Memorandum. Shareholders are urged to read the Independent Expert's Report set out in Schedule 2: carefully to understand the scope of the report, the methodology of the assessment, the sources of information and the assumptions made.

GP Strategic Capital Parties have prepared the GP Strategic Capital Information in this Explanatory Memorandum pertaining to the Proposed Transaction and takes responsibility for the GP Strategic Capital Information . It has consented to the inclusion of the GP Strategic Capital Information in this Explanatory Memorandum. GP Strategic Capital Parties are not responsible for any other information contained within this Explanatory Memorandum.

ASX and ASIC

A copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC pursuant to the Corporations Act and ASX pursuant to the Listing Rules. Neither ASX, ASIC nor any of their respective officers takes any responsibility for the contents of this Notice of Meeting and Explanatory Memorandum.

Forward-looking statements

Certain statements in this Explanatory Memorandum relate to the future. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures and market demand. The forward-looking statements in this Explanatory Memorandum reflect views held only at the date of this Notice of Meeting and Explanatory Memorandum. Other than as required by law, neither the Company, GP Strategic Capital Sellers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Explanatory Memorandum will actually occur. Subject to any continuing obligations under law or the Listing Rules, the Company, GP Strategic Capital Parties, their respective affiliates and, as applicable, the foregoing person's respective directors and general partners disclaim any obligation or undertaking to disseminate after the date of this Explanatory Memorandum any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Estimates

Unless otherwise indicated, all references to estimates and derivations are references to estimates by the Company or GP Strategic Capital Parties, as applicable. These estimates are based on views at the date of this Notice of Meeting and Explanatory Memorandum, and actual facts or outcomes may be materially different from those estimates.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this document (the **Figures**), are subject to the effect of rounding. Accordingly, the actual calculation of these Figures may differ from the Figures set out in this document.

Investment decisions

This Notice of Meeting and Explanatory Memorandum does not take into account the individual investment objectives, financial situation, tax position and particular needs of Shareholders or any other person. You should read this Notice of Meeting and Explanatory Memorandum in its entirety before making any investment decision and any decision on how to vote on the Resolutions to be considered at the AGM. If you have any doubt as to what you should do once you have read this Notice of Meeting and Explanatory Memorandum, you should consult your financial or legal advisor as soon as possible.

Defined terms

Capitalised terms and certain abbreviations used in this Notice of Meeting and Explanatory Memorandum have the defined meanings set out in section 7 of this document. All times expressed in this Notice of Meeting and Explanatory Memorandum refer to Sydney time and references to $, dollars and cents, are to Australian currency, unless otherwise specified.

Notice of Meeting

Notice is given that an Annual General Meeting of Navigator Global Investments Limited ACN 101 585 737 will be held at:

Time: 12.00 noon (AEDT)

Date: 27 October 2023

Venue: AICD, Clarence Room, 18 Jamison Street, Sydney; and

Online at https://meetings.linkgroup.com/NGIAGM23

Ordinary Business

1. Financial Report

To receive and consider the Financial Report and the reports of the Directors and of the auditors of the Company for the year ended 30 June 2023.

Note: There is no requirement for Shareholders to approve these reports.

2. To adopt the Remuneration Report

To consider, and if thought fit, to pass the following non-binding resolution as an ordinary resolution:

'That the Remuneration Report of the Company for the financial year ended 30 June 2023 be adopted.'

Voting restrictions apply to Resolution 2 - refer to important voting information on page 6.

3. Re-election of Directors

To consider and, if thought fit, pass each of the following as individual ordinary resolutions:

'(a) That Mr Michael Shepherd, who retires by rotation in accordance with rule 8.1(d) of the Constitution, be re-elected as a Director.'

(b) That Mr Suvan de Soysa, who retires by rotation in accordance with rule 8.1(d) of the Constitution, be re-elected as a Director.'

4. Renewal of proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as a special resolution:

'That the proportional takeover provisions in rule 6 of the Constitution be renewed for a further three years from the date of this AGM in accordance with section 648G(4) of the Corporations Act.'

Special Business

5. Approval of Performance Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the terms of the Navigator Global Investments Limited Employee Performance Rights Plan (the Performance Rights Plan) and the grant of performance rights and fully paid ordinary shares pursuant to the terms of the Performance Rights Plan (as an exception to ASX Listing Rule 7.1), be approved on the terms and conditions set out in the Explanatory Memorandum.'

Voting restrictions apply to Resolution 5 – refer to Important voting information on page 6.

6. Approval for Dyal Trust's and its Associates' acquisition of a Relevant Interest of up to 46.5% in Navigator

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'Approval is given, for the purposes of the section 611, Item 7 of the Corporations Act, for Dyal Trust and its Associates to acquire a Relevant Interest, and acquire voting power, in Navigator of up to 46.5% as a result of the Proposed Transaction.'

Voting exclusions apply to this Resolution 6 - refer to important voting information on page 6.

7. Approval for the issue of Shares and 2023 Convertible Notes to Dyal Trust

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'Approval is given, for the purposes of ASX Listing Rule 7.1, for Navigator to issue Shares and 2023 Convertible Notes, to Dyal Trust under the Proposed Transaction.'

Voting exclusions apply to this Resolution 7 - refer to important voting information on page 6.

Special Business (continued)

8. Approval for Navigator's acquisition of the Class II Units held by the GP Strategic Capital Sellers

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘Approval is given, for the purposes of ASX Listing Rule 10.1, for Navigator to acquire indirectly the Class II Units held by the GP Strategic Capital Sellers in NGI Strategic Holdings A and NGI Strategic Holdings B as part of the implementation of the Proposed Transaction.’

Voting exclusions apply to this Resolution 8 - refer to important voting information on pages 6 and 7.

Refer to the Explanatory Memorandum for further information

Voting exclusions

Resolution 2

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 2:

- by or on behalf of a member of the Key Management Personnel (KMP) named in the Remuneration Report or their closely related parties (such as close family members and any companies the person controls); and
- as a proxy by a member of the KMP or any of their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote on Resolution 2, and:

- the appointment of the proxy specifies the way in which the proxy is to vote on the Resolution; or
- such a person is the Chairman of the Meeting and the appointment of the proxy expressly authorises the Chairman of the Meeting to exercise the proxy even if the Resolution is connected with the remuneration of a member of the KMP.

Resolution 5

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 5:

- by or on behalf of a member of the KMP or their closely related parties (such as close family members and any companies the person controls); and
- as a proxy by a member of the KMP or any of their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote on Resolution 5, and:

- the appointment of the proxy specifies the way in which the proxy is to vote on the resolution; or
- such a person is the Chairman of the Meeting and the appointment of the proxy expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected with the remuneration of a member of the KMP.

Additionally, and in accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a person who is eligible to participate in the Performance Rights Plan; or
- an associate of that person.

However, the Company need not disregard a vote cast in favour of Resolution 5 if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6

No votes may be cast in favour of Resolution 6 by the person proposing to make the acquisition and their Associates or the person from whom the acquisition is to be made and their Associates. Accordingly, the Company will disregard any votes cast by Dyal Trust and its Associates.

Resolution 7

No votes may be cast, and the Company will disregard any votes cast, in favour of Resolution 7 by:

- a person who is expected to participate in, or who is expected to obtain a material benefit as a result of, the proposed issue of Shares and 2023 Convertible Notes by Navigator to Dyal Trust under the Proposed Transaction (except a benefit solely by reason of being a holder of Shares); and
- an Associate of that person or of those persons.

Notwithstanding the exclusions above, the Company need not disregard a vote if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Transaction Resolution, in accordance with the directions given to the proxy or attorney to vote on the Transaction Resolution in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Transaction Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Transaction Resolution; and
  - the holder votes on the Transaction Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8

No votes may be cast, and the Company will disregard any votes cast, in favour of Resolution 8 by:

- the person disposing of the substantial asset to, or the person acquiring the substantial asset from, Navigator and any other person who will obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being a holder of Shares); or

- an Associate of that person or of those persons.

(The substantial asset referenced above is the Class II Units. Under the Proposed Transaction, GP Strategic Capital Sellers will dispose of the Class II Units to Navigator.)

Notwithstanding the exclusions above, the Company need not disregard a vote if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Transaction Resolution, in accordance with the directions given to the proxy or attorney to vote on the Transaction Resolution in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the chair to vote on the Transaction Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that:
    - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Transaction Resolution; and
    - the holder votes on the Transaction Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important note

Please note that if you appoint a person who is excluded from voting on any Resolution as your proxy and you do not direct them on how to vote in respect of a Resolution on which they cannot personally vote then a vote cast by them on that Resolution will not be counted. If you appoint any such excluded person as your proxy, we strongly urge you to direct them how to vote on the Resolution they are excluded from voting on personally. Alternatively, we suggest that you appoint someone else (such as the person chairing the AGM) as your proxy.

Explanatory Memorandum

Accompanying and forming part of this Notice of Meeting is the Explanatory Memorandum that provides Shareholders with background information and further details on the Resolutions to be considered at the AGM. The information provided is intended to assist Shareholders in understanding the reasons for and effect of the Resolutions. Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum bear the same meaning and are defined in the Explanatory Memorandum's Glossary & Interpretation in section 7.

A Voting Form accompanies this Notice of Meeting.

By order of the Board

Amber Stoney

Amber Stoney
Company Secretary

The AGM will be conducted as a hybrid meeting hosted by our Share Registry.

How to participate in the hybrid AGM

Shareholders are encouraged to attend the AGM either in person or virtually via the virtual AGM platform at:

https://meetings.linkgroup.com/NGIAGM23

If you are unable to attend the AGM (either in person or virtually), you can still participate by voting in one of two ways:

1. by direct voting; or
2. by the appointment of a proxy.

Additional information on how to vote is outlined below.

Voting

Voting rules

- The required quorum for the AGM is at least two (2) Shareholders registered for the hybrid meeting or their proxy, attorney or representative.
- Ordinary resolutions will be passed if a majority of the votes that are cast by Shareholders entitled to vote on the Resolutions are voted in favour of the Resolutions. Resolution 2, Resolution 3, Resolution 5 and the Transaction Resolutions are ordinary resolutions.
- Special resolutions will be passed if at least 75% of the votes are cast by Shareholders entitled to vote on the Resolutions are voted in favour of the Resolutions. Resolution 4 is a special resolution.
- In accordance with rules 7.6(b)(2) and 7.7(d)(1) of the Constitution, the Chair intends to call a poll on each of the Resolutions proposed at the AGM. Each Resolution considered at the AGM will therefore be conducted by poll, rather than a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole, and to ensure the representation of as many Shareholders as possible at the meeting.
- Each Shareholder registered for the hybrid meeting or their proxy, attorney or representative shall have one vote for each Share held by that Shareholder and in respect of which that Shareholder is entitled to vote.
- If Shares are jointly held and more than one of the joint holders votes, only the vote of the holder whose name appears first in the Register of Shareholders will be counted.
- For more information on voting see rule 7.8 of the Constitution.

Entitlement to vote

The Board has determined that a Shareholder's voting entitlement at the AGM will be taken to be the entitlement of the person shown in the Register of Shareholders as at 7:00pm (Sydney time) on 25 October 2023. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the AGM.

Voting by corporations

In order to vote at the AGM (other than by proxy), a corporation that is a Shareholder must appoint a person to act as its representative. The appointment must comply with the Corporations Act. A letter of representation must be either lodged with the Share Registry prior to the commencement of the AGM or the representative must bring to the AGM evidence of his or her appointment including any authority under which it is signed.

How to vote

Shareholders may participate and vote by any of the following methods:

Attending the AGM in person

Shareholders who plan to attend the AGM are asked to arrive at the venue by 11.45am so that their holding may be checked against the Company's Register of Shareholders and attendance recorded.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form, you will still be able to attend the Meeting but representatives from Link Market Services will need to verify your identity.

Attending the AGM virtually

To attend the AGM using the virtual AGM platform, enter the following link into a web browser on your computer or online device:

https://meetings.linkgroup.com/NGIAGM23

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Voting Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the AGM.

Registration, using the instructions in the Virtual Meeting Online Guide, starts 30 minutes prior to the scheduled start time of the AGM. Shareholders will be able to obtain the voting card and vote once logged in. Online voting for those attending the AGM virtually will be open 30 minutes before the commencement of the AGM and will close 5 minutes after the close of the AGM.

Further information on how to participate virtually is set out in this Notice of Meeting and the Online Platform Guide at www.navigatorglobal.com.au.

Direct voting

Direct voting is a form of voting that allows you to cast your vote, either online or by completing the enclosed Voting Form, without having to attend the AGM and without needing to appoint a proxy to vote on your behalf.

You can direct vote online at https://investorcentre.linkgroup.com by following the instructions provided on the website.

You can also direct vote by completing the enclosed Voting Form and returning it to us via any of the methods outlined below.

Appointing a Proxy

A Shareholder who is entitled to vote at the meeting may appoint:

- one proxy if the Shareholder is only entitled to one vote; or
- two proxies if the Shareholder is entitled to more than one vote.

Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded. A proxy need not be a Shareholder of the Company.

For more information on appointing a proxy or attorney see rule 7.9 of the Constitution.

A Voting Form is enclosed which allows you to appoint a proxy to vote on your behalf at the AGM. If you require an additional Voting Form, please contact the Company Share Registry on 1300 554 474, which will supply it on request.

The Voting Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the share registry, Link Market Services Limited (**Share Registry**), no later than 25 October 2023 at 12.00 noon (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted. Appointment of Corporate Representatives may be handed in when registering to attend the AGM.

Voting online

We encourage online voting, which you can do at https://investorcentre.linkgroup.com in accordance with the instructions provided on the website.

You will need your HIN or SRN to vote online.

Returning the Voting Form

Should you prefer to complete and return the enclosed Voting Form, instructions are outlined on the form and it may be returned by:

posting it in the reply-paid envelope provided to:

Navigator Global Investments Limited c/– Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;

hand delivering it to Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150; or

faxing it to Link Market Services Limited on +61 2 9287 0309.

AGM Considerations and Shareholder Questions

A discussion will be held on all items to be considered at the AGM.

All Shareholders will have a reasonable opportunity to ask questions during the AGM in person or via the virtual AGM platform, including an opportunity to ask questions of the Company's external auditor.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the AGM;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the AGM regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Question Form has been included with this Notice of Meeting and is also available on the Company's website: www.navigatorglobal.com.au. Written questions must be received by the Company or Link Market Services Limited by 12.00 noon (Sydney time) on 25 October 2023, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

Explanatory Memorandum

This document is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Letter from the Chairman

Dear Shareholder,

The Navigator business has continued to perform strongly over the last financial year despite the ongoing market volatility and more uncertain macroeconomic environment, and we are pleased to have delivered Adjusted EBITDA for FY23 of US$48.9 million, an increase of 5% on the prior year. This is an excellent result, demonstrating that market conditions over the past year have created a new set of opportunities for our diversified and uncorrelated group of high-quality global alternative asset management businesses. The result supports our thesis that building a portfolio of diversified investments in high quality asset managers leads to solid and consistent financial outcomes for our Shareholders.

We have been pleased with the ongoing growth in the assets under management across the Lighthouse and NGI Strategic Investments, driven by better investment performance and an improved opportunity set across relevant alternative asset classes given the recent market conditions. In particular, NGI Strategic Investments has been performing strongly with greater net flows into flagship strategies, successful product launches and improved revenue margins, delivering higher revenues combined with higher operating margins through active expense management. NGI Strategic Investments includes the NGI Strategic Portfolio, a portfolio of alternative investment stakes with GP Strategic Capital entities (being the **GP Strategic Capital Parties**). GP Strategic Capital is a leading provider of capital to alternative asset management companies globally. Lighthouse has also experienced positive net flows and stable management fee levels resulting in a stable and resilient level of revenues with effective costs control despite the high inflation environment.

On 15 June 2023, Navigator announced it had signed a binding term sheet to settle the Redemption Payment which arose from its acquisition of the NGI Strategic Portfolio and which is currently payable in April 2026. An Implementation Agreement was executed on 1 August 2023 between Navigator and GP Strategic Capital Parties, pursuant to which Navigator will accelerate payment of the Redemption Payment and acquire the Profit Distributions retained by GP Strategic Capital Sellers in the NGI Strategic Portfolio for consideration of US$200 million, funded through a US$120 million placement to a GP Strategic Capital Party, a US$80 million equity raising and cash, as further described in the Explanatory Memorandum (**Proposed Transaction**).

The continued growth and ownership by Navigator of the NGI Strategic Portfolio has a compelling strategic rationale with the potential to unlock substantial shareholder value. Following the settlement of the Redemption Payment, Navigator's strengthened balance sheet will enhance its capacity to fund remaining deferred consideration obligations and execute growth initiatives. The acquisition of the Profit Distributions will also provide Navigator with access to the full distribution income of the NGI Strategic Portfolio from 1 July 2023. The Proposed Transaction deepens the strategic partnership with GP Strategic Capital and may broaden Navigator's appeal to different types of new Shareholders and increase Share trading volumes over time. The existing value-add service arrangements with GP Strategic Capital's business services platform also continue to remain in place for Navigator.

The Proposed Transaction is conditional on the approval of Shareholders by ordinary resolutions at the Annual General Meeting (**Transaction Resolutions**) as well as certain regulatory approvals and is expected to complete contemporaneously with completion of the placement and equity raising referred to above. Details about the Proposed Transaction are set out in the Explanatory Memorandum.

Navigator has appointed Lonergan Edwards & Associates as independent expert to assess the merits of the Proposed Transaction. The Independent Expert has concluded that the Proposed Transaction is not fair but reasonable to Shareholders. In reaching its conclusion, the Independent Expert concluded that the advantages of the Proposed Transaction significantly outweigh the disadvantages. The Independent Expert's Report is Schedule 2: of this Explanatory Memorandum.

Your directors unanimously recommend that you vote in favour of the Transaction Resolutions, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is Reasonable to Shareholders.

Subject to those same qualifications, each Director intends to and will vote or procure the voting of any Shares held by or on their behalf in favour of the Transaction Resolutions.

Your vote is important. I encourage you to read this document in its entirety and vote by attending the AGM scheduled to be held on 27 October 2023 at 12.00 noon or by completing the enclosed Voting Form and returning it by the deadline indicated on the form.

On behalf of the Board, we look forward to your participation at the upcoming virtual AGM and extend our thanks to Shareholders for their ongoing support.

Yours sincerely,

Michael Shepherd,
Chairman

Ordinary Business

Financial Report

The Financial Report and the reports of the directors and of the auditors of the Company for the year ended 30 June 2023 are presented to Shareholders. There is no resolution required in relation to this item.

Adoption of the Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put a resolution to each annual general meeting for adoption of the Remuneration Report. The vote on Resolution 2 will be advisory only and will not bind either the Directors or the Company. However, the Board will take into consideration the outcome of voting on this Resolution when assessing the remuneration policy in future.

Shareholders should also note that, if 25 per cent or more of the votes cast are against the Remuneration Report, the first element in the Board spill provisions contained in the Corporations Act (i.e. the 'two strikes rule') will be triggered. While this would not impact on the 2023 AGM, it would affect next year's annual general meeting.

Board recommendation

The Board recommends that Shareholders vote **IN FAVOUR** of this Resolution.

The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this Resolution.

Re-election of Directors

Under rule 8.1(d) of the Constitution and Listing Rule 14.4, a Director (unless they are the managing Director) must retire from office no later than the longer of the third annual general meeting of the Company or 3 years, following that Director's last election or appointment.

Accordingly, Mr Michael Shepherd and Mr Suvan de Soysa retire at the end of the AGM in accordance with this rule.

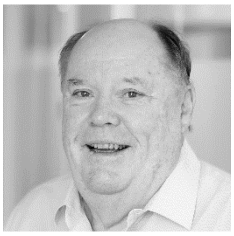
Mr Shepherd, being eligible, offers himself for re-election.

Mr de Soysa, being eligible, offers himself for re-election.

The experience, qualifications and other details in relation to each of the Directors seeking re-election are set out on the following page.

Resolution 3(a)

Re-election of Mr Michael Shepherd



Mr Michael Shepherd

Chair and Independent Non-Executive Director

Appointed 16 December 2009

Based in Australia

Chair of the Remuneration and Nominations Committee

Member of the Audit and Risk Committee

Michael has extensive experience in financial markets and the financial services industry having held a range of senior positions including Vice Chair of ASX Limited, and directorships of several of ASX's subsidiaries including Australian Clearing House Pty Ltd.

Currently, Michael is Chairman of the Shepherd Foundation, an independent director of InvestSmart Group Limited for the past 9 years, and is an independent Compliance Committee Member for UBS Global Asset Management (Australia) Limited, in addition to holding independent non-executive director positions with the Friends of the Mater Limited.

Michael is also a Senior Fellow (SF Fin), Life Member and past President of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors.

Michael has served on several charity and government boards, including being chairman of the Shepherd Centre for deaf children and Australian Hearing and a director of the Sir David Martin Foundation, The Committee for Sydney and The Mater Hospital. He was awarded Officer of the Order of Australia (AO) in 2015 for services to the finance sector and to charity.

Board recommendation

The Board (with Mr Shepherd abstaining) recommends that Shareholders vote **in favour** of this Resolution.

The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this Resolution.

Resolution 3(b)

Re-election of Mr Suvan de Soysa

Mr Suvan de Soysa

Independent Non-Executive Director

Appointed 22 September 2021

Based in Australia

Chair of the Audit and Risk Committee

Suvan has had a long and well-rounded career in the Australian wealth management industry. As a co-founder of ipac Securities Limited and ipac Asset Management (collectively **ipac**), Suvan played a central role in creating one of Australia's pre-eminent wealth management businesses. During his more than 25 years at ipac, Suvan undertook a number of senior executive roles, including as head of several departments, acting CEO and sitting on ipac's executive committee. Suvan's experience covers a broad range of business areas within the wealth management arena, having headed various departments including financial planning, business development, strategic alliances and acquisitions. These responsibilities have given him a breadth of experience, including with multi-jurisdictional transactions and business partnerships.

Most recently Suvan has been involved with Chancellor Portfolio Services, where he is currently the Non-executive Chairman. Suvan is also an independent non-executive director of Monash Absolute Investment Company, which until recently was listed on the ASX, and was Chair of its Audit and Risk Committee.

Suvan has both an accounting and legal background. Suvan obtained a Bachelor of Science (Economic) Honours from the University of London, after which he spent two years in accountancy at KPMG in London. After relocating to Australia, Suvan obtained a Bachelor of Law from the University of Sydney. Suvan was admitted as a solicitor of the Supreme Court of New South Wales in July 1984, and also holds a Graduate Diploma from the Securities Institute of Australia and a Diploma in Financial planning from the Financial Planning Association.

Suvan was a certified financial planner for 25 years and is also a fellow of both the Financial Services Institute of Australasia and the Australian Institute of Company Directors.

Board recommendation

The Board (with Mr de Soysa abstaining) recommends that Shareholders vote **in favour** of this Resolution.

The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this Resolution.

Renewal of Proportional Takeover Provisions

Rule 6 of the Constitution currently contains provisions dealing with proportional takeover bids for Shares in accordance with the Corporations Act. Under the Corporations Act and rule 6.4 of the Constitution, the rules must be renewed every three years or they will cease to have effect. The current provisions will automatically cease to have effect after 18 November 2023 and accordingly, it is proposed that they be renewed. If renewed, rule 6 will operate on the same basis as the existing rule 6 for a period of three years from the date of this AGM.

What is a proportional takeover bid, and why are the proportional takeover approval provisions needed?

A proportional takeover bid is where the bidder offers to purchase a specified proportion only of each Shareholder's Shares. If a Shareholder accepts the offer the Shareholder disposes of that specified proportion and retains the balance of their Shares.

By making a partial bid, a bidder may obtain control of the Company without Shareholders having the chance to sell all their Shares to the bidder, leaving Shareholders with the balance of their investment as part of a minority holding in the Company. The bidder may therefore take control of the Company without paying an adequate amount for gaining control.

In order to deal with this possibility, the Constitution provides that:

- if a proportional takeover bid is made for Shares in the Company, Shareholders must vote by ordinary resolution on whether to accept or reject the offer; and
- the majority decision of the Shareholders will be binding on all individual Shareholders.

What is the effect of the proportional takeover approval provisions?

If a proportional takeover bid is made, the Directors will be required to ensure that Shareholders vote on a resolution to approve the bid at least 15 days before the offer closes.

The vote is decided on a simple majority. Each Shareholder who holds Shares as at the day on which the first offer under a bid is made is entitled to vote. The bidder and their associates are not allowed to vote.

If the Resolution:

- is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn; or
- is passed (or the bid is taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act. However, the Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for three years after the date they are renewed. The provisions may be renewed or reinserted upon the expiry of the initial three-year period, but only by a special resolution passed by Shareholders.

Review of Proportional Takeover Approval Provisions

While the proportional takeover approval provisions have been in effect, there have been no takeover bids for the Company – either proportional or otherwise. Consequently, there are no actual examples against which to review the advantages and disadvantages of the existing proportional takeover approval provisions for the Directors and Shareholders of the Company.

Potential advantages and disadvantages

While the renewal of rule 6 will allow the Directors to ascertain Shareholders' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The provisions in rule 6 will ensure that all Shareholders will have the opportunity to consider a proportional takeover bid and vote on the bid at a general meeting.

This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of Shareholders, including appropriate pricing. Similarly, knowing the view of the majority of Shareholders may help individual Shareholders assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

It is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids, and may reduce any speculative element in the market price of the Shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of Shareholders to freely deal with their Shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

As at the date on which this statement was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company other than in respect of the Proposed Transaction.

Resolution 4 is a special resolution and therefore requires 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to be in favour of the Resolution in order to pass.

Board recommendation

The Board recommends that Shareholders vote **IN FAVOUR** of the renewal of the proportional takeover provision in rule 6 of the Constitution.

Approval of Performance Rights Plan

Resolution 5 seeks Shareholder approval, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)), of the Navigator Global Investments Limited Employee Performance Rights Plan (**Performance Rights Plan**) for the grant of performance rights (**Performance Rights**) and issue of Shares upon vesting and exercise of the Performance Rights to eligible participants pursuant to the terms of the Performance Rights Plan as an exception to ASX Listing Rule 7.1 and for a period of three years from the date on which Resolution 5 is approved.

Shareholder approval of the Performance Rights Plan is required to ensure that securities granted or issued under the Performance Rights Plan are not counted in the Company's 15% annual limit on issuing securities without Shareholder approval under ASX Listing Rule 7.1 (please see further explanation below). On 21 December 2021, the Board resolved to amend the Performance Rights Plan to better align the Performance Rights Plan with current market practices. The Performance Rights Plan was approved by Shareholders at the annual general meeting held on 28 January 2022. A summary of the Performance Rights Plan rules is contained at Table 1 of the Explanatory Memorandum.

Accordingly, Shareholder approval is required to allow the Company to rely on the exception in ASX Listing Rule 7.2 (Exception 13(b)). Resolution 5 seeks to approve the Performance Rights Plan (as amended).

ASX Listing Rules

ASX Listing Rule 7.1 requires that a company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of the company.

ASX Listing Rule 7.2 sets out a number of exceptions to ASX Listing Rule 7.1, one of which is an issue of securities under an employee incentive scheme if, within three years before the date of issue, the shareholders of the company approved the issue of securities under the scheme (**Exception 13**).

If Shareholder approval is obtained for the purposes of ASX Listing Rule 7.2 Exception 13, the Company will be able to issue Performance Rights under the Performance Rights Plan (subject to the maximum number of Performance Rights to be issued under the Performance Rights Plan as set out below under "Regulatory Information") to eligible participants over a period of three years without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Shareholder approval is not obtained, the Company will be able to proceed with the issue of Performance Rights under the Performance Rights Plan (again, subject to the maximum number of performance rights to be issued under the Performance Rights Plan as set out below under "Regulatory Information") to eligible participants, but any issue of Performance Rights will reduce, to that extent, the Company's capacity to issue securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue of the Performance Rights.

It should be noted that any proposed issue of Performance Rights under the Performance Rights Plan to a related party (including directors) will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. If such additional Shareholder approval for an issue of Performance Rights under the Performance Rights Plan to a related party is not obtained, then those Performance Rights cannot be issued.

Regulatory Information

In accordance with the requirements of ASX Listing Rule 7.2, Exception 13(b), the following information is provided:

- A summary of the Performance Rights Plan rules is set out in Table 1 to this Notice of Meeting.
- The Performance Rights Plan was previously approved by Shareholders on 28 January 2022, and 4,593,270 Performance Rights have been granted under the Performance Rights Plan. Zero Performance Rights have been converted to Shares in the Company.
- The maximum number of Performance Rights proposed to be issued under the Performance Rights Plan following this Shareholder approval over three years is approximately 6,000,000 Performance Rights. This maximum is not intended to be a prediction of the actual number of Performance Rights to be issued under the Performance Rights Plan but is specified for the purposes of setting a ceiling on the number of Performance Rights approved to be issued under and for the purposes of ASX Listing Rule 7.2, Exception 13(b). Once that number is reached, any additional issues of Performance Rights under the Performance Rights Plan would not have the benefit of Exception 13 without fresh Shareholder approval.
- A voting exclusion in respect of this Resolution has been included in this Notice of Meeting.

Board Recommendation

The Board recommends that Shareholders vote in favour of renewing the approval of the Navigator Global Investments Limited Employee Performance Rights Plan.

The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this Resolution.

Table 1 - Summary of Performance Rights Plan rules

Performance Rights Plan overview	The Board may, from time to time, in its absolute discretion, offer to grant Performance Rights as part of its long-term incentive strategy to an eligible participant under the Performance Rights Plan.
Eligible participants	Any full-time or part-time employee (including any executive director) of NGI (**Employee**) and its related bodies corporate (**Group**) is eligible to participate in the Performance Rights Plan and to be offered Performance Rights if they satisfy the criteria or other performance conditions that the Board determines from time to time. Performance Rights may be granted, and Shares, upon the exercise of Performance Rights, may be granted or transferred to Employees or such other persons (including without limitation, any person's legal personal representative or trustee in bankruptcy) as the Board in its discretion determines to be eligible to participate in the Performance Rights Plan (**Participant**).
Plan limit	In accordance with ASIC Class Order 14/1000, when making an offer of Performance Rights under the Performance Rights Plan, the Company must have reasonable grounds to believe that the maximum number of shares that have been or may be issued as a result of offers made in the previous 3 years under the Performance Rights Plan (and any other employee incentive scheme or similar arrangement covered by ASIC's incentive plan relief) will not exceed 5% of the shares of the Company on issue. For the purposes of calculating this 5% limit, ASIC includes: ▪ unissued shares over which Performance Rights, rights or other options (which remain outstanding) have been granted pursuant to offers made under this Performance Rights Plan and any other Group employee incentive scheme in the last 3 years, where there are reasonable grounds to believe that the offer will result in an issue of shares; and ▪ the number of shares issued as a result of offers made during the previous 3 years pursuant to an employee incentive scheme, but excluded from the 5% limit are: ▪ any offers which are received outside of Australia; ▪ offers made under a disclosure document or product disclosure statement; ▪ offers that do not require disclosure under section 708 of the Corporations Act (eg offers to investors under a 20/12 offer, sophisticated or professional investors and 'senior managers' where a senior manager is a person who is concerned in, or takes part in, the management of the body (regardless of the person's designation and whether or not the person is a director or secretary of the body); and ▪ Performance Rights over shares where the relevant Performance Right has lapsed.
Vesting conditions	The Board will determine whether any performance hurdles or other conditions will be required to be met (**Vesting Conditions**) before the Performance Rights which have been granted under the Performance Rights Plan can vest. Performance Rights will only vest once all Vesting Conditions and performance hurdles set out in the offer have all been satisfied or otherwise waived by the Board, and will vest automatically on the business day after the Board determines the Vesting Conditions and performance hurdles set out in the offer have all been satisfied or otherwise waived.
Issue price	Unless otherwise determined by the Board in its discretion, Performance Rights are to be granted for nil consideration to Employees under the Performance Rights Plan.
Exercise price	The exercise price for Performance Rights, or the method of calculation of the exercise price, is as determined by the Board at the time of grant and stated in the letter of offer. The exercise price for a Performance Right will be nil (including where no exercise price is stated in the letter of offer) unless the Board determines otherwise and states the price in the letter of offer.
Exercise period	The terms for exercise, including the exercise period, are stated in the offer letter and any Performance Rights may not be exercised outside of a trading window prescribed in the NGI Share Trading Policy.
Lapse	Once granted, a Performance Right will lapse on the earliest to occur of:

	▪ the stated lapsing date; ▪ a date or circumstance specified in the offer for that Performance Right or a provision of the Performance Rights Plan rules as when a Performance Right lapses; ▪ failure to meet an exercise condition or meet any other condition applicable to the Performance Right within the period specified in the offer for that Performance Right; or ▪ the receipt by the Company of a notice in writing from a Participant that the Participant has elected to surrender the Performance Right.
Rights and restrictions of Performance Rights	Performance Rights are not entitled to receive a dividend. Any shares issued or transferred to a Participant upon vesting of Performance Rights are only entitled to dividends if they were issued on or before the relevant dividend entitlement date. A share issued on exercise of a Performance Right will rank equally in all respects with shares already on issue on the date of exercise of the Performance Right, except for entitlements which had a record date before the date of issue of that share. In the event of a reconstruction of the Company (consolidation, subdivision, reduction, cancellation or return), the terms of any outstanding Performance Rights will be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of reconstruction. If the Company makes a bonus issue of shares to existing holders of shares (other than an issue in lieu of dividends or by way of a dividend reinvestment) involving capitalisation of reserves of distributable profits and no share has been allocated in respect of a Performance Right before the record date for determining entitlements to the bonus issue, the Performance Right will be adjusted in accordance with the ASX Listing Rules. Subject to a reconstruction or bonus issue, Performance Rights do not carry the right to participate in any new issue of securities including pro-rata issues. Performance Rights will not be quoted on ASX. The Company will apply for quotation of any shares issued under the Performance Rights Plan.
Assignability	An Employee cannot sell, assign, transfer or otherwise dispose of a Performance Right without the prior written consent of the Board. This does not prevent the exercise of the Performance Right by the estate of a deceased Participant.
Administration	The Performance Rights Plan is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the ASX Listing Rules, including any waiver granted by ASX) in addition to those set out in the Performance Rights Plan.
Control Event	If a Control Event occurs, the Board may, in its discretion, determine that all or a specified number of a Participant's unvested Performance Rights are deemed to have vested, all or a specified number of a Participant's Performance Rights may be exercised for a period specified by the Board (and if not exercised within that period, will lapse), the restrictions under Rules 18.7 (Assignment of Performance Rights) and 18.8 (Encumbrance of Performance Rights) or any other terms which apply to the Performance Rights cease to apply, or the dealing restrictions (if any) which apply to shares allocated on the exercise of a Performance Right cease to apply. A "Control Event" means: • a takeover bid being made for the Company's shares; • a court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company); or • any other transaction which the Board determines will result in a change in control of the Company.
Amendments	Subject to the ASX Listing Rules, the Board may amend the Performance Rights Plan at any time, but may not do so in a way which reduces the Employees' existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.
Termination and suspension	The Performance Rights Plan may be terminated or suspended at any time by resolution of the Board but any such suspension or termination will not affect nor prejudice rights of any Employee holding Performance Rights prior to that termination or suspension.

Proposed Transaction

Transaction Highlights

This section is a summary only. Shareholders should read the entire Explanatory Memorandum before making a decision on how to vote on the Transaction Resolutions.

Overview of the Proposed Transaction

The Proposed Transaction involves Navigator directly or indirectly redeeming each GP Strategic Capital Sellers' applicable Class II Units for consideration of US$200 million (to be settled through a combination of cash and the issuance of Shares and Convertible Notes (if required)), resulting in the cancellation of the Redemption Payment and acquisition of the Profit Distributions.

The Proposed Transaction is subject to the satisfaction or waiver of the Conditions, including approval of the Transaction Resolutions by Shareholders.

Key potential benefits for Shareholders

The Proposed Transaction is a compelling strategic initiative that accelerates Navigator's delivery on its strategic objective of increasing scale and diversification, quality of earnings and growth, whilst also delivering a positive step change in distribution income, earnings and cash flows for the Navigator business through the acceleration of the full settlement of the Redemption Payment and the acquisition of the Profit Distributions.

On closing, the Proposed Transaction:

(a) Increases distribution income, earnings and cash flows

- Early settlement of Redemption Payment will entitle Navigator to the full distribution income from NGI Strategic Portfolio from 1 July 2023.
- FY23 Total Revenue and Adjusted EBITDA increases approximately US$35m on a pro forma basis (or US$28.9m on average of three FY since the 2021 Transaction).[1]

(b) Strengthened balance sheet

- Enhances Navigator's capacity to fund remaining deferred consideration obligations and execute growth initiatives.
- Fully extinguishes the Redemption Payment liability.

(c) Potential to broaden investor interest

- Opportunity to improve liquidity in Shares through its potential to broaden Navigator's appeal to different types of new Shareholders and increase Share trading volumes over time.

(d) Deepens Navigator's strategic partnership with GP Strategic Capital

- GP Strategic Capital is a leading provider of capital to alternative asset management companies globally.
- GP Strategic Capital's expanded equity holding in Navigator increases its alignment with Navigator.
- This relationship can assist Navigator secure new business opportunities, enhancing the platform for further growth and opportunity to create value for all Shareholders.
- Existing value-add services arrangements with GP Strategic Capital remain in place.

Further details of the key potential benefits of the Proposed Transaction are set out in section 3.7 of this Explanatory Memorandum.

Key potential disadvantages and risks for Shareholders

Key potential disadvantages of the Proposed Transaction include:

- Change in Navigator's current investment profile which a Shareholder may not support;
- Dilution to existing Shareholders as a result of the Placement and Equity Raising with potential adverse impact on earnings per share;
- Concerns relating to the control of Navigator following GP Strategic Capital Party's increased ownership in Navigator; and
- General, transaction specific and commercial risks which relate to the Proposed Transaction and the holding of Shares, including that the expected benefits of the Proposed Transaction fail to eventuate.

Further details of the key potential disadvantages and risks relating to the Proposed Transaction are set out in section 3.8 of this Explanatory Memorandum.

[1] Refer to section 4.3 for an explanation of FY23 Total Revenue and Adjusted EBITDA and pro forma Total Revenue and Adjusted EBITDA.

1 Key Dates

Event	Scheduled Time and Date
Date of this Explanatory Memorandum	25 September 2023
Last time and date by which Proxy Forms and powers of attorney can be lodged for voting at the Annual General Meeting	12.00 noon on 25 October 2023
Time and date for determining eligibility to vote at the Annual General Meeting	7:00 pm on 25 October 2023
Annual General Meeting – meeting to vote on the Resolutions	12.00 noon on 27 October 2023
Completion of the Proposed Transaction (subject to satisfaction or waiver of the Conditions)	Late 2023

Dates are subject to change. The Company reserves the right to vary any or all of the times and dates as set out above and any variation will be announced and published on its website at www.navigatorglobal.com.au.

All references in this document to time relate to the time in Sydney, Australia.

2 Frequently Asked Questions

About the Proposed Transaction

2.1	**What is the Proposed Transaction?**	In 2021, Navigator acquired from three GP Strategic Capital Parties (referred to in this document as the **GP Strategic Capital Sellers**) minority interests in six leading alternative asset managers (the **NGI Strategic Portfolio**). Under that transaction Navigator was scheduled to pay the Redemption Payment to redeem GP Strategic Capital Sellers' remaining interests in the NGI Strategic Portfolio in April 2026. On completion of the Proposed Transaction, Navigator will directly or indirectly redeem GP Strategic Capital Sellers' remaining interests in the NGI Strategic Portfolio, resulting in the cancellation of the Redemption Payment and acquisition by Navigator of Profit Distributions in the NGI Strategic Portfolio currently retained by the GP Strategic Capital Sellers. In exchange, Navigator will pay GP Strategic Capital Sellers consideration of US$200 million in aggregate nominal value by paying cash to the GP Strategic Capital Sellers and issuing Shares, and potentially 2023 Convertible Notes, to the fourth GP Strategic Capital Party, Dyal Trust, through the Placement and Equity Raising. Refer to section 3 for further details on the Proposed Transaction.
2.2	**What is Navigator's strategic rationale for the Proposed Transaction?**	Navigator's strategic rationale for the Proposed Transaction involves: ▪ Providing Navigator with a positive step change in distribution income, earnings and cash flows; ▪ Accelerating full settlement of the Redemption Payment, removing uncertainty in relation to the funding of that payment; ▪ Acquiring the Profit Distributions, providing Navigator access to the full distribution income from the NGI Strategic Portfolio from 1 July 2023; ▪ Strengthening its balance sheet and cash flows to enhance its capacity to fund remaining deferred consideration obligations and execute growth initiatives; ▪ Deepening Navigator's strategic partnership with GP Strategic Capital, enhancing the platform for further growth and opportunity to create value for all Shareholders; and ▪ Accelerating Navigator’s delivery on its strategic objective of increasing scale and diversification, quality of earnings and growth. The extent to which the Proposed Transaction will strengthen Navigator's balance sheet will depend on the amount of funds raised in the Rights Issue and/or extent to which Navigator elects to pay any shortfall in Consideration from cash on its balance sheet and/or third-party debt. Refer to the Transaction Highlights section above for further details on the benefits and disadvantages of the Proposed Transaction.
2.3	**What is the Consideration?**	Navigator will pay the consideration of US$200 million in aggregate nominal value to GP Strategic Capital Sellers, which will be satisfied by: ▪ issuing Shares to Dyal Trust under the Placement and Equity Raising; ▪ paying to the GP Strategic Capital Sellers cash proceeds received by Navigator under the Equity Raising; and ▪ paying cash to the GP Strategic Capital Sellers, any shortfall in the Consideration funded by cash held by Navigator and/or third party debt (such debt not exceeding US$40 million). Dyal Trust currently holds 19.91% of the Shares. To the extent Dyal Trust’s or its Associates Relevant Interest in Shares on completion of the Placement and Equity Raising would exceed 46.5%, Navigator will issue to Dyal Trust (in lieu of additional Shares) such number of 2023 Convertible Notes which, upon conversion, would result in the issue of the number of additional Shares that Dyal Trust would have otherwise been issued. Any

		2023 Convertible Notes will be on the same terms as the 2021 Convertible Notes other than in respect of the conversion price. Refer to section 3.2 and section Schedule 1:2 of Schedule 1: for further details on the amended terms of the 2021 Convertible Note Deed Poll.
2.4	**What will the Placement and Equity Raising involve?**	The Placement will involve a US$120 million placement to Dyal Trust through an issue of 129,712,902 Shares at A$1.40 per Share. The Equity Raising will involve two components to raise up to US$80 million, comprising: ▪ Rights Issue: a non-underwritten, non-renounceable pro rata offer by Navigator to Eligible Shareholders (including Dyal Trust); and ▪ Noteholder Offer: a placement of new Shares to Dyal Trust as holder of the 2021 Convertible Notes to complete at the same time as the Rights Issue. The offer price for the Equity Raising is expected to be A$1.00 per new Share, however GP Strategic Capital Parties and Navigator have agreed to consult and discuss fixing a higher or lower offer price should the price of Shares move materially between 15 June 2023 and the date of the Equity Raising.[2] Refer to section 3.2 for further details on the Placement and Equity Raising
2.5	**What is the NGI Strategic Portfolio?**	The NGI Strategic Portfolio consists of six minority equity investments in the management companies and general partners of alternative asset managers. Refer to section 4.2 for further details on each equity investment.
2.6	**Who are the key GP Strategic Capital entities for the purposes of the Proposed Transaction?**	**GP Strategic Capital** (formerly Dyal Capital) is a platform of Blue Owl Capital Inc. ("**Blue Owl**"), a NYSE listed company with $150 billion in assets under management. GP Strategic Capital currently sponsors six flagship, commingled investment funds, the primary objectives of which are to make equity and debt investments in alternative investment fund managers and certain of their investment vehicles. On May 19, 2021, GP Strategic Capital, which was a business unit of Neuberger Berman Group LLC, combined with Owl Rock Capital Partners and certain of its affiliates and Altimar Acquisition Corporation, a publicly-traded special purpose acquisition company sponsored by an entity affiliated with HPS Investment Partners, LLC., to form Blue Owl. Blue Owl is now publicly-traded and listed on the New York Stock Exchange under the ticker "OWL". **GP Strategic Capital Parties** comprise the GP Strategic Capital Sellers and Dyal Trust. **GP Strategic Capital Sellers** comprise the: ▪ Blue Owl GP Stakes I (A) LP (formerly known as Dyal Capital Partners I (A) LP); ▪ Blue Owl GP Stakes I (B) LP (formerly known as Dyal Capital Partners I (B) LP), and ▪ Dyal Associates LP, and hold the Class II Units in NGI Strategic Holdings A and NGI Strategic Holdings B, which hold the NGI Strategic Portfolio. **Dyal Trust** (through a trustee and custodian) holds 19.91% of the Shares and the 2021 Convertible Notes which currently gives it a fully-diluted interest in Navigator of approximately 35.8% at the date of this Explanatory Memorandum. The trustee of Dyal Trust has appointed Blue Owl GPSC Advisors LLC, an entity affiliated with the GP Strategic Capital Investor Group, as manager for all matters with respect to Dyal Trust's holding of

[2] If the parties agree a higher offer price, fewer new Shares may be issued to securityholders under the Equity Raising, reducing dilution of non-participating Shareholders. If the parties agree a lower offer price, more new Shares may be issued to securityholders, increasing dilution of non-participating Shareholders. Navigator currently considers that a reduction of 15% in the USD equivalent of the NGI share price from A$1.00 would be material. In this case it may for example seek to negotiate a reduction in the offer price with GP Strategic Capital to maintain the attractiveness of the Equity Raising in the interests of the Company. There is no guarantee that GP Strategic Capital will agree to such change. Navigator does not intend to negotiate a change to the offer price if its USD equivalent Share price is higher than A$1.00.

		Shares and Convertible Notes, including voting and divestment. Blue Owl GPSC Advisors LLC and GP Strategic Capital Investor Group are both under the common control of Blue Owl Capital Inc (refer to structure diagram in section 5.1a)). The beneficiaries of Dyal Trust are Blue Owl GP Stakes I (C)-I LP and Blue Owl GP Stakes I (C)-II LP, each of which are managed by Blue Owl GP Stakes I GP LLC (who is also the general partner of these funds). Each of these entities are part of GP Strategic Capital. Dyal Trust, together with the GP Strategic Capital Sellers, are the GP Strategic Capital Parties. Refer to section 5 for further details about GP Strategic Capital and the GP Strategic Capital Parties.
2.7	**What percentage of Navigator is Dyal Trust expected to control and vote?**	As noted above, at the date of this Explanatory Memorandum, Dyal Trust currently holds, and therefore has a Relevant Interest in, 19.91% of Shares. On Completion, Dyal Trust is expected to have a Relevant Interest of up to 46.5% of Navigator and a maximum economic interest of up to approximately 60.2% in Navigator[3], calculated on a fully diluted basis.[4] Dyal Trust's Relevant Interest and economic interest in Navigator on Completion will depend on the level of Shareholder participation in the Rights Issue. Refer to section 4.4 for further information on Navigator's expected capital structure on Completion on the basis of the three example levels of participation in the Rights Issue. Following Completion, Dyal Trust will undertake to Navigator that it and its Affiliates will not vote some or all of its Shares, and will procure that some or all of its Shares are not voted on any resolution of Shareholders where its Shares exceed 49.9% of the total Share votes cast on a particular resolution of Shareholders. Dyal Trust has agreed that Navigator will not have any liability to it or its Affiliates in connection with the Voting Undertaking, including its monitoring and enforcement, or the Voting Assistance, provided that Navigator uses reasonable endeavours to provide to it proxy information available to Navigator 24 hours before a meeting of Shareholders in an aggregated form setting out the total number of proxies cast for, against and open. Notwithstanding the above, Navigator may not be able to determine whether Dyal Trust has complied with its undertaking until after the outcome of a Shareholder resolution has been determined or otherwise be able to enforce the undertaking on a particular Shareholder resolution. It may also elect to waive non-compliance with the undertaking in a particular case. Shareholders should take this into account when exercising their vote. Refer to Section 3 of Schedule 1: for more information about Dyal Trust's Voting Undertaking.
2.8	**What are Dyal Trust's future intentions for Navigator if Shareholders approve the Proposed Transaction?**	Dyal Trust has advised Navigator that, should the Proposed Transaction be approved by Shareholders, it: ▪ has no current intention to make any significant changes to the existing business of Navigator; ▪ has no current intention to inject further capital into Navigator; ▪ has no current intention to make changes to the future employment of current employees of Navigator; ▪ does not currently intend for any assets to be transferred between Navigator and itself or any person associated with it; ▪ has no current intention to otherwise redeploy the fixed assets of Navigator; and ▪ has no current intention to significantly change the financial or dividend distribution policies of Navigator. Dyal Trust has also advised Navigator that it will continue to work with Navigator to assist it to employ a mix and level of employees that Navigator

[3] A Relevant Interest is concerned with a person's capacity to exercise influence over securities. An economic interest in securities refers to the financial interest or benefits derived from the ownership of securities on a fully diluted basis. A person may have an economic interest in securities without having a Relevant interest.

[4] Theoretical maximum economic ownership outcome assumes Dyal Trust and the Directors are the only parties to participate in the Rights Issue as further described in section 4.40.

		considers appropriate to enhance its business and pursue new growth opportunities. Refer to Section 5.2 for further information about Dyal Trust's future intentions for Navigator.
2.9	**What will be the impact of the Proposed Transaction on Lighthouse?**	The Proposed Transaction is not expected to have an impact on Lighthouse. The NGI Strategic Portfolio will continue to be housed by Navigator separately to its Lighthouse business, and as such will be independent of that operating business.
2.10	**What will be the impact of the Proposed Transaction on the NGI Strategic Portfolio?**	The Proposed Transaction will have no practical impact on any of the managers' existing ownership structures or operations of the NGI Strategic Portfolio.
2.11	**What are examples of the key risks to Shareholders associated with the Proposed Transaction?**	Navigator anticipates a range of risks associated with the implementation of the Proposed Transaction and the ongoing ownership of Shares, including risks relating to: ▪ general economic or capital markets downturns; ▪ general commercial risks relating to the operation of Navigator's businesses; and ▪ Navigator's interests in the NGI Strategic Portfolio after implementation of the Proposed Transaction. Refer to Section 6 for further details of the anticipated risks associated with the Proposed Transaction.
2.12	**Who will be on the Board of Navigator on Completion of the Proposed Transaction?**	With the announced pending resignation of Ms Cathy Hales, the Board of Navigator intends to appoint a new independent non-executive director. Dyal Trust has advised that it intends to exercise its right to nominate a director to the Board following Completion of the Proposed Transaction. Dyal Trust has committed to preserve an independent Chairperson and independent Board majority. Refer to section 5.2 for further details on Dyal Trust's proposed nominee following Completion of the Proposed Transaction.
2.13	**What dividends will Navigator pay after Completion of the Proposed Transaction?**	Navigator does not currently expect to change its existing dividend policy of US$0.03-US$0.04 per Share per financial year after Completion of the Proposed Transaction.
2.14	**When is Completion of the Proposed Transaction expected to occur?**	The Proposed Transaction is targeted to complete in late calendar year 2023. Completion of the Proposed Transaction is conditional upon the satisfaction of the Conditions, including regulatory approvals, and is expected to complete contemporaneously with completion of the Placement and Equity Raising. The Company reserves the right to vary any of the times and dates as set out in this Notice of Meeting and Explanatory Memorandum and any variation will be announced and published on its website at www.navigatorglobal.com.au. Refer to section 3.2 for further details on the Proposed Transaction.

Approval of the Proposed Transaction

2.15	**What are Shareholders being asked to consider and approve?**	Shareholders will be asked to approve the Transaction Resolutions which are: ▪ a resolution approving, for the purposes of section 611 item 7 of the Corporations Act, Dyal Trust and its Associates acquiring a Relevant Interest, and obtaining voting power, in Navigator of up to 46.5% as a result of the Proposed Transaction; ▪ a resolution approving, for the purposes of Listing Rule 7.1, the issuance of Shares and 2023 Convertible Notes, to Dyal Trust under the Proposed Transaction; and ▪ a resolution approving, for the purposes of Listing Rule 10.1, for Navigator to acquire the Class II Units held by the GP Strategic Capital Sellers under the Proposed Transaction. (together, the **Transaction Resolutions**). Refer to FAQ 2.16 below for the reasons Shareholders have been requested to approve the Transaction Resolutions.
2.16	**Why are these approvals required?**	**Section 611 Item 7** The Corporations Act prohibits persons from acquiring a Relevant Interest in securities that exceed 20% of a listed company. As a result, to facilitate the Proposed Transaction, Shareholder approval is required under section 611, item 7 of the Corporations Act to permit Dyal Trust's and its Associates' Relevant Interest in Shares to increase from 19.91% to up to 46.5% of Navigator. **ASX Listing Rule 7.1** Under Listing Rule 7.1, a listed company requires shareholder approval to, in summary, issue or agree to issue securities which represent more than 15% of its share capital in any 12-month period unless an exception applies. While an exception applies to Shares proposed to be issued pursuant to offers under the Rights Issue, no exception applies to the other offers of Shares and 2023 Convertible Notes to Dyal Trust under the Proposed Transaction. Accordingly Navigator is seeking Shareholder approval to the issue of those securities. **ASX Listing Rule 10.1** Under Listing Rule 10.1, Navigator requires Shareholder approval to acquire indirectly a substantial asset (through the redemption of the Class II Units) from the GP Strategic Capital Sellers, which are considered to be Associates of Dyal Trust, being a holder of more than 10% of Shares. Refer to section 3.1 for further details on the background of the Proposed Transaction.
2.17	**What is the Board's recommendation in respect of the Resolutions?**	The Directors unanimously recommend that Shareholders vote in favour of the Transaction Resolutions in the absence of a Superior Proposal and subject to the Independent Expert's Report continuing to conclude that the Proposed Transaction is Reasonable to Shareholders. Refer to section 3.4 for further details on the Board's recommendation.
2.18	**What is the Independent Expert's conclusion?**	The Independent Expert has concluded that the Proposed Transaction is not fair but reasonable. Refer to section 3.6 for further details on the Independent Expert's conclusion.

2.19	**Why is the Board recommending the Proposed Transaction if the Independent Expert has concluded the Proposed Transaction is not fair but reasonable to Shareholders?**	Whilst the Independent Expert has not reached a "fair" opinion pursuant to the requirements of RG111, the Independent Expert has concluded that the Proposed Transaction is **reasonable for Shareholders** since the advantages of the Proposed Transaction significantly outweigh the disadvantages. The advantages of the Proposed Transaction noted by the Independent Expert include that (i) the price at which shares are being issued to Dyal Trust, of A$1.40 per share, represents a significant premium to both the assessed portfolio value of Shares and the VWAP in the one and three months prior to announcement, (ii) the proposed Equity Raising is expected to provide Shareholders with the opportunity to acquire additional Shares at a substantial discount to both the price being paid by Dyal Trust and the VWAP from announcement to 31 August 2023, and (iii) the listed market price of Shares has increased materially following the announcement of the Proposed Transaction. One of the key disadvantages noted by the Independent Expert is that Dyal Trust will increase its voting interest in Navigator from 19.9% to between 44.8% to 46.5% and its economic interest from 35.8% to between 50.8% to 60.2%, resulting ineffective voting control of Navigator should it wish to exercise its voting power. The Board recommends the Proposed Transaction as, taking into account the matters as outlined by the Independent Expert, it considers there are compelling benefits to Shareholders arising from the Proposed Transaction. Refer to the Independent Expert's Report in Schedule 2: and section 3.4 and 3.6 for further details.
2.20	**Why you may choose to vote in favour of the Transaction Resolutions?**	The Board believes that the Proposed Transaction is in the best interests of Shareholders, and recommends that Shareholders vote in favour of the Transaction Resolutions as it: ▪ Delivers a positive step change in distribution income , earnings and cash flows , giving Navigator access to the full distribution income from NGI Strategic Portfolio from 1 July 2023; ▪ Strengthens the balance sheet to fund remaining deferred consideration obligations and execute growth initiatives; ▪ Deepens Navigator's strategic partnership with GP Strategic Capital, enhancing the platform for further growth and opportunity to create value for all Shareholders; and ▪ Has the potential to broaden investor interest in Navigator. Refer to section 3.7 for further information as to why you may choose to vote in favour the Resolutions.
2.21	**Why you may choose to vote against the Transaction Resolutions?**	The following factors may lead Shareholders to vote against the Transactic Resolutions: ▪ Shareholders may wish to maintain Navigator's current investment profile; ▪ Shareholders may consider some or all of the terms or structure of the Proposed Transaction to be unacceptable, including the dilution of existing Shareholders from the Placement and Equity Raising with potential to adversely impact Navigator's earnings per Share, and concerns relating to control of Navigator following Dyal Trust's increased ownership in Navigator; or ▪ There are a number of general, transaction-specific and commercial risks which relate to the Proposed Transaction and the holding of Shares, including that the expected benefits of the Proposed Transaction fail to eventuate. Further details of these risks are set out in section 6. Refer to section 3.8 for further information as to why you may choose to vote against the Transaction Resolutions.
2.22	**What happens if Shareholders do not approve the Transaction Resolutions?**	If Shareholders do not approve the Transaction Resolutions, the Proposed Transaction will not proceed. Navigator will also continue to have the obligation to make the Redemption Payment and the GP Strategic Capital Sellers will continue to be entitled to the Profit Distributions.

2.23	**What happens if a Director withdraws or adversely modifies their Recommendation, Voting Intention or Participation Intention or a Competing Proposal is announced before the AGM?**	A break fee of US$2 million is payable by Navigator to the GP Strategic Capital Sellers if: ▪ a Competing Proposal is announced before the earlier of the Shareholder Meeting or the termination of the Implementation Agreement, and within 12 months of such announcement or termination, Navigator enters into a definitive agreement in respect of that Competing Proposal which subsequently closes at any time; ▪ GP Strategic Capital Parties terminate the Implementation Agreement before 10.00pm on the day before the Launch Date by providing written notice to Navigator as a result of: • Sean McGould, CEO, ceasing to devote substantially all of his business time and attention to the affairs of Navigator or otherwise ceases to maintain an active management role consistent with his management role as at 1 August 2023 in respect of Navigator (except where due to death or permanent disability); or • Navigator materially breaching the Implementation Agreement (which is material when taken in the context of the Proposed Transaction as a whole); or ▪ the Implementation Agreement is terminated as a result of any of the Directors withdrawing or adversely modifying their Recommendation, Voting Intention or Participation Intention before 10.00pm on the day before the Launch Date by providing written notice (unless the Independent Expert does not conclude or ceases to conclude or adversely changes its previously given opinion such that the Proposed Transaction is Reasonable to Shareholders, where the dominant reason for the conclusion or change in conclusion does not include the existence of a Competing Proposal). Refer to section Schedule 1:1.6 of Schedule 1: for further details on Break Fee triggers.
Participating in and voting at the AGM		
2.24	**When and where will the AGM to approve the Resolutions be held?**	Shareholders will be able to vote on the Resolutions at the AGM on 27 October 2023 either in person at AICD, Clarence Room, 18 Jamison Street, Sydney, Sydney; and online at or by attending the AGM virtually by accessing this link https://meetings.linkgroup.com/NGIAGM23 from 11:30am. Refer to the "How to participate in the hybrid AGM" section above in the Notice of Meeting for further details of the AGM.
2.25	**Who is entitled to vote at the Annual General Meeting?**	Shareholders who are registered on Navigator's Register of Shareholders as at 7.00pm (Sydney time) on 25 October 2023 may vote at the Navigator AGM (subject to applicable voting exclusions). Refer to the "Voting" section above in the Notice of Meeting for further details on how to vote at the AGM.
2.26	**Is voting compulsory?**	No, voting is not compulsory. However, each Shareholder’s vote is important and all Shareholders are encouraged to vote. Shareholders who cannot attend the AGM in person or virtually are encouraged to either vote online using the direct voting or proxy voting options, or by completing the enclosed Voting Form and returning it so that it is received no later than the time indicated on the Voting Form.

3 Overview of the Proposed Transaction

3.1 Background

In 2021, Navigator acquired a portfolio of minority ownership interests in leading established alternative asset managers from GP Strategic Capital Sellers in a transaction structured so that Navigator would acquire the NGI Strategic Portfolio in two parts:

- First, at closing of the 2021 Transaction, Navigator received minority ownership interests in the NGI Strategic Portfolio with an entitlement to a proportion of its profit distributions until FY 2025, with GP Strategic Capital Sellers retaining Class II Units in the limited partnerships entitling it to the remaining Profit Distributions over this period.
- Second, following 2025, Navigator was to redeem the Class II Units held by the GP Strategic Capital Sellers for a single cash Redemption Payment, to be calculated on the basis of an agreed formula linked to the financial performance of the portfolio over the period from CY 2021 to 2025. The Redemption Payment was to be a maximum of US$200 million, and to be paid in April 2026.

Navigator has been exploring options to bring forward the Redemption Payment to better position the company for further growth. Since 2021, the NGI Strategic Portfolio has performed strongly and above Navigator's expectations (delivering US$71m in profit distributions in FY22 and US$62m in FY23 as compared to an average of US$36m prior to the closing of the 2021 Transaction). This outperformance has provided Navigator with a high quality and diversified earnings stream with potential for growth.

On 15 June 2023, Navigator announced that it had agreed terms with GP Strategic Capital Sellers to accelerate the Redemption Payment and acquire the remaining Profit Distributions from the NGI Strategic Portfolio from 1 July 2023. The definitive documents for the Proposed Transaction were entered into on 1 August 2023.

The NGI Strategic Portfolio consists of minority ownership interests in Bardin Hill Investment Partners, Capstone Investment Advisors, CFM, MKP Capital Management, Pinnacle Asset Management and Waterfall Asset Management. Those firms are a well-diversified group of established firms with strong leadership and long track records of delivering results to their clients through multiple market cycles. As at 30 June 2023, they collectively manage approximately $48.6 billion of AUM across 32 diversified investment strategies.

The purpose of the Transaction Resolutions is to seek the approval of Shareholders:

- pursuant to section 611, item 7 of the Corporations Act, to permit Dyal Trust and its Associates to acquire a Relevant Interest, and voting power, in up to 46.5% of Shares;
- pursuant to Listing Rule 7.1 for the issue of Shares and 2023 Convertible Notes, to Dyal Trust under the Proposed Transaction; and
- pursuant to Listing Rule 10.1, for Navigator to acquire the Class II Units held by the GP Strategic Capital Sellers.

In order to proceed with the Proposed Transaction, Shareholders must approve the Transaction Resolutions.

Information about the NGI Strategic Portfolio is contained in section 4.2.

3.2 The Proposed Transaction

The Proposed Transaction involves Navigator directly or indirectly redeeming each GP Strategic Capital Sellers' applicable Class II Units for consideration of US$200 million (to be settled through a combination of cash and the issuance of Shares and Convertible Notes (if required)), resulting in the cancellation of the Redemption Payment and acquisition of the Profit Distributions.

Refer to section 1 of Schedule 1: for a summary of the material terms of the Implementation Agreement.

The Proposed Transaction is subject to the satisfaction or waiver of the Conditions, including approval of the Transaction Resolutions by Shareholders.

The Consideration payable to GP Strategic Capital Sellers on Completion of the Proposed Transaction will be satisfied by:

- issuing the Placement Shares to Dyal Trust;
- under the Equity Raising:
  - issuing Shares to Dyal Trust under the Rights Issue and the Noteholder Offer; and
  - paying to GP Strategic Capital Sellers the cash proceeds received by Navigator from Shareholders under the Equity Raising; and
- paying in cash any shortfall in the Consideration, funded by cash held by Navigator and/or third party debt (such debt not exceeding US$40 million).

As mentioned above, to fund a component of the Consideration, Navigator will undertake an Equity Raising of up to US$80 million, comprised of:

- a non-underwritten, non-renounceable rights issue to Eligible Shareholders (**Rights Issue**); and
- a placement of Shares to Dyal Trust as holder of the 2021 Convertible Notes (**Noteholder Offer**).

The offer price under the Rights Issue and Noteholder Offer is expected to be $1.00 per Share, however GP Strategic Capital Parties and Navigator have agreed to consult and discuss fixing a higher or lower offer price should the price of Shares move materially between 15 June 2023 and the date of the Equity Raising.[5]

The Rights Issue will include an offer of shortfall Shares under the Rights Issue to Eligible Shareholders who took up their entitlements in the Rights Issue in full based on their percentage holding of Shares at the record date for the Rights Issue. This is referred to as the Proportionate Top Up. Final terms of the Proportionate Top Up will be determined by Navigator prior to launch of the Rights Issue and included in documents to be provided to Eligible Shareholders as part of the Rights Issue.

Dyal Trust has committed to exercise its entitlements in full and take up Shares under the Equity Raising (representing approximately a 35.8% interest in Navigator on a fully diluted basis). Each Director has committed to take-up their entitlements under the Rights Issue in full, subject to the Independent Expert's Report continuing to conclude that the Proposed Transaction is Reasonable to Shareholders.

To the extent Dyal Trust's or its Associates' Relevant Interest in Shares on completion of the Placement and Equity Raising would exceed 46.5%, Navigator will issue to Dyal Trust (in lieu of additional Shares) such number of 2023 Convertible Notes which, upon conversion, would result in the issue of the number of additional Shares that Dyal Trust would have otherwise been issued. The terms of any 2023 Convertible Notes are described in this section below.

The Rights Issue, Noteholder Offer and Placement are expected to be launched following satisfaction or waiver of the Conditions and complete contemporaneously on Completion of the Proposed Transaction.

Navigator and the applicable GP Strategic Capital Parties also propose to amend certain ancillary agreements, including the Shareholders Agreement and the 2021 Convertible Note Deed Poll, and enter into additional ancillary agreements including a 2023 Convertible Note Deed Poll and an Escrow Deed, in connection with the Proposed Transaction. The key ancillary documents and their changes are summarised below.

Escrow Deed

From Completion, Dyal Trust (specifically, the trustee of the trust and the custodian of the Shares and Convertible Notes held on behalf of Dyal Trust) have agreed to voluntarily escrow Shares and Convertible Notes held by Dyal Trust. Escrowed securities will be released from escrow in two tranches:

- 40,524,306 Shares (representing between approximately 8.2% and 10.7% of Shares on Completion[6]), will be released from escrow 180 days following completion of the Proposed Transaction; and
- all remaining escrowed Shares and Convertible Notes, will be released upon the announcement of Navigator's financial results for the financial year ending 30 June 2026.

The escrow arrangements restrict Dyal Trust from dealing in its Shares and Convertible Notes in accordance with the terms of the Escrow Deed, but does not restrict other entities within Blue Owl or GP Strategic Capital from dealing in their indirect interests, for example by transferring ownership or control of Dyal Trust's upstream holding vehicles to external parties. These escrow arrangements replace the previous arrangement in the Shareholders Agreement.

As a result of the Escrow, Navigator will acquire a Relevant Interest of up to 46.5% in its own Shares, in excess of the 20% threshold permitted by the Corporations Act. ASIC has indicated that it intends to grant relief to Navigator Group such that it will not hold a Relevant Interest in its own Shares as a consequence of the Escrow.

A summary of other material terms of the Escrow Deed (including a summary of circumstances when the escrow may be released prior to the dates referred to above) is set out in section 4 of Schedule 1: of this Explanatory Memorandum.

2021 Convertible Notes

The terms of the 2021 Convertible Notes, which are currently held by Dyal Trust, will be amended from Completion of the Proposed Transaction so that:

- cash redemption on maturity will be removed;
- automatic extension of the Maturity Date by 3 years if regulatory approvals are required to effect conversion and have not been obtained; and
- where GP Strategic Capital Parties or their Affiliates are a Convertible Noteholder, the Convertible Notes cannot convert into Shares if it will result in Dyal Trust or its affiliates having a Relevant Interest in Navigator of more than 46.5%.

The full terms of the 2021 Convertible Notes were announced by Navigator to the ASX on 14 October 2020. Further details about the 2021 Convertible Notes are summarised at section 2 of Schedule 1:.

2023 Convertible Notes

Any 2023 Convertible Notes will be issued on Completion to Dyal Trust on the same terms as the 2021 Convertible Notes (the amended terms of the 2021

[5] If the parties agree a higher offer price, fewer new Shares may be issued to securityholders under the Equity Raising, reducing dilution of non-participating Shareholders. If the parties agree a lower offer price, more new Shares may be issued to securityholders, increasing dilution of non-participating Shareholders. Navigator currently considers that a reduction of 15% in the USD equivalent of the NGI share price from A$1.00 would be material. In this case it may for example seek to negotiate a reduction in the offer price with GP Strategic Capital to maintain the attractiveness of the Equity Raising in the interests of the Company. There is no guarantee that GP Strategic Capital will agree to such change. Navigator does not intend to negotiate a change to the offer price if its USD equivalent Share price is higher than A$1.00.

[6] The percentage ownership will depend on the level of Shareholder participation in the Rights Issue. Refer to section 0 for further details.

Convertible Note Deed Poll are referred to immediately above), other than the conversion price which will reflect an equivalent price to the Shares that would have been issued pursuant to the Equity Raising or the Placement (as applicable).

Further details about the 2023 Convertible Notes are summarised at section 2 of Schedule 1:.

Shareholders Agreement

The relationship between Navigator and Dyal Trust is currently governed by a Shareholders Agreement. That Shareholders Agreement will remain in place, but on Completion, Navigator and Dyal Trust will amend the Shareholders Agreement as follows:

- Dyal Trust will have the right to nominate a representative as an observer to the Board, in addition to its existing right to nominate a director to the Board, in each case, so long as Dyal Trust ownership of Navigator remains at least 5% on a fully diluted basis (previously 10%);
- Dyal Trust commits to maintaining majority independent directors for the Board and an independent Chairperson (but is no longer required to vote their Shares in favour of the election of any proposed director supported by the Board).
- Dyal Trust undertakes not to vote some or all of its Shares where they exceed 49.9% of the total votes cast on a resolution of Shareholders (**Voting Undertaking**). Navigator will use reasonable endeavours to provide proxy information to Dyal Trust available to it 24 hours before a Shareholder meeting setting out the total number of proxies cast (for, against and open) (**Voting Assistance**). So long as Navigator provides such reasonable endeavours, Navigator shall not have any liability to Dyal Trust or its Affiliates arising out of or in connection with the Voting Undertaking, including its monitoring and enforcement, or the Voting Assistance.

Further details about the Shareholders Agreement are summarised at section 3 of Schedule 1:.

3.3 Reasons for the Proposed Transaction

The Proposed Transaction is a compelling strategic initiative that delivers a positive step change in distribution income retained by Navigator, earnings and cash flows for Navigator through the acceleration of the full settlement of the Redemption Payment and the acquisition of Profit Distributions.

Navigator's strategic rationale for the Proposed Transaction involves:

- Accelerating full settlement of the Redemption Payment, removing uncertainty in relation to the funding of that payment;
- Acquisition of the Profit Distributions, providing Navigator with access to the full distribution income from the NGI Strategic Portfolio from 1 July 2023;
- Strengthening its balance sheet and cash flows to enhance its capacity to fund remaining deferred consideration obligations and execute growth initiatives;
- Deepening Navigator's strategic partnership with GP Strategic Capital, enhancing the platform for further growth and opportunity to create value for all Shareholders; and
- Accelerating Navigator's delivery on its strategic objective of increasing scale and diversification, quality of earnings and growth.

3.4 Reasons against the Proposed Transaction

Some of the key potential reasons against the Proposed Transaction include:

- a change in Navigator's current investment profile which a Shareholder may not support;
- dilution to existing Shareholders as a result of the Placement and Equity Raising with potential adverse impact on earnings per share;
- concerns relating to the control of Navigator following GP Strategic Capital Party's increased ownership in Navigator; and
- general, transaction specific and commercial risks which relate to the Proposed Transaction and the holding of Shares, including that the expected benefits of the Proposed Transaction fail to eventuate.

3.5 Board Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Transaction Resolutions in the absence of a Superior Proposal and subject to the Independent Expert's Report continuing to conclude that the Proposed Transaction is Reasonable to Shareholders.

Subject to those same qualifications, each Director intends to and will vote or procure the voting of any Shares held by or on their behalf in favour of the Transaction Resolutions.

3.6 Independent Expert's Conclusion

The Board engaged Lonergan Edwards & Associates as Independent Expert to assess the merits of the Proposed Transaction. The Independent Expert has concluded that the Proposed Transaction is not fair but reasonable to Shareholders.

The Independent Expert has been required to assess the merits of the Proposed Transaction in accordance with ASIC Regulatory Guide 111. This requires that fairness be assessed by comparing the controlling interest value of Shares prior to implementation of the Proposed Transaction with the portfolio interest value of Shares following implementation of the Proposed Transaction.

The Independent Expert has concluded that the Proposed Transaction is not fair but reasonable for Shareholders since the advantages of the Proposed Transaction significantly outweigh the disadvantages.

A complete copy of the Independent Expert Report is contained in Schedule 2: of this Explanatory Memorandum.

3.7 Reasons for the Board Recommendation and why you should vote in favour of the Transaction Resolutions

The Board believes that the Proposed Transaction is in the best interests of Shareholders, and recommends that Shareholders vote in favour of the Transaction Resolutions, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is Reasonable to Shareholders. If the Transaction Resolutions are not passed, then Shareholders will not get the benefits of the Proposed Transaction.

The rationale for the Board's recommendation is as follows:

a) Increases distribution income, earnings and cash flows

The Proposed Transaction will deliver a material increase in distribution income, adjusted EBITDA and cash flows for Navigator. Navigator will have access to full distribution income from the NGI Strategic Portfolio from 1 July 2023 (FY23 Total Revenue and Adjusted EBITDA increases approximately US$35m on a pro forma basis)[7]. The NGI Strategic Portfolio has a track record of generating strong returns and cash distributions to date.

b) Strengthened balance sheet

The Proposed Transaction strengthens Navigator's balance sheet through the full extinguishment of the Redemption Payment liability and acquisition of the Profit Distributions. Navigator is expected to have a net debt to EBITDA ratio of 1.0x at Completion of the Proposed Transaction[8], enhancing its capacity to fund remaining deferred consideration obligations and execute growth initiatives.

The extent to which the Proposed Transaction will strengthen Navigator's balance sheet will depend on the amount of funds raised in the Rights Issue and/or extent to which Navigator elects to pay any remaining Consideration in cash from cash on its balance sheet and/or third-party debt.

c) Potential to broaden investor interest

The Proposed Transaction also provides a platform to improve liquidity in Shares through its potential to broaden Navigator's appeal to different types of new Shareholders and increase Share trading volumes over time.

d) Deepens strategic partnership with GP Strategic Capital

GP Strategic Capital is a leading provider of capital to alternative asset management companies globally. Navigator believes that the Proposed Transaction illustrates GP Strategic Capital's conviction in Navigator.

GP Strategic Capital's expanded equity holding in Navigator increases its alignment with Navigator and opportunities for future collaboration. This relationship can assist Navigator secure new business opportunities, enhancing a platform for further growth both organic and inorganic and opportunity to create value for all Shareholders. Existing value add services arrangements with GP Strategic Capital will remain in place.

3.8 Why you may choose to vote against the Transaction Resolutions

The following are factors which may lead Shareholders to vote against the Transaction Resolutions:

a) Maintain investment profile

Shareholders may wish to maintain Navigator in its current form and with its current business and asset exposure mix. Navigator's operational profile, capital structure, size and geography if the Proposed Transaction is implemented will be different to that of Navigator in its current form.

b) Disapproval of the Terms or structure of the Proposed Transaction

Shareholders may consider some or all of the terms or structure of the Proposed Transaction to be unacceptable. One such concern could be the dilution of existing Shareholders from the Placement and Equity Raising with potential to adversely impact Navigator's earnings per share.

Shareholders may also have concerns about the potential impact of the Proposed Transaction on the ownership (on an undiluted and fully diluted basis) of Navigator by Dyal Trust and the potential consequences of this on the control of Navigator, including Dyal Trust's capacity to determine the outcome of decisions about Navigators financial and operating policies in the future. Dyal Trust's expected potential ownership interests in Navigator on Completion are described in section 0. Refer also to the disadvantages noted by the Independent Expert in the Independent Expert's Report contained in Schedule 2: including the potential impacts of the Proposed Transaction on the control of Navigator.

c) Risk factors

There are a number of risk factors which relate to the Completion of the Proposed Transaction and the holding of Shares. Details of these risks are set out in section 6 of this document. Shareholders should read that section in full.

The Board has taken into account the terms of the Proposed Transaction and their anticipated impact on the above factors in considering their recommendation to Shareholders.

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[7] Refer to section 4.3 for an explanation of FY23 Total Revenue, Adjusted EBITDA, pro forma Total Revenue and Adjusted EBITDA.

[8] Assuming 100% participation in the Rights Issue - refer to section 4.3 for further information.

4 Effect of the Proposed Transaction

This section 4 describes the anticipated effect of the Proposed Transaction on Navigator, by providing a profile of Navigator on a pro forma basis assuming Completion, including certain pro-forma financial information.

4.1 Profile of Navigator's business

Navigator Global Investments is an established ASX-listed asset management company, exclusively focused on the global alternative asset management sector.

Navigator partners with proven investors and operators who have strong investment track records, have demonstrated substantial AUM growth and have generated attractive cash flows to stakeholders over time.

Through a diversified and uncorrelated group of high-quality global businesses, Navigator has generated and grown earnings for Shareholders and allocates new capital to support the growth of existing and new partner firms.

Existing operations

Navigator Group's existing operations comprise its wholly-owned alternative investment manager subsidiary, Lighthouse Investment Partners, LLC and the NGI Strategic Investments division.

Lighthouse			NGI Strategic Investments		
Hedge Funds	**Hedge Fund Solutions**	**Managed Account Services**	**NGI Strategic Portfolio**		
North Rock	Lighthouse	Luminae	Bardin Hill	Capstone	Marble Capital
MissionCrest			CFM	MKP Capital Management	Invictus Capital Partners
			Pinnacle Asset Management L.P.	Waterfall Asset Management	Longreach Alternatives
					Grow Investment Group

Through its partners, Navigator continues to expand its global footprint, offering Shareholders access to diversified alternative asset managers who operate and invest around the world.

Lighthouse

Based in the United States with over 26 years of track record, Lighthouse Investment Partners, LLC is a global diversified alternative asset management firm with approximately US$15.4 billion of AUM and more than two decades of experience of delivering competitive risk-adjusted returns and innovated solutions to investors.

As at 30 June 2023, Lighthouse has 286 total employees and 125 investment professionals. Lighthouse has an investor base that spans North America, Europe, the Asia-Pacific and the Middle East. It includes high net worth individuals, family offices, endowments, foundations, trusts, investment banks, benefit plans, pension funds, healthcare and insurance companies. It operates three distinct businesses:

Hedge Funds

A growing focus of the Lighthouse business is its **Hedge Fund** offering. These products are structured as multi-portfolio manager hedge fund products.

- The largest Hedge Fund product is **North Rock,** which specialises in equity based absolute return strategies with a low correlation to public equity markets. The North Rock fund houses multiple investment teams.
- **Mission Crest** is a relatively new offering now accessible by direct investors and is a multi-portfolio manager global macro hedge fund.

Additional products using the multi-portfolio manager structure are in development and Lighthouse sees this as a key area for additional growth.

Hedge Funds Solutions

Lighthouse offers a broad range of **hedge fund solutions**, including strategic partnerships, custom managed portfolios and commingled funds.

In its **partnerships**, Lighthouse works closely with large strategic investors to customise their alternative investment exposure and meet specific needs across investment advisory, risk monitoring and operational services. Strategic partners may utilise a variety of Lighthouse's services, ranging from investments in its Hedge Funds or Commingled Funds, Customised Funds or utilisation of its Managed Account Services (discussed further below).

Customised Solutions 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 while still receiving portfolio construction, manager selection and due diligence services from the Lighthouse investment team.

Lighthouse also offers a number of hedge fund solutions through its **commingled funds**.

Managed Account Services

Lighthouse offers dedicated **Managed Account Services** for large institutions who have significant allocations to hedge fund assets. It has recently rebranded as **Luminae** to further differentiate its service offering.

Managed Account Services provides these clients with access to the benefits of a managed account structure, allowing them to maintain control of manager selection and allocation decisions.

Luminae offers clients a combination of skills and knowledge which allows it to provide efficient onboarding, specialised legal structuring and compliance services, counterparty management and robust operational oversight. Internally built expertise also supports a high level of customisation, and purpose-built tools for advanced portfolio analytics, risk management and treasury functionality.

Lighthouse has built its infrastructure over time to handle the complexity of operating a large managed account program in terms of number of managers strategies and assets under management.

NGI Strategic Investments

The NGI Strategic Investments division makes investments in high quality alterative asset managers. This strategic initiative was established upon the acquisition of the NGI Strategic Portfolio, a portfolio of six minority interests in alternative asset managers in February 2021. Navigator's minority interests in Marble Capital, acquired in May 2022, and Invictus Capital Partners, acquired soon after in August 2022, are also included in this division.

As at 30 June 2023, NGI Strategic Investments had US$55.6bn of aggregate AUM, representing US$10.1bn of AUM to the Navigator Group on an ownership adjusted basis. NGI Strategic Investments comprises minority interest stakes in the following ten alternative asset managers: Bardin Hill Investment Partners, Capstone Investment Advisors, CFM, GROW Investment Group, Invictus Capital Partners, Longreach Alternative, Marble Capital, MKP Capital Management, Pinnacle Asset Management and Waterfall Asset Management.

These firms manage US$55.6bn of AUM across public and private credit, liquid alternatives, real estate capital solutions and commodities-focused absolute return strategies.

The NGI Strategic Investments business has meaningful contribution from AUM which is not subject to redemption cycles, while lock-ups and other liquidity terms mitigate redemption risk in open-end products.

NGI Strategic Investments	NGI Strategic Portfolio	BARDIN HILL INVESTMENT PARTNERS	US based institutional investment firm with core competencies in public and private credit, collateralised loan obligations, and event-driven equities.
		capstone	A global, alternative investment management firm operating across a broad range of derivatives-based strategies with a deep understanding of volatility
		CFM INSIGHT.DATA.CLARITY.	Global quantitative and systematic asset management firm applying a scientific approach to finance
		MKP CAPITAL MANAGEMENT	Global alternative investment manager with macro strategy that uses a top-down fundamental approach to identify and exploit economic and financial imbalances in asset markets to produce strong risk adjusted returns
		PINNACLE ASSET MANAGEMENT L.P.	Global commodities specialist platform with exposure to energy, metals and agricultural sectors
		WATERFALL Asset Management	Global alternative investment manager focused on specialty finance opportunities within asset-backed credit, whole loans, real assets, and private equity.
		MARBLE CAPITAL	US based asset manager specialising closed-ended private equity style funds which provide capital solutions for multifamily developers and operators.
		INVICTUS CAPITAL PARTNERS	US based asset manager specialising in opportunistic credit strategies across the spectrum of real estate debt investments, including high-yielding and distressed bonds and loans.
		LONGREACH ALTERNATIVES	Australian based asset manager specialising in a variety of alternative asset classes such as private credit, energy, sustainable seafood and quantitative market neutral equities.
		GROW Investment Group	A China based multi strategy multi asset management company whose goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets

Strategy

The Navigator Group's strategic goal is to create a growing and diversified alternative asset management company with a uniquely high-quality earnings profile. The Company serves as an aligned and long term strategic partner to its partner firms while delivering Shareholder value through:

- Strong cash flow generation from businesses that are well positioned in current and future expected market environments.
- Scaled platforms with embedded operating leverage will drive revenue growth and margin expansion.
- Further acquisitions of complementary and growing businesses within the alternative asset management industry.

- Utilise balance sheet and capital markets to support and enhance Shareholder value over time.

Its partner firms share several common characteristics:

1. Established – scaled operations which have been tested over market cycles
2. Diversified – uncorrelated strategies and multi-product businesses
3. Global – Investing and operating presence across the globe
4. Aligned – shared philosophy and operating autonomy

Financial Performance

Navigator delivered a strong financial performance in the financial year ended 30 June 2023 (**FY23**) of adjusted EBITDA of US$48.9 million, a 5% increase on the prior year.

The 2023 financial year has been marked by growth in both assets under management and revenue across the Navigator business. Of particular note:

- Ownership adjusted Group AUM of US$25.5 billion comprising of US$15.4 billion from Lighthouse and US$10.1 billion from NGI Strategic Investments which is an increase of US$2.6 billion over the financial year.
- NGI Strategic Investments delivered another strong year contributing a net US$31.8 million (2022: US$28.8 million). This increase of 10% was primarily due to US$5.0 million of distributions from two new investments, Marble Capital and Invictus Capital, and the Strategic Portfolio again delivering higher than historical average gross distributions, which totalled US$61.9 million (2022: US$70.8 million).
- Lighthouse management fee revenue has increased 4% to US$76.7 million (2022: US$73.5 million) resulting from additional assets under management during the period.
- Lighthouse performance fee revenue for the year was US$6.9 million (2022: US$10.6 million), a decrease of US$3.7 million on the previous financial year. The lower performance fee revenue reflects a difficult period in markets over the 2022 calendar year, although Lighthouse funds generally performed more strongly than traditional asset management classes.
- Operating expenses after adjustments for net of revenue from fund expense reimbursements and provision of office space and adding back cash lease payments now recognised as a financing cost, decreased by US$5.2 million on the prior year. Increased staff costs, primarily due to higher variable compensation, were off set by cost reductions in professional and consulting, information technology and occupancy expenses due to the on-going implementation of a 'pass through' cost model across parts of the Lighthouse business.

Further information on Navigator's FY23 financial results are set out in the 2023 Annual Report available at www.navigatorglobal.com.au.

During FY22 and FY23, Navigator acquired two significant investments in Marble Capital and Invictus which were structured so that consideration is paid over a number of years. Following an additional $15m payment in August 2023, the remaining deferred consideration relating to these investments as at 25 September 2023 is US$88.5m due over the next 24 months. The remaining deferred consideration is expected to be funded through FY24-25 operating cash flows post-closing of the Proposed Transaction and debt capacity, as needed.

Navigator operating structure on Completion

Navigator currently expects that there will be no change to the existing operating structure of the Navigator business (including Lighthouse). The Navigator management team will focus on executing future opportunities unlocked by the Proposed Transaction. The Navigator management team is expected to continue in their existing roles through to Completion of the Proposed Transaction.

Following Completion, Navigator intends to evolve the leadership structure and Navigator Group resources to reflect the increased contribution of NGI Strategic Investments to the Navigator Group.

- Sean McGould will focus on leading and further developing the Lighthouse business. Whilst this will be his primary responsibility, he will continue to support the Navigator Group and remain as an executive Director of Navigator.
- Ross Zachary will continue to focus on leading and further developing NGI Strategic Investments and has been named Chief Investment Officer & Head of NGI Strategic Investments in recognition of those responsibilities.

Navigator intends to add additional senior management resources to the Navigator Group to support Navigator's leadership and continued delivery of growth initiatives for the Navigator Group. Navigator's Board of Directors has engaged an executive search firm to identify potential candidates for an additional senior executive position. Depending upon if the right candidate is found, this new appointment may be as NGI Group CEO.

4.2 NGI Strategic Portfolio update

The NGI Strategic Portfolio is comprised of global, well-established, scaled alternative asset managers who operate businesses which are diversified across investment style, product type and client base. Each represents a highly specialised business in their respective strategies.

The investments in the alternative asset managers are structured with various provisions focused on alignment of interests and minority protections. The Proposed Transaction will have minimal impact or disruption to the six managers' businesses.

Key highlights regarding the NGI Strategic Portfolio include:

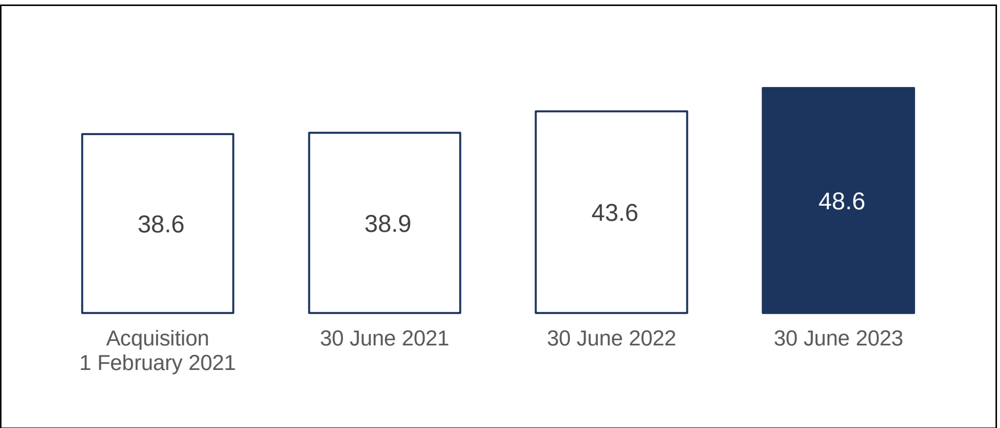
- **Well established managers** Firms have been in operation for at least 15 years with strong leadership teams with deep resources across investment and non-investment functions.
- **Scaled Businesses:** The NGI Strategic Portfolio has over US$48.6 billion in aggregate AUM, or US$8.6 billion on an ownership adjusted basis as at 30 June 2023.
- **Diversified Portfolio:** The assets are managed across 32 investment strategies across 140 products as at 31 July 2023, with low correlation between the primary investment strategies of each manager.

NGI Strategic Portfolio AUM

The NGI Strategic Portfolio has over US$48.6 billion in aggregate AUM. The following shows the historical AUM of the NGI Strategic Portfolio over the past 4 years:

Historical AUM of the NGI Strategic Portfolio

US$ billions



The NGI Strategic Portfolio consists of equity interests in the management companies of established alternative asset managers, and is diversified across investment style, product type and client base. Each interest represents an 8-25% economic interest in the six following managers.

Summary of NGI Strategic Portfolio investments

WATERFALL Asset Management	▪ **Firm AUM:** US$12 billion ▪ Year founded: 2005 ▪ **Headquarters:** New York, USA ▪ **Investment Strategy:** Global alternative investment manager focused on specialty finance opportunities within asset-backed credit, whole loans, real assets, and private equity.
CFM INSIGHT.DATA.CLARITY.	▪ **Firm AUM:** US$11 billion ▪ Year founded: 1991 ▪ Headquarters: Paris, France ▪ **Investment Strategy:** Global quantitative and systematic asset management firm applying a scientific approach to finance.
capstone	▪ **Firm AUM:** US$11 billion ▪ Year founded: 2004 ▪ **Headquarters:** New York, USA ▪ **Investment Strategy:** Global, alternative investment management firm operating across a broad range of derivatives-based strategies with a deep understanding of volatility.
PINNACLE ASSET MANAGEMENT L.P.	▪ **Firm AUM:** US$6 billion ▪ Year founded: 2003 ▪ **Headquarters:** New York, USA ▪ **Investment Strategy:** Global commodities specialist platform with exposure to energy, metals and agricultural sectors.
BARDIN HILL INVESTMENT PARTNERS	▪ **Firm AUM:** US$5 billion ▪ Year founded: 1981 ▪ **Headquarters:** New York, USA ▪ **Investment Strategy:** Multi-strategy across various credit and relative value strategies, including performing credit (CLOs and bank loan SMAs).
MKP CAPITAL MANAGEMENT	▪ **Firm AUM:** US$3 billion ▪ Year founded: 1995 ▪ **Headquarters:** New York, USA ▪ **Investment Strategy:** Discretionary global macro strategy that uses a top-down fundamental approach to identify and exploit economic and financial imbalances in asset markets to produce high risk-adjusted returns over the long term.

The information presented in the rest of this section 4.2 has been adjusted to reflect the current ownership percentages of each Manager held in the NGI Strategic Portfolio.

NGI Strategic Portfolio earnings and distribution profile

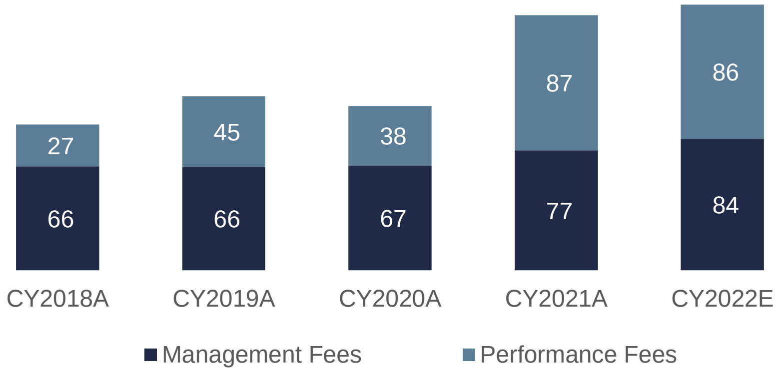
The NGI Strategic Portfolio has a track record of delivering consistent financial performance with an average level of total revenue of approximately US$129 million over the last five calendar years. Adjusted for the current ownership percentages, this has resulted in average portfolio level pre-tax profits of approximately US$47 million over the past five calendar years.

NGI Strategic Portfolio revenue

The revenue earned by the NGI Strategic Portfolio has historically been comprised of a higher management fee yield and a higher proportion of AUM subject to a performance fee. The future generation of performance fees is dependent on a number of factors, including the individual performance of each product which is subject to a performance fee arrangement, as well as applicable hurdle rates and high watermarks.

Historical revenue

US$ millions



	3 Year Avg	5 Year Avg	*5 Year CAGR*
Management fees	76	72	6%
Performance fees	70	57	34%

NGI Strategic Portfolio metrics

The NGI Strategic Portfolio has been performing strongly since acquisition as shown in the key performance metrics below.

		At acquisition announcement	Current
NGI Strategic Portfolio fee rates	Average management fee rate	**1.04%**	**1.15%**
	Average performance fee rate[1]	**17%**	**17%**
	Current % of AUM charging performance fees	**67%**	**77%**

NGI Strategic Portfolio distributions

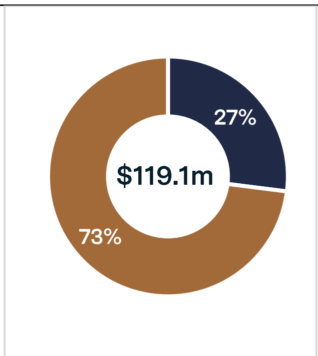
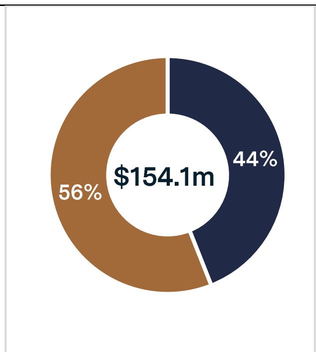
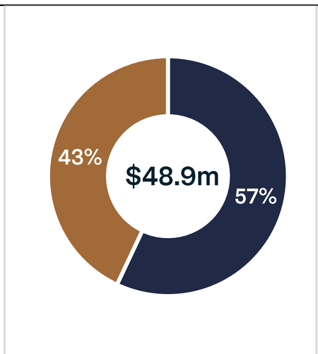
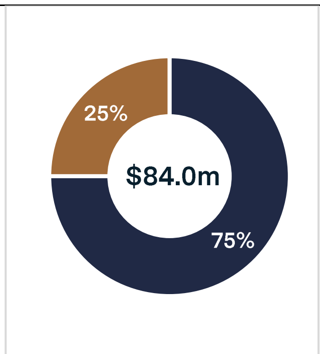
Due to the ownership structure, scaled nature of operations and minority protections in place, there is a high correlation between the relative share of the NGI Strategic Portfolio's accounting profits and the cash distributions paid in relation to the NGI Strategic Portfolio. Navigator will only recognise the cash distributions in its statement of financial performance as received, with the timing of distributions varying from manager to manager within the NGI Strategic Portfolio.

Historical NGI Strategic Portfolio distributions received since acquisition *US$ millions*		FY2021	FY2022	FY2023	Avg.
	Total Distributions	28.8	70.8	61.9	53.8
	Distribution income retained by Navigator	19.4	28.3	26.7	24.8
	Distribution income paid to GP Strategic Capital Sellers	9.4	42.5	34.9	28.9

4.3 Pro forma impact of Proposed Transaction on financial profile of Navigator

Key impacts of the Proposed Transaction on the financial profile of Navigator include a change to quantum and allocation between the Lighthouse and NGI Strategic Investments business lines of Navigator's Total Revenue and Total Adjusted EBITDA as set out below on a pro forma FY23 basis:

Pro forma impact of Proposed Transaction on financial profile of Navigator

	Reported FY23	Pro Forma FY23[1]	Impact	Comments on expected impacts
Total Revenue[2] **US$ millions**			+29%	*Additional $35.0m of distribution income from investments would have been recognised in FY23* *Under the Proposed Transaction, Navigator will be entitled to the full distribution income earned from the NGI Strategic Portfolio from 1 July 2023*
Total Adjusted EBITDA[3] **US$ millions**			+72%	*The additional distribution income and limited incremental costs increases FY23 pro forma Total Adjusted EBITDA and significantly improves pro forma FY23 Adjusted EBITDA margin*
Adjusted EBITDA margin	**41%**	**54%**	+13.4%	
Net Debt[4]/Adjusted EBITDA	**1.8x**	**1.0x[5]**	(0.8x)	*Material reduction in net leverage strengthens balance sheet*

Notes:

1. Pro Forma FY23 represents the expected impact on the Reported FY23 results as if the Proposed Transaction had completed on 1 July 2022.
2. Total Revenue presented is a non-IFRS measure. FY23 Total revenue is adjusted to exclude fund expense reimbursements, sundry revenue related to the provision of serviced office space, and includes distribution income from investments retained by Navigator. Pro Forma FY23 Total revenue adds, to FY23 Total Revenue, the share of distribution income paid to GP Strategic Capital as Navigator will not be required to make these payments to GP Strategic Capital following Completion. Refer to section 4.5.
3. Net Corporate costs allocated equally between NGI Strategic Investments and Lighthouse.
4. Net Debt calculated based on 30 June 2023 Statement of Financial Position, reflects bank debt and deferred consideration liabilities less cash.
5. Pro forma FY23 Net Debt/ Adjusted EBITDA assumes US$80m (at an AUD:USD exchange rate of 0.66) raised under the Equity Raising at A$1.00 per Share, and Consideration not funded through existing cash on Navigator's balance sheet and/or third party debt. If the only investors in the Rights Issue were Dyal Trust and Directors and Navigator partially funded Consideration through cash on Navigator's balance sheet and/or third-party debt, Pro forma FY23 Net debt/Adjusted EBITDA would be approximately 1.4x.

NGI Strategic   Lighthouse

4.4 Navigator profile on Completion

The effect of the Proposed Transaction on the Share capital of Navigator will be:

- to increase the number of Shares on issue as a consequence of the Placement and the Equity Raising;
- that, on Completion, Dyal Trust and its Associates will have a Relevant Interest of up to 46.5% in Navigator; and
- that, on Completion, Dyal Trust and its Associates will have a maximum economic interest in Navigator of approximately 60.2% on a fully diluted basis, with the final position dependent on the level of Shareholder participation in the Equity Raising as illustrated in the table below.

If Dyal Trust's or its Associates' Relevant Interest in Shares would exceed 46.5% on Completion, Navigator will issue 2023 Convertible Notes to Dyal Trust. Refer to section 1.2 of Schedule 1: for further information.

Indicative examples of Navigator's expected capital structure on Completion on the basis of the following three potential levels of participation in the Rights Issue are set out below. With respect to the indicative examples set out below, in each case Dyal Trust and the Directors take up 100% of their entitlements and:

- **Other Shareholders- 100% participation**: Other Shareholders take up 100% of their entitlements;
- **Other Shareholders- 50% participation**: Other Shareholders take up 50% of their entitlements; and
- **Other Shareholders- 0% participation**: Other Shareholders take up none of their entitlements.

	Scenarios for other Shareholders (excluding Directors and non-Dyal Trust) participation								
	Other Shareholders- 100% participation			Other Shareholders- 50% participation			Other Shareholders - 0% participation		
	Ordinary Shares	Potential Shares from Convertible Notes	Fully-diluted interest	Ordinary Shares	Potential Shares from Convertible Notes	Fully-diluted interest	Ordinary Shares	Potential Shares from Convertible Notes	Fully-diluted interest
Existing									
Dyal Trust	48,524,304	60,222,763	108,747,067	48,524,304	60,222,763	108,747,067	48,524,304	60,222,763	108,747,067
Existing non-Dyal Trust	195,167,705	—	195,167,705	195,167,705	—	195,167,705	195,167,705	—	195,167,705
Total	**243,692,009**	**60,222,763**	**303,914,772**	**243,692,009**	**60,222,763**	**303,914,772**	**243,692,009**	**60,222,763**	**303,914,772**
% Dyal Trust	**19.9%**	—	**35.8%**	**19.9%**	—	**35.8%**	**19.9%**		**35.8%**
Impact from Proposed Transaction									
Placement	129,712,902	—	129,712,902	118,126,801	11,586,101	129,712,902	59,646,266	70,066,636	129,712,902
Equity Raising	121,065,375	—	121,065,375	113,574,944	–	113,574,944	76,203,813	–	76,203,813
Pro forma									
Dyal Trust	221,556,932	60,222,763	281,779,695	221,058,096	71,808,864	292,866,960	176,487,071	130,289,399	306,776,470
Non-Dyal Trust	272,913,355	—	272,913,355	254,335,659	–	254,335,659	203,055,017	–	203,055,017
Total	**494,470,287**	**60,222,763**	**554,693,050**	**475,393,754**	**71,808,864**	**547,202,618**	**379,542,088**	**130,289,399**	**509,831,487**
% Dyal Trust	**44.8%**	—	**50.8%**	**46.5%**		**53.5%**	**46.5%**		**60.2%**

The table above is indicative only and based on the following assumptions:

- all Shareholders are eligible to participate in the Rights Issue;
- current economic ownership shown is on the basis of 303.9m fully diluted Shares;
- fixed AUD:USD exchange rate of 0.66 for the Placement, and indicative AUD:USD exchange rate of 0.66[9] and assumed price of A$1.00 for the Equity Raising; and
- in respect of the proportion of the shortfall assumed to be taken up in the examples above: Dyal Trust takes up 19.91% (i.e. its current percentage holding in Shares); Directors take up 0%[10]; and other Shareholders take up 100%, 50% and 0% respectively of their current percentage holding in Shares. Further, Dyal Trust will be issued such number of additional Shares under the Noteholder Offer to ensure it obtains the same position as if they had taken up 35.8% (i.e. its current fully diluted interest in Navigator) of the shortfall.

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[9] The total number of Shares on issue on Completion will change should the AUD:USD exchange rate vary from this rate. For example, assuming the 0% participation case above, Dyal Trust would hold a fully diluted interest of 59.6% at an exchange rate of A$1:US$0.75, 60.2% at an exchange rate of A$1:US$0.66 and 61.5% at an exchange rate of A$1:US$0.50.

[10] Navigator may apply to ASX for a waiver of ASX Listing Rule 10.11 to permit Directors to participate in the shortfall on the same basis as other non-Dyal Shareholders.

Note that actual results may differ from the indicative examples set forth above and such differences may be material, particularly if the assumptions above differ from final outcomes.

4.5 Key accounting implications of the Proposed Transaction

Statement of Financial Performance

Distribution income

Distribution income received from the NGI Strategic Portfolio are recognised in the Statement of Financial Performance when they are received in cash.

Under the existing arrangements, GP Strategic Capital Sellers are contractually entitled to a share of the distribution income once an agreed Preferred Minimum Distribution Amount has been received. This amount is accrued for in accordance with the agreed formula once the threshold is reached.

The Proposed Transaction will eliminate the GP Strategic Capital Sellers' share from 1 July 2023, and no GP Strategic Capital Seller distribution share will be recognised from 1 July 2023 onwards.

Extinguishment of the Redemption Payment liability

The Redemption Payment liability will be extinguished upon Completion for the agreed Consideration of $200 million. The difference between the $200 million Consideration and the fair value of the Redemption Payment liability recognised in the Statement of Financial Position at Completion will be recognised in the Statement of Financial Performance.

Transaction costs

Navigator will incur transaction costs in relation to the Proposed Transaction, which will incorporate legal, tax and financial advice from its various Australian and United States advisors.

Transaction costs which are incurred in relation to negotiating and documenting the transaction and its terms will be expensed as incurred. Transaction costs which relate to the issue of the Shares and Convertible Notes under the Proposed Transaction will be recognised directly in equity on the Statement of Financial Position.

Statement of Financial Position

NGI Strategic Portfolio investments

There will be no change to the accounting treatment of the NGI Strategic Portfolio investments following Completion of the Proposed Transaction.

The investments are accounted for at fair value through the profit and loss, and the full value of the investments is recognised in the Statement of Financial Position. The Proposed Transaction will have no impact on the carrying value of the assets in the Statement of Financial Position.

2021 Convertible Notes

Navigator has 90,289 2021 Convertible Notes on issue, currently held by Dyal Trust, which can convert to 60,222,763 Shares. A small portion of the Convertible Notes is recognised as a non-current liability.

The amendments to the terms of the existing Convertible Notes under the Proposed Transaction will result in the Convertible Notes being fully treated as equity. As such, the liability recognised in the Statement of Financial Position in relation to the Convertible Notes will be transferred to Non-Share capital when the amendments take effect at Completion.

2023 Convertible Notes

The terms of the 2023 Convertible Notes have been negotiated to require conversion to Shares, and hence do not require repayment in cash at maturity. In the event that the 2023 Convertible Notes are unable to be converted to Shares at maturity due to regulatory restrictions, the maturity date will be extended.

As such, it is expected that there is no debt component in relation to the 2023 Convertible Notes and that they will be fully treated as equity and recognised in Non-Share capital at the time of issue.

Redemption Payment liability

A liability for the fair value of the estimated Redemption Payment liability due in 2026 is currently recognised in the Statement of Financial Position. On Completion of the Proposed Transaction, the Redemption Payment liability will be extinguished in full.

Issue of Shares

Shares issued in relation to the Placement and Equity Raising will be recognised as Share capital equity in the Statement of Financial Position.

4.6 Key taxation implications of the Proposed Transaction

Australia

Income from investments

Income earned from the underlying investments should generally not be assessable to the Company in Australia (either on receipt or on an accruals basis) due to the application of specific exemptions. However, gains on divestment of underlying investments can give rise to Australian taxation in limited circumstances.

Tax treatment of the Convertible Notes

The Convertible Notes should be regarded as an equity interest for Australian income tax purposes. As such, coupons on notes should not be deductible for the Company. Rather, the coupons may be franked, with any unfranked coupons able to be declared as conduit foreign income (see below). Further, the conversion of the Convertible Notes into Shares should not give rise to any Australian tax liabilities for the Company or Shareholders.

Conduit foreign income

Distributions made by the Company to Shareholders or the Convertible Noteholders may be declared as conduit foreign income to the extent they are unfranked and they relate to the distribution of amounts derived by the Company from its offshore investments that are non-assessable in Australia (including the investments acquired under the Transaction). Where distributions are declared to be conduit foreign income, they are not subject to any Australian withholding tax.

For completeness, any unfranked distributions to Shareholders or Convertible Noteholders that are not declared to be conduit foreign income may be subject to Australian dividend withholding tax at a rate that is the lower of 30% or the rate prescribed under any applicable tax treaty.

Benchmark rule

Distributions to Shareholders and Convertible Noteholders will be subject to the benchmark rule, which requires such distributions to be franked to the same extent in each six-month period.

Withholding tax

To the extent that there is withholding tax payable in relation to distributions made to the Convertible Noteholders, this withholding tax liability should be incurred by the Convertible Noteholders through reduction of the distribution paid by the amount of the withholding tax obligation.

United States

Tax treatment of the Convertible Notes

The Convertible Notes should be treated as equity for U.S. federal income tax purposes. As such, any distributions made in relation to the Convertible Notes should represent dividend distributions, return of basis, or capital gains, as the case may be, for U.S. federal income tax purposes.

Section 382

Certain transfers of Shares may result in Navigator undergoing an “ownership change” as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the **Code**), and the related Treasury Regulations (**Section 382**). If that were to happen, we would only be permitted to use a limited amount of our then existing net operating losses, credits, and certain other deductions to reduce our current and future federal income taxes subsequent to the "ownership change". An "ownership change" generally occurs if the percentage of stock owned by certain Shareholders has increased by more than 50 percentage points over their lowest percentage of stock of the corporation during a specified period of time (generally three years).

The U.S. entities owned by the Company are estimated to have net operating losses and other deductions subject to Section 382 of approximately $152 million as of 30 June 2023. Given the large increase of stock owned by certain Shareholders of the Company as a result of the Proposed Transaction and prior issuances of stock of the Company within the recent past, the Company expects it will undergo an ownership change as defined in Section 382. It is possible that such change may result in delayed deductions, or potentially expiration, of certain net operating losses and certain other amounts subject to Section 382. The Company will need to complete its analysis of the resulting annual limitation(s) and further determine the projected impact on the use of its net operating losses and other tax attributes subject to Section 382 (if applicable).

Section 7874

The Proposed Transaction involves the issuance of Shares and Convertible Notes by the Company, a company domiciled and tax-resident outside of the United States, which may invoke the application of Section 7874 of the Code (**Section 7874**) to the Company.

For U.S. federal income tax purposes, a corporation is generally considered to be a tax resident of the jurisdiction of its organization or incorporation. Because the Company is a company organized under the laws of Australia, the Company would normally be classified as a non-U.S. corporation for U.S. federal income tax purposes. However, Section 7874 provides an exception to this general rule under which (1) a foreign incorporated entity may, in certain circumstances and/or following certain transactions, be classified as a U.S. corporation for U.S. federal income tax purposes, or (2) may be subject to certain U.S. tax limitations and other adverse U.S. tax consequences.

To the extent that Section 7874 were to apply to the Proposed Transaction, the Company may experience adverse and significant U.S. tax implications, including the potential for the Company to be permanently treated as a U.S. corporation for all U.S. federal income tax purposes or have other adverse U.S. tax consequences. It may also impact the U.S. federal income tax treatment on dividends received by Shareholders from the Company.

Based on our current estimates, we do not believe that Section 7874 will apply to the Proposed Transaction. However, the rules of Section 7874 are complex and subject to varying interpretations and accordingly the Company cannot provide assurances that such rules will not apply.

4.7 Pro forma statement of financial position of the Company

Set out below are the audited consolidated statement of financial position as at 30 June 2023 (**Reported Statement of financial position**) and the pro forma consolidated statement of financial position as at 30 June 2023 (**Pro Forma Statement of financial position**) as set out in the Company's 2023 Annual Report available at www.navigatorglobal.com.au.

The Pro Forma Statement of financial position has been provided for illustrative purposes only and has not been subject to independent audit, review or other verification.

This financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards to be included in the annual financial statements.

The Pro Forma Statement of financial position is based on the Reported Statement of financial position adjusted to reflect the amendment of the 2021 Convertible Notes, extinguishment of the Redemption Payment liability and the issue of Shares as if this had occurred as at 1 July 2022 as further described in section 4.8.

US$ millions	30 June 2023	Proposed Transaction impacts	Pro forma 30 June 2023	Additional Information at
Cash	67.8	(6.5)	61.3	4.8.1
Trade receivables and other assets	24.4		24.4	
Current tax assets	0.1		0.1	
Total current assets	**92.3**	**(6.5)**	**85.8**	
Investments at fair value	495.9		495.9	
Investment in JVs and associates	13.9		13.9	
Plant and equipment	10.2		10.2	
Right-of-use assets	19.8		19.8	
Deferred tax assets	28.6		28.6	
Intangible assets	96.3		96.3	
Other non-current assets	5.9		5.9	
Total non-current assets	**670.6**		**670.6**	
Total assets	**762.9**	**(6.5)**	**756.4**	
Trade and other payables	5.7	(0.9)	4.8	4.8.2
Distributions payable to GP Strategic Capital Sellers	34.9	(34.9)	-	4.8.3
Lease liabilities	3.6		3.6	
Employee benefits	3.0		3.0	
Current tax liabilities	1.5	3.6	5.1	4.8.4
Other financial liabilities	97.9		97.9	
Total current liabilities	**146.6**	**(32.2)**	**114.4**	
Trade and other payables	0.4		0.4	
Lease liabilities	23.1		23.1	
Bank loans	9.6		9.6	
Convertible Notes	1.7	(1.7)	-	4.8.5
Redemption Payment liability	160.0	(160.0)	-	4.8.6
Total non-current liabilities	**194.8**	(161.7)	**33.1**	
Total liabilities	**341.4**	**(193.9)**	**147.5**	
Net assets	**421.5**	**187.4**	**608.9**	
Share capital	368.1	198.1	566.2	4.8.7
Non-Share capital	87.8	1.6	89.4	
Reserves	45.4		45.4	
Accumulated losses	(79.8)	(12.3)	(92.1)	4.8.8
Total equity attributable to equity holders of the parent	**421.5**	**187.4**	**608.9**	

Notes:

1. The Reported Statement of financial position has been extracted from the audited financial statements of Navigator as at 30 June 2023.
2. The Pro Forma Statement of financial position has been adjusted to reflect the amendments to the terms of the 2021 Convertible Notes, the extinguishment of the Redemption Payment liability and the issue of Shares in relation to the Proposed Transaction as if this had occurred on 1 July 2022. It assumes US$80m (at an AUD:USD exchange rate of 0.66) is raised under the Equity Raising at A$1.00 per Share, and that there is therefore no requirement to fund any of the Consideration through existing cash on Navigator's balance sheet and/or third party debt. The pro forma adjustments to reflect the estimated financial effect of the Proposed Transaction are illustrative only.

4.8 Pro forma adjustments

The pro forma adjustments have been made based on the assumptions that:

- Proposed Transaction completed on 1 July 2022;
- the Equity Raising is fully subscribed raising US$80 million at A$1.00 per Share based on an AUD:USD exchange rate of 0.66; and
- that there is no requirement to fund any of the Consideration through existing cash on Navigator's balance sheet and/or third party debt.

The assumptions and pro forma adjustments have been made when preparing the illustrative Pro Forma Statement of financial position are summarised below:

4.8.1 Cash

- Transaction costs are estimated at approximately US$6.5 million, of which US$0.9 million were accrued as at 30 June 2023
- Transaction costs are expensed in the profit and loss statement, other than approximately US$1.9 million which relate to the issue of shares in the Placement and Equity Raising and the equity component of the 2023 Convertible Note (if any) and will be recognised directly in equity.

The pro forma impact of the transaction costs is to reduce cash by approximately US$6.5 million.

4.8.2 Payables

The US$0.9 million of transaction costs accrued as at 30 June 2023 will be paid on or before Completion.

4.8.3 Distributions payable to Blue Owl

Under the Proposed Transaction, Navigator would be entitled to all of the distributions received from the NGI Strategic Portfolio during FY23, which would eliminate the existing payable to Blue Owl of US$34.9 million.

4.8.4 Current tax liability

The Proposed Transaction would have increased Navigator's distribution income from the NGI Strategic Portfolio by US$35.0 million on a pro forma basis. Additional current tax liability would be recognised in relation to this income assuming an 11% effective tax rate which would apply to this additional income. This is off-set by a portion of the transaction costs being deductible at an estimated effective tax rate of 26%.

4.8.5 Convertible Notes

The amendment of the 2021 Convertible Note terms is expected to eliminate the existing debt component of the existing Convertible Notes on issue at the date of Completion with this component transferred to Non-Share capital in equity.

4.8.6 Redemption Payment liability

On Completion, the Redemption Payment liability will be fully extinguished.

4.8.7 Share capital

Share capital will be increased by the value of the issue of Shares pursuant to the Placement and Equity Raising, less the deduction of related transaction costs.

Section 4.4 provides details on the potential number of Shares to be issued at 100% participation as assumed in the Pro Forma Statement of financial position.

Section 4.8.9 sets out details on the expected impact if the Equity Raising is not fully subscribed.

4.8.8 Accumulated losses

The pro forma adjustment to Accumulated Losses represents the estimated tax-effected impact of the transaction to net profit after tax, including the additional distribution income, transaction costs and difference between the US$200m consideration and carrying value of the Redemption Payment liability at the time of Completion which is recognised in the statement of profit and loss.

4.8.9 Impact of the Equity Raising being less than fully subscribed

Dyal Trust has committed to exercise its entitlements in full and take up Shares under the Equity Raising (representing approximately a 35.8% interest in Navigator on a fully diluted basis). Each Director has committed to take-up their entitlements under the Rights Issue in full, subject to the Independent Expert's Report continuing to conclude that the Proposed Transaction is Reasonable to Shareholders. Refer to section 00 for an illustration of Navigator's potential capital structure on Completion on the basis of the three example levels of participation by Shareholders.

To the extent that the Equity Raising is not fully subscribed and raises less than US$80m, Navigator will issue fewer Shares and fund the shortfall in Consideration through cash and/or third party borrowings.

The following table illustrates the impact on pro forma cash and share capital at various levels of participation below 100% by other Shareholders.

Participation % by other Shareholders	Reduction in cash/increase in borrowings *US$ millions*	Reduction in share capital *US$ millions*
0%	(29.6)	(29.6)
50%	(4.9)	(4.9)
100%	-	-

Note: Other assumptions used in the above calculations are described in section 0.

4.9 Additional financial considerations

Additional operating expenses

Navigator estimates that it will incur minimal additional ongoing operating expenses in relation to the larger NGI Strategic Investments business, as the Proposed Transaction involves the extinguishment of a future liability for acquiring the remaining equity interests in existing assets.

A key strategic rationale of the Proposed Transaction is to provide a platform for further growth, both organic and inorganic. With this targeted growth, an additional senior executive resource is expected to be appointed (refer section 4.1 for further details).

Tax on NGI Strategic Portfolio earnings

The tax payable on earnings from the NGI Strategic Portfolio is impacted by a number of factors, including the jurisdictions of the assets and tax deductions for amortisation of acquired intangible assets. Navigator estimates that the effective tax rate for NGI Strategic Portfolio earnings will be approximately 10-15%, however the actual effective tax rate may vary from year to year.

4.10 Board Composition

With the announced pending resignation of Ms Cathy Hales, Navigator is undergoing a search for a new independent non-executive director who is expected to be appointed following the AGM.

In addition, it is Dyal Trust's intention to exercise its right to nominate a representative as a director to the Board, and a board observer, as set out in section 5.2.

4.11 Directors' Interests

As of the date of this Explanatory Memorandum, each Director has a Relevant Interest in the Shares set out below and intends to participate in full in the Equity Raising in relation to these Shares.

Name	Shares
Michael Shepherd	195,270
Suvan de Soysa	150,000
Nicola Grenham	6,450
Cathy Hales	10,000
Sean McGould	19,438,083

5 Information about GP Strategic Capital

5.1 Overview of GP Strategic Capital

a) GP Strategic Capital and its Associates

Dyal Trust

Dyal Trust is an Australian managed investment trust. Its trustee is Neuberger Berman Australia Limited ACN 146 033 801 an independent third party unrelated to GP Strategic Capital, who provides services as trustee of Dyal Trust.

Dyal Trust holds its current Shares and will acquire additional Shares issued under the Proposed Transaction (if approved by Shareholders) through a third-party custodian, JP Morgan Nominees Pty Ltd.

The trustee of Dyal Trust has appointed Blue Owl GPSC Advisors LLC, an entity affiliated with the GP Strategic Capital Investor Group, as manager for all matters with respect to Dyal Trust's holding of Shares and Convertible Notes, including voting and divestment. Blue Owl GPSC Advisors LLC and GP Strategic Capital Investor Group are both under the common control of Blue Owl Capital Inc (refer to structure diagram below).The beneficiaries of Dyal Trust are Blue Owl GP Stakes I (C)-I LP and Blue Owl GP Stakes I (C)-II LP, each of which are managed by Blue Owl GP Stakes I GP LLC (who is also the general partner of these funds and formerly known as Dyal Capital Partners I GP LLC). Each of these entities are part of GP Strategic Capital.

GP Strategic Capital

GP Strategic Capital is a platform of Blue Owl Capital Inc. (**Blue Owl**) (NYSE: OWL), a NYSE listed company with US$150 billion in assets under management.

GP Strategic Capital currently sponsors six flagship, commingled investment funds, the primary objectives of which are to make equity and debt investments in alternative investment fund managers and some of their investment vehicles. Fund IV is managed by Blue Owl GPSC IV Advisors LLC and the remaining funds are managed by Blue Owl GPSC Advisors LLC.

The GP Strategic Sellers hold the Class II Units in NGI Strategic Holdings A and NGI Strategic Holdings B, which hold the NGI Strategic Portfolio. The GP Strategic Capital team primarily operates out of its New York City office, with certain team members located in London, UK and a small number of other team members located in Hong Kong.

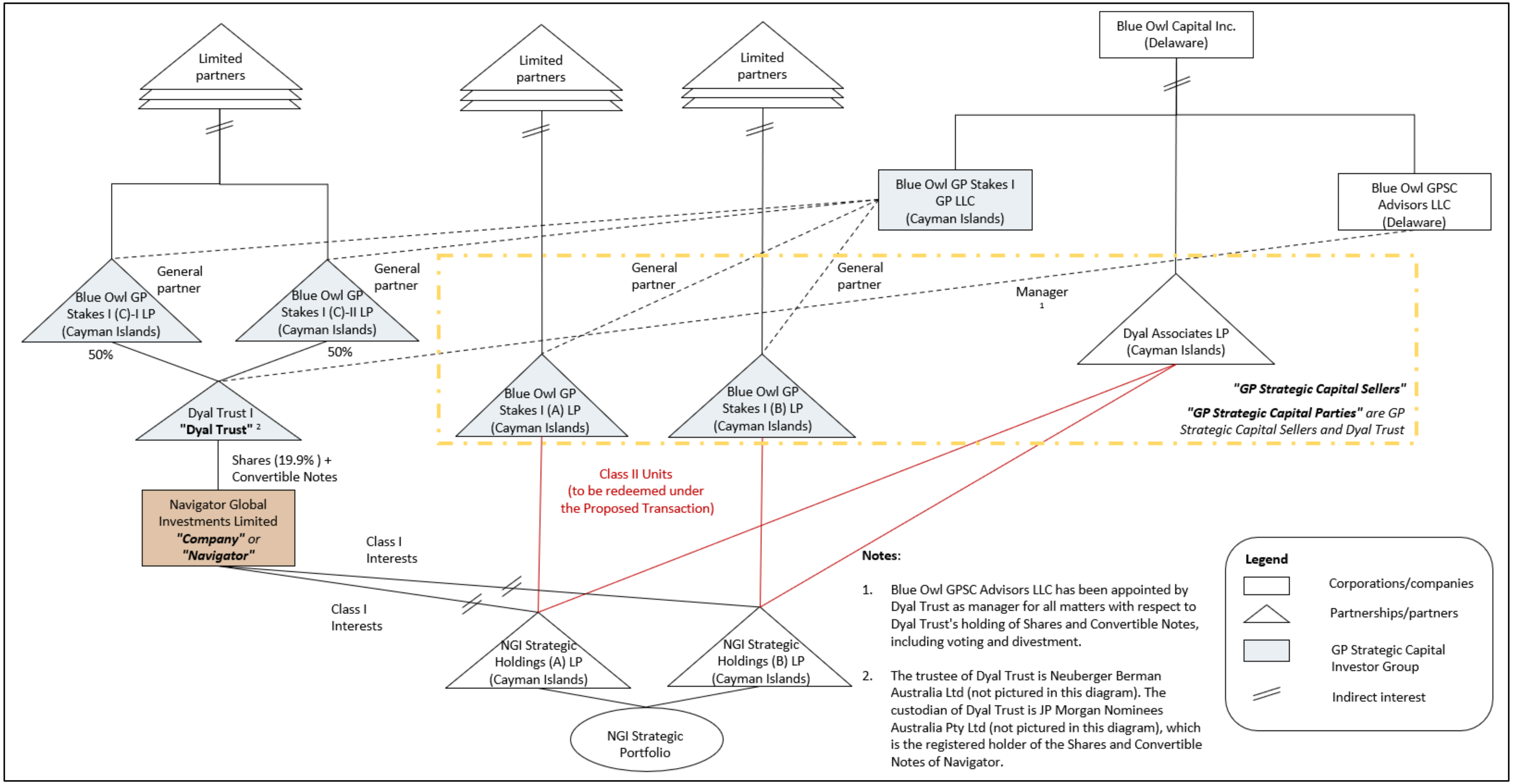
GP Strategic Capital's current structure and place within Blue Owl reflects a number of recent transactions and reorganisations.

On 19 May 2021, GP Strategic Capital (then known as Dyal Capital Partners), which was a business unit of Neuberger Berman Group LLC, combined with Owl Rock Capital Partners and certain of its affiliates (collectively, **Owl Rock**) and Altimar Acquisition Corporation, a publicly-traded special purpose acquisition company sponsored by an entity affiliated with HPS Investments Partners, LLC, to form Blue Owl, an alternative asset management company. Blue Owl is now publicly-traded and listed on the New York Stock Exchange under the ticker "OWL".

Blue Owl is a global alternative asset manager providing investors access to Direct Lending, GP Capital Solutions and Real Estate strategies with $150 billion of AUM. Blue Owl's history begins with the key milestones of both Owl Rock and GP Strategic Partners. Owl Rock was founded in 2016 by Doug Ostrover, Marc Lipschultz and Craig Packer to address the evolving need for direct lending solutions by middle-market companies and GP Strategic Capital was founded in 2010 (with the name Dyal Capital Partners) by Michael Rees to fill the need for flexible capital solutions for general partners of private capital managers.

On 29 December 2021, Blue Owl acquired Oak Street, a real estate-focused asset management firm founded by Marc Zahr in 2009, bringing Real Estate solutions to complement Blue Owl's Direct Lending and GP Capital Solutions platforms. Blue Owl employs over 520 people across 10 offices. For more information, please visit www.blueowl.com.

Blue Owl's management team is comprised of seasoned investment professionals with more than 25 years of experience building alternative investment businesses. The Firm's Executive Committee consists of: Doug Ostrover (Co-Chief Executive Officer), Marc Lipschultz (Co-Chief Executive Officer), Craig Packer (Co-President & Head of Credit), Michael Rees (Co-President & Head of GP Strategic Capital), Marc Zahr (Co-President & Head of Real Estate), Alan Kirshenbaum (Chief Financial Officer), Andrew Polland (Chief Operating Officer), Neena Reddy (General Counsel), Andrew Laurino (Senior Managing Director), and Sean Ward (Senior Managing Director).



Notes:

1. Blue Owl GPSC Advisors LLC has been appointed by Dyal Trust as manager for all matters with respect to Dyal Trust's holding of Shares and Convertible Notes, including voting and divestment.
2. The trustee of Dyal Trust is Neuberger Berman Australia Ltd (not pictured in this diagram). The custodian of Dyal Trust is JP Morgan Nominees Australia Pty Ltd (not pictured in this diagram), which is the registered holder of the Shares and Convertible Notes of Navigator.

b) Maximum extent of the increase in voting power of GP Strategic Capital that would result from the Proposed Transaction

Dyal Trust currently holds approximately 19.91% of the Shares through an Australian custodian, JP Morgan Nominees Pty Ltd (48,524,304 Shares). Dyal Trust's current voting power in Navigator is 19.91%.

Under the Proposed Transaction, Dyal Trust will increase its Navigator voting power to a maximum of 46.5%, as summarised in section 0.

Due to their association with Dyal Trust, GP Strategic Capital Parties and their Associates will also increase their voting power to a maximum of 46.5% in Navigator on Completion as described in section c) below. This represents a 26.59% increase in Dyal Trust's and its Associates voting power in Navigator as a result of the Proposed Transaction.

Convertible Notes

Dyal Trust also holds 2021 Convertible Notes which are convertible into a fixed number of Shares (60,222,763 Shares). The Convertible Notes have no entitlement to vote on Shareholder resolutions and are not counted towards Dyal Trust's voting power in Shares.

Dyal Trust may also be issued with 2023 Convertible Notes as set out in section 3.2.

c) The voting power that Dyal Trust and its Associates would have as a result of the Proposed Transaction

Dyal Trust will have a voting power up to 46.5% of Navigator on Completion. Dyal Trust's actual voting power on Completion is dependent on the level of participation by Shareholders in the Rights Issue as summarised in section 0.

5.2 GP Strategic Capital's intentions following the Proposed Transaction

a) Future intentions of Dyal Trust for Navigator if Shareholders approve the Proposed Transaction

Should the Proposed Transaction be approved by Shareholders, Dyal Trust has advised Navigator that it:

(a) has no current intention to make any significant changes to the existing business of Navigator;
(b) has no current intention to inject further capital into Navigator;
(c) has no current intention to make changes to the future employment of current employees of Navigator;
(d) does not currently intend for any assets to be transferred between Navigator and itself or any person associated with it;
(e) has no current intention to otherwise redeploy the fixed assets of Navigator; and
(f) has no current intention to significantly change the financial or dividend distribution policies of Navigator.

Dyal Trust has also advised Navigator that it will continue to work with Navigator to assist it to employ a mix and level of employees that Navigator considers appropriate to enhance its business and pursue new growth opportunities.

b) Future intentions of Dyal Trust with respect to the Board

Dyal Trust's current intention is to maintain an independent Board structure following Completion of the Proposed Transaction. Dyal Trust will retain its existing Board nominee right at Completion of the Proposed Transaction, as well as being granted the right to appoint one Board observer.

Dyal Trust intends to nominate Marc Pillemer as its Board nominee. Mr. Pillemer is a managing director of Blue Owl and a member of the GP Strategic Capital Investment Team. Before joining Blue Owl, Mr. Pillemer was a managing director at The Blackstone Group in its GP Stakes business. In this role, Mr. Pillemer was a senior member of the Investment Team responsible for sourcing, evaluating, and executing investments, and Mr. Pillemer led the Strategic Support Team focused on delivering value to partner general partners. Prior to that, Mr. Pillemer was a Managing Director at Goldman Sachs & Co (**Goldman Sachs**) in the Financial Institutions Group within the Investment Banking Division. In this role, Mr. Pillemer was responsible for the coverage of the alternative asset management sector in the U.S. and was focused extensively on providing strategic advisory services to leading traditional and alternative asset management firms. Mr. Pillemer also held various prior roles in Goldman Sachs' Investment Management and Securities divisions. Mr. Pillemer earned a BCom in Actuarial Studies and Finance from Macquarie University at Sydney, Australia.

Dyal Trust intends to appoint Kevin Purcell as a Board observer. Mr. Purcell is a managing director of Blue Owl and a member of the GP Strategic Capital Investment Team. In his role, Mr. Purcell focuses on GP Stakes Investing and strategic initiatives across the GP Strategic Capital platform. Before joining Blue Owl, Mr. Purcell was a Vice President at Neuberger Berman Private Equity. Mr. Purcell began his career as an associate in the Investment Management Division at Lehman Brothers focused on strategic projects throughout the hedge fund platform and minority stake acquisition program. Mr. Purcell received his MBA from the Krannert School of Management at Purdue University and holds a BS in Finance from Siena College.

Mr Purcell holds a minority indirect interest in GPSC Funds I C.

6 Key Risks

6.1 Introduction

This section 6 discusses some of the risks associated with the Proposed Transaction and with an investment in Navigator on Completion of the Proposed Transaction.

Many of these risks are outside the control of Navigator. Additional risks and uncertainties that Navigator is unaware of, or that Navigator currently believes to be immaterial, may also become important factors that affect Navigator. The occurrence of any of the events which pose these risks could have a material adverse effect on Navigator's prospects, financial condition and results of operations. In that case, the trading price of Shares could decline and investors could lose some or all of their investment.

6.2 General risk factors

As with any entity whose securities are listed on ASX, the operating and financial performance of the Navigator and the value of Shares will be influenced by a variety of general business cycles and economic conditions. Changes in business and economic factors, such as interest rates, exchange rates, inflation, changes in national demographics, changes in government fiscal, monetary and regulatory policy in Australia and changes to accounting or financial reporting standards, can be expected to impact on the business of Navigator and the market price of Shares. Deterioration in general economic conditions may adversely affect Navigator's operating and financial performance.

In addition, the price at which Shares trade on ASX may be affected by a range of external factors over which Navigator and Navigator have no control. These risk factors include but are not limited to:

- variations in the local and global market for listed companies;
- inclusion of Navigator on, or removal of Navigator from, major market indices; and
- recommendations by brokers and analysts.

6.3 Risk factors relating to the Proposed Transaction

a) Fair value accounting

In accounting for the Proposed Transaction, Navigator will need to perform a fair value assessment of the entire NGI Strategic Portfolio on at least each reporting date, and as such any changes in fair value, either positive or negative, will be recognised in the Fair Value Reserve.

b) Expected benefits failing to eventuate

There can be no guarantee that the benefits expected to materialise from the Proposed Transaction will actually eventuate. In addition, the actual earnings per share outcome achieved will be dependent on not just the performance of the acquired NGI Strategic Portfolio, but also the future performance of Navigator's existing business.

c) Exclusion from being an "investment company" under the 1940 Act

As an entity organised outside of the United States, Navigator is unable to register as an "investment company" under the U.S. Investment Company Act of 1940, as amended (**1940 Act**), absent specific relief from the SEC to allow such a registration. Navigator therefore seeks (and will continue to seek) to conduct its operations pursuant to an exclusion from the definition of "investment company" in Section 3(c)(7) of the 1940 Act (Section 3(c)(7)), i.e. in summary by being an issuer:

- whose outstanding securities issued to U.S. persons are owned exclusively by persons who, at the time of acquisition of such securities, were "qualified purchasers" under the 1940 Act; and
- that is not making and does not at the relevant time propose to make a public offering of its securities within the United States.

As a consequence of relying on this exclusion, Navigator will not be able to access the U.S. public markets to issue debt or equity securities, and will not be able to issue securities to U.S. persons who are not "qualified purchasers" as defined under the 1940 Act.

The operation of 1940 Act, including Section 3(c)(7) and other exceptions in it, can involve complex matters of US law and application to the relevant facts, including facts which may be outside the direct knowledge of an issuer. If it is shown that Navigator is not able to rely on the Section 3(c)(7) exclusion, it may contravene certain provisions of the 1940 Act which could result in the SEC or third parties commencing proceedings against Navigator, including to recover damages caused by the violation (if any) or to seek orders that contracts are unenforceable or agreements as a result are in default, any of which may have an adverse effect on Navigator's financial position or performance.

d) Dyal Trust's Voting Undertaking

Following Completion, Dyal Trust will undertake to Navigator that it and its Affiliates will not vote some or all of its Shares, and will procure that some or all of its Shares are not voted on any resolution of Shareholders where its Shares exceed 49.9% of the total Share votes cast on the particular resolution of Shareholders.

So long as Navigator uses reasonable endeavours to provide to Dyal Trust proxy information available to it

24 hours before a meeting of Shareholders in an aggregated form setting out the total number of proxies cast for, against and open, Dyal Trust has agreed that Navigator will not have any liability to it or its Affiliates in connection with the Voting Undertaking, including its monitoring and enforcement, and the Voting Assistance.

Notwithstanding above, Navigator may not be able to determine whether Dyal Trust has complied with its undertaking until after the outcome of a Shareholder resolution has been determined or otherwise be able to enforce the undertaking on a particular Shareholder resolution. It may also elect to waive non-compliance with the undertaking in a particular case. Shareholders should take this into account when exercising their vote.

Refer to section 3 of Schedule 1: for more information about Dyal Trust's Voting Undertaking.

6.4 Other commercial risks

The Group has direct and indirect exposure to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and equity price risk) arising from its activities.

These risks can impact the Group's net profit and total equity value through:

- fluctuations in the value of the Group's investments and other financial assets and liabilities;
- the effect of market risks on the Group's AUM, which can impact management and performance fees; and
- the amount of interest earned on the Group's cash balances.

There are a number of general commercial risks that could adversely affect Navigator's financial performance and position or future prospects, including, but not limited to the following:

- the operating performance of Navigator's businesses falling materially outside that on which assumptions are based;
- risks associated with Navigator's ability to attract and retain qualified personnel;
- development of new services or technology in competition with Navigator's operations;
- the level of market acceptance for the services provided by Navigator;
- technological change relating to Navigator's information systems;
- litigation; and
- other causes of interruption.

This section 6 is not exhaustive. You should read this entire document carefully. If you are unclear in relation to any matter or uncertain if Shares are (or will continue to be) a suitable investment for you, then you should consult your stockbroker, accountant or other professional adviser.

7 Glossary and Interpretation

Definitions

The following terms and abbreviations used in this Explanatory Memorandum (including the Notice of Meeting) have the meanings given to them below, unless the context otherwise requires:

2021 Convertible Note	A convertible note issued by the Company pursuant to the terms and conditions of the 2021 Convertible Note Deed Poll, as amended by the Amended 2021 Convertible Note Deed Poll.
2021 Convertible Noteholder	The person or persons registered as the holder of a 2021 Convertible Note, currently Dyal Trust.
2021 Convertible Note Deed Poll	The convertible note deed poll executed by the Company in favour of the 2021 Convertible Noteholders dated 1 February 2021.
2021 Transaction	Navigator's acquisition in 2021 of a portfolio of minority ownership interests in the NGI Strategic Portfolio in exchange for: (a) Navigator issuing Shares and Convertible Notes representing a 40% interest in Navigator to GP Strategic Capital Parties(on a fully diluted basis); and (b) GP Strategic Capital Sellers retaining the Class II Units to be acquired by Navigator after 1 January 2026 by paying the Redemption Payment to the GP Strategic Capital Sellers.
2023 Convertible Note	A convertible note to be issued by the Company pursuant to the terms and conditions of the 2023 Convertible Note Deed Poll.
2023 Convertible Note Deed Poll	The convertible note deed poll annexed to the Implementation Agreement, the key terms of which are summarised at section 2 of Schedule 1:.
Affiliates	Any person that is directly or indirectly in control of, controlled by, or under common control with, such other entity, (for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise), provided that, with respect to a GP Strategic Capital Party, the foregoing shall expressly exclude any such Affiliate of Neuberger Berman Australia Limited and shall, with respect to a GP Strategic Capital Party, expressly include any such Affiliate of the GP Strategic Capital Investor Group.
Amended 2021 Convertible Note Deed Poll	The amended 2021 Convertible Note Deed Poll, the key terms of which are summarised at section 2 of Schedule 1:.
Amended Shareholders Agreement	The amended Shareholders Agreement, the key terms of which are summarised at section 3 of Schedule 1:.
Annual General Meeting or AGM	The Annual general meeting of Shareholders scheduled to be held at 12.00 noon (Sydney time) on 27 October 2023.
ASIC	Australian Securities and Investments Commission.
Associate	Associate has the meaning given to it in the Listing Rules or the Corporations Act (as the context requires).

ASX	Australian Stock Exchange or ASX Limited (ACN 008 624 691), as the context requires.
ATO	Australian Taxation Office.
AUM	Assets under management.
Blue Owl	Blue Owl Capital Inc.
Board	The board of directors of the Company.
Break Fee	US$2,000,000.
Business Day	A day (other than a Saturday or Sunday) on which banks in the cities of New York, Sydney and Brisbane are generally open for business.
CFM	Capital Fund Management.
CGT	Capital gains tax.
Class II Units	Class II interests held by GP Strategic Capital A Seller and Dyal Associates LP in NGI Strategic Holdings A and the Class II interests held by GP Strategic Capital B Seller and Dyal Associates LP in NGI Strategic Holdings B.
Company	Navigator Global Investments Limited (ACN 101 585 737).
Competing Proposal	A proposed transaction or arrangement pursuant to which a person other than the GP Strategic Capital Parties or any of their Affiliates would, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms: (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in all or a substantial part of the business of the Company and its Subsidiaries, taken as a whole; (b) acquire a relevant interest (as that term is defined in sections 608 and 609 of the Corporations Act) in more than 20% of the Shares or otherwise acquire control of Navigator within the meaning of section 50AA of the Corporations Act; or (c) otherwise acquire or merge with Company whether by way of takeover offer, scheme of arrangement, Shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure or other synthetic merger or any other transaction of arrangement.
Completion	Completion of the Proposed Transaction in accordance with the terms of the Implementation Agreement.
Conditions	The conditions precedent to Completion of the Implementation Agreement, summarised at section 1.3 of Schedule 1:.
Consideration	US$200,000,000.
Constitution	The constitution of the Company.
Convertible Note	A convertible note issued by the Company pursuant to the terms and conditions of the 2021 Convertible Note Deed Poll, as amended by the Amended 2021 Convertible Note Deed Poll, or to be issued pursuant to the 2023 Convertible Note Deed Poll.
Convertible Noteholder	The person or persons registered as the holder of a Convertible Note.

Corporations Act	The Corporations Act 2001 (Cth).
Director	A director of the Company.
Disclosure Letter	The disclosure letter between Navigator and the GP Strategic Capital Parties dated 1 August 2023.
Dyal Associate Seller	Dyal Associates LP.
Dyal Trust	The trust known as "Dyal Trust I" as further described in section 5.1a) and where the context permits, Neuberger Berman Australia Limited ACN 146 033 801 as trustee for that trust and JP Morgan Nominees Pty Ltd as custodian of Shares for that trust
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Effect	Any fact, change, development, condition, occurrence, circumstances, state of facts, event or effect.
Eligible Shareholders	A Shareholder as at the Record Date for the Equity Raising with a registered address in Australia, New Zealand and selected persons in any other jurisdiction determined by Navigator.
End Date	31 March 2024 or such other date agreed in writing between GP Strategic Capital Sellers and Navigator.
EPS	Earnings per Share.
Equity Interest	Means: (a) with respect to a company or corporation, any and all classes or series of shares; (b) with respect to a partnership, limited liability company trust or similar person, any and all classes or series of units, interests or other partnership or limited liability company equity securities; and (c) with respect to any other entity, any other security representing an ownership interest or participation in such entity.
Equity Raising	The Rights Issue and the Noteholder Offer to raise up to US$80,000,000.
Escrow	Dyal Trust's voluntary escrow summarised at section 4 of Schedule 1:.
Escrow Deed	The escrow deed annexed to the Implementation Agreement, the key terms of which are summarised at section 4 of Schedule 1:.
Explanatory Memorandum	This document.
Fairly Disclosed	Disclosed with sufficient detail and information to allow a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Proposed Transaction to identify or otherwise determine the nature, substance and extent of the fact, matter or circumstance and the impact of that fact, matter or circumstance on Navigator or its assets and/or undertakings.
Financial Report	The annual financial report of the Company for the year ended 30 June 2023.
FIRB	Australian Foreign Investment Review Board.

GP Strategic Capital	GP Strategic Capital (formerly known as Dyal Capital) is a platform of Blue Owl Capital Inc., a NYSE-listed company with US$150 billion in assets under management. GP Strategic Capital currently sponsors six flagship, commingled investment funds, the primary objectives of which are to make equity and debt investments in alternative investment fund managers and certain of their investment vehicles.
GP Strategic Capital A Seller	Blue Owl GP Stakes I (A) LP (formerly known as Dyal Capital Partners I (A) LP).
GP Strategic Capital B Seller	Blue Owl GP Stakes I (B) LP (formerly known as Dyal Capital Partners I (B) LP).
GP Strategic Capital GP Stakes Business	the "Blue Owl GP Stakes" or "GP Strategic Capital" (or similar names) business and/or the "Dyal Capital" (or "Dyal", "Dyal Capital Partners" or similar names) business. For the avoidance of doubt, as of the date of this agreement the "GP Strategic Capital GP Stakes Business" (a) is a part of Blue Owl Capital and includes (without limitation) the entities Dyal GP Holdings LLC and Dyal Advisors LLC and (b) does not include Blue Owl Capital's "Owl Rock" division or "Oak Street" division as currently conducted.
GP Strategic Capital Information	Section 5, and the answers to the following questions in Section 2: (a) '*Who are the key GP Strategic Capital entities for the purposes of the Proposed Transaction?*'; and (b) '*What are Dyal Trust's future intentions for Navigator if Shareholders approve the Proposed Transaction?*'.
GP Strategic Capital Investor Group	Blue Owl GP Stakes I GP LLC (formerly known as Dyal Capital Partners I GP LLC) and its controlled Affiliates.
GP Strategic Capital Parties	Each of the GP Strategic Capital Sellers and Dyal Trust (each a **GP Strategic Capital Party**).
GP Strategic Capital Representative	Blue Owl GP Stakes I (A) LP or such other GP Strategic Capital Party notified in writing by a GP Strategic Capital Party to Navigator from time to time.
GP Strategic Capital Sellers	Each of GP Strategic Capital A Seller, GP Strategic Capital B Seller and Dyal Associate Seller.
GP Strategic Capital Warranties	The warranties made by the GP Strategic Capital Parties, the key terms of which are summarised at section 1.8 of Schedule 1: of this Explanatory Memorandum.
HSR Act	United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.
Implementation Agreement	The implementation agreement dated 1 August 2023 between Navigator and GP Strategic Capital, the key terms of which are summarised at section 1 of Schedule 1: of this Explanatory Memorandum.
Incremental Debt	The aggregate amount of: (a) the Revolver Draw; (b) any additional proceeds that may be available from Navigator's revolver facility; and (c) any new third-party debt of Navigator.
Incremental Funding	An amount funded by Navigator by (at Navigator's election) using any combination of existing cash on Navigator's balance sheet and Incremental Debt.

Independent Expert	Lonergan Edwards & Associates.
Independent Expert's Report	The report dated 6 September 2023 issued by the Independent Expert that is set out in Schedule 2: of this Explanatory Memorandum.
Interim Operating Covenants	The interim operating covenants of Navigator in the Implementation Agreement as summarised at section Schedule 1:1.4 of Schedule 1:.
KMP	The key management personnel as named in the Remuneration Report or their closely related parties (such as close family members and any companies the person controls).
Launch Date	The date of the Equity Raising.
Lighthouse	Lighthouse Investment Partners, LLC.
Lighthouse Exit	An exit or partial sale of the business of Lighthouse by Navigator.
Listing Rules	The official listing rules of ASX.
Material Adverse Effect	Any Effect that individually or in the aggregate, has had, or would reasonably be expected to have, a material adverse effect on the business, assets, liabilities, financial condition or results of operations of the Navigator Group (taken as a whole) or the enforceability of the Implementation Agreement and the Proposed Transactions; provided, however, that no Effect shall be considered when determining whether a Material Adverse Effect has occurred to the extent such Effect resulted or arose from any of the following: (i) any change or development in capital market conditions generally or general economic conditions in the industries, markets or geographies in which the Navigator Group operates including with respect to interest rates, currency exchange rates, or the price of commodities; (ii) any change in law or accounting standards, in each case after 1 August 2023; (iii) any failure, in and of itself, of the Navigator Group to meet, with respect to any period or periods, any internal forecasts or published projections, forecasts, estimates or predictions (whether internal or otherwise) of earnings, revenues, business plans, budgets or other financial or operating metrics before or after the date of the Implementation Agreement; provided, that this paragraph (iii) shall not prevent a determination that any Effect underlying such failure to meet forecasts or projections has resulted in a Material Adverse Effect (to the extent such Effect is not otherwise excluded from this definition of Material Adverse Effect pursuant to paragraphs (i), (ii), (iv), (v), (vi) or (vii) of this definition); (iv) any natural disaster, change in the weather or climate or any escalation or worsening thereof; (v) the negotiation, execution, public announcement, performance, pendency or consummation of the Proposed Transaction, including any adverse change in customer, governmental, vendor, employee, union, supplier or similar relationships primarily resulting therefrom, including as a result of the identity of GP Strategic Capital Parties or any of its Affiliates or any communication by Navigator or any of its Affiliates (including in respect of its plans or intentions for the business of Navigator); (vi) any act of war (whether or not declared), any change or development in political, social or regulatory conditions or geopolitical conditions or other outbreak or continuation of hostilities, acts of war or terrorism or any escalation or worsening thereof;

	(vii) any epidemic or pandemic (including COVID-19), any continuation, escalation or worsening thereof or any mitigation efforts of Governmental Entities with respect thereto (including disruptions or downturns in the financing, banking, credit, currency or capital markets attributable thereto); or (viii) any specific Effect to which certain employees of GP Strategic Capital has actual (and not constructive or deemed) knowledge as of 1 August 2023. Any Effect resulting from the matters referred to in the foregoing proviso shall be excluded only to the extent such matters occur after 1 August 2023, and any effects resulting from the matters referred in paragraphs (i), (ii), (iv), (vi) or (vii) of this definition shall be excluded only to the extent such matters do not materially and disproportionately impact Navigator or their Subsidiaries as compared to other companies operating in the same industry.
Maturity Date	Tenth anniversary of the issue date of the Convertible Notes.
Navigator or NGI	Navigator Global Investments Limited (ACN 101 585 737).
Navigator Group	Navigator and each of its Subsidiaries (each a **Navigator Group Member**).
Navigator Prescribed Occurrence	An occurrence of either of the following: ▪ a breach by Navigator of any of the Interim Operating Covenants which is material when taken in the context of the Transaction as a whole; or ▪ a Lighthouse Exit.
Navigator Representatives	Each of Navigator's respective officers, directors, agents, advisors or representatives.
Navigator Warranties	The warranties made by Navigator, the key terms of which are summarised at section 1.8 of Schedule 1: of this Explanatory Memorandum.
NGI Strategic Holdings A	NGI Strategic Holdings (A) LP (formerly known as Dyal Capital Partners (A) LP).
NGI Strategic Holdings B	NGI Strategic Holdings (B) LP (formerly known as Dyal Capital Partners (B) LP).
NGI Strategic Investments	Line of business which includes partnerships with a portfolio of ten boutique asset manager stakes, consisting of the NGI Strategic Portfolio, Marble Capital, Invictus Capital Partners, GROW and Longreach Alternatives as at the date of this Explanatory Memorandum.
NGI Strategic Portfolio	The portfolio of six minority equity investments in established alternative asset managers consisting of Bardin Hill Investment Partners, Capstone Investment Advisors, CFM, MKP Capital Management, Pinnacle Asset Management and Waterfall Asset Management, further details of which are set out in section 4.2.
Noteholder Offer	A component of the Equity Raising, being a placement of new Shares to Dyal Trust as holder of the 2021 Convertible Notes to complete at the same time as the Rights Issue. The offer price under the Noteholder Offer is expected to be A$1.00 per new Share, however GP Strategic Capital Parties and Navigator have agreed to consult and discuss fixing a higher or lower offer price should the price of Shares move materially between 15 June 2023 and the date of the Equity Raising.
Notice of Meeting	The notice of Annual General Meeting that forms part of this Explanatory Memorandum.

Participant	A participant under the Performance Rights Plan.
Participation Intention	The intention of each Director to fully participate in the Equity Raising based on their Relevant Interest (as applicable).
Performance Rights	The performance rights issued under the Performance Rights Plan.
Performance Rights Plan	Navigator Global Investments Limited Employee Performance Rights Plan.
Placement	US$120 million placement to Dyal Trust through an issue of 129,712,902 Shares at A$1.40 per Share.
Placement Shares	The 129,712,902 new Shares to be issued to Dyal Trust as the sole participant of the Placement.
Profit Distributions	GP Strategic Capital Sellers' share of profit distributions from the NGI Strategic Portfolio in respect of 1 July 2023 to 30 June 2024 and 1 July 2024 to 30 June 2025.
Proportionate Top Up	Expected to comprise an offer of shortfall Shares under the Rights Issue to Eligible Shareholders who took up their entitlements in the Rights Issue in full based on their percentage holding of Shares at the record date for the Rights Issue. Final terms of the Proportionate Top Up will be determined by Navigator prior to launch of the Rights Issue and included in documents to be provided to Eligible Shareholders as part of the Rights Issue.
Proxy Form	The proxy form accompanying the Notice of Meeting and Explanatory Memorandum.
Proposed Transaction	The proposed transaction pursuant to the Implementation Agreement under which, among other things, Navigator will directly or indirectly redeem the Class II Units in exchange for Navigator paying GP Strategic Capital Parties the Consideration, including the funding of such Consideration, pursuant to and in accordance with the Implementation Agreement and the other transaction documents.
Reasonable	The conclusion of the Independent Expert that the Proposed Transaction is (i) fair and reasonable to Shareholders, or (ii) not fair but reasonable to Shareholders.
Recommendation	The recommendation of each Director for Shareholders vote in favour of the Transaction Resolutions.
Redemption Payment	The payment to be made by Navigator to the applicable GP Strategic Capital Sellers following 1 January 2026 to acquire the Class II Units under the limited partnership agreements currently in effect of each of NGI Strategic Holdings (A) LP and NGI Strategic Holdings (B) LP.
Register of Shareholders	The register of Shareholders maintained by or on behalf of Navigator.
Regulatory Authority	(a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, and includes ASX, ASIC and Australia's Foreign Investment Review Board.
Relevant Interest	Has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Remuneration Report	The remuneration report contained in the Financial Report and the reports of the directors and of the auditors of the Company for the year ended 30 June 2023.
Representative	In relation to a party, all officers, employees, professional advisers and agents of the party or of its Affiliates.
Resolutions	The resolutions as set out in the Notice of Meeting (or any one of them a **Resolution**, as the context requires).
Revolver Draw	US$15,000,000 to be drawn by Navigator from its current revolver facility.
Rights Issue	A component of the Equity Raising, being a non-underwritten, non-renounceable pro rata offer by Navigator to Eligible Shareholders (and to avoid doubt includes the Proportionate Top Up). The offer price under the Rights Issue is expected to be A$1.00 per new Share, however GP Strategic Capital Parties and Navigator have agreed to consult and discuss fixing a higher or lower offer price should the price of Shares move materially between 15 June 2023 and the date of the Equity Raising.
SEC	U.S. Securities and Exchange Commission.
Shares	Fully paid ordinary shares in the capital of Navigator (each a **Share**).
Shareholder	A holder of a Share.
Shareholders Agreement	The shareholders agreement entered into between the Company and GP Strategic Capital A Seller, GP Strategic Capital B Seller, Dyal Europe Holdings Limited, Neuberger Berman Australia Limited ACN 146 033 801 as trustee for Dyal Trust I and NB Dyal Associates LP, on 1 February 2021.
Shareholder Meeting	The Annual General Meeting of Shareholders to be convened and, if thought fit, pass the Resolutions, on and subject to the terms and conditions of this agreement.
Subsidiary	Has the meaning given in section 9 of the Corporations Act.
Superior Proposal	A Competing Proposal which was not solicited, invited or initiated by the Company or any of the Company's representatives which in the determination of the Board acting in good faith, after receiving advice from the Company's legal and financial advisers, could reasonably be expected to: (a) if completed substantially in accordance with its terms, lead to a transaction more favourable to the Shareholders than the transactions contemplated under the Implementation Agreement; and (b) be inconsistent with the fiduciary or statutory duties of the Company's directors if the Company's directors were to continue to recommend the transactions contemplated by the Implementation Agreement instead of the Competing Proposal.
Tax	Any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax (including royalty withholding tax), impost or withholding obligation of whatever nature, whether direct or indirect, (including any tax payable under a country's foreign source income attribution or anti-tax-deferral rules) by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction.
Takeover Bid	A takeover bid for Shares under Chapter 6 of the Corporations Act which is unconditional, or all conditions have been satisfied or waived.

Third-party	A person other than Navigator, GP Strategic Capital Parties and their respective Affiliates.
Transaction Resolutions	Resolutions 6, 7 and 8 as set out in the Notice of Meeting (or any one of them a **Transaction Resolution**, as the context requires).
USD Equivalent	Such amount converted into US dollars based on the exchange rate published by the Reserve Bank of Australia as at 4.00pm on the day prior to the Equity Raising.
Voting Assistance	To the maximum extent permitted by law, Navigator shall use reasonable endeavours to provide to Dyal Trust proxy information available to it 24 hours before a meeting of Shareholders in an aggregated form setting out the total number of proxies cast for, against and open.
Voting Form	The voting form enclosed together with this Notice of Meeting.
Voting Power	Has the meaning given in and is to be determined in accordance with the Corporations Act.
Voting Undertaking	Dyal Trust's undertaking in the Amended Shareholders Agreement that it and its Affiliates will not to vote some or all of its Shares, and will procure that some of all of its Shares are not voted, where its Shares exceed 49.9% of the total votes cast on a resolution of Shareholders.
Voting Intention	The intention of each Director to cause any Shares in which they have a Relevant Interest to be voted in favour of the Transaction Resolutions.

Schedule 1:
Summary of the terms of the transaction documents

1. Material terms of the Implementation Agreement

1.1 Proposed Transaction

Pursuant to the terms of the Implementation Agreement, Navigator will directly or indirectly redeem GP Strategic Capital Sellers' Class II Units for a total consideration of US$200,000,000 (**Consideration**). This will result in the:

(a) Cancellation of the scheduled redemption payment in CY26 (**Redemption Payment**) to acquire GP Strategic Capital Sellers' remaining share of the NGI Strategic Portfolio; and

(b) Acquisition of GP Strategic Capital Sellers' share of profit distributions from the NGI Strategic Portfolio in respect of 1 July 2023 to 30 June 2024 and 1 July 2024 to 30 June 2025 (**Profit Distributions**) with effect from 1 July 2023.

For the avoidance of doubt, GP Strategic Capital Sellers' profit entitlements for 1 July 2022 to 30 June 2023 remain payable in the ordinary course, and in any event, on or prior to Completion.

1.2 Funding

The Consideration is funded by Navigator as follows:

(a) US$80,000,000 equity raising to all Shareholders and holders of the 2021 Convertible Notes (**Equity Raising**), comprising a placement of Shares to 2021 Convertible Noteholders, and a pro rata rights issue to Shareholders with any shortfall offered to those Shareholders based on their shareholdings at the rights offer record date. Dyal Trust has committed to exercise its entitlements in full and take up Shares under the Equity Raising (representing approximately a 35.8% interest in Navigator on a fully diluted basis);

(b) US$120,000,000 issue of Shares to Dyal Trust at A$1.40 per Share (**Placement**); and

(c) any remaining Consideration will be paid by Navigator by a combination of existing cash on Navigator's balance sheet and Third-party debt, provided that such Third-party debt does not exceed US$40,000,000.

If Dyal Trust's or its Associates Relevant Interest in Shares exceeds 46.5%, Navigator will issue 2023 Convertible Notes to Dyal Trust which are on the same terms as the 2021 Convertible Notes other than in respect of the conversion price and other terms described in section Schedule 1:2 of Schedule 1:.

Navigator has agreed to submit a borrowing request in respect of the Revolver Draw within one Business Day following the approval of the Transaction Resolutions for the express purpose of satisfying the Consideration.

1.3 Conditions

Completion of the Proposed Transaction is subject to the satisfaction or waiver (where permitted) of the Conditions which include:

(a) receipt of all applicable regulatory approvals for Navigator and GP Strategic Capital Parties, including Transaction Resolutions, FIRB, the United Kingdom Financial Conduct Authority, Dubai Financial Services Authority, Hong Kong Securities and Futures Commission, the Central Bank of Ireland, and HSR Act;

(b) no Material Adverse Effect has occurred in relation to Navigator between 1 August 2023 and 10.00pm on the date before the date of the Equity Raising (**Launch Date**);

(c) the Independent Expert has provided the Independent Expert Report which concludes that the Transaction is fair and reasonable to Shareholders or not fair but reasonable to Shareholders and has not withdrawn this conclusion as at 10.00pm on the day before the Launch Date;

(d) as at 10.00pm on the day before the Launch Date, there isn't in effect or in force, any order, injunction or decree issued by any court or agency of competent jurisdiction, or other legal restraint or prohibition preventing the Proposed Transaction and no statute, rule, regulation, order, injunction or decree that has been enacted, entered, promulgated or enforced by any Regulatory Authority which prohibits or makes the consummation of the Proposed Transaction illegal;

(e) each of the Navigator Warranties and GP Strategic Capital Warranties are true and accurate as at 1 August 2023 and as at 10.00pm on the day before the Launch Date (other than any breaches that are not material in the context of the Transaction taken as a whole); and

(f) there is no Navigator Prescribed Occurrence between 1 August 2023 and 10.00pm on the day before the Launch Date.

(together, the **Conditions**)

On the 10th business day after receipt of all required consents and approvals (and assuming all other Conditions are satisfied) or such earlier date as agreed between Navigator and the GP Strategic Capital Representative, Navigator will launch the Equity Raising.

1.4 Interim Operating Covenants

From 1 August 2023 to the earlier of the termination of the Implementation Agreement and Completion, Navigator must, and must procure that each Navigator Group Member:

(a) conducts its business in all material respects in the ordinary course;

(b) other than with respect to internal consolidations, reorganisations or other restructurings, not adopt a plan or agreement of complete or partial liquidation, dissolution, consolidation or reorganisation of Navigator or any of its material Subsidiaries;

(c) not sell, lease, license, abandon, permit to lapse, or otherwise dispose of any of its properties or assets other than:

  (i) in respect of properties or assets not material to the Navigator Group, taken as a whole; or

  (ii) in the ordinary course of business consistent with past practice;

(d) other than;

  (i) under existing debt arrangements of US$70 million; or

  (ii) new third party debt which forms part of the Incremental Debt (which must not exceed US$40 million),

not incur or guarantee any indebtedness for borrowed money; provided that at no time may the amount drawn or guaranteed by Navigator under any debt facilities exceed US$60 million in the aggregate without the prior written consent of GP Strategic Capital Representative;

(e) not acquire, merge, consolidate or invest in any equity interest or business, asset or properties of any person (including entering into any joint venture, partnership or other similar arrangement) (in a single transaction or series of related transactions) that would be material to the Navigator Group, taken as a whole;

(f) other than to Dyal Trust on conversion of its Convertible Notes, not issue any Equity Interests in Navigator or any of its Subsidiaries or sell any Equity Interests in Navigator Group; provided, however, this paragraph (f) shall not restrict or limit the ability of Navigator Group to make equity grants pursuant to it or its affiliates' employee benefit plans; provided, further, that nothing in this paragraph (f) shall be deemed to restrict the vesting or payment, or the acceleration of the vesting or payment, of any awards consisting of equity awards in accordance with the terms of any existing equity-based, bonus, incentive, performance or other compensation plan or arrangement or employee benefit plan (including in connection with any equity award holder's termination of service);

(g) not repurchase, redeem or otherwise acquire any securities of Navigator Group;

(h) not amend or modify the Constitution except for amendments which are not reasonably expected to result in any adverse impact to any of the GP Strategic Capital Sellers;

(i) not declare any dividend or distributions other than consistent with Navigator's existing publicly announced dividend policy;

(j) not undertake a Lighthouse Exit; or

(k) not agree to take, make any commitment to take, or adopt any resolutions of its Board or similar governing body in support of, any of the actions prohibited in the foregoing paragraphs (a) to (j) of the Interim Operating Covenants.

(together, the **Interim Operating Covenants**)

However, the Interim Operating Covenants do not:

(a) restrict any Navigator Group Member from taking any action or failing to take any action that:

   (i) is required in respect of the Proposed Transaction or is expressly contemplated or permitted by the transaction documents for the Proposed Transaction;

   (ii) arises as a result of a court or Regulatory Authority order, injunction or undertaking or is otherwise required in order to comply with any applicable law or regulation;

   (iii) has been Fairly Disclosed in Schedule 1 of the Disclosure Letter; or

   (iv) occurs with GP Strategic Capital Sellers' prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

(b) in relation to paragraph Schedule 1:1.4(a) of the Interim Operating Covenants, restrict the ability of any Navigator Group Member from taking any action, or failing to take any action, that has been Fairly Disclosed in Schedule 2 of the Disclosure Letter; and

(c) restrict the ability of Navigator's ability to respond to a Competing Proposal.

1.5 Termination Rights

Either Navigator or GP Strategic Capital Parties may terminate the Implementation Agreement at any time:

(a) upon written agreement between the parties;

(b) if:

   (i) any order, injunction or decree issued by any court or agency of competent jurisdiction has been issued;

   (ii) any statute, rule regulation, order, injunction or decree has been enacted, entered, promulgated or enforced by any Regulatory Authority;

   (iii) any other legal restraint or prohibition has been made or enacted, that permanently prevents, prohibits or makes illegal the Transaction, that permanently prevents, prohibits or makes illegal the Proposed Transaction;

(c) if a party fails to satisfy its Completion obligations (upon written notice from the other party with a period for remedy).

GP Strategic Capital Parties may also terminate the Implementation Agreement before 10.00pm on the day before the Launch Date by providing written notice to Navigator if:

(a) Sean McGould ceases devoting substantially all of his business time and attention to the affairs of Navigator or otherwise ceases to maintain an active management role consistent with his management role as at 1 August 2023 in respect of Navigator (except where due to death or permanent disability);

(d) there is a material breach of a Navigator Warranty (which is material when taken in the context of the Transaction as a whole), upon written notice of GP Strategic Capital Parties with a period for remedy;

(e) Navigator materially breaches the Implementation Agreement, the Interim Operating Covenants or any other covenant provided by Navigator, including an exit or partial sale of the Lighthouse business (**Lighthouse Exit**) which has occurred on or prior to 10.00pm on the day before the Launch Date (which is material when taken in the context of the Transaction as a whole, except in respect of a Lighthouse Exit) upon written notice of GP Strategic Capital Representative with a period for remedy;

(f) any Director publicly changes or withdraws its Recommendation, Voting Intention or Participation Intention or publicly recommends a Competing Proposal; or

(g) upon failure of a Condition and the parties cannot agree to an alternative structure for the Transaction by the End Date (other than where due to that party's breach or the condition is for the sole benefit of the other party).

Navigator may terminate the Implementation Agreement before 10.00pm on the day before the Launch Date by providing written notice to GP Strategic Capital Representative if:

(a) there is a material breach of a GP Strategic Capital Warranty, (which is material when taken in the context of the Transaction as a whole), upon written notice of Navigator with a period for remedy;

(b) GP Strategic Capital Parties materially breaches the Implementation Agreement and any covenants provided by GP Strategic Capital Parties (which is material when taken in the context of the Transaction as a whole), upon written notice of Navigator with a period for remedy;

(c) if any Director publicly changes or withdraws their Recommendation, Voting Intention or Participation Intention or publicly recommends a Competing Proposal, but only where permitted to do so under the Implementation Agreement; or

(d) upon failure of a Condition and the parties cannot agree to an alternative structure for the Transaction by the End Date (other than where due to that party's breach or the condition is for the sole benefit of the other party).

1.6 Break Fee

The Break Fee will be payable by Navigator to GP Strategic Capital Sellers if the Proposed Transaction is terminated as a result of:

(a) a Competing Proposal is announced before the earlier of the Shareholder Meeting or the termination of the Implementation Agreement, and within 12 months of such announcement or termination, Navigator enters into a definitive agreement in respect of a Competing Proposal which subsequently closes at any time.

(b) GP Strategic Capital Parties terminate the Implementation Agreement before 10.00pm on the day before the Launch Date by providing written notice to Navigator as a result of:

(i) Sean McGould ceasing to devote substantially all of his business time and attention to the affairs of Navigator or otherwise ceases to maintain an active management role consistent with his management role as at 1 August 2023 in respect of Navigator (except where due to death or permanent disability); or

(ii) Navigator materially breaching the Implementation Agreement, the Interim Operating Covenants or any other covenant provided by Navigator, including a Lighthouse Exit which has occurred on or prior to 10.00pm on the day before the Launch Date (which is material when taken in the context of the Proposed Transaction as a whole, except in the case of a Lighthouse Exit) upon written notice of GP Strategic Capital Representative with a period for remedy.

(c) the Implementation Agreement being terminated as a result of any of the Directors withdrawing or adversely modifying their Recommendation, Voting Intention or Participation Intention (unless the Independent Expert does not conclude, ceases to conclude or adversely changes its previously given opinion such that the Proposed Transaction is Reasonable to Shareholders, where the dominant reason for the conclusion or change in conclusion does not include the existence of a Competing Proposal).

1.7 Exclusivity

(a) Navigator must, and must procure that the Navigator Representatives (as defined below) to, immediately cease and cause to be terminated any activities, discussions or negotiations conducted before 1 August 2023 with any person other than GP Strategic Capital Sellers with respect to any Competing Proposal.

(b) Unless the Proposed Transaction documentation has been terminated in accordance with its terms, Navigator must not and must procure that each of its respective officers, directors, agents, advisors or representatives (collectively, **Navigator Representatives**), do not directly or indirectly:

(i) solicit or initiate any negotiations or discussions which could reasonably be expected to lead to a Competing Proposal;

(ii) encourage or facilitate inquiries or proposals, or participate in any negotiations or discussions or enter any agreement with any person which could reasonably be expected to lead to a Competing Proposal; or

(iii) furnish any non-public information to any person contacting them or making an inquiry with respect to a potential Competing Proposal.

(c) Unless the Proposed Transaction documentation has been terminated in accordance with its terms, Navigator shall not, and shall cause each of the Navigator Representatives not to on its behalf, enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, or other agreement relating to any Competing Proposal.

(d) Navigator must as soon as reasonably practical (and in any event, within 24 hours) notify GP Strategic Capital Representative in writing if it is approached, or if it becomes aware that any of its Navigator Representatives has been approached, by any person in relation to any activity referred to in paragraphs (b) or (c) in this "Exclusivity" summary, and such notice must include:

(i) a general description of the nature of the approach and the material terms of the Competing Proposal; and

(ii) details of the identity of the relevant person, except, in the case of this section Schedule 1:1.7(d)(ii), to the extent that the directors of Navigator determine in good faith, after consultation with its external legal adviser and financial adviser, that the relevant Competing Proposal is or could reasonably be expected to become a Superior Proposal and disclosure of the identity of the relevant person could reasonably be expected to constitute a breach of what the Directors consider to be their fiduciary or statutory duties or otherwise be unlawful.

(e) Sections Schedule 1:1.7(b)(ii), Schedule 1:1.7(b)(iii), and Schedule 1:1.7(c) in this "Exclusivity" summary do not apply to the extent that they restrict any person from taking or not taking any action with respect to a bona fide Competing Proposal which did not arise from a breach of paragraphs Schedule 1:1.7(a) or Schedule 1:1.7(b)(i) in this "Exclusivity" summary where the Board, acting in good faith, determines:

(i) after consultation with its financial adviser, that the Competing Proposal is, or could reasonably be expected to become, a Superior Proposal; and

(ii) after receiving advice from its external legal adviser, that failing to respond to the Competing Proposal could reasonably be expected to constitute a breach of the Directors' fiduciary or statutory duties.

1.8 Warranties

Navigator has given customary warranties, including basic title and capacity warranties, and the following:

(a) At 1 August 2023, Navigator is not aware of any information relating to Navigator Group or its businesses that would reasonably be expected to have a Material Adverse Effect.

(b) At 1 August 2023, Navigator is in compliance with its continuous disclosure obligations under Listing Rule 3.1 and not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure (other than for the Proposed Transaction).

GP Strategic Capital Parties have given customary warranties, including basic title and capacity, qualified purchaser and investment purpose warranties.

2. Material terms of the 2023 Convertible Note Deed Poll and changes to 2021 Convertible Note Deed Poll

The new Convertible Notes issued in connection with the Proposed Transaction will be issued under the 2023 Convertible Note Deed Poll, on the same terms as the 2021 Convertible Note Deed Poll (as amended below), other than the conversion price which will reflect an equivalent price to the Shares that would have been issued pursuant to the Equity Raising or the Placement (as applicable).

The 2021 Convertible Note Deed Poll will be amended from Completion of the Proposed Transaction to remove the ability for cash redemption on maturity. The Maturity Date will automatically be extended by 3 years if regulatory approvals are required to effect conversion and have not been obtained. In addition, where Dyal Trust or their affiliates are a 2021 Convertible Noteholder, the 2021 Convertible Notes cannot convert into Shares if it will result in Dyal Trust or its Affiliates having a Relevant Interest in Navigator of more than 46.5%. The Amended 2021 Convertible Note Deed Poll will also contain other minor changes, including to clarify that prior to conversion, Dyal Trust or any Affiliate that directly holds Convertible Notes will provide appropriate representations to allow Navigator to determine whether the conversion would adversely impact Navigator's status under the Investment Company Act; provided, that if the parties reasonably determine that Navigator's status would be adversely impacted, the parties will cooperate in good faith to seek a solution that would address Navigator's status under the Investment Company Act and allow for a conversion of the Convertible Notes.

3. Material terms of the Shareholders Agreement

The relationship between Navigator and Dyal Trust is currently governed by a Shareholders Agreement between them. That Shareholders Agreement will remain in place but with the following key changes:

(a) Dyal Trust retains their existing right to nominate a representative to the Board and will also gain an observer right, with the Navigator ownership threshold for these entitlements being amended from 10% to 5%.

(b) Dyal Trust undertakes that it and its Affiliates will not to vote some or all of its Shares, and will procure that some of all of its Shares are not voted, where its Shares exceed 49.9% of the total votes cast on a resolution of Shareholders (**Voting Undertaking**). Navigator will use reasonable endeavours to provide proxy information to Dyal Trust available to it 24 hours before a Shareholder meeting in an aggregated form setting out the total number of proxies cast (for, against and open) (**Voting Assistance**), and consider in good faith any additional requests for Voting Assistance by Dyal Trust from time to time. Subject to Navigator's reasonable endeavours to provide Voting Assistance, Navigator Group shall not have any liability to Dyal Trust or its Affiliates, officers, directors, employees, agents or advisers arising out of or in connection with the monitoring and voting of the Voting Undertaking, including its monitoring and enforcement, or the Voting Assistance.

(c) Dyal Trust commits to maintaining majority independent directors for the Board and an independent Chairperson. The previous requirement for Dyal Trust to vote their Shares in favour of the election of any proposed director supported by the Board has been removed.

(d) Following the applicable release from Escrow of Shares and/or Convertible Notes, if Dyal Trust proposes to transfer its Shares to a third party U.S. transferee in a private sale, Dyal Trust shall, to the extent applicable, cooperate in good faith with Navigator to determine whether such transfer would adversely impact Navigator's status under the Investment Company Act, and, to the extent requested by Navigator following such consultation, (1) obtain from such proposed transferee an appropriate representation reasonably satisfactory to Dyal Trust (following consultation with legal counsel to Dyal Trust and legal counsel to Navigator) that such transferee is a "qualified purchaser" as defined in the Investment Company Act, or (2) cooperate in good faith with Navigator to seek a solution that would address Navigator's status under the Investment Company Act.

4. Material Terms of the Escrow Deed

Following Completion of the Proposed Transaction, the trustee for Dyal Trust and the custodian of the Shares and Convertible Notes held on behalf of Dyal Trust have agreed to voluntarily escrow Shares and Convertible Notes held by the custodian on behalf of Dyal Trust, to be released as follows (**Escrow**):

(a) 40,524,306 Shares, 180 days following Completion of the Proposed Transaction; and

(b) all remaining Shares and Convertible Notes held by the custodian upon the announcement of Navigator's financial results for the financial year ending 30 June 2026.

The Escrow will cease to apply to the extent necessary to allow the custodian to deal in any of the securities in Escrow if the dealing arises as a result of (i) the acceptance of a bona fide third party Takeover Bid in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any escrow arrangements with the Company in relation to Shares, and to which the offers under the bid relate, have accepted the bid; or (ii) the transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act. The custodian agrees that escrow restrictions will be re-applied in each case in (i) and (ii) if any securities are not transferred or cancelled in accordance with that Takeover Bid or scheme of arrangement.

The Escrow will also cease to apply to the extent necessary to allow the trustee or custodian to undertake a reorganisation, subject to there being no change to the underlying interests of the beneficiaries of Dyal Trust and any new holder agreeing to be bound by an escrow on substantially the same terms as the Escrow.

The Escrow will also cease to apply under some more general circumstances to allow a dealing in Shares, (a) if required by any applicable law or pursuant to an order of a court of competent jurisdiction compelling a dealing with the Shares, or (b) if the dealing constitutes a transfer or disposal of, but not the creation of a security interest in Shares to a (i) trustee of an affiliated fund or (ii) member of the GP Strategic Capital Investor Group or its Affiliates, provided that the respective trustees/members in (i) and (ii) (and custodian if applicable) also agree to be bound by an escrow on substantially the same terms as the Escrow for the remainder of the Escrow period, and the terms of deed provide that where the trustee or member in (i) and (ii) ceases to be an affiliated fund or member of the GP Strategic Capital Investor Group or its Affiliates, then the Escrow Shares must be transferred to a trustee (or custodian if applicable) of an affiliated fund or member of the GP Strategic Capital Investor Group or its Affiliates, which enter into an escrow on substantially the same terms as the Escrow.

This Escrow arrangement replaces the previous arrangement in the Shareholders Agreement.

Schedule 2:
Independent Expert's Report

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The Directors
Navigator Global Investments Limited
Level 3
9 Sherwood Road
Toowong QLD 4066

6 September 2023

Subject: Proposed transaction with GP Strategic Capital Parties

Dear Directors

The Proposed Transaction

1 On 15 June 2023, Navigator Global Investments Limited (NGI or the Company) announced that it had signed a binding term sheet with GP Strategic Capital[1], a platform of Blue Owl, regarding the settlement of the Redemption Payment[2] to affiliates of GP Strategic Capital (GP Strategic Capital Sellers) and the accelerated acquisition of incremental profit distributions from a portfolio of six minority ownership interests in alternative asset managers (NGI Strategic Portfolio) from GP Strategic Capital Sellers (Proposed Transaction). NGI subsequently announced that it had entered into definitive transaction documentation regarding the Proposed Transaction on 1 August 2023.

2 The NGI Strategic Portfolio includes minority ownership interests in Bardin Hill Investment Partners, Capstone Investment Advisors, Capital Fund Management S.A. (CFM), MKP Capital Management, Pinnacle Asset Management and Waterfall Asset Management. The NGI Strategic Portfolio represents a well-diversified group of established alternative asset management firms with strong leadership and long track records of delivering results to their clients through multiple market cycles. Since the initial acquisition of the NGI Strategic Portfolio from affiliates of GP Strategic Capital Parties[3] in 2021, the NGI Strategic Portfolio has performed strongly and well above expectations. As at 30 June 2023, these firms collectively had over US$48.6 billion of assets under management (AUM), across

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1 Formerly Dyal Capital Partners. In 2021, Dyal Capital Partners, which was a business unit of Neuberger Berman Group, LLC, combined with Owl Rock Capital Partners and certain of its affiliates and Altimar Acquisition Corporation, a publicly-traded special purpose acquisition company sponsored by an entity affiliated with HPS Investment Partners, LLC to form Blue Owl. Blue Owl is now publicly traded and listed on the New York Stock Exchange. Dyal Capital Partners (now a platform of Blue Owl) has since been renamed GP Strategic Capital.

2 The Redemption Payment originated on 1 February 2021 when NGI acquired the NGI Strategic Portfolio and relates to a payment to settle the remaining interest in the NGI Strategic Portfolio not currently owned by NGI. It is calculated based on an agreed formula linked to the earnings produced over the five years to CY25, capped at US$200 million.

3 This includes the GP Strategic Capital Sellers and Dyal Trust.

32 diversified investment strategies, compared to US$35.6 billion at the time of acquisition (representing an approximately 36% increase).

Consideration and funding

3 Under the Proposed Transaction, GP Strategic Capital Parties will receive total consideration of US$200 million in cash and NGI shares (or 2023 Convertible Notes[4]) in exchange for the cancellation of the Redemption Payment (brought forward from April 2026) and the incremental cash distributions for the year to 30 June 2024 (FY24) and FY25 that GP Strategic Capital Sellers would have been entitled to. The total consideration will be funded by:

(a) a US$120 million issue of shares to Dyal Trust at a price of A$1.40 per share, based on an agreed exchange rate of A$1.00 = US$0.66 (Placement)

(b) a US$80 million pro-rata equity raising to all shareholders and holders of the 2021 Convertible Notes (Equity Raising), comprising:

(i) a non-underwritten, non-renounceable pro rata offer by NGI to eligible shareholders (Rights Issue). Any shortfall in the Rights Issue will be offered to those shareholders who participate in the Equity Raising based on their underlying shareholdings at the Equity Raising record date (Proportionate Top Up[5])

(ii) a placement of shares to 2021 Convertible Noteholders (Noteholder Offer) to complete at the same time as the Rights Issue (the 2021 Convertible Notes are held by Dyal Trust[6])[7]

The offer price under both the Rights Issue and Noteholder Offer is currently expected to be A$1.00 per new share, however GP Strategic Capital Parties and NGI have agreed to consult and discuss fixing a higher or lower issue price should the price of NGI shares move materially between 15 June 2023 and the date of the Equity Raising

(c) in the event that the Equity Raising does not raise the full US$80 million proposed, any remaining consideration will be paid by NGI using a combination of existing cash and third-party debt, provided that such third-party debt does not exceed US$40 million[8].

4 The 2023 Convertible Notes will be issued on the same terms as the existing 2021 Convertible Notes (as amended) other than in respect of the conversion price.

5 Expected to comprise an offer of shortfall shares under the Rights Issue to eligible shareholders who took up their entitlements in the Rights Issue in full based on their percentage underlying holding of shares at the record date for the Rights Issue.

6 The 2021 Convertible Notes were issued to Dyal Trust as part consideration for the acquisition of the NGI Strategic Portfolio in February 2021. As at the date of this report, there were 90,289 2021 Convertible Notes outstanding which are convertible to approximately 60.2 million NGI shares. Refer paragraph 141 for further information about the 2021 Convertible Notes.

7 GP Strategic Capital Parties has committed to exercise its fully diluted pro-rata entitlement (being approximately 35.8%) in full.

8 Transaction costs associated with the Proposed Transaction (and Equity Raising) will also be paid by NGI from cash and third party debt.

Impact on voting interests and underlying economic ownership

4 Following the settlement of the Proposed Transaction, Dyal Trust is expected to own between 44.8% to 46.5%[9] of NGI ordinary shares and, together with the 2021 Convertible Notes and the 2023 Convertible Notes[10] held by Dyal Trust, will have a pro forma economic ownership of NGI of between 50.8% to 60.2%[11].

5 Currently, the 2021 Convertible Notes can be converted to ordinary shares by the holder (which is Dyal Trust) at any time, subject to certain conditions including not contravening s606 of the Corporations Act. As Dyal Trust currently has a voting interest in 19.9% of the ordinary shares in NGI, Dyal Trust cannot currently convert any of the 2021 Convertible Notes to ordinary shares without NGI shareholder approval. Should such approvals not be obtained, the terms of the 2021 Convertible Notes require the 2021 Convertible Notes to be cash settled at their maturity date (being 10 years from their issue date) at the value which would be obtained by the noteholder if the 2021 Convertible Notes were converted to ordinary shares.

6 As the Proposed Transaction will result in Dyal Trust holding a voting interest of between 44.8% and 46.5% of the ordinary shares in NGI, it is proposed that Dyal Trust will only be able to convert some or all of the 2021 Convertible Notes (and the 2023 Convertible Notes) provided Dyal Trust's voting interest after conversion does not exceed 46.5%. That is, the voting interest threshold before Dyal Trust (or the holder of the Convertible Notes) can convert some or all of the Convertible Notes to ordinary shares is to be increased from 19.9% to 46.5%. It is also proposed that the cash settlement obligation referred to in the preceding paragraph be removed in the 2021 Convertible Note Deed. In its place, the maturity date will automatically be extended for three years (and continually be extended for this period) until conversion can occur.

7 Further information on the terms of the Convertible Notes is set out in paragraphs 141 and paragraphs 270 to 279.

Board structure

8 An independent Board structure is to be maintained, with Dyal Trust retaining its existing Board nominee right[12], as well as being granted the right to one Board observer. Dyal Trust has also agreed to voluntarily escrow its NGI shares and 2021 Convertible Notes (and any 2023 Convertible Notes issued under the Proposed Transaction), which are to be released in two tranches following completion of the Proposed Transaction:

(a) approximately 40.5 million shares of its current shareholding[13] will be escrowed for 180 days following completion of the Proposed Transaction; and

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9 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

10 If Dyal Trust's relevant interest in NGI shares will exceed 46.5%, NGI will issue 2023 Convertible Notes to Dyal Trust rather than ordinary shares.

11 If non Dyal Trust shareholders take up 100% of their entitlements in the Equity Raising, the economic interest of Dyal Trust would be 50.8%. If non Dyal Trust shareholders do not participate in the Equity Raising the economic interest of Dyal trust would be 60.2%. Given the attractive pricing of the Equity Raising in comparison to share trading post the announcement of the Proposed Transaction as well as the Proportionate Top Up, we would expect non Dyal Trust shareholders to have a relatively high participation in the Equity Raising.

12 To date, Dyal Trust has not taken up its right to a Board nominee.

13 This represents 83.5% of the 48.5 million shares currently held by Dyal Trust.

(b) all remaining shares and the 2021 and 2023 Convertible Notes held by Dyal Trust (and any shares issued upon conversion) will be escrowed until the announcement of NGI's financial results for FY26.

Scope

Issue of shares – s611(7) approval

9 Section 606 of the *Corporations Act* 2001 (Cth) (Corporations Act) generally prohibits the acquisition of a relevant interest in issued voting securities of an entity if the acquisition results in a person's voting power in a company increasing from below 20% to more than 20%, or from a starting point between 20% and 90%, unless a permissible exception applies[14]. A permissible exception to this general prohibition is set out in s611(7), whereby such an acquisition is allowed where the acquisition is approved by a resolution of securityholders of the entity at a general meeting and no votes are cast in respect of securities held by the acquirer, Dyal Trust (where applicable) or any of their respective associates.

10 As noted above, the Proposed Transaction involves the issue by NGI to Dyal Trust of new shares to a value of US$120 million and the Equity Raising to a value of US$80 million, which will include the issue of new shares and convertible notes to Dyal Trust pursuant to the Rights Issue and the Noteholder Offer. Dyal Trust has committed to exercise its pro-rata entitlement to the Rights Issue and Noteholder Offer (being approximately 35.8%) in full.

11 Whilst limits are in place regarding the timing of conversion of the existing 2021 Convertible Notes held by Dyal Trust (to prevent Dyal Trust from acquiring a voting interest which breaches s606 of the Corporations Act), pursuant to the Proposed Transaction (and the related settlement thereof) Dyal Trust will:

(a) increase its voting interest in NGI shares from 19.9% to between 44.8% and 46.5%[15]

(b) increase its economic interest in NGI from 35.8% to between 50.8% and 60.2%[16] (based on the number of fully diluted shares on issue including allowance for the dilution associated with the 2021 and 2023 Convertible Notes).

12 As a result of this increased interest there is a regulatory requirement for NGI to provide shareholders with all material information relevant to a vote on the Proposed Transaction.

Related party transaction – acquisition of assets

13 Chapter 2E of the Corporations Act prohibits (in all but limited circumstances) a public company from "giving a financial benefit" to a "related party" without the approval of the securityholders that are not a party to the transaction.

14 Whilst there is no specific requirement for an IER under the Corporations Act, the notice of meeting sent to members must include all information that is reasonably required in order for the members to decide whether it is in their best interests to pass the proposed resolution.

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14 Subject to the 3% every six months "creep provisions".

15 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

16 Assuming non Dyal Trust shareholders have nil and 100% participation respectively in the Equity Raising.

15 Australian Securities Exchange (ASX) Listing Rule 10.1 states that an entity must ensure that it does not acquire a substantial asset from, or dispose of a substantial asset to (amongst others) a related party or a substantial holder (of greater than 10% of the voting rights) or associates of either without the approval of the holders of the entity's ordinary securities. Approval is required by resolution at a general meeting.

16 ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration for it, is 5% or more of the book value of the equity interests of the entity as set out in the latest accounts provided to the ASX under the ASX Listing Rules.

17 ASX Listing Rule 10.5.10 requires that the notice of general meeting include a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated members.

Independent expert's report

18 Given the above, the NGI Directors have elected to commission an independent expert's report (IER) to discharge the above shareholder disclosure obligations. In addition, the Proposed Transaction is subject to a number of conditions precedent, including an independent expert concluding that the Proposed Transaction is either "fair and reasonable" or "not fair but reasonable" to NGI shareholders (i.e. those shareholders not associated with Dyal Trust)[17]. The NGI Board recommendation of the Proposed Transaction to shareholders is also subject to this conclusion.

19 Accordingly, the Directors of NGI have requested Lonergan Edwards & Associates Limited (LEA) to prepare an IER stating whether, in our opinion, the Proposed Transaction is fair and reasonable to NGI shareholders and the reasons for that opinion.

20 LEA is independent of NGI and GP Strategic Capital Parties and has no involvement with or interest in the outcome of the Proposed Transaction other than the preparation of this report.

Summary of opinion

21 LEA has concluded that the Proposed Transaction is not fair but is reasonable to NGI shareholders. We have arrived at this conclusion for the reasons set out below.

Assessment of fairness

22 Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) requires that the fairness of the Proposed Transaction be assessed by comparing the controlling interest value of NGI shares prior to implementation of the Proposed Transaction with the portfolio interest value of NGI shares following implementation (being the deemed "consideration" delivered to NGI shareholders).

23 In order for the Proposed Transaction to be "fair" under RG 111, the portfolio interest value of NGI shares following implementation of the Proposed Transaction must be equal to, or greater than the controlling interest value of NGI shares before implementation.

24 This comparison is set out below:

[17] For the purpose of the IER, "NGI shareholders" refers to non GP Strategic Capital Parties shareholders.

"Fairness" value comparison	Section	Low A$ per share	Mid-point A$ per share	High A$ per share
Portfolio interest value of NGI shares following implementation of the Proposed Transaction	V	1.090	1.145	1.200
Controlling interest value of NGI shares prior to implementation of the Proposed Transaction	VI	1.430	1.505	1.580
Extent to which portfolio interest value post implementation is less than the controlling interest value of NGI shares before implementation		(0.340)	(0.360)	(0.380)

25 Based on the above we have concluded that the Proposed Transaction is not fair to NGI shareholders based on the guidelines set out in RG 111.

Assessment of reasonableness

26 Under RG 111 a transaction is reasonable if it is fair. It may also be reasonable, even if it is not fair, if the expert concludes that the advantages of the transaction outweigh the disadvantages from the perspective of NGI shareholders.

27 In considering whether the Proposed Transaction is reasonable, we have initially considered whether NGI shareholders are likely to be better off from a value perspective if they approve the Proposed Transaction by comparing the value of NGI shares pre and post the Proposed Transaction on a consistent portfolio basis.

28 This comparison is shown below:

Comparative value of NGI shares	Low A$ per share	Mid-point A$ per share	High A$ per share
Portfolio interest value of NGI shares post the Proposed Transaction	1.090	1.145	1.200
Portfolio interest value of NGI shares prior to the Proposed Transaction	1.080	1.140	1.200
Increase in portfolio interest value of NGI shares due to the Proposed Transaction	0.010	0.005	-
% increase	0.9%	0.4%	-

29 Whilst the above comparison indicates that the Proposed Transaction (including the Placement and related Equity Raising) only results in a negligible uplift in the portfolio value of NGI shares, it should be noted that this is because the post transaction valuation range reflects both:

(a) the issue of US$120 million in new NGI shares at a price of A$1.40 per share to Dyal Trust (which are being issued in consideration for GP Strategic Capital Sellers forgoing the Redemption Payment and its entitlements to distributions from the NGI Strategic Portfolio in FY24 and FY25); and

(b) the proposed Equity Raising to raise a further US$80 million at an indicative price of A$1.00 per share.

30 Thus, it should be noted that:

(a) the price at which shares are being issued to Dyal Trust, of A$1.40 per share, represents a significant premium to both:

(i) our portfolio value of NGI shares pre and post completion of the Proposed Transaction (the midpoints for which are A$1.14 and A$1.145 per share respectively); and

(ii) the volume weighted average price (VWAP) of NGI shares in the one and three months prior to the announcement of the Proposed Transaction of A$1.04 and A$1.03 per share respectively

(b) the proposed Equity Raising (at A$1.00 per share) is expected to provide NGI shareholders with the opportunity to acquire additional shares in NGI at a substantial discount to both:

(i) the price being paid by Dyal Trust of A$1.40 per share

(ii) the VWAP of NGI shares since the Proposed Transaction announcement up to 31 August 2023 of A$1.35 per share.

31 Further, in the absence of the Proposed Transaction and related Entitlement Offer NGI is likely to have to raise additional equity capital in any event in order to fund the Redemption Payment. Such capital raisings of the size likely to be required in order to fund the Redemption Payment are normally priced at a discount to the listed market price of the shares.

32 We therefore consider that the Proposed Transaction is reasonable.

Equity Raising issue price

33 As noted above, the offer price under the Equity Raising is currently expected to be A$1.00 per share. However, GP Strategic Capital Parties and NGI have agreed to consult and discuss fixing a higher or lower issue price should the price of NGI shares move materially between 15 June 2023 and the date of the Equity Raising.

34 Whilst any change in the issue price of shares in the Equity Raising will impact the post–transaction values shown above[18], such a change will not impact our opinion on the Proposed Transaction. This is principally because:

(a) the pricing of the Equity Raising has no impact on the price of A$1.40 per share being paid by Dyal Trust pursuant to the Proposed Transaction

(b) the Equity Raising is a pro-rata entitlement offer which is available to all NGI shareholders (e.g. a shareholder owning 1% of NGI shares on a fully diluted basis prior to the Equity Raising will receive an entitlement to acquire 1% of the new NGI shares

[18] For example, a reduction in the issue price of the Equity Raising to A$0.90 per share from A$1.00 per share (and assuming the same AUD:USD exchange rate) would reduce the post-transaction value (on a portfolio basis) to A$1.12 per share (mid-point), being a reduction of A$0.02 per share from that shown above.

being issued under the Equity Raising). NGI shareholders who participate fully in the Equity Raising will therefore not be diluted by it.

Summary of advantages and disadvantages

35 We summarise below the advantages and disadvantages of the Proposed Transaction from the perspective of NGI shareholders:

Advantages

(a) as noted above, the price at which shares are being issued to Dyal Trust, of A$1.40 per share, represents a significant premium to both:

   (i) our portfolio value of NGI shares pre and post completion of the Proposed Transaction (the midpoints for which are A$1.14 and A$1.145 per share respectively); and

   (ii) the VWAP of NGI shares in the one and three months prior to the announcement of the Proposed Transaction of A$1.04 and A$1.03 per share respectively

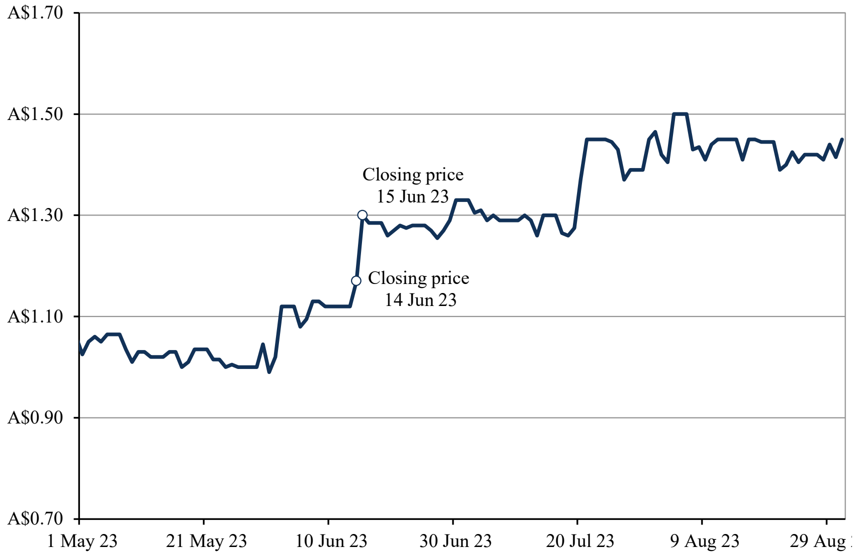
(b) the proposed Equity Raising (at A$1.00 per share) is expected to provide NGI shareholders with the opportunity to acquire additional shares in NGI at a substantial discount to both:

   (i) the price being paid by Dyal Trust of A$1.40 per share; and

   (ii) the VWAP of NGI shares since the Proposed Transaction announcement up to 31 August 2023 of A$1.35 per share

(c) the listed market price of NGI shares has increased materially following the announcement of the Proposed Transaction on 15 June 2023 (which indicates that market participants consider the Proposed Transaction to be value accretive), as shown below:

NGI – share price recent history[1]
1 May 2023 to 31 August 2023



Note:
1 Based on closing prices.
Source: Bloomberg.

(d) the Proposed Transaction provides NGI with a material increase in scale, cash flows and earnings for FY24 and FY25 (i.e. prior to the date at which the Redemption Payment Liability would have otherwise been settled), which will enable the Company to reduce debt and/or channel cash flows towards growth opportunities

(e) the Proposed Transaction strengthens the NGI balance sheet and removes funding uncertainty regarding the outstanding Redemption Payment

Disadvantages

(f) pursuant to the Proposed Transaction, Dyal Trust will increase its voting interest in NGI from 19.9% to between 44.8% to 46.5%[19] and its economic interest from 35.8% to between 50.8% to 60.2%[20]. Dyal Trust will therefore have effective voting control of NGI should it wish to exercise its voting power. This voting power could also increase in the future as Dyal Trust will be able to acquire an additional 3% voting interest every six months pursuant to s611(9) of the Corporations Act should it wish to do so

(g) the Proposed Transaction is not "fair" when assessed based on the guidelines set out in RG 111. This is because the Proposed Transaction does not provide value to NGI shareholders which is equal to the full controlling interest value of NGI shares prior to the Proposed Transaction.

36 As indicated above there are a number of advantages and disadvantages associated with the Proposed Transaction. However, in our view, the advantages of the Proposed Transaction significantly outweigh the disadvantages.

37 For the reasons set out above, we have therefore concluded that the Proposed Transaction is not fair, but is reasonable to NGI shareholders.

Other matters

Amendment to 2021 Convertible Note terms

38 NGI shareholders are also being asked to approve a number of amendments to the terms of the 2021 Convertible Notes held by Dyal Trust (which were issued in 2021). The amendments primarily involve changes to the conversion rights and how the 2021 Convertible Notes are dealt with at maturity. These changes are being made to align with the terms of the 2023 Convertible Notes, which are being issued pursuant to the Proposed Transaction and related Equity Raising. However, the 2021 Convertible Notes and 2023 Convertible Notes will have different conversion prices, and the conversion price of the 2021 Convertible Notes will not change.

39 As set out in Section VII, we have considered the changes to the conversion rights and maturity of the 2021 Convertible Notes and consider these changes to be reasonable (refer paragraphs 273 and 277). The other minor changes to the 2021 Convertible Notes have no material impact on NGI or NGI shareholders (refer paragraph 279).

19 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

20 Assuming non Dyal Trust shareholders have nil and 100% participation respectively in the Equity Raising.

Equity Raising

40 NGI shareholders should note that the Equity Raising is a non-renounceable pro-rata entitlement offer. As the Equity Raising is expected to be priced at a discount to the listed market price of NGI shares, NGI shareholders who do not take up their entitlements under the Equity Raising should note that they will therefore not receive any value for their entitlements.

General

41 This report is general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual NGI shareholders. Accordingly, before acting in relation to the Proposed Transaction and Equity Raising, NGI shareholders should have regard to their own objectives, financial situation and needs. NGI shareholders should also read the Notice of Meeting and Explanatory Memorandum that has been issued by NGI in relation to the Proposed Transaction.

42 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether NGI shareholders should vote for or against the Proposed Transaction, or participate in the Equity Raising. These are matters for individual NGI shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If NGI shareholders are in doubt about the action they should take in relation to the Proposed Transaction, Equity Raising or matters dealt with in this report, shareholders should seek independent professional advice.

43 For our full opinion on the Proposed Transaction and the reasoning behind our opinion, we recommend that NGI shareholders read the remainder of our report.

Yours faithfully

Jorge Resende	Craig Edwards
Authorised Representative	Authorised Representative

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Appendices

I The Proposed Transaction

Summary

44 An overview and key terms of the Proposed Transaction is set out at paragraphs 1 to 0.

Conditions

45 Completion of the Proposed Transaction is subject to the satisfaction or waiver (where permitted) of the conditions precedent which include[21]:

(a) approval by shareholders of ordinary resolutions:

(i) for the purposes of s611(7), with GP Strategic Capital Parties acquiring a relevant interest in issued voting securities in NGI of between 44.8% to 46.5% as a result of the Proposed Transaction

(ii) for the purposes of ASX Listing Rule 7.1 in relation to the issuance of NGI ordinary shares and 2023 Convertible Notes to Dyal Trust under the Proposed Transaction; and

(iii) for the purposes of ASX Listing Rule 10.1 for NGI to acquire the Class II Units held by GP Strategic Capital Sellers under the Proposed Transaction

(b) receipt of applicable consents and approvals for NGI and GP Strategic Capital Parties, including Foreign Investment Review Board, the United Kingdom Financial Conduct Authority, Dubai Financial Services Authority, Hong Kong Securities and Futures Commission, the Central Bank of Ireland and HSR Act

(c) no Material Adverse Effect (as defined in Section 7 of the Explanatory Memorandum) occurs in relation to NGI between the date of the Implementation Agreement dated 1 August 2023 (Implementation Agreement) and 10.00pm on the day before the date of the Equity Raising (Launch Date)

(d) an independent expert issues a report which concludes that the Proposed Transaction is fair and reasonable to shareholders or not fair but reasonable to shareholders and has not withdrawn this conclusion as at 10.00pm on the day before the Launch Date

(e) as at 10.00pm on the day before the Launch Date, there is not in effect or in force, any order, injunction or decree issued by any court or agency of competent jurisdiction, or other legal restraint or prohibition preventing the Proposed Transaction, and no statute, rule, regulation, order, injunction or decree that has been enacted, entered, promulgated or enforced by any regulatory authority which prohibits or makes the consummation of the Proposed Transaction illegal

(f) each of NGI's and GP Strategic Capital Parties' warranties are true and accurate as at the date of the Implementation Agreement (as summarised in Section 1.8 in Schedule 1 of the Explanatory Memorandum) and as at 10.00pm on the day before the Launch Date (other than any breaches that are not material in the context of the Proposed Transaction taken as a whole)

(g) there is no failure by NGI to comply with any of the interim operating covenants (as summarised in Section 1.4 in Schedule 1 of the Explanatory Memorandum) in any material respect or an exit or partial sale of the business of Lighthouse Investment

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21 More detail on the above conditions (which is a summary only) is set out in the Notice of Meeting and Explanatory Memorandum.

Partners, LLC (Lighthouse) by NGI, in each case, between the date of the Implementation Agreement and 10.00pm on the day before the Launch Date.

Break fee

46 A break fee of US$2 million is payable by NGI to GP Strategic Capital Parties if:

(a) the Implementation Agreement is terminated as a result of the NGI Directors withdrawing or adversely modifying their recommendation, voting intention or participation intention, unless the independent expert does not conclude, ceases to conclude or adversely changes its conclusion that the Proposed Transaction is fair and reasonable to shareholders or not fair but reasonable to shareholders, where the dominant reason for the conclusion or change in conclusion does not include the existence of a competing proposal

(b) prior to 10.00pm on the day before the Launch Date, GP Strategic Capital Parties terminates the Implementation Agreement as a result of:

(i) Mr Sean McGould (NGI Chief Executive Officer) ceasing to devote substantially all of his business time and attention to NGI or ceases to maintain an active management role consistent with his management role at the date of the Implementation Agreement (except where due to death or permanent disability); or

(ii) NGI materially breaching the Implementation Agreement, the interim operating covenants or any other covenant provided by NGI (which is material when taken in the context of the Proposed Transaction as a whole), including an exit or partial sale of the Lighthouse business

(c) a competing proposal is announced or made before the earlier of the shareholder meeting or the termination of the definitive transaction agreement and within 12 months of such announcement or termination, NGI enters into a definitive agreement in respect of a competing proposal which subsequently closes at any time.

Shareholders Agreement

47 The relationship between NGI and GP Strategic Capital Parties is currently governed by a Shareholders Agreement between the respective parties[22]. This Shareholders Agreement will remain in place, noting the following key changes:

(a) Dyal Trust retains its existing right to nominate a representative to the NGI Board and will also gain an observer right, with the NGI ownership threshold for these entitlements being amended from 10% to 5%

(b) Dyal Trust undertakes not to vote some or all of its NGI shares where they exceed 49.9% of the total votes cast on a resolution of NGI shareholders

(c) Dyal Trust commits to maintaining a majority of independent Directors for the NGI Board and an independent Chairperson. The requirement for Dyal Trust to vote its shares in favour of the election of any proposed Director supported by the NGI Board has been removed.

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22 The Shareholders Agreement has no fixed term, but terminates by mutual agreement or if Dyal Trust's shareholding in NGI falls below 5% on a fully diluted basis.

Convertible Note Deed Poll

48 The 2021 Convertible Note Deed Poll[23] will be amended from completion of the Proposed Transaction to remove the ability for cash redemption on maturity. The maturity date will be automatically extended by three years until regulatory approvals to effect conversion have been obtained. In addition, where Dyal Trust or its associates are a convertible noteholder, the Convertible Notes cannot convert into NGI shares if it will result in Dyal Trust or any of its associates having a relevant interest in NGI of more than 46.5%. The 2021 Convertible Note Deed Poll will also contain other minor changes.

49 The 2023 Convertible Notes issued in connection with the Proposed Transaction will be issued on the same terms as the 2021 Convertible Note Deed Poll (as amended above), other than the conversion price, which will reflect the price under the Equity Raising or Placement (as applicable) for those shares that would have otherwise been issued to Dyal Trust.

23 Which relates to the issue of the 2021 Convertible Notes on 1 February 2021.

II Scope of our report

Purpose

Issue of shares – s611(7) approval

50 Section 606 of the Corporations Act generally prohibits the acquisition of a relevant interest in issued voting securities of an entity if the acquisition results in a person's voting power in a company increasing from below 20% to more than 20%, or from a starting point between 20% and 90%, unless a permissible exception applies. A permissible exception to this general prohibition is set out in s611(7), whereby such an acquisition is allowed where the acquisition is approved by a majority of securityholders of the entity at a general meeting and no votes are cast in respect of securities held by the acquirer, Dyal Trust or any of their respective associates.

51 ASIC Regulatory Guide 74 – *Acquisitions approved by members* sets out the view of ASIC on the operation of s611(7) of the Corporations Act. Section 611(7) of the Corporations Act allows shareholders to waive the prohibition in s606 and requires that shareholders approving a resolution pursuant to this section be provided with all material information in relation to the respective proposal.

52 As noted above, as the issue of shares to Dyal Trust (or its nominee) under the Proposed Transaction (and related settlement thereof) will result in Dyal Trust increasing its voting interest in NGI ordinary shares from 19.9% to between 44.8% and 46.5%[24] and its pro forma economic interest in NGI from 35.8% to between 50.8% and 60.2%[25], there is a regulatory requirement for NGI to provide shareholders with all material information relevant to a vote on the Proposed Transaction.

Related party transaction – acquisition of assets

53 Chapter 2E of the Corporations Act prohibits (in all but limited circumstances) a public company from "giving a financial benefit" to a "related party" without the approval of the securityholders that are not a party to the transaction.

54 Whilst there is no specific requirement for an IER under the Corporations Act, the notice of meeting sent to members must include all information that is reasonably required in order for the members to decide whether it is in their best interests to pass the proposed resolution.

55 ASX Listing Rule 10.1 states that an entity must ensure that it does not acquire a substantial asset from, or dispose of a substantial asset to (amongst others) a related party or a substantial holder (of greater than 10% of the voting rights) or associates of either without the approval of the holders of the entity's ordinary securities. Approval is required by resolution at a general meeting.

56 ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration for it, is 5% or more of the book value of the equity interests of the entity as set out in the latest accounts provided to the ASX under the ASX Listing Rules.

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24 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

25 Assuming non Dyal Trust shareholders have nil and 100% participation respectively in the Equity Raising.

57 ASX Listing Rule 10.5.10 requires that the notice of general meeting include a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated members.

Scope

58 Given the above, the Directors of NGI have elected to commission an IER to discharge the above obligations in respect of the Proposed Transaction. In addition, the Proposed Transaction is subject to a number of conditions precedent, including an independent expert concluding that the Proposed Transaction is either "fair and reasonable" or "not fair but reasonable" to NGI shareholders. The intended NGI Board recommendation of the Proposed Transaction to shareholders is also subject to this conclusion.

59 Accordingly, the Directors of NGI have requested LEA to prepare an IER stating whether, in our opinion, the Proposed Transaction is fair and reasonable to NGI shareholders and the reasons for that opinion. Our report will accompany the Notice of Meeting and Explanatory Memorandum to be sent to NGI shareholders.

60 It should be noted that this report is general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual NGI shareholders. Accordingly, before acting in relation to the Proposed Transaction, NGI shareholders should have regard to their own objectives, financial situation and needs. NGI shareholders should also read the Notice of Meeting and Explanatory Memorandum that has been issued by NGI in relation to the Proposed Transaction.

61 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether NGI shareholders should approve the Proposed Transaction. This is a matter for individual NGI shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If NGI shareholders are in doubt about the action they should take in relation to the Proposed Transaction or matters dealt with in this report, shareholders should seek independent professional advice.

Basis of assessment

62 In preparing our report, we have had regard to the Regulatory Guides issued by ASIC, particularly RG 111, which sets out (inter alia) the view of ASIC on the content of expert reports prepared for the purpose of seeking approval under s611(7) of the Corporations Act.

63 Under RG 111, the Proposed Transaction must be analysed as if it were a takeover bid under Chapter 6 of the Corporations Act. Accordingly, the expert is required to assess the proposed transaction in terms of the convention established for takeovers pursuant to s640 of the Corporations Act, being:

(a) is the offer "fair" – when assessing takeovers, an offer is "fair" if the value of the offer price or consideration is equal to, or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the company and is irrespective of whether the offer is cash or scrip

(b) is it "reasonable" – an offer is "reasonable" if it is fair. An offer may also be reasonable if, despite being "not fair", in the opinion of the expert, there are sufficient reasons for securityholders to accept the offer in the absence of any higher bid before the close of the offer.

64 Notwithstanding that the Proposed Transaction does not involve any takeover offer being made to NGI shareholders, RG 111 requires that the fairness of the Proposed Transaction be assessed by comparing the controlling interest value of NGI shares prior to implementation of the Proposed Transaction with the portfolio value of NGI shares following implementation (being the deemed "consideration" delivered to NGI shareholders). In order for the Proposed Transaction to be "fair" under RG 111, the portfolio value of NGI shares following implementation of the Proposed Transaction must be equal to, or greater than the controlling interest value of NGI shares before implementation.

65 The Proposed Transaction will also be "reasonable" if it is "fair". In addition, in our opinion, the Proposed Transaction will be "reasonable" even if it is not "fair" if the advantages outweigh the disadvantages of the Proposed Transaction from the perspective of NGI shareholders.

66 Our report has therefore considered a range of both qualitative and quantitative factors including:

Fairness

(a) the controlling interest value of 100% of NGI shares prior to implementing the Proposed Transaction

(b) the portfolio value of NGI shares following implementation of the Proposed Transaction

(c) the difference between (a) and (b) in order to assess whether the Proposed Transaction is fair to NGI shareholders pursuant to RG 111

Reasonableness

(d) the relevant position of NGI shareholders before and after implementation of the Proposed Transaction assessed on a consistent basis (i.e. by comparing the portfolio value before implementation with the portfolio value afterwards)

(e) the impact of the Proposed Transaction on the ownership and control of NGI

(f) the implications for NGI shareholders if the Proposed Transaction is not approved and implemented; and

(g) other qualitative and strategic issues associated with the Proposed Transaction and the extent to which, on balance, they may advantage or disadvantage existing NGI shareholders if the Proposed Transaction proceeds or is rejected.

Limitations and reliance on information

67 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

68 Our report is also based upon financial and other information provided by NGI and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial

Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

69 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Proposed Transaction from the perspective of NGI shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

70 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the Proposed Transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.

71 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

72 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.

73 In forming our opinion, we have also assumed that the information set out in the Notice of Meeting and Explanatory Memorandum is complete, accurate and fairly presented in all material respects.

III Profile of NGI

Overview

74 NGI is an ASX listed, diversified alternative asset management company that partners with well established, scaled alternative asset managers predominantly in the United States of America (US) who operate businesses which are diversified across investment style, product type and client base. The Company is the parent of alternative investment manager Lighthouse and also holds minority interest positions in a number of unlisted alternative asset managers.

History

75 NGI listed on the ASX under the name of HFA Holdings Limited (HFA) on 28 April 2006. At this time, HFA was an absolute return funds of hedge funds manager[26] with around A$2 billion of AUM.

76 On 1 November 2007, HFA announced the acquisition of Lighthouse for consideration that included a combination of cash and HFA shares. Lighthouse had been managing portfolios of hedge fund assets since 1999. Around the date of acquisition, Lighthouse had some US$8 billion of AUM. Following shareholder approval at the 2017 annual general meeting, the Company changed its name from HFA to Navigator Global Investments Limited.

Mesirow Advanced Strategies acquisition

77 In early March 2018, the Company entered into an agreement to acquire the majority of the client assets of Mesirow Advanced Strategies (MAS), the multi-manager hedge fund division of Mesirow Financial Holdings Inc. The transaction closed on 1 July 2018 with the transition of US$5.4 billion of AUM to Lighthouse on that date, with a proportion of the MAS team joining Lighthouse.

78 The purchase consideration for the MAS transaction was determined under earn-out payment terms over seven years, calculated as an agreed percentage of earnings before interest, tax, depreciation and amortisation (EBITDA) generated by the transitioned assets above a floor amount (below which no payment would be made)[27]. This structure ensured that the Company was provided with both protection from the risks associated with the post-transition redemption activity, and ensured that NGI was compensated for the considerable time and effort involved in a material asset transition.

NGI Strategic Portfolio acquisition

79 On 1 February 2021, NGI completed the acquisition of the NGI Strategic Portfolio from affiliates of Dyal Capital Partners[28]. Around the date of acquisition, these firms managed around US$35.6 billion of AUM across 114 products and 25 investment strategies. The respective businesses had offices in six countries and exposure to both base management fees and fees eligible for performance fees.

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26 A funds of hedge funds manager invests in a portfolio of different hedge funds to provide broad exposure to the hedge fund industry and to diversify the risks associated with a single investment fund.

27 As of June 2020, this agreement was amended to remove this earn-out payment.

28 As discussed at paragraph 1, subsequent to this transaction, Dyal Capital Partners became a platform of Blue Owl and has since been renamed GP Strategic Capital.

80 The acquisition of the NGI Strategic Portfolio was structured in two stages and the total purchase price was US$235.2 million, for which NGI acquired US$219.4 million of investments[29] and US$15.7 million of cash[30]:

(a) as of 1 February 2021, NGI acquired its interest in the NGI Strategic Portfolio in exchange for the issue of NGI ordinary shares and 2021 Convertible Notes[31]. The value of the issued shares and 2021 Convertible Notes was linked to the NGI share price on 1 February 2021, with 40,524,306 ordinary shares issued with a value of US$63.8 million and 102,283 2021 Convertible Notes issued with a value of US$102.3 million

(b) the remaining interest in the NGI Strategic Portfolio (i.e. the Redemption Payment) was valued at US$69.1 million as at 1 February 2021, and under the original terms was to be acquired post the end of the 2025 calendar year (CY25). The Redemption Payment is calculated based on an agreed formula linked to the earnings performance of the NGI Strategic Portfolio over the five years to CY25 (refer to paragraph 140 for further details of this calculation), capped at US$200 million.

81 Pursuant to the agreed transaction terms, NGI is entitled to a preferred distribution arrangement that continues to CY25 (and after which it will be entitled to the entire distribution stream). This preferred distribution was US$17 million for the year to 30 June 2021 (FY21) profit sharing period, indexed at 3% per annum thereafter (Preferred Distribution Base Amount). The Company is also entitled to 20% of any distributions above the Preferred Distribution Base Amount. Under the original agreement this meant that NGI would not receive the full attributable profit share from the NGI Strategic Portfolio until post 2025.

82 The transaction also established an ongoing partnership with GP Strategic Capital with the potential to broaden NGI's access to a variety of future accretive, organic and inorganic growth opportunities (as has since been the case with the acquisitions of Marble Capital and Invictus Capital, both of which were introduced to NGI by GP Strategic Capital).

GROW acquisition

83 On 20 September 2021, NGI acquired a 6.7% shareholding in GROW Investment Group (GROW), an entity with subsidiaries in Hong Kong and Shanghai formed to capitalise on opportunities in the Chinese asset management industry. NGI paid cash consideration of US$4 million to fund the start-up operations and has the ability to increase its equity interest to 10% for no further consideration if earnings targets are not met by an agreed timeframe. Notwithstanding its relatively small ownership interest, NGI has one of four seats on the GROW Board and will recognise its share of GROW's profit or loss on a pro-rata basis.

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29 There was no goodwill recognised in relation to the acquisition.

30 The distributions for the FY21 profit sharing period were US$28.9 million, of which NGI's share was US$19.5 million. As the transaction closed during the financial year, US$3.7 million of NGI's distributions was recognised in the profit and loss statement, while the remaining US$15.8 million was accounted for as acquired cash.

31 The 2021 Convertible Notes have a 10-year term and can only be converted by Dyal Trust into ordinary shares if the holder has voting power of less than 20% in NGI. There is no fixed interest component, with interest paid in an amount equating to participation, on an as-converted basis, in all dividends paid on the NGI ordinary shares. The 2021 Convertible Notes have no voting rights and NGI has the ability to require conversion on an annual basis from the seventh year after issue, subject to minimum amounts.

Longreach acquisition

84 During September 2021, the Company acquired a 34.1% ownership interest in Longreach Alternatives Ltd (Longreach) for US$9.3 million. Longreach is an Australian based investment management firm with A$1.6 billion in funds under management and advice (FUMA) at the time of acquisition, providing whole of business funds management support and infrastructure to its stable of leading alternative investment managers. NGI holds joint control of Longreach with its other major shareholder, with both parties responsible for the overall direction and supervision of Longreach. The Company acquired the ownership interest from several non-employee Longreach shareholders.

Marble Capital acquisition

85 On 29 April 2022, NGI acquired a 16.9% passive investment interest[32] in Marble Capital, LP[33], the investment manager for two entities, being Marble Capital GP Holdings, LP and Marble Capital Manager Holdings, LP (collectively Marble Capital) for total consideration of US$85 million[34]. Approximately 35% of the consideration was paid at completion and the remainder deferred for up to two years. Both the upfront and deferred consideration includes primary consideration used to invest in the funds Marble Capital operates, as well as secondary consideration paid to existing principals. Marble Capital manages a series of closed-end private equity real estate funds.

Invictus Capital acquisition

86 On 4 August 2022, the Company acquired passive investment interests[35] in US based Invictus Capital Partners, LP and four affiliate entities (collectively Invictus Capital). NGI acquired equity rights of 18.2% across various Invictus Capital entities and is entitled to 9.1% of carried interest[36] proceeds for total consideration of US$100 million. Upfront consideration of US$15 million was initially paid, with the remaining US$85 million to be deferred over a three year period. The deferred consideration includes both primary and secondary elements, with the primary consideration expected to be paid on anniversary dates, while the timing of the secondary consideration is payable upon Invictus Capital's mortgage business achieving a required earnings target, or otherwise on the third anniversary date. Invictus Capital is a real estate credit focused alternative asset manager of private funds and separately managed accounts.

Current operations

87 NGI is a diversified alternative asset management company that owns 100% of Lighthouse and, since late 2020, has been particularly active in acquiring strategic minority interests in a range of established alternative asset management companies. These investments are in

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32 NGI has traditional protective rights over the investment held and has no representation on the board of directors, or ability to significantly influence operations.

33 A Texas limited partnership.

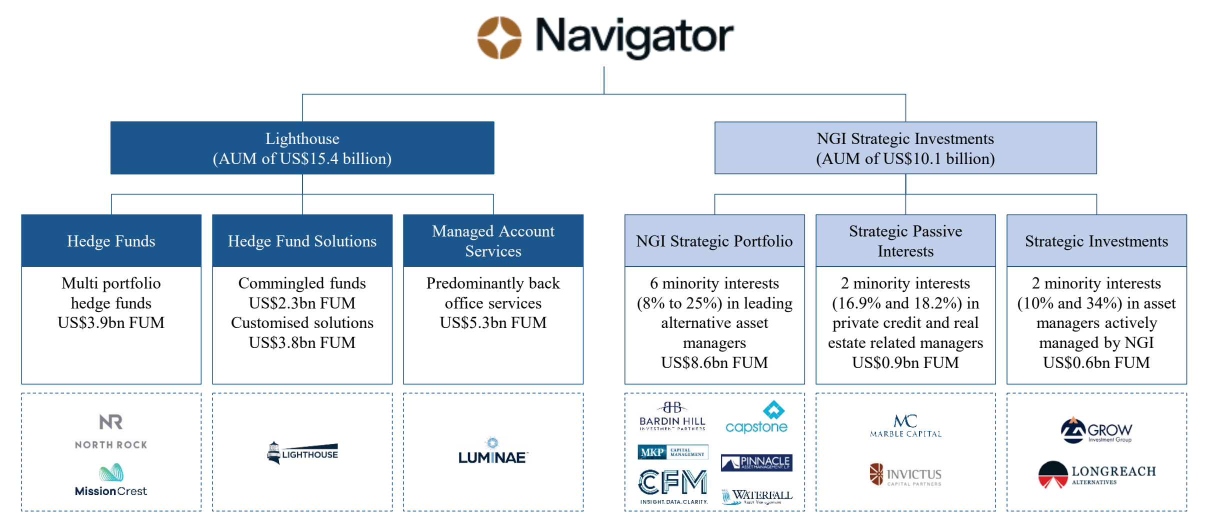
34 Some US$64 million of the proceeds from NGI's total US$85 million investment commitment will be used by Marble Capital to invest in new property developments to seed planned new funds and invest alongside clients in its flagship strategy.

35 The Company has traditional protective rights over the investment held and has no representation on the board of directors, or ability to significantly influence operations.

36 This relates to Invictus Capital's existing interest in the funds it manages, with NGI entitled to 9.1% of the future carried interest from these funds. Carried interest is a compensation structure where managers receive a share of investment profits after fund investors receive an agreed return.

scaled alternative asset managers with proven track records and best practice management that provide NGI with diversification across investment style, product type and client base. As at 30 June 2023, NGI employed 295 staff (including 125 investment professionals) and managed US$25.5 billion of assets on an equity adjusted basis[37]. A summary of the Company's operations is as follows:

NGI – operations



88 NGI now has 11 partner firms (including Lighthouse), deploying over 37 alternative investment strategies with 173 products. These partnerships are structured with various provisions focused on alignment of interests and minority protections. Given the underlying investment strategies have a low correlation to global equity and fixed income markets and to one another, the Company has a highly diversified earnings profile.

89 The investments in GROW and Longreach are not material and the Company expects that they will have a modest impact on the Company's earnings in the short term. However, the investments in Marble Capital and Invictus Capital are meaningful in both size and expected contribution to NGI's earnings in future years.

90 NGI's principal office is located in Brisbane, whilst Lighthouse has offices in New York, Chicago, Palm Beach, London, Hong Kong and Dubai, and its partner firms operate from a number of additional locations, as shown below:

37 That is, the pro rata share of AUM held by each fund manager in which NGI has an equity interest is aggregated to derive the US$25.5 billion of AUM.

NGI – locations

Lighthouse

91 Based in the US, Lighthouse creates and manages global hedge fund solutions for a variety of clients from around the world. Lighthouse has US$15.4 billion in AUM and for more than 25 years has delivered competitive risk-adjusted returns and innovative solutions to investors. Its global investor base spans North America, Europe, the Middle East and Asia-Pacific and includes pension plans, sovereign wealth funds, corporations, insurance companies, endowments, foundations, family offices, and individual investors.

92 Lighthouse and its affiliates employ over 286 staff, including 125 investment professionals, across offices in New York, London, Chicago, Hong Kong, Palm Beach and Dubai. Lighthouse's overall objective is to create and deliver innovative investment solutions that compound investor capital. The firm has three distinct businesses:

(a) **Hedge Funds** – this has been a growing focus of the Lighthouse business in recent years and additional products using the multi-portfolio manager structure are in development. This business currently operates a range of funds, with the two largest being:

(i) North Rock – a global multi-manager investment platform primarily focused on relative value equity strategies with a low correlation to public equity markets. It houses multiple investment teams, representing independent investment specialists operating under North Rock's platform

(ii) Mission Crest – a global multi-manager investment platform focused on discretionary and systemic strategies

(b) **Hedge Fund Solutions** – Lighthouse offers a broad range of hedge fund solutions, including:

(i) Strategic Partnerships – Lighthouse works with large strategic investors to customise their alternative investment exposure and meet specific needs across investment advisory, risk monitoring and operational services. Strategic partners may utilise a variety of Lighthouse's services, ranging from investments in its Hedge Funds or Commingled Funds, Customised Funds or utilisation of its Managed Account Services

(ii) Customised Solutions – Lighthouse offers sophisticated or wholesale investors the ability to access the benefits of a managed account structure in a customised portfolio while still receiving portfolio construction, manager selection and due diligence services from the Lighthouse investment team. Lighthouse undertakes this by working closely with large strategic investors to customise their alternative investment exposure and specific needs across middle office, risk monitoring and investment advisory services

(iii) Commingled Funds – Lighthouse also offers a number of hedge fund solutions through its commingled funds, the largest strategies of which are Global Long / Short (which is a global long / short equity fund seeking equity-like returns with lower volatility than traditional global equity investments) and Diversified (which is a multi-strategy, absolute return strategy with low correlation and beta to traditional markets)

(c) **Managed Account Services** – provides comprehensive structuring and administrative expertise globally to institutional investors. This service allows its clients to maintain control of manager selection and allocation decisions. This includes providing efficient onboarding, specialised legal structuring and compliance services, counterparty management and robust operational oversight. It can also include customisation, and support purpose-built tools for advanced portfolio analytics, risk management and treasury services. Managed Accounts Services was recently rebranded as Luminae.

Lighthouse fee rates

93 Lighthouse generates management and performance fees from a diverse product set and client base. Revenue is largely generated by management fees, and a number of portfolios may also generate performance fees. Management fee rates represent the blended net management fee rate across all AUM, noting that the relative proportion of AUM invested across Hedge Funds, Hedge Fund Solutions and Managed Account Services influences the level of management fees charged:

(a) **Hedge Funds** – products typically have low or nil management fees as these funds generally operate on a fee pass-through basis plus a performance fee

(b) **Hedge Fund Solutions** – fees are charged for:

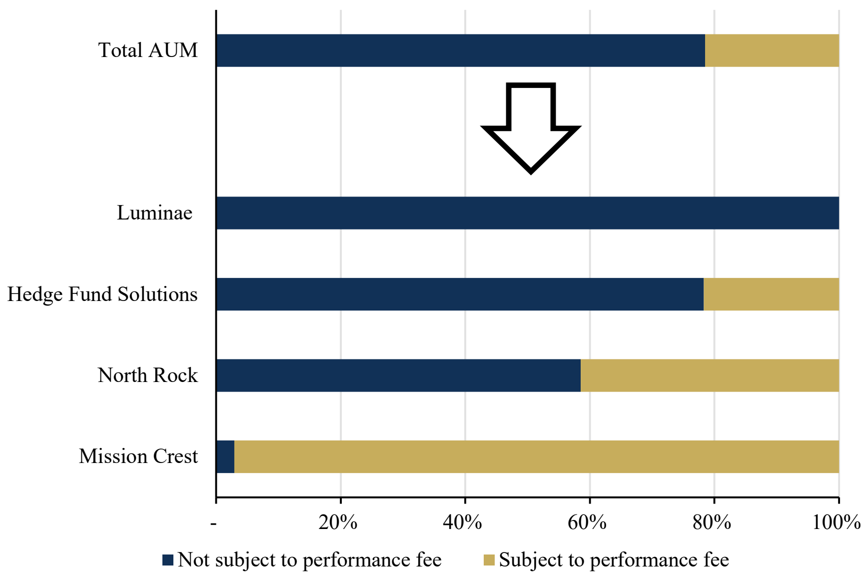
(i) **Commingled Funds –** some of these funds have share classes which have a management fee and include a performance fee. Generally, where a performance fee arrangement is in place, the management fee rate for that share class is lower. The varying fee options allow investors to select a fee structure which best suits their requirements

(ii) **Customised Solutions –** fee arrangements for Customised Solutions clients are negotiated individually. Whilst most arrangements only involve a management fee, some client fees also have a performance component

(c) **Managed Account Services** – as no active investment management is undertaken by Lighthouse, the fee is more aligned to that of administration services. The varying rates generally reflect the scale and level of sophistication of the service offering to a particular client.

94 A summary of AUM subject to performance fees (as at 31 March 2023) is as follows:

Lighthouse – AUM subject to performance fees



95 Average management fee rates for Lighthouse have trended down over time due to a number of factors, including:

(a) a shift away from Lighthouse's legacy funds of hedge funds model

(b) an increase in the proportion of clients opting for Customised Solutions and/or Managed Account Services, which are at lower fee rates

(c) the move towards fee structure options which include a performance fee with a lower management fee (as described below).

96 Since 1 January 2021, Lighthouse has been operating a pass-through expense model across relevant funds. This pass-through model fee structure is now common as compared to legacy fee structures, which traditionally charged a 1.5% to 2.0% management fee plus a 15% to 20% performance fee. This pass-through model works for products with sufficient scale, where Lighthouse is able to establish fund share classes which have a low or nil management fee, a performance fee and which can receive pass-through fund operating expenses. These fund operating costs can include the compensation costs of dedicated staff (such as portfolio managers) as well as external services and consulting expenses. In practice, these costs are paid by Lighthouse and are then reimbursed by the funds.

97 In the two and a half years since implementation of this pass-through model across select hedge funds, there has been a significant increase in the "fund reimbursable" revenue and expenses being recognised in the Company's profit and loss statement on a gross basis,

however there continues to be a nominal impact overall. These changes contributed to the reduction in average management fee rates for FY22 and FY23, however they have also resulted in a significant reduction in non-employee related operating expenses such as professional and consulting fees, IT costs and occupancy expenses.

NGI Strategic Investments

98 NGI Strategic Investments includes minority ownership interests in 10 well-diversified, established global alternative asset management firms with proven track records and best practice management. All of the firms that comprise the NGI Strategic Investments (including the NGI Strategic Portfolio) are majority owned by management and employees, with NGI holding minority interests ranging from 6% to 34%.

NGI Strategic Portfolio

99 The NGI Strategic Portfolio comprises six firms that manage over US$48.6 billion of AUM across 32 diversified investment strategies and 137 investment products, a summary of which is as follows:

NGI Strategic Portfolio – characteristics

	AUM US$bn[1]	Year founded	Head office	Investment strategy
Waterfall Asset Management	12	2005	New York	Global alternative investment manager focused on specialty finance opportunities within asset-backed credit, whole loans, real assets, and private equity
Capstone Investment Advisors	12	2004	New York	Global alternative investment manager covering a broad range of derivatives-based strategies
CFM	11	1991	Paris	Global quantitative and systematic asset management firm applying a scientific approach to finance
Pinnacle Asset Management	6	2003	New York	Global commodities specialist platform with exposure to the energy, metals and agricultural sectors
Bardin Hill Investment Partners	5	1981	New York	Institutional investment firm that specialises in middle-market, special situations, and broadly syndicated credit
MKP Capital Management	3	1995	New York	Discretionary global macro strategy that adopts a top-down fundamental approach to identify and exploit economic and financial imbalances in asset markets

Note:
1 As at 30 June 2023.

Waterfall Asset Management

100 Waterfall Asset Management was founded in 2005 and is an institutional asset manager focused on structured credit (asset-backed securities and loans) and private equity investments. The company utilises a relative value approach to investing in structured credit and loan products. The company sources, analyses, and purchases asset-backed securities and loan investments across multiple sectors globally to seek to provide its clients with competitive returns that are generally uncorrelated to most traditional investment sectors.

CFM

101 Founded in 1991, CFM is an established investment management firm that creates strategies derived from analysing large quantities of financial data allowing trading decisions to be executed in a highly systematic and disciplined way. The company looks for statistically significant patterns from which it creates investment strategies that are rigorously tested before being implemented by algorithms that control the buying and selling of securities. CFM has offices in Paris, London, New York, Tokyo and Sydney. Its investors include pension funds, endowments, sovereign wealth funds, foundations, funds of funds, private banks, insurance companies and family offices.

Capstone Investment Advisors

102 Capstone Investment Advisors was established in 2004 and is a global alternative investment management firm operating across a broad range of derivatives-based strategies, with a thorough understanding of volatility. Capstone Investment Advisors is headquartered in New York, with offices in London, Amsterdam, Stamford and Los Angeles. Through strategic insight, market leading expertise and advanced technology, the company seeks to anticipate and harness the complexities of world markets, creating unique opportunities for its clients, team and industry.

Pinnacle Asset Management

103 Founded in 2003, Pinnacle Asset Management is a global commodities absolute return manager with a focus on long / short, alpha generating strategies whilst maintaining low correlations to other asset classes. Its primary exposures are to the energy, metals and agriculture sectors. The business is based in New York and is a commodity pool operator registered with the Commodity Futures Trading Commission, and is also a member of the National Futures Association.

Bardin Hill Investment Partners

104 Bardin Hill Investment Partners is a global investment management firm that specialises in credit strategies, including distressed, stressed, and performing credit, as well as litigation-driven investing, merger arbitrage, and event-driven equities. The company is dedicated to rigorous investment analysis, extensive due diligence, and a disciplined approach to capital formation. Bardin Hill Investment Partners was founded in 1981 and is headquartered in New York, with an additional office in London.

MKP Capital Management

105 MKP Capital Management is a diversified, global, alternative investment manager. Since its founding in 1995, the firm has operated with a long term approach to investing, focused on diversification strategies. It offers portfolio management and advisory services to individuals, institutions, trusts, private funds, charitable organisations, and investment companies and serves customers worldwide. The firm's discretionary global macro strategy seeks to produce high risk-adjusted returns over the long term.

GROW

106 GROW is a China based multi-strategy asset management business, founded by highly experienced Chief Investment Officer, Mr William Ma. GROW's goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets. Notwithstanding its small ownership stake (6%), NGI has a seat on the GROW Board.

Longreach

107 Founded in 2014, Longreach is an Australian based global, alternative asset management firm with investment strategies focused on preserving investor capital and delivering sustainable income and capital growth, across the economic cycle. Longreach has grown FUMA from A$0.4 billion as at 30 June 2018 to A$2.8 billion as at 30 June 2023. Longreach's strategies currently span impact aware agriculture, private debt, US energy, and global royalty finance.

108 The investment in Longreach was viewed as beneficial to NGI as it broadens the Company's alternatives presence in Australia, provides NGI with partnership opportunities for new investments and acquisitions and has potential distribution and product development synergies.

Marble Capital

109 Established in 2016, Marble Capital provides flexible capital solutions for real estate developers who specialise in multifamily developments[38] in the US in the form of preferred equity and common equity investments. Since its inception, the company has invested in around 28,000 multi-family units equal to approximately US$5.8 billion in value. Its typical investment size is US$5 million to US$20 million, which is generally below the threshold of most institutions, and yet too large for most high net worth syndicates. Marble Capital has successfully closed four primary closed-end fund vehicles, as well as a number of related side vehicles, with each primary fund building exponentially in size. Its AUM as at 30 June 2023 was US$2.1 billion.

110 Marble Capital's strategy focuses on making defensive investments generating equity-like returns while taking on debt-like risk in a historically low volatility asset class. The strategy benefits from compelling supply / demand imbalances and relies on industry relationships that provide unique access to proprietary deal flow to secure investment opportunities. The strategy is primarily focused on downside protected, preferred equity investments of up to 70% to 75% of the leverage to value ratio, leaving an equity cushion of 25% to 30% before investments lose any principal. As Marble Capital is fully scaled, NGI management expect it to achieve operating margins above 50%.

111 The Company's investment in Marble Capital was attractive to NGI for a number of reasons:

(a) Marble Capital earns a number of revenue streams from operating its private equity vehicles, such as ongoing management fees and one time transaction fees, carried interest and realised gains from the company's own investments in the vehicles

(b) it increases NGI's exposure to closed-end funds and adds diversification to NGI's investment sector exposure by introducing a new asset class that is uncorrelated to the Company's existing portfolio company strategies. Further, the closed-end structures mean there is certainty of AUM over the life of the vehicle, providing a stable management fee earnings stream

(c) NGI has been able to acquire a share of the existing carried interests which will be realised in relation to Funds II and III. There is strong visibility into the returns being earned on the various development interests held, which allows NGI to have a high

[38] Multi-family developments refer to properties or projects that are designed and constructed to accommodate multiple residential units within a single building or complex.

degree of confidence in the level of future earnings it will receive when these carried interests are monetised and paid out

(d) NGI expects Marble Capital to be able to continue to build on its existing relationships and network of opportunities to both raise new committed funds in future vehicles, as well as identity quality future investment opportunities which can generate strong risk-adjusted returns.

Invictus Capital

112 Founded in 2008, Invictus Capital is an investment firm with a focus on opportunistic credit strategies. It seeks attractive risk-adjusted returns by sourcing undervalued high-quality mortgage loans and financing these efficiently through term credit facilities and the securitisation market, and is one of the most active non-bank investors in the US residential real estate finance market. Through an affiliate, Verus Mortgage Capital, Invictus seeks to address the credit void in today's mortgage lending market and capitalise on the substantial inefficiency within this sector.

113 Since inception the company has had cumulative loan acquisitions in excess of US$25 billion, through over 300 independent mortgage originators and completed 50 securitisations. Invictus Capital is majority-owned by its employees with extensive experience across the spectrum of real estate debt investments, including high-yielding and distressed bonds and loans.

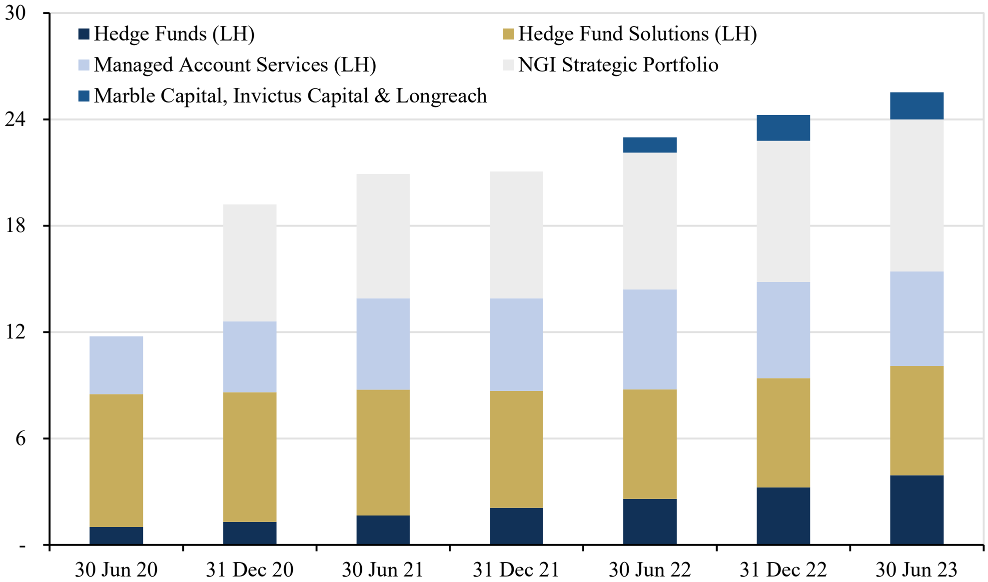
114 As at 30 June 2023, Invictus Capital had US$3.2 billion of AUM across multiple products, having recently exhibited strong AUM growth driven by a broadening set of institutional clients and strong reinvestment rates. The acquisition meaningfully diversifies NGI's strategic investment portfolio into a new investment strategy and attractive earnings profile with high quality fee earnings and carried interest.

Assets under management

115 A summary of the growth in AUM by manager is shown below, noting that NGI had US$25.5 billion[39] of AUM as at 30 June 2023:

39 That is, the pro rata share of AUM held by each fund manager in which NGI has an equity interest is aggregated to derive the AUM.

NGI – AUM (ownership adjusted basis)(1)(2)
US$ billion



Note:
1 That is, the pro rata share of AUM held by each fund manager in which NGI has an equity interest is aggregated to derive the AUM.
2 The AUM for the NGI Strategic Portfolio shown as at 31 December 2020 is as at 1 February 2021.

116 As at 31 December 2020, NGI commenced including AUM from the NGI Strategic Portfolio, which added an equity adjusted US$6.6 billion (based on total AUM of US$35.6 billion). In the period since acquisition, the NGI Strategic Portfolio performed strongly, increasing AUM to US$48.6 billion and adding equity adjusted US$2.0 billion of AUM to the Company. The recent acquisitions of Longreach, Marble Capital and Invictus Capital have further diversified NGI's AUM.

117 For the Lighthouse AUM, over the above period there was a noticeable decrease in AUM associated with Hedge Fund Solutions, which was primarily attributable to a decline in the funds of hedge funds sector and a heightened level of outflows following negative performance in March 2020 due to the start of the global COVID-19 pandemic. Over the same period there was a significant increase in AUM for Hedge Funds, due primarily to increases in AUM of the North Rock and Mission Crest products. North Rock has outperformed benchmark hedge fund indices (refer below) which has supported relatively high fund inflows over the last two and half years.

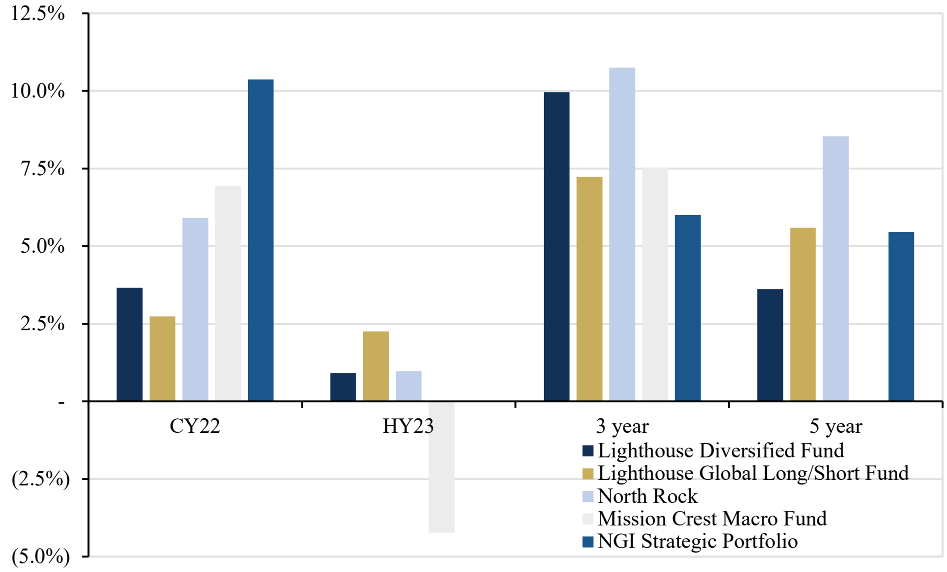
118 In FY23, Lighthouse's largest individual client represented 12% of operating revenue (8% in FY22), whilst the three largest individual clients of Lighthouse combined represented 26% of operating revenue (22% in FY22). Additionally, 38% of Lighthouse's revenue relates to management fees and performance fees earned on the North Rock funds.

Investment performance

119 The recent investment performance of NGI's funds (including the NGI Strategic Portfolio) is as follows:

Lighthouse – investment performance to 30 June 2023[(1)]

% per annum



Note:
1 The investment performance shown for the NGI Strategic Portfolio is for the three year and five year periods to 31 December 2022.

120 Regarding NGI's recent investment performance relative to benchmark indices[40] (refer to the table below):

(a) NGI has reported positive investment returns across its portfolio in CY22, a year in which public equity markets reported relatively high negative returns

(b) over the three years to 30 June 2023, the Lighthouse Diversified Fund and North Rock reported returns of 10.0% and 10.8% per annum respectively, which were materially higher than hedge fund indices

(c) over five years, all of NGI's funds (including the NGI Strategic Portfolio) significantly outperformed hedge fund indices.

NGI – fund and benchmark performance

	2022 %	Half year to 30 Jun 23 %	3 year %	5 year %	3 year volatility %
Lighthouse Diversified Fund	3.66	0.91	9.96	3.61	5.10
Lighthouse Global Long / Short Fund	2.74	2.25	7.23	5.60	6.99
North Rock	5.91	0.98	10.75	8.54	6.76
Mission Crest Macro Fund	6.94	(4.23)	7.52	na	6.53
NGI Strategic Portfolio	10.37	na	6.00[(1)]	5.45[(1)]	na

40 The primary investment objectives of NGI's funds is not to directly outperform equity benchmarks, but rather to deliver to clients both asset mix diversification and growth with a lower correlation to traditional equity and fixed income allocations.

NGI – fund and benchmark performance	2022 %	Half year to 30 Jun 23 %	3 year %	5 year %	3 year volatility %
Benchmarks					
HFRX Global Hedge Fund Index	(4.40)	0.63	2.50	1.71	3.73
HFRX Equity Hedge Index	(3.18)	2.96	7.66	3.19	5.48
S&P 500 TR Index	(18.11)	16.89	14.60	12.31	18.19
MSCI AC World Daily TR	(17.96)	14.26	11.51	8.64	17.27
Bloomberg U.S. Government / Credit Bond Index	(13.4)	2.21	(4.11)	1.03	6.35
91-Day Treasury Bill	1.45	2.25	1.27	1.55	0.53

Note:
1 The investment performance shown for the NGI Strategic Portfolio is for the three year and five year periods to 31 December 2022.
na – not available.

Financial performance

121 The financial performance of NGI for the four years ended FY23 is set out below:

NGI – statement of financial performance[1]	FY20 US$m	FY21 US$m	FY22 US$m	FY23 US$m
Management fees – Lighthouse	87.5	75.6	73.5	76.7
Performance fees – Lighthouse	5.6	13.5	10.6	6.9
Reimbursement of fund operating expenses[2]	7.1	17.0	42.6	96.6
Net distributions from portfolio companies[3]	-	3.7	28.8	31.8
Provision of office space and services[2]	1.4	1.8	2.6	4.7
Other income	-	-	0.1	0.6
Total revenue	101.5	111.6	158.2	217.3
Employee expenses	(44.2)	(47.9)	(50.7)	(55.6)
Reimbursable fund operating expenses[2]	(7.1)	(17.0)	(42.6)	(94.5)
Other expenses	(20.4)	(20.8)	(16.1)	(17.1)
EBITDA	29.9	25.9	48.8	50.1
Depreciation and amortisation[4]	(4.0)	(4.5)	(4.8)	(5.6)
EBIT[5]	25.9	21.4	44.0	44.6
Net investment income	0.7	11.9	2.4	4.6
Net interest expenses	(0.7)	(0.8)	(0.7)	(5.1)
Profit before tax	25.9	32.5	45.7	44.0
Income tax expense	(7.7)	(5.7)	(7.0)	(8.5)
Profit after tax	18.1	26.8	38.7	35.5
Lighthouse AUM as at 30 June (US$ billion)	*11.8*	*13.9*	*14.4*	*15.4*
Other AUM as at 30 June (US$ billion)[6]	*-*	*7.0*	*8.6*	*10.1*
Total AUM as at 30 June (US$ billion)[6]	*11.8*	*20.9*	*23.0*	*25.5*
Lighthouse average management fee % per annum	*0.66*	*0.58*	*0.52*	*0.52*

Note:

1 Rounding differences may exist.

2 The Company does not charge a margin on the provision of these services, and this revenue directly offsets operating expenses incurred. The difference between the FY23 reimbursement of fund operating revenue and expenses is due to the capitalisation of US$2 million of software expenditure (which was reimbursed in full at the time incurred) and resulted in the expenditure being capitalised rather than expensed.

3 Includes the NGI Strategic Portfolio for FY21, FY22 and FY23 and includes Marble Capital and Invictus Capital for FY23, as shown below:

NGI Strategic Portfolio (total distribution)	-	13.1	70.8	61.9
GP Strategic Capital Parties share of distributions (net of shared expenses)	-	(9.4)	(42.4)	(35.1)
NGI share of distributions	-	3.7	28.4	26.8
Marble Capital and Invictus Capital distributions	-	-	0.4	5.0
Net distributions from portfolio companies	-	3.7	28.8	31.8

4 The above results reflect the impact of Australian Accounting Standard AASB 16 – *Leases* (AASB 16). AASB 16 provides an uplift to EBITDA as it replaces cash rent expenses with depreciation of the “right of use” assets as well as interest expense associated with lease liabilities recognised (both of which are recognised below the EBITDA line).

5 Earnings before interest and tax (EBIT).

6 The pro-rata share of AUM held by each fund manager in which NGI has an equity interest is aggregated to derive the AUM.

122 As stated above, since 1 January 2021 Lighthouse has been rolling out the implementation of a pass-through expense model across relevant funds, where Lighthouse is able to establish fund share classes which have a low or nil management fee, a performance fee and which can receive pass-through fund operating expenses. This has resulted in higher “fund reimbursable” revenue and expenses[41], a reduction in non-employee related operating expenses and has contributed to the reduction in average management fee rates for Lighthouse since FY21.

123 Commencing in FY21 and continuing into more recent periods, NGI has made a number of acquisitions that have broadened the Company’s offering and diversified its income. This began with the acquisition of the NGI Strategic Portfolio (which completed early February 2021), and has continued with smaller acquisitions of minority interests in the GROW and Longreach businesses (both in September 2021), and the acquisitions of minority interests in Marble Capital and Invictus Capital (in April 2022 and August 2022 respectively). As a result of this growth and diversification, the Company’s earnings have increased significantly in FY22 and FY23.

124 Whilst the Company has only had the benefit of contributions from the NGI Strategic Portfolio from FY21, historical results for 100% of this portfolio are available over a longer timeframe. The table below sets out the NGI Strategic Portfolio revenue, EBITDA and AUM over the five calendar years to CY22:

41 However there continues to be a nominal impact overall.

NGI Strategic Portfolio – financial results and AUM	CY18 US$m	CY19 US$m	CY20 US$m	CY21 US$m	CY22 US$m
Management fee revenue[1]	66.0	66.0	67.0	77.0	84.0
Performance fee revenue[1]	27.0	45.0	38.0	87.0	86.0
Total revenue[1]	93.0	111.0	105.0	164.0	170.0
EBITDA[1]	30.0	31.0	25.0	87.7	67.7
AUM as at 31 Dec (US$ billion)	*37.4*	*38.5*	*35.6*	*39.8*	*44.4*
AUM as at 31 Dec (US$ billion)[2]	*na*	*na*	*6.6*	*7.2*	*8.0*

Note:
1 Equity adjusted, i.e. the pro rata share of pre-tax profit for each manager in which NGI has an equity interest.
2 The pro rata share of AUM held by each fund manager in which NGI has an equity interest is aggregated to derive the AUM.
na – not available.

125 As at 30 June 2023, AUM for the NGI Strategic Portfolio was US$48.6 billion (equity adjusted this was US$8.6 billion), with growth since CY20 levels attributable to inflows in flagship strategies, lower redemptions from certain legacy products and successful new product launches.

126 The NGI Strategic Portfolio receives both management and performance fees. The level of management fees is based on the level of AUM, whilst the level of performance fees is typically tied to the absolute returns achieved beyond specified high water marks, as opposed to outperforming a specific index. In CY21 and CY22, there was a significant step up in both management and performance fees due to improved opportunities for the alternative strategies in the NGI Strategic Portfolio, including market volatility, changes to global interest rate policies and overall market dislocation. At the same time the NGI Strategic Portfolio firms continued to execute active expense management while investing for long term growth, which helped to maintain profitability (particularly given recent inflationary pressures).

127 Notwithstanding the outperformance of the NGI Strategic Portfolio in CY21 and CY22, NGI has had only limited exposure to this upside due to the current arrangements (i.e. NGI receives the Preferred Distribution Base Amount plus 20% of the outperformance above this over CY21 to CY25).

Financial position

128 The financial position of NGI as at 30 June 2022, 31 December 2022 and 30 June 2023 is set out below:

NGI – statement of financial position[1]	30 June 22 US$m	31 Dec 22 US$m	30 June 23 US$m
Debtors and prepayments	18.4	23.7	24.4
Creditors, accruals and provisions	(7.7)	(21.7)	(10.1)
Net working capital	10.7	2.0	14.3
Property, plant and equipment	6.7	9.2	10.2
Intangible assets	94.3	94.3	96.3
Deferred tax assets	34.2	31.6	28.7
Right of use assets (net of lease liabilities)	(2.5)	(6.4)	(7.0)
Other non-current assets / (liabilities)	2.8	6.8	5.6
Investments in joint ventures and associates	13.5	14.0	13.9
Investments recognised at fair value	386.9	479.4	495.9
Total funds employed	546.7	630.9	657.8
Cash and cash equivalents[2]	51.5	48.4	32.9
Deferred consideration	(54.7)	(102.9)	(97.9)
Financial liabilities at amortised cost[3]	(1.6)	(1.6)	(1.7)
Borrowings	-	(29.5)	(9.6)
Redemption Payment	(128.4)	(137.3)	(160.0)
Net cash and investments	(133.2)	(222.9)	(236.3)
Net assets attributable to NGI shareholders	413.5	408.0	421.5

Note:
1 Rounding differences may exist.
2 NGI receives 100% of the distributions from the NGI Strategic Portfolio and pays the GP Strategic Capital Parties amount post balance date. The cash and cash equivalents amount shown above is net of the amount payable to GP Strategic Capital Parties (refer paragraph 133 below).
3 A component of the 2021 Convertible Notes is considered a debt instrument, given there is a possibility cash will be paid out on these notes. Under the Proposed Transaction this liability will be eliminated by an amendment to the terms of the 2021 Convertible Notes.

Intangible assets

129 The majority of NGI's intangible assets is goodwill, which arose on the acquisition of the Lighthouse business. The carrying value of goodwill is tested for impairment annually using the discounted cash flow (DCF) method on a value in use basis.

Deferred tax assets

130 As at 30 June 2022, 31 December 2022 and 30 June 2023 deferred tax assets were recognised in respect of the following items:

NGI – deferred tax assets	30 June 22 US$m	31 Dec 22 US$m	30 June 23 US$m
Carried forward tax losses	37.3	34.1	37.3
Other liabilities	(3.1)	(2.5)	(8.6)
Net deferred tax assets	34.2	31.6	28.7

131 A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

132 As at 30 June 2023, NGI considered it more likely than not that the Company's US carried forward tax losses and deductible temporary differences would be fully recovered, and this position is supported by the current profitability of Lighthouse and NGI's expectation that this will continue[42].

Cash position

133 As at 30 June 2022 and 30 June 2023 the net cash position for NGI includes 100% of the NGI Strategic Portfolio profit distribution and NGI accounts for the profit share payable to GP Strategic Capital Sellers as "profit share payable to non-controlling interests". The actual cash position of the Company post deduction of this amount is shown below:

NGI – cash position	30 June 22 US$m	31 Dec 22 US$m	30 June 23 US$m
Cash	94.0	48.4	67.8
Profit share payable to non-controlling interests (GP Strategic Capital Sellers)	(42.5)	-	(34.9)
Net cash position	51.5	48.4	32.9

Investments recognised on NGI's balance sheet

134 The carrying value of NGI's investments recognised at fair value (which include the NGI Strategic Portfolio, the investments in Marble Capital and Invictus Capital, as well as investments held in funds managed by Lighthouse) and its investments in joint ventures and associates (which relate to the investments in GROW and Longreach), is set out below:

NGI – investments in joint ventures and associates and investments recognised at fair value	30 June 22 US$m	31 Dec 22 US$m	30 June 23 US$m
Investments recognised at fair value			
NGI Strategic Portfolio	289.2	299.6	323.1
Marble Capital	84.5	75.9	70.9
Invictus Capital	-	90.3	88.1
Investments in funds managed by Lighthouse	13.2	13.6	13.8
Investments recognised at fair value – total	386.9	479.4	495.9
Investments in joint ventures and associates			
Represents investments in GROW and Longreach	13.5	14.0	13.9

135 Regarding the above we note that:

(a) the investments recognised at fair value are valued at six monthly intervals, with increases or decreases in values reported in NGI's financial statements. These include:

(i) the NGI Strategic Portfolio, Marble Capital and Invictus Capital (which are covered in detail above). NGI holds a minority interest in each of these investments and has no management influence

42 NGI also has Australian capital losses that have no value (as they are not expected to be recouped) and are not recognised as an asset by the Company.

(ii) investments in funds managed by NGI entities are funds either managed by the Company or externally. We understand that some 50% of these investments are co-invested with outside investors and hence are required for operations

(b) the investments in GROW and Longreach are reported as investments in joint ventures and associates as NGI has the ability to influence management of these entities. These assets are valued at six monthly intervals, with increases or decreases in values reported in NGI's financial statements.

Deferred consideration

136 The investments in Marble Capital and Invictus Capital included contractual terms to defer a portion of the consideration for up to three years. However, amounts that can be called upon by the respective sellers are subject to certain conditions which are outside the control of the Company, resulting in the outstanding balance to be classified as a current liability, as shown below[43].

NGI – deferred consideration[1]	30 June 22 US$m	31 Dec 22 US$m	30 June 23 US$m
Deferred consideration – current	48.3	96.4	97.9
Deferred consideration – non-current	6.4	6.5	-
Total deferred consideration	54.7	102.9	97.9

Note:
1 The financial liability recorded at fair value as at the acquisition date, discounted to a present value.

Borrowings

137 On 30 June 2022, NGI entered into a new credit agreement with its current lender, BMO Harris Bank N.A. (BMO), for a US$50 million senior secured credit facility, which was increased to US$70 million in December 2022[44]. The facility matures on 30 June 2025 and is secured by a charge over certain Company assets. The applicable interest rate is benchmarked to the secured overnight financing rate administered by the Federal Reserve Bank of New York and adjusted for an applicable term and margin rate. Borrowings are subject to a number of financial covenants that are tested quarterly.

Redemption Payment

138 The Redemption Payment is an arrangement for the deferred acquisition of the interests in the NGI Strategic Portfolio not currently owned by NGI. The deferred consideration payable represents the fair value of the non-controlling interest held by the vendor which NGI has an obligation to acquire.

139 As discussed above, the Redemption Payment is calculated based on an agreed formula linked to the earnings performance of the NGI Strategic Portfolio. The fair value of the Redemption Payment is valued at six monthly intervals, with the discounted value of this liability

43 Notwithstanding this accounting treatment, NGI expects actual payments to be staggered over the next two years.

44 This funding was sourced from an additional lender, Byline Bank, administered by BMO.

increasing to US$160 million as at 30 June 2023[45] due to the strong performance of the NGI Strategic Portfolio since the acquisition by NGI, as shown below:

NGI – Redemption Payment	30 June 22 US$m	31 Dec 22 US$m	30 June 23 US$m
Opening fair value / as at acquisition date	79.7	128.4	137.3
Unrealised fair value changes recognised in profit and loss	48.7	8.9	22.7
Redemption Payment	128.4	137.3	160.0

140 Consistent with the agreed formula, the fair value of the estimated consideration is calculated over two discrete measurement periods, which are CY21 to CY23 and CY24 to CY25, and is based on the average Relevant Gross Earnings[46] of the NGI Strategic Portfolio over the Preferred Distribution Base Amount[47] of these respective periods, each multiplied by 2.25 times. The amount payable is capped at an undiscounted amount of US$200 million, and payable in April 2026.

Share capital and performance

141 As at 31 August 2023, NGI had 243.7 million fully paid ordinary shares on issue. In addition, as at 31 August 2023, the Company had:

(a) 90,289 2021 Convertible Notes outstanding, which are held by Dyal Trust. The 2021 Convertible Notes have a 10-year term and can only be converted by Dyal Trust (into approximately 60.2 million NGI ordinary shares) if the holder has voting power of less than 20% in NGI. There is no fixed interest component, with interest paid in an amount equating to participation, on an as-converted basis, in all dividends paid on the NGI ordinary shares. The 2021 Convertible Notes have no voting rights and NGI has the 7ability to require conversion on an annual basis from the seventh year after issue, subject to minimum amounts. If the 2021 Convertible Notes are not converted by the maturity date they must be cash settled at the value which would be obtained by the noteholder if the 2021 Convertible Notes were converted to ordinary shares

(b) 3.0 million performance rights issued to senior management, with half of these rights subject to non-market vesting conditions to achieve target earnings hurdles and the remaining half subject to market vesting conditions[48].

Significant shareholders

142 As at 31 August 2023 there were four substantial shareholders in NGI holding 45.0% of NGI shares on issue (in total), detailed as follows:

45 As stated above, this liability was originally value at US$69.1 million at the acquisition date.

46 Relevant Gross Earnings is defined as the aggregate net earnings of the portfolio companies, and is calculated after allowing for depreciation and tax (in the case of CFM, which is the only corporate in the portfolio). Relevant Gross Earnings also excludes gains and losses arising on one-off asset sales.

47 The Preferred Distribution Base Amount is US$17 million in CY21, indexed at 3% per annum thereafter.

48 As at the date of this report none of the vesting conditions had been met.

NGI – substantial shareholders		
Shareholder	**Shares held (million)**	**% interest**
Dyal Trust(1)	48.5	19.9
Perennial Value Management Limited	24.6	10.1
Mr Sean McGould and associated companies	19.4	8.0
Ely Griffiths Group	17.1	7.0
Total	109.6	45.0

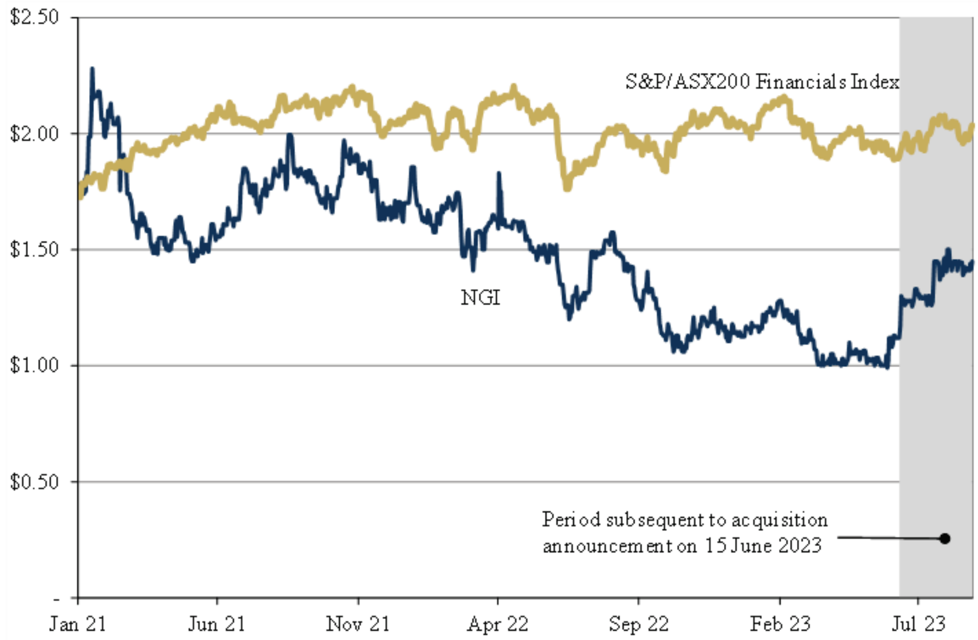
Note:
1 Does not allow for the dilution associated with the 2021 Convertible Notes (refer below).

143 As mentioned above, NGI has 2021 Convertible Notes on issue that can be converted to approximately 60.2 million shares in the Company[49]. As a result, as at 31 August 2023 the fully diluted number of NGI shares on issue was 303.9 million and Dyal Trust's economic interest in NGI was 35.8%[50].

Share price performance

144 The following chart illustrates the movement in the share price of NGI from 1 January 2021 to 31 August 2023:

NGI – share price history(1)
1 January 2021 to 31 August 2023



Note:
1 Based on closing prices. The S&P/ASX200 Financials Index has been rebased to NGI's last traded price on 4 January 2021 (being the first day of ASX trading of 2021).
Source: Bloomberg and LEA analysis.

145 The period shown above coincides with the approximate timing of when NGI acquired the NGI Strategic Portfolio (which was acquired effective 1 February 2021). Over this period

49 Subject to Dyal Trust holding a voting interest of less than 20%.

50 This calculation does not allow for the Company's performance rights, which have not vested.

NGI has generally underperformed the S&P/ASX200 Financials Index which may be attributable to (a combination of) the following:

(a) the NGI Strategic Portfolio has materially outperformed NGI's expectations since it was acquired. However, given the arrangements explained above (whereby NGI receives the Preferred Distribution Base Amount plus 20% of any outperformance above this), NGI did not receive the majority (or 80%) of CY21 and CY22 outperformance. Conversely, this outperformance resulted in an increase in the Redemption Payment liability to be paid to GP Strategic Capital Sellers

(b) given this increase in the Redemption Payment liability, plus the deferred consideration commitments associated with the Marble Capital and Invictus Capital acquisitions, the potential for NGI undertaking a capital raising increased. The related funding uncertainty is likely to have been viewed negatively by investors.

Liquidity in NGI shares

146 The liquidity in NGI shares based on trading on the ASX over the 12 month period up to and including 14 June 2023[51] is set out below:

NGI – liquidity in shares

Period	Start date	End date	No of shares traded 000	WANOS(1) outstanding 000	Implied level of liquidity Period(2) %	Implied level of liquidity Annual(3) %
1 month	15 May 23	14 Jun 23	5,155	237,510	2.2	26.0
3 months	15 Mar 23	14 Jun 23	15,103	236,337	6.4	25.6
6 months	15 Dec 22	14 Jun 23	29,321	236,020	12.4	24.8
1 year	15 Jun 22	14 Jun 23	89,194	235,851	37.8	37.8

Note:
1 Weighted average number of shares outstanding (WANOS) during relevant period.
2 Number of shares traded during the period divided by WANOS.
3 Implied annualised figure based upon implied level of liquidity for the period.
Source: Bloomberg and LEA analysis.

147 Trading in NGI shares has exhibited relatively low liquidity (when calculated as a percentage of the total shares on issue) over the one, three and six month periods above (noting that liquidity for the full year period was higher). In our opinion, this is primarily due to the prevalence of a number of substantial shareholders, two of which (GP Strategic Capital Parties and NGI's Chief Executive Officer, Mr McGould) are long term shareholders and combined currently own 27.9% of NGI shares on issue. We have therefore also considered the "free float" liquidity of NGI (i.e. excluding the shares owned by these long term shareholders) over the 12-month period up to and including 14 June 2023[51], which is as follows:

51 Being the last trading day prior to the announcement of the Proposed Transaction.

NGI – free float liquidity in shares (excluding long term shareholders)

Period	Start date	End date	No of shares traded 000	WANOS outstanding 000	Implied level of liquidity Period[(1)] %	Annual[(2)] %
1 month	15 May 23	14 Jun 23	5,155	175,730	2.9	35.2
3 months	15 Mar 23	14 Jun 23	15,103	175,730	8.6	34.4
6 months	15 Dec 22	14 Jun 23	29,321	175,730	16.7	33.4
1 year	15 Jun 22	14 Jun 23	89,194	175,730	50.8	50.8

Note:
1 Number of shares traded during the period divided by WANOS.
2 Implied annualised figure based upon implied level of liquidity for the period.
Source: Bloomberg and LEA analysis.

148 Excluding the shares owned by Dyal Trust and Mr McGould, the liquidity in NGI shares is materially higher, noting that over the year to 14 June 2023 over 50% of the free float shares traded.

IV Industry overview

Overview

149 NGI is a diversified alternative asset management company that is the parent of alternative investment manager Lighthouse, and also holds minority interests in a number of unlisted alternative asset managers. Accordingly, the following industry section provides an overview of the global asset management industry, with a specific focus on the alternative asset management sector (including hedge fund managers) within which Lighthouse and NGI's strategic partners operate.

Asset management industry

150 The asset management industry plays a vital role in the financial system by facilitating the transfer of capital from investors to agents that require capital for investment. This provides liquidity to the market and helps allocate capital in the most efficient manner, both of which are essential to the overall function of financial services. Capital is typically sourced from retail investors (individuals) and wholesale investors (including high-net-worth individuals, institutions, superannuation funds, pension funds, and sovereign wealth funds).

151 The global asset management industry is mature and highly competitive, comprising a wide variety of sectors and sub-sectors that are categorised based on factors such as investible assets, portfolio strategy and investment risk. Investment strategies offered by asset managers can be broadly categorised into the following strategies:

	Aim	Approach	Managers	Cost	Outcomes
Active investment strategy	Outperform the overall market or a specific benchmark	Involves frequent trading, stock selection, and market timing based on analysis and expertise	Investment professionals actively manage the portfolio	Higher management fees due to more extensive research and trading activities	Can potentially deliver higher returns if successful but also carries higher risk
Passive investment strategy	Match the performance of a market index (e.g. S&P 500) rather than aiming to outperform it	Invest in index funds or exchange traded funds that track specific market indices	Minimal active management, as the goal is to replicate the index's performance	Lower management fees due to more limited research and trading	Generally lower risk and fees, with returns closely following the market index
Alternative investment strategy	Diversify beyond traditional asset classes (stocks and bonds) in an aim to enhance returns or reduce risk	Invest in unconventional assets like real estate, private equity, hedge funds, commodities, etc.	Specialised managers with expertise in alternative asset classes	Higher fees due to specialised knowledge and access to alternative assets	May offer unique risk-return profiles, however, can be less liquid

	Aim	Approach	Managers	Cost	Outcomes
Multi-asset investment strategy	Diversify across multiple asset classes to manage risk in an aim to improve overall performance	Invest in a mix of stocks, bonds, real estate, commodities, etc.	Can be actively or passively managed, depending on the approach	Varies depending on the level of active management and the complexity of the strategy	Aims to achieve a balanced portfolio that aligns with the investor's risk tolerance and financial goals

Performance

152 The asset management industry has experienced strong growth for much of the past two decades, driven by rising markets and the expansion and integration of the global economy. The sustained low interest rate environment and accommodative central bank policies have provided significant tailwinds to equity markets, which in turn has benefited equity focused asset managers, with market performance representing 90% of industry revenue growth over the period since 2006[52]. However, faced with an era of higher interest rates and increasing market uncertainties[53], equity focused asset managers are unlikely to be able to rely on favourable macroeconomic conditions that have driven historical revenue growth and profitability.

153 Global AUM reached US$108.6 trillion in 2021, representing a compound annual growth rate (CAGR) of approximately 11% over the period since 2015. However, due to the faster than expected rise in interest rates during 2022, which resulted in a significant decline in stock and bond values, global AUM fell by approximately 10% to US$98 trillion in 2022[54]. This represented the second largest single year decrease in global AUM since 2005, with net asset flows, whilst still positive, decreasing to 1.6% of the AUM at the beginning of the year, as shown below:

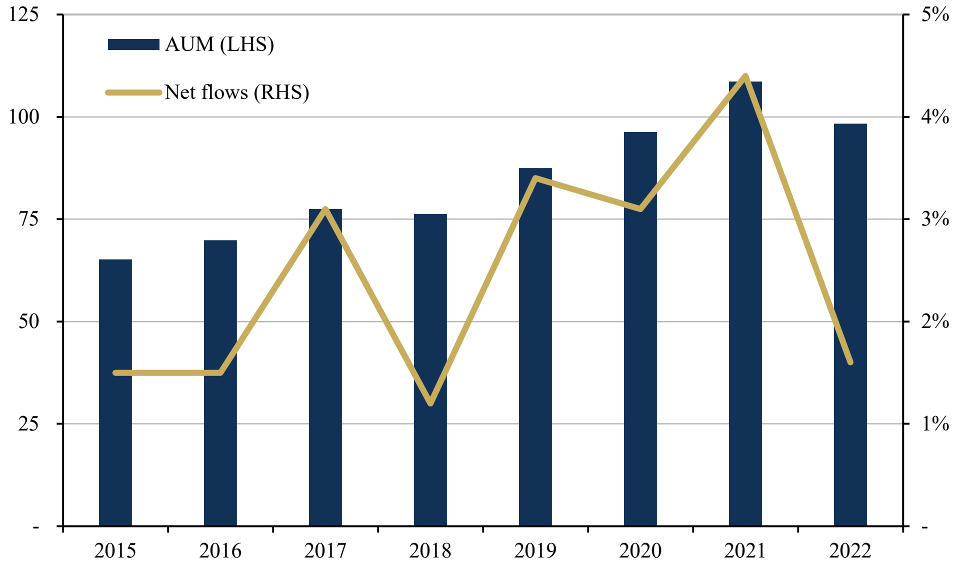
52 Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

53 For instance, uncertainties associated with, inter alia, increased geopolitical tensions and rising inflation.

54 Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

Global AUM and net flows

AUM (US$ trillion) and net asset flows (% of beginning AUM)

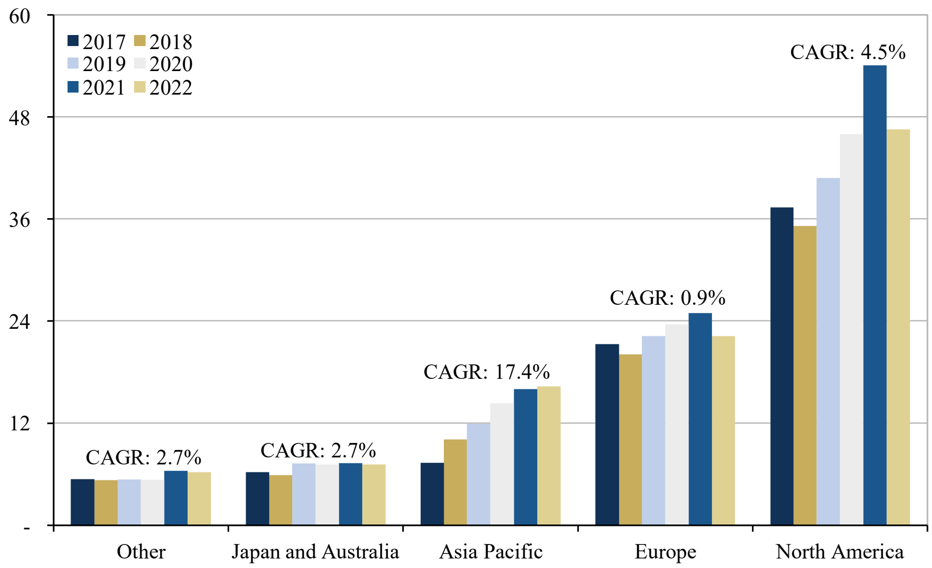


Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

154 North America represents the largest share of the asset management market, with US$46.5 trillion AUM as at 31 December 2022[55], whilst the Asia Pacific region (excluding Japan and Australia) has exhibited the strongest growth in AUM, increasing at a CAGR of 17.4% over the five years to CY22, as shown below:

Global AUM per region

AUM (US$ trillion)



Source: Boston Consulting Group: *Global Asset Management* reports released for 2018, 2019, 2020, 2021 and 2022.

55 Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

155 Whilst the size of the market and asset flows have generally increased over the past decade, the asset management industry now faces structural challenges brought on by a number of factors that impact growth and profitability, including[56]:

(a) **growth no longer underpinned by market performance** – notwithstanding the significant decline in 2022, global equity returns over the 2012 to 2021 period were among the top 10% of most rolling 10-year periods since 1987, and have been the primary source of industry revenue growth since 2006[57]. Whilst some markets have since recovered (such as the Nasdaq Composite Index), central banks are unlikely to continue to promote prolonged market growth (through coordinated stimulation efforts), and market returns as a driver of future revenue growth are expected to be significantly lower relative to the last decade

(b) **increasing popularity of passive investment** – whilst popularity has varied from region to region, global asset flows into passively managed investment products have increased significantly over the period since 2010. Passive investment products grew to US$21 trillion in 2022 (or approximately 21% of global AUM), a material increase from the US$6 trillion (or approximately 12% of global AUM) level in 2010

(c) **rising costs** – since 2010, costs have generally increased in line with AUM growth, however, over the period since 2015, costs as a proportion of revenue have increased, which indicates that asset managers’ cost structures have not adapted to the changing environment. Boston Consulting Group expects that managers will be required to reduce their cost base in 2023 to maintain historical levels of profitability

(d) **accelerating fee compression** – since 2010, average fees (net of distribution costs) charged by asset managers have reduced from 28 basis points to 23 basis points, which when applied to global AUM in 2022 represents some US$55 billion in reduced revenue. Pricing is becoming more prominent as a distinguishing factor, not only for passive products, but also within the active product segment, which has become increasingly overcrowded with products that otherwise exhibit little to no difference from one another.

Fee structure

156 Asset managers employ a variety of fee structures that are typically based on fund type, however these can also vary based upon individual agreements between managers and investors. In general, fees are charged either as a percentage of AUM or are based on a percentage of fund returns over and above a predefined benchmark. Fee structures typically include one or more of the following fee types:

(a) **management fees** – calculated as a percentage of the value of AUM and charged on an ongoing basis in order to compensate managers for managing the portfolio of securities. Management fees are a primary source of revenue for most fund types

(b) **performance fees** – determined with reference to investment performance and can vary in structure based upon a number of factors such as return type (absolute versus relative), benchmark index, and performance period. Performance fees are variable in

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[56] Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

[57] Revenue growth from market performance during this period has been more than enough to offset higher costs and strong capital inflows into low-fee products (such as passive funds).

nature, and may be subject to a high watermark, which requires fund performance to exceed its previous highest performance before additional fees can be charged

(c) **other fees** – one-off or ad-hoc fees charged by managers and can include transaction fees, early redemption or termination fees.

157 Many hedge fund managers offer clients a flat fee structure, such as a "2 and 20" structure, which represents a 2% asset management fee and 20% performance fee. Recently however, hedge fund managers have added more flexible fee structures, including negotiating fees and fund terms with clients to reflect a better alignment of interests (for example, offering fund cost plus performance fee arrangements).

Alternative asset management

158 The alternatives sector of the global asset management industry comprises a wide variety of product subcategories which can vary significantly in terms of risk profile and expected return. Alternative funds typically specialise in a particular asset class or strategy including, inter alia, the following:

Alternative asset classes

Asset class	Description	Industry size(1)
Private equity	Investments in private companies at various stages of development, including venture capital (start-up and early stage), growth capital for mature companies expanding or restructuring, and the buyout of established (and sometimes publicly listed) businesses or business divisions	US$7.8 trillion
Hedge funds	Investments in relatively liquid assets with the goal of earning a high return on investment. Hedge funds employ a variety of strategies, including long / short, market neutral, volatility arbitrage and quantitative strategies	US$3.8 trillion
Private credit	Debt investments that do not trade on an open market and are financed by a private fund rather than a bank	US$1.2 trillion
Real estate and infrastructure	Direct and indirect investments in infrastructure projects and commercial, residential and industrial real estate assets	US$5.8 trillion
Commodities	Direct and indirect investments in natural resources such as agricultural products, oil, natural gas, and precious and industrial metals	US$0.8 trillion

Note:
1 Based on global AUM as at 31 December 2022 per Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

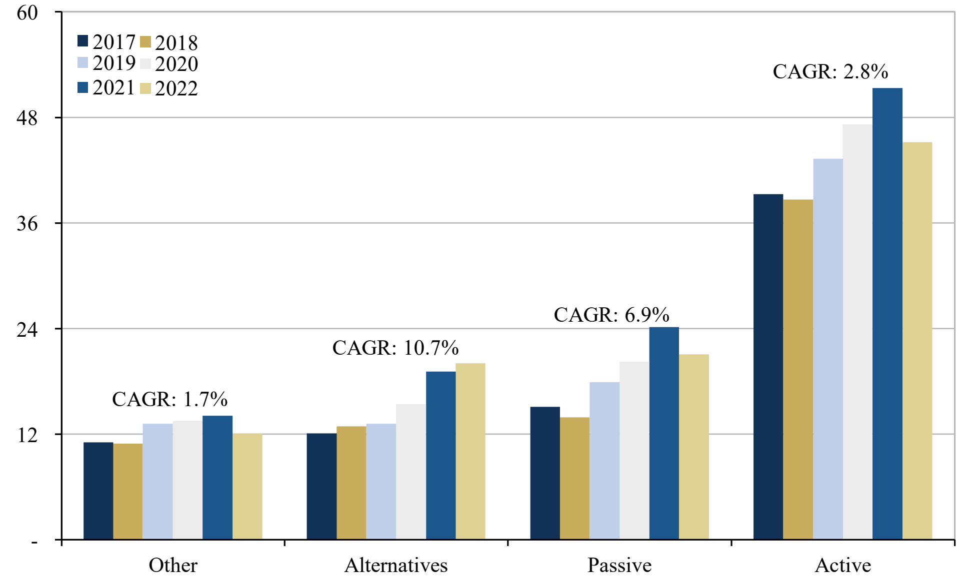
159 The alternatives sector continues to be one of the strongest performing sectors of the global asset management industry and was the only sector to increase its total AUM in 2022. Notwithstanding only managing 21% of the industry's AUM[58], the alternatives sector represented 50% of total asset management revenues in 2022[59]. Alternatives also represent the fastest growing segment within the global asset management industry, with AUM allocated to the sector increasing at a CAGR of 10.7% over the five years ended 31 December 2022, as shown below:

58 Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

59 Noting that a significant proportion of the alternatives sector is represented by private equity.

Global AUM by sector

AUM (US$ trillion)

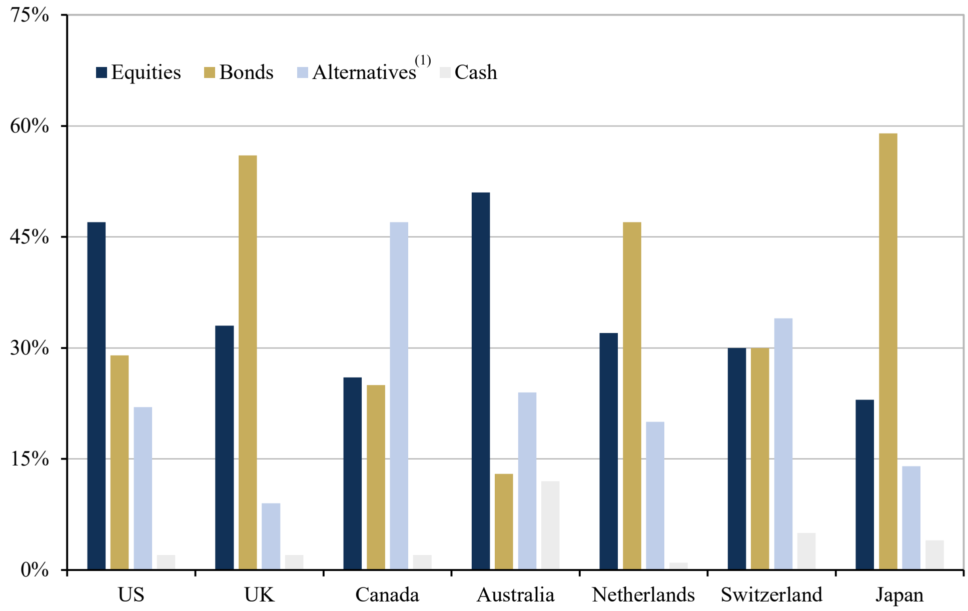


Source: Boston Consulting Group: *Global Asset Management* reports released for 2018, 2019, 2020, 2021 and 2022.

160 A key driver of growth in global alternative AUM has been the pension fund industry, with pension fund assets across the seven largest global markets increasing from 2% in 2002 to approximately 23% in 2022[60]. The proportion of pension fund AUM allocated to the alternative sector in 2022 was highest in Canada, whilst the US, the largest pension fund market in AUM terms, allocated a significant 22% to the sector[61], as shown below:

Pension fund allocations per region

% of total 2022 AUM



60 Source: Thinking Ahead Institute: *Global Pension Assets Study 2023* report.

61 Noting that the classification of "alternative" in this data includes infrastructure and insurance contracts in addition to the traditional alternative sectors.

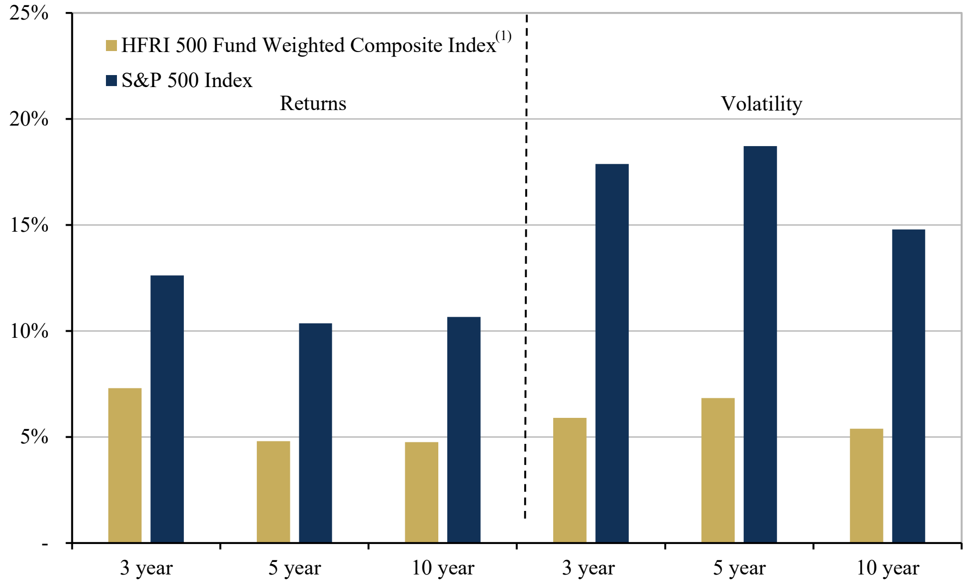
Note:
1 Classification includes, inter alia, private equity, hedge funds, infrastructure, insurance contracts and commodities.
Source: Thinking Ahead Institute: *Global Pension Assets Study 2023* report.

161 However, historical growth in AUM for the alternatives sector has largely been driven by the growth and relative performance of specific segments within the sector, including private equity in particular, as well as real estate, infrastructure and private debt. In contrast, hedge funds have seen a lower level of asset growth as overall returns have generally trailed the S&P 500 Index.

Hedge funds

162 AUM held by the hedge fund industry totalled US$3.8 trillion as at 31 December 2022, which was a decrease of 9.5% compared to a year earlier[62]. In the three, five and 10 year periods to 30 June 2023, hedge fund returns have been below returns for the S&P 500 Index, as shown below:

Global hedge fund returns and volatility versus the S&P 500 Index
% annualised



Note:
1 The HFRI 500 Fund Weighted Composite Index is compiled by Hedge Fund Research Incorporated (HFR) and is comprised of the largest hedge funds that report to the HFR database. The constituent hedge funds include, inter alia, equity, event-driven, macro, and relative value arbitrage strategies.
Source: Bloomberg and LEA analysis.

163 An extended bull run in equity markets over most of the 10 years to 30 June 2023 has delivered an annualised return of 14.8% for the S&P 500 Index, compared to 5.4% for hedge funds. Notwithstanding the significantly lower volatility, the relative underperformance of hedge funds has been a major deterrent to investor capital inflows, with the industry experiencing net withdrawals of US$55 billion in 2022[63].

62 Source: Boston Consulting Group: *Global Asset Management 2023: The Tide Has Turned* report dated May 2023.

63 Source: Reuters (2023): *Hedge fund industry lost $125 bln worth of assets in 2022 – HFR* accessed 6 June 2023.

164 However, given the ongoing macroeconomic risks associated with high inflation, rising interest rates, and elevated geopolitical risk, the risk-reduction characteristics of hedge funds may be a key reason for potentially attracting new capital in the coming years.

Types of hedge funds

165 The term "hedge fund" is used to classify any actively managed portfolio of investments that uses leverage, long, short and derivative positions to earn active returns (or alpha), for investors. Hedge funds employ various strategies including, inter alia, the following:

(a) **equity strategies** – long / short bias, sector focus and value versus growth orientation strategies

(b) **credit strategies** – mortgage-backed securities, specialist credit, fixed income, long / short credit and asset-backed lending strategies

(c) **macro strategies** – foreign exchange and commodities

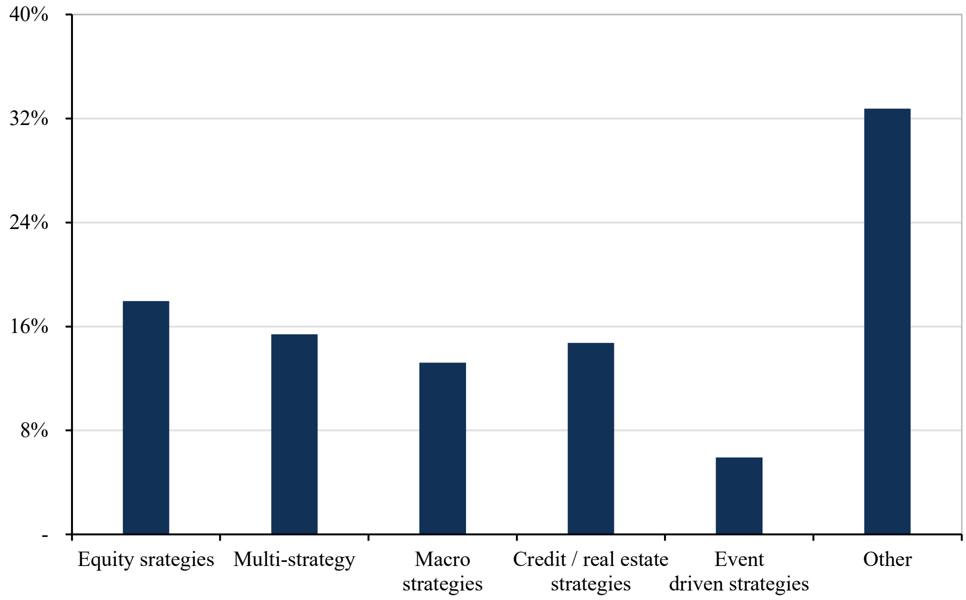
(d) **event driven strategies** – distressed companies, merger arbitrage and special situations

(e) **multi-strategy** – combine different single hedge funds strategies into one portfolio.

166 Investors may gain exposure to a particular strategy by investing directly into a single fund, or by investing in a broad basket of hedge funds in order to gain exposure to multiple strategies (known as "funds of hedge funds"). This exposure can also be gained by investing into a single multi-strategy fund, which aims to provide diversified exposure whilst reducing costs by removing the dual layer of fees associated with funds of hedge funds. Equity strategies tend to represent the largest proportion of hedge fund AUM, with multi-strategy, macro strategies and credit / real estate strategies the next largest, as shown below:

Hedge funds – AUM by strategy

% of total AUM(1)



Note:
1 Based upon the total AUM of the largest 250 hedge fund managers (by AUM) as at 19 July 2023.
Source: HedgeLists: *Top 250 Hedge Funds List 2023* dataset.

167 For the largest 250 hedge funds, almost 80% of AUM is managed by asset managers domiciled in the US, with United Kingdom (UK) based asset managers representing approximately 14% of AUM[64]. US-based asset managers also represent nine out of the 10 largest hedge funds globally as shown below:

Funds managed by largest hedge fund managers

	Location	AUM US$bn
Field Street Capital Management	US	298
Citadel Investment Group	US	253
Bridgewater Associates	US	236
Mariner Investment Group LLC	US	219
Millennium Capital Partners	US	218
Ares Management	US	194
Balyasny Asset Management	US	181
AQR Capital Management	US	145
Point72 Asset Management	US	138
Rokos Capital Management	UK	138
Top 10 total		2,021

Note:
1 The data compiled by HedgeLists includes a number of funds that could be also classified into adjacent alternative asset classes (e.g. commodities, real estate etc.) and as a result, the AUM is not comparable to the sector AUM set out at paragraph 158 above.

Source: HedgeLists: *Top 250 Hedge Funds List 2023* dataset.

Key trends

168 There are a number of key trends that are expected to impact the global hedge fund industry over the near term. These include[65]:

(a) **increased return expectations** – risk-free rates are currently significantly higher than the near zero levels that persisted for a number of years prior to 2022. As a result, investor return expectations for hedge funds may also increase, which when considered against the backdrop of continued headwinds faced by capital markets in general[66], may present challenges for hedge fund managers

(b) **increased demand for strategies with excess collateral** – with rising interest rates driving a decline in equity and bond values, investors are likely to favour hedge funds that hold large cash and short term fixed income positions (due to the positive impacts that rising interest rates have on these assets)

(c) **greater investment alpha[67] exhibited by fund managers** – volatility increased significantly in 2022 due to rising economic and political uncertainty, which is expected to continue in 2023. It is generally easier for hedge fund managers to outperform passive benchmarks during periods of high volatility, as valuations may reach price

64 HedgeLists: *Top 250 Hedge Funds List 2023* dataset.

65 Chartered Alternative Investment Analyst Association: *Top Hedge Fund Industry Trends for 2023* and LEA analysis.

66 Including, inter alia, increased geopolitical tension, rising inflation, and higher investor capital outflows.

67 Investment alpha represents the proportion of an investment's return that can be directly attributed to the investment manager (rather than the broader market).

targets more quickly, allowing skilled managers to capture gains and reinvest capital into other opportunities

(d) **increased competition and market consolidation** – the hedge fund industry is becoming increasingly competitive, with more managers vying for a share of the limited pool of investor capital. The Chartered Alternative Investment Analyst Association expects that investor net flows will continue to be directed towards a smaller concentration of larger hedge fund managers with the strongest brands. These managers will be able to attract investors by virtue of a proven track record and/or reputation and distribution channels. This may result in a number of knock-on effects, including:

(i) **smaller managers may outperform larger managers** – due to the increasing concentration of net flows directed towards large hedge funds, there is opportunity for smaller, more nimble managers to outperform as they have the ability to generate alpha from smaller, less efficiently priced sections of the market

(ii) **a decline in the number of hedge fund managers** – the hedge fund industry is Darwinian in nature, and as competition intensifies, hedge funds that do not generate adequate returns are likely to experience capital outflows, and a corresponding decline in revenue. When considered in conjunction with rising expenses due to inflationary pressures, the number of fund closures may increase over 2023.

V Controlling interest value of NGI shares prior to the Proposed Transaction

Valuation methodology

169 The valuation of NGI's business operations prior to the Proposed Transaction has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length within a reasonable timeframe. An overview of generally adopted valuation approaches is set out in Appendix C.

170 As set out in Section II, RG 111 requires that the fairness of the Proposed Transaction be assessed by comparing the controlling interest value of NGI shares prior to implementation of the Proposed Transaction (as undertaken in this section) with the portfolio interest value of NGI shares following implementation of the Proposed Transaction (which is set out in Section VI)[68].

171 Our assessment of the market value of NGI prior to the Proposed Transaction reflects the enterprise value of NGI's businesses (on a cash and debt free basis) after adding cash or any surplus assets and deducting financial or other surplus liabilities. The valuation of the NGI business has been made on the basis of market value as a going concern.

172 We have assessed the value of NGI adopting a sum of the parts approach, whereby the value of the equity in the Company is equal to the sum of the value of its individual business divisions (e.g. Lighthouse, NGI Strategic Portfolio, Marble Capital and Invictus Capital) plus the value of other assets such as cash and less net debt or other liabilities (e.g. the Redemption Payment). Under the sum of the parts approach, the following valuation methodologies have been adopted:

Sum of the parts valuation approaches

Business	Primary valuation methodology	Key reasons
Lighthouse and NGI Strategic Portfolio[(1)]	Capitalisation of EBITDA	• Lighthouse and the businesses that comprise the NGI Strategic Portfolio operate in mature industries and each of these businesses have well established market positions. • Lighthouse and the businesses that comprise the NGI Strategic Portfolio have established histories of profitability over the cycle and we have no reason to believe that this will not continue. • Asset management businesses such as Lighthouse and the businesses that comprise the NGI Strategic Portfolio are not capital intensive and therefore depreciation and amortisation expenses are relatively modest. • The EBITDA multiples for listed companies operating in the asset management industry are widely available.

68 Given this is not a "like for like" comparison, in assessing the reasonableness of Proposed Transaction (as set out in Section VII) we have also considered a comparison of the portfolio value of NGI shares prior to and post the Proposed Transaction.

Sum of the parts valuation approaches		
Business	**Primary valuation methodology**	**Key reasons**
Marble Capital and Invictus Capital	Arm's length transactions / High level DCF	• Recent transaction evidence is available for both businesses. • Given the availability of 10-year cash flow forecasts prepared by NGI management we have also undertaken a high level DCF cross check.
Longreach and GROW	Arm's length transactions	• Recent transaction evidence is available for both businesses. • Both companies are at an early growth stage. Accordingly, a capitalisation of earnings based valuation is not appropriate. • There are no reliable longer term forecasts available to enable the DCF approach to be undertaken.
Redemption Payment and the present value of expected cash distributions to GP Strategic Capital Parties	DCF	• Both of these liabilities relate to earnings of the NGI Strategic Portfolio over discrete periods, which can be valued adopting the DCF methodology.

Note:
1 Allowance for NGI's corporate costs has also been undertaken adopting the capitalisation of earnings methodology.

173 As a cross check for our assessed value of NGI's equity, we have had regard to the NGI share price prior to the announcement of the Proposed Transaction.

Valuation of Lighthouse and the NGI Strategic Portfolio

EBITDA adopted for valuation purposes

174 In order to assess the appropriate level of EBITDA for Lighthouse and the NGI Strategic Portfolio for valuation purposes we have had regard to the historical and forecast results of NGI, and have discussed the financial performance, operating environment and prospects with NGI management.

Historical results

175 NGI's historical revenue and reported and Adjusted EBITDA (i.e. EBITDA before non-recurring items) for FY21 to FY23 is summarised below:

NGI – revenue and EBITDA[1]	Paragraph reference	FY21 US$m	FY22 US$m	FY23 US$m
Total (gross) revenue	121	111.6	158.2	217.3
Less revenue from reimbursable operating expenses[2]	121	(18.9)	(45.2)	(101.4)
Total (net) revenue		92.8	113.0	115.9
EBITDA		25.9	48.8	50.1
Expensed transaction costs	176(a)	5.1	1.1	0.9
Impact of AASB 16	176(b)	(3.3)	(3.4)	(3.1)
Reimbursable income and expenditure difference	176(c)	-	-	(2.0)
Adjusted EBITDA		27.7	46.5	45.9

Note:
1 Rounding differences exist.
2 This includes revenue from both the reimbursement of fund operating expenses and the provision of office space and services. The Company does not charge a margin on the provision of these services, and this revenue directly offsets operating expenses incurred (except for FY23, refer paragraph 176(c) below).

176 The adjustments made to EBITDA are explained below:

(a) **expensed transaction costs** – relates to a number of legal, tax and other professional services incurred in relation to the acquisition of the NGI Strategic Portfolio (FY21), the acquisitions of Longreach, GROW, Marble Capital, Invictus Capital (FY22 and FY23), as well as costs associated with the Proposed Transaction (FY23)

(b) **impact of AASB 16** – consistent with the Adjusted EBITDA[69] reported by NGI, the FY21 to FY23 results have been adjusted to exclude the impact of changes required under AASB 16. As stated in the table at paragraph 121, AASB 16 provides an uplift to EBITDA as it replaces cash rent expenses with depreciation of "right of use" assets as well as interest expense associated with lease liabilities (both of which are recognised below the EBITDA line). In our view, this EBITDA uplift should be excluded as it is simply an accounting treatment which has no cash flow impact or impact on the underlying profitability of NGI

(c) **reimbursable income and expenditure difference –** in FY23 reimbursable income was US$2 million higher than reimbursable expenditure, which is due to the capitalisation of US$2 million of software expenditure (which was reimbursed in full at the time incurred) and resulted in the expenditure being capitalised rather than expensed. As a result, we have deducted the US$2 million benefit reported in EBITDA.

177 NGI's above financial results for FY21 to FY23 include the Preferred Distribution Amount for the NGI Strategic Portfolio and 20% of the earnings outperformance above this level[70]. The FY21 to FY23 financial results therefore exclude the 80% of the excess distributions above the Preferred Distribution Amount which will accrue to NGI from FY26 onwards (which currently accrues to GP Strategic Capital Sellers). The above results therefore materially understate the underlying earnings of NGI.

178 Accordingly, we set out below our commentary on the underlying earnings of the respective businesses. For the purposes of valuing the NGI Strategic Portfolio we have valued 100% of the investment (as NGI will be entitled to 100% of the cash distributions from FY26 onwards) and deducted the present value of the distributions expected to be paid to GP Strategic Capital Sellers in FY24 and FY25 (to allow for the earnings shortfall from NGI's perspective until full ownership of the NGI Strategic Portfolio is achieved).

69 Which allows for the actual cash rent expenses incurred by NGI.

70 This arrangement is in place for FY24 and FY25, after which NGI will be entitled to 100% of the distributions from the NGI Strategic Portfolio (noting that the Redemption Payment will then need to be settled). If NGI shareholders approve the Proposed Transaction, settlement of the Redemption Payment will be brought forward and 100% of the distributions from the NGI Strategic Portfolio will be attributable to NGI for FY24 and FY25.

Lighthouse

179 As discussed in paragraphs 93 and 94, Lighthouse revenue is largely generated by management fees, with a number of portfolios potentially generating performance fees. A summary of management and performance fee revenue, EBITDA and AUM for Lighthouse for FY21 to FY23 is as follows:

Lighthouse – revenue, EBITDA and AUM			
	FY21 US$m	**FY22 US$m**	**FY23 US$m**
Management fee revenue	75.6	73.5	76.7
Performance fee revenue	13.5	10.6	6.9
Total revenue	89.1	84.1	83.6
EBITDA	30.5	23.4	19.7
Average management fee % per annum	0.58	0.52	0.52
AUM (US$ billion)	13.9	14.4	15.4

180 Whilst NGI does not separately report its management and performance fee EBITDA (and considers this information commercially sensitive), when assessing EBITDA for valuation purposes we have considered the level of management fee and performance fee EBITDA. Employee bonuses are largely dependent on the level of performance fees generated, and accordingly the EBITDA contribution from performance fees is significantly lower than the performance fee income received.

181 For valuation purposes we have adopted EBITDA for Lighthouse of US$21 million. This level of EBITDA considers (inter alia):

(a) the results for FY22 and, in particular, FY23

(b) the reduction in average management fees as a percentage of AUM

(c) the reduction in performance fee levels

(d) the declining trend in EBITDA in recent years; and

(e) the EBITDA contribution from management fee income based on the current level of AUM.

NGI Strategic Portfolio

182 The NGI Strategic Portfolio generates both management and performance fees. The level of management fees is based on the level of AUM, whilst the level of performance fees is typically tied to the absolute returns achieved beyond specified high water marks (as opposed to outperforming a specific index)[71].

183 As the financial performance of the managers that comprise the NGI Strategic Portfolio is commercially sensitive we have been requested not to disclose itemised information by asset manager. However, we set out below a summary of the management fee revenue,

71 Similar to Lighthouse, capital preservation rather than outperforming indices is typically a core objective of these funds.

performance fee revenue, EBITDA and AUM attributable to the ownership interests for the NGI Strategic Portfolio (on a combined basis):

NGI Strategic Portfolio – revenue, EBITDA and AUM	CY18 US$m	CY19 US$m	CY20 US$m	CY21 US$m	CY22[(2)] US$m
Management fee revenue[(1)]	66.0	66.0	67.0	77.0	84.0
Performance fee revenue[(1)]	27.0	45.0	38.0	87.0	86.0
Total revenue[(1)]	93.0	111.0	105.0	164.0	170.0
EBITDA[(1)]	30.0	31.0	25.0	87.7	67.7
AUM as at 31 Dec (US$ billion)	37.4	38.5	35.6	39.8	44.4
Attributable share of AUM as at 31 Dec (US$ billion)[(1)]	na	na	6.6	7.2	8.0

Note:
1 Equity adjusted, i.e. represents the pro rata share of revenue, EBITDA and AUM for each manager in which NGI has an equity interest.
2 Given the investment managers that comprise the NGI Strategic Portfolio report on a calendar year basis, at which time performance fees can accurately be assessed for the full year, there is limited comparable financial information for CY23 to date for the NGI Strategic Portfolio.
na – not available.

184 As indicated in the table above:

(a) AUM has increased significantly since CY20, which is attributable to inflows in flagship strategies, lower redemptions from certain legacy products and successful new product launches

(b) in CY21 and CY22, there has been a significant step up in management fees as AUM increased

(c) a significant proportion of NGI Strategic Portfolio's revenue (and EBITDA) has been derived from performance fees (particularly in CY21 and CY22).

185 As the split between management fee EBITDA and performance fee EBITDA is commercially sensitive (and, in part, subjective due to judgement required to appropriately allocate various expenses) we have been requested not to disclose this detail in our report. However we note that:

(a) as at 30 June 2023, AUM for the NGI Strategic Portfolio had increased to US$48.6 billion (equity adjusted share was US$8.6 billion). Accordingly, the current earnings contribution from management fee income (i.e. management fee EBITDA) based on this higher level of AUM exceeds historical levels

(b) all investment managers comprising the NGI Strategic Portfolio have generated performance fees during the five year period

(c) performance fee EBITDA[72] by nature is more volatile than management fee EBITDA. However, diversification from both the number of companies that comprise the NGI

72 Performance fees received / accrued less employee bonuses (as these are generally payable dependent on performance fees achieved each year).

Strategic Portfolio and the mix of investment strategies undertaken by the entities in the NGI Strategic Portfolio seeks to reduce this earnings volatility

(d) the level of performance fees received in CY21 and CY22 is not considered sustainable. As a result the level of performance fees received in CY23 and future years (on average) are expected to be materially below those received in CY21 and CY22.

186 For valuation purposes we have adopted an EBITDA contribution from the NGI Strategic Portfolio of US$56.0 million. This is based on:

(a) a detailed assessment of the historical earnings by investment manager and the nature of those profits (e.g. the split between management and performance fee EBITDA)

(b) the level of management and performance fee income likely to be generated having regard to the most recent AUM as at 30 June 2023 (noting that management fee income is likely to be higher than in recent periods and performance fee income is expected to be lower for the reasons noted above)

(c) the average management and performance fee revenues and EBITDA margins achieved over the periods set out above. In this regard we note that:

(i) the average EBITDA for the NGI Strategic Portfolio over CY19 to CY22 was US$52.9 million; and

(ii) the average EBITDA for the NGI Strategic Portfolio for CY20 to CY22 was US$60.1 million.

(iii) the average cash distributions from the NGI Strategic Portfolio over FY21 to FY23 were US$53.8 million. As distributions have generally been around 90% of EBITDA, this implies EBITDA of around US$60 million.

Corporate costs

187 NGI's unallocated corporate costs, including the costs involved with managing the NGI Strategic Investments, have ranged between US$5.5 million to US$6.5 million over the three years to FY23. For valuation purposes, we have adopted unallocated corporate costs of US$6 million per annum.

EBITDA multiple

188 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

• The stability and quality of earnings • The quality of the management and the likely continuity of management • The nature and size of the business • The spread and financial standing of customers • The financial structure of the company and gearing level • The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors • The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors	• The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc. • The cyclical nature of the industry • Expected changes in interest rates • The asset backing of the underlying business of the company and the quality of the assets • The extent to which a premium for control is appropriate • Whether the assessment is consistent with historical and prospective earnings

189 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for Lighthouse and the NGI Strategic Portfolio.

Listed company multiples

190 The implied EBITDA multiples for listed companies operating in the Australian traditional and alternative asset management sectors and the global alternative asset management sector (with an enterprise value of less than US$1 billion) are set out in Appendix D. As the level of EBITDA adopted for valuation purposes is consistent with our estimate of the likely level of operating EBITDA in FY24, the multiples below are based on each company's average analyst forecasts for that financial year:

Listed company EBITDA multiples	Forecast EBITDA multiple[(1)] x
NGI	4.6
Australian alternative asset managers (3 companies)	
Range (low to high)	6.4 – 8.9
Median	8.5
Australian traditional asset managers (4 companies)	
Range (low to high)	5.0 – 6.9
Median	6.2
Global alternative asset managers[(2)] (4 companies)	
Range (low to high)	6.7 – 8.3
Median	7.1

Note:

1 EBITDA multiples have been calculated as at 24 August 2023 except for NGI (which is calculated prior to the announcement of the Proposed Transaction) and Pacific Current Group (which is calculated prior to the announcement of a potential acquisition of this business). The EBITDA multiples for the Australian companies have been adjusted to remove the estimated impact of AASB 16, whilst the EBITDA multiples for the international companies have been adjusted to remove the estimated impact of the relevant equivalents to AASB 16 (i.e. IFRS 16). Forecast earnings are based on Bloomberg average analyst forecasts (excluding outliers and outdated forecasts).

2 Includes companies with an enterprise value of less than US$1 billion.

Source: Bloomberg, company announcements and LEA analysis.

191 Regarding the above, we note that:

(a) none of the listed asset management companies set out in Appendix D (and included in the averages and medians shown above) are directly comparable to NGI

(b) in recent times NGI has generally traded at implied multiples which are below those of the ASX listed alternative asset managers, as well as the global alternative asset managers

(c) the majority of the listed companies are significantly larger and have more diverse operations than NGI. In this regard, we note that the smaller listed companies are generally trading on lower multiples than the larger listed companies

(d) there are a number of factors that have the ability to significantly influence the EBITDA multiples for the listed asset management companies, including (inter alia):

(i) the relative weighting of performance and management fee income, with investors typically valuing performance fee income at lower multiples in comparison to management fee income due to the higher level of uncertainty associated with this income

(ii) the level of earnings growth of the respective asset managers, which can be attributed to, inter alia, investment performance, level of performance fees, AUM movements and the level of AUM concentration.

Other factors

192 In assessing the appropriate EBITDA multiples for Lighthouse and the NGI Strategic Portfolio for valuation purposes we have also had regard to (inter alia) the following:

(a) Lighthouse:

(i) has a relatively high concentration of clients, with its largest client and its three largest clients representing 12% and 26% of operating revenue in FY23 respectively

(ii) has experienced declining earnings in recent years

(b) the NGI Strategic Portfolio:

(i) represents minority interests in the investments held

(ii) as such, distributions to NGI have averaged approximately 90% of the NGI Strategic Portfolio EBITDA.

Conclusion on appropriate EBITDA multiples

193 Based on the above we have applied the following portfolio interest EBITDA multiples:

(a) management fee EBITDA:

(i) Lighthouse – 5.5 to 6.0 times EBITDA adopted for valuation purposes

(ii) NGI Strategic Portfolio – 5.0 to 5.5 times EBITDA adopted for valuation purposes. This EBITDA multiple range is slightly lower than the multiple applied to Lighthouse to allow for the minority interests held in the underlying fund managers and that distributions to date have only averaged about 90% of EBITDA

(b) performance fee EBITDA[73]:

(i) Lighthouse – 3.5 to 4.0 times EBITDA adopted for valuation purposes (reflecting the significantly higher risk and volatility associated with performance fee income)

(ii) NGI Strategic Portfolio – 3.0 to 3.5 times EBITDA adopted for valuation purposes. This EBITDA multiple range is lower than the multiples applied to Lighthouse for the same reasons discussed in (a)(ii) above.

194 On this basis, the weighted average EBITDA multiples applied to the respective businesses is as follows:

(a) Lighthouse – 5.2 to 5.7 times EBITDA

(b) NGI Strategic Portfolio – 4.1 to 4.6 times EBITDA

(c) corporate costs – 4.4 to 4.9 times EBITDA (reflecting the weighted average EBITDA multiple applied to Lighthouse and the NGI Strategic Portfolio).

195 We note that the weighted average of the EBIDA multiple is 4.4 to 4.9 (midpoint of 4.7) times EBITDA is broadly consistent with the EBITDA multiple for NGI prior to the announcement of the Proposed Transaction.

Value of Lighthouse, the NGI Strategic Portfolio and corporate costs

196 On this basis, the value of Lighthouse, the NGI Strategic Portfolio as well as allowance for NGI's corporate costs (on a cash and debt free basis) is as follows:

73 The EBITDA multiples adopted for the performance fee EBITDA are lower than the management fee EBITDA to reflect the greater variability and greater level of uncertainty associated with performance fee income.

Lighthouse, NGI Strategic Portfolio and corporate costs – enterprise values	Paragraph reference	Low US$m	High US$m
Lighthouse			
EBITDA adopted for valuation purposes	181	21.0	21.0
EBITDA multiple (weighted average)	194	5.2	5.7
Lighthouse enterprise value		109.2	119.7
NGI Strategic Portfolio			
EBITDA adopted for valuation purposes	186	56.0	56.0
EBITDA multiple (weighted average)	194	4.1	4.6
NGI Strategic Portfolio enterprise value		229.6	257.6
Corporate costs			
EBITDA adopted for valuation purposes	187	(6.0)	(6.0)
EBITDA multiple (weighted average)	194	4.4	4.9
Corporate costs allowance[(1)]		(26.4)	(29.4)

Valuation of other NGI Strategic Investment companies[74]

Valuation of Marble Capital and Invictus Capital

197 Details of NGI's acquisitions of its respective interests in Marble Capital and Invictus Capital are set out in Section III and are summarised below:

(a) NGI acquired 16.9% in Marble Capital in April 2022 for US$85 million, with approximately 35% of the consideration paid at completion and the remainder deferred for up to two years. Of this investment, some US$64 million of the proceeds (primary consideration) were to be used by Marble Capital to seed planned new property funds and invest alongside clients in Marble Capital's flagship strategy. After allowing for the present value of the deferred consideration upon acquisition, NGI recognised the investment in Marble Capital at US$84.5 million[75]

(b) NGI acquired 18.2% of Invictus Capital and 9.1% of the Invictus Capital carried interest[76] in August 2022 for US$100 million, with upfront consideration of US$15 million initially paid and the remaining US$85 million deferred over a three year period. Of this consideration, US$75 million of the proceeds (primary consideration) will be used to invest in funds managed by Invictus Capital. After allowing for the present value of the deferred consideration upon acquisition, NGI recognised the investment in Invictus Capital at US$91.3 million (excluding capitalised transactions costs).

198 Since the acquisitions of the respective interests by NGI, both Marble Capital and Invictus Capital have been impacted by rising interest rates, which also resulted in higher lending spreads and increased reserve requirements for banks. The increase in interest rates has

74 Which include Marble Capital, Invictus Capital, GROW and Longreach.

75 The difference to the acquisition consideration is allowance for the present value of the deferred consideration.

76 That is, a share of investment profits after fund investors receive an agreed return.

impacted the respective businesses, with delays to the capital raising timetables envisaged at the time of acquisition.

199 Whilst conditions have since improved, both Marble Capital and Invictus Capital are tracking behind expectations since the respective investments were made by NGI. Notwithstanding these industry conditions, we understand that both Marble Capital and Invictus Capital hold strong market positions in their respective sectors.

200 NGI engages an external valuer to undertake an independent fair value of the investments in Marble Capital and Invictus Capital on a semi-annual basis. As at 30 June 2023, the fair value of these investments compared to their original cost was as follows:

Marble Capital / Invictus Capital	Original investment US$m	Carrying value 30 Jun 23 US$m
Marble Capital	84.5	na[1]
Invictus Capital	91.3	na[1]
Total Marble Capital and Invictus Capital	175.8	159.0
Decrease in value of Marble Capital and Invictus Capital since acquisition		*(18.8)*
Present value of deferred consideration	(131.0)	(97.9)
Net carrying value of Marble Capital and Invictus Capital	46.7	61.1

Note:
1 The carrying values of Marble Capital and Invictus Capital in the NGI FY23 Annual Report are shown on a combined basis. Whilst we have been provided with the breakdown of these amounts, we have been requested not to disclose this information by entity.

201 The reduction in the carrying values for NGI's investment in Marble Capital and Invictus Capital are due a combination of the difficult market conditions since acquisition and an increase in the discount rate adopted to value the entities (given rising interest rates[77]).

202 We have reviewed NGI management's latest cash flow forecasts for Marble Capital and Invictus Capital and have undertaken a high level DCF, applying a range of sensitivities to these cash flow forecasts in order to provide a high level cross check to the carrying values (which are supported by independent valuations) of Marble Capital and Invictus Capital.

203 Under the DCF methodology, the value of NGI's respective interests in Marble Capital and Invictus Capital is equal to the net present value (NPV) of the estimated cash flows of the respective operations over the estimated operating period plus allowance for a terminal value. In order to arrive at the NPV, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

204 Whilst LEA believes the assumptions underlying the cash flow projections adopted for this high level DCF valuation are reasonable and appropriate, it should be noted that:

(a) the major assumptions underlying the projections were formulated in the context of current economic, financial and other conditions

77 All other things equal, higher discount rates reduce valuations (and vice versa).

(b) the projections and the underlying assumptions have not been reviewed by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions

(c) future profits and cash flows are inherently uncertain

(d) the achievability of the projections is not warranted or guaranteed by NGI or LEA, as they are predictions of future events that cannot be assured and are necessarily based on assumptions, and given the passive nature of the respective investments, all of which are beyond the control of NGI and its management; and

(e) actual results may be significantly more or less favourable.

205 As the detailed cash flow projections for Marble Capital and Invictus Capital are commercially sensitive, they have not been set out in our report. However, we set out below information on the major assumptions underlying the free cash flow projections for Marble Capital and Invictus Capital:

(a) the cash flows are based on NGI's detailed models that incorporate the respective management entities, the underlying funds in operation as well as the funds to be created (noting that the primary capital provided by NGI will be used to assist with new fund creation for both Marble Capital and Invictus Capital)

(b) the projected cash flows for Marble Capital and Invictus Capital cover a period of 10 years from the date of valuation, after which a terminal value has been adopted, and imply significant growth in EBITDA from the combined level of US$5 million achieved in FY23

(c) cash flows include the following key categories:

  (i) ongoing management and transaction fees

  (ii) carried interest proceeds (i.e. a share of investment profits after fund investors receive an agreed return)

  (iii) operating expenses, which are primarily comprised of employee costs

  (iv) corporate tax of 25%, based on the US corporate tax rate of 21%, plus an allowance of 4% for applicable state based taxes

(d) discount rates that are consistent with the rates adopted by management at the time of acquisition (adjusted for the subsequent increase in interest rates), as summarised below:

  (i) Marble Capital management related fee earnings have been discounted at 12% per annum (after tax) and the carried interest at 24% per annum[78] (after tax)

  (ii) Invictus Capital management related fee earnings have been discounted at 17% per annum (after tax) and the carried interest at 27% per annum[78] (after tax)[79].

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78 The materially higher discount rates allow for the significantly higher uncertainty associated with the carried interest cash flows.

79 The higher discount rates for Invictus Capital in comparison to Marble Capital are attributable to the nature of the operations and the inherently higher risk associated with credit investments (Invictus Capital) in comparison with property investments (Marble Capital).

206 Based on a range of scenarios with respect to increases and decreases in revenue, expenses and carried interest contributions, as well as project timing and discount rates, our high level DCF valuation cross check provides the following values for NGI's respective interests in Marble Capital and Invictus Capital:

Marble Capital / Invictus Capital – enterprise values(1)		
	Low US$m	**High US$m**
Marble Capital	67.0	73.0
Invictus Capital	83.0	90.0
Total	152.0	164.0
Current carrying value		159.0
Deferred consideration		(97.9)
Net carrying value of Marble Capital and Invictus Capital		61.1

207 Having regard to the high level DCF cross check, we consider the carrying value of Marble Capital and Invictus Capital to be reasonable. Accordingly, for the purpose of this report we have adopted a value that is consistent with the 30 June 2023 carrying values for Marble Capital and Invictus Capital, i.e. US$61.1 million.

Valuation of Longreach

208 During September 2021, NGI acquired a 34.1% ownership interest in Longreach for US$9.3 million. Longreach is an Australian based investment management firm with A$2.8 billion in FUMA as at 30 June 2023, providing whole of business funds management support and infrastructure to its stable of leading alternative investment managers.

209 Since the acquisition by NGI, AUM has increased by A$1.2 billion and Longreach has continued to expand its operations. However, we understand that the acquisition consideration envisaged this high level of growth. Accordingly, for the purpose of our report we have adopted a value that is consistent with the initial cost of the investment, i.e. US$9.3 million (which is also consistent with its carrying value as at 30 June 2023).

Valuation of GROW

210 On 20 September 2021, NGI acquired a 6.7% shareholding in GROW, a China focused multi strategy asset manager, for US$4 million. NGI has a seat on the GROW Board and has the ability to increase its equity interest to 10% for no further consideration if earnings targets are not met by an agreed timeframe. At the date of this report, the business remains unprofitable.

211 Since NGI's acquisition of its interest in GROW, there have been two further investments in the company by a reputable banking group, both of which were at values broadly consistent with the price paid by NGI for its interest investment. Accordingly, for the purpose of this report we have adopted a value that is consistent with the cost of the initial investment, i.e. US$4 million (which is also consistent with its carrying value as at 30 June 2023).

Summary of values for other NGI Strategic Investment companies

212 A summary of the values adopted for the other NGI Strategic Investment companies is as follows:

Other NGI Strategic Investment companies – enterprise values[1]	Paragraph reference	US$m
Value of Marble Capital and Invictus Capital	207	61.0
Longreach	209	9.3
GROW	211	4.0
Total (controlling interest)		74.3
Allowance for minority interest discounts[2]		(14.9)
Total (minority interest)		59.4

Note:
1 Rounding differences may exist.
2 A 20% minority interest discount has been applied (consistent with the empirical studies on minority interest discounts).

Valuation of Redemption Payment

213 As noted in Section III, in the absence of the Proposed Transaction, NGI has an obligation to pay the Redemption Payment in connection with its purchase of the NGI Strategic Portfolio around late April 2026. The Redemption Payment is calculated based on an agreed formula linked to the earnings performance of the NGI Strategic Portfolio over the five years to CY25, subject to a cap of US$200 million.

214 Specifically, the estimated consideration is calculated over two discrete measurement periods, which are CY21 to CY23 (First Redemption Period) and CY24 to CY25 (Second Redemption Period), and is based on the average "Relevant Gross Earnings" of the NGI Strategic Portfolio over the Preferred Distribution Base Amount[80] for each period, each multiplied by 2.25 times (subject to the cap referred to above).

215 Relevant Gross Earnings is defined as the aggregate net earnings of the NGI Strategic Portfolio, and is calculated after allowing for depreciation and tax (in the case of CFM, which is the only corporate in the portfolio[81]). Relevant Gross Earnings also excludes gains and losses arising on one-off asset sales.

Redemption Payment for First Redemption Period

216 As set out above, the First Redemption Period covers CY21 to CY23. Whilst the Relevant Gross Earnings for CY21 and CY22 are known, the Relevant Gross Earnings for CY23 is uncertain and has been estimated.

217 For the purposes of our calculations we have adopted EBITDA for the NGI Strategic Portfolio for CY23 of US$55 million. This is slightly lower than the US$56 million adopted in paragraph 186, due to the different periods covered. Whilst we have adopted an FY24 estimate of US$56 million when valuing the NGI Strategic Portfolio, the Redemption Payment calculation requires a CY23 estimate.

80 The Preferred Distribution Base Amount is US$17 million in CY21, indexed at 3% per annum thereafter.

81 The other five investment managers comprising the NGI Strategic Portfolio are partnerships.

218 The EBITDA range for CY23 is materially lower than the level of EBITDA achieved in CY21 and CY22. This principally reflects the large earnings contribution from performance fees achieved in those years, which are not expected to be replicated in CY23.

219 Based on the above CY23 EBITDA estimate (plus or minus US$2 million for the purposes of our calculations) and the Redemption Payment formula, the amount owing by NGI in relation to the First Redemption Period is likely to range between US$106 million and US$109 million, as shown below:

First Redemption Period (CY21 to CY23)					
	CY21	CY22	CY23 LEA estimate (range)		
	Actual	Actual	Low	Mid	High
	US$m	US$m	US$m	US$m	US$m
EBITDA	87.7	67.7	53.0	55.0	57.0
Adjustments[1]	(5.6)	(6.1)	(3.0)	(3.0)	(3.0)
Relevant Gross Earnings	82.1	61.6	50.0	52.0	54.0
Less Preferred Distribution Base Amount	(17.0)	(17.5)	(18.0)	(18.0)	(18.0)
Adjusted earnings	65.1	44.1	32.0	34.0	36.0
Average (CY21 to CY23)			47.0	47.7	48.4
Multiple (times)			2.25	2.25	2.25
Redemption Payment for First Redemption Period			105.8	107.3	108.9

Note:
1 Relates to depreciation, a gain on the sale of an asset (CY21) and tax payable by CFM. The adjustment is greater in CY21 and CY22 due to the gain on sale in CY21 and a larger tax expense in CFM in CY22 due to a large performance fee in that year.

Redemption Payment for Second Redemption Period

220 The Redemption Payment for the Second Redemption Period (CY24 and CY25) depends on the Relevant Gross Earnings generated by the NGI Strategic Portfolio over that period. Accordingly, we set out below a table which summarises the sensitivity of the Redemption Payment for the Second Redemption Period to changes in the Relevant Gross Earnings of the NGI Strategic Portfolio over the Second Redemption Period (which, in the table below, are derived from our CY23 estimates and an assumed growth rate in gross earnings):

Sensitivity table – Redemption Payment for Second Redemption Period[1]				
		CY23 Relevant Gross Earnings (US$m)		
		50.0	**52.0**	**54.0**
Gross earnings growth (per annum)	**(10.0%)**	53.8	57.6	61.5
	(5.0%)	61.8	65.9	70.1
	-	70.1	74.6	79.1
	5.0%	78.7	83.5	88.3
	10.0%	87.5	92.7	97.9

221 In relation to the above table, we note that:

(a) the Redemption Payment for the Second Redemption Period would be approximately US$74.6 million if the Relevant Gross Earnings in CY24 and CY25 were equal to the midpoint of our CY23 estimate (i.e. there is no earnings growth in CY24 and C25)

(b) given the significant growth in AUM achieved by the NGI Strategic Portfolio over recent years, in our view it is more likely that some growth in gross earnings will be achieved over the CY24 and CY25 period.

222 Given the above, for the purposes of this report we have adopted a Redemption Payment for the Second Redemption Period of between US$82 million and US$95 million.

Total Redemption Payment

223 Based on the above figures the Redemption Payment is estimated to be as follows:

Redemption Payment	Low US$m	High US$m
First Redemption Period	106	109
Second Redemption Period	82	95
Total	188	204
Adopted range (based on cap)	188	200

Present value of redemption payment

224 As noted above the Redemption Payment is payable around the end of April 2026. Accordingly, we have calculated the present value of this liability by discounting the above amounts at an 8.7% discount rate. Our adopted discount rate equates to NGI's current borrowing, which we consider appropriate given that the Redemption Payment in relation to the First Redemption Period is largely known, and accounts for around 55% of the total amount likely to be payable.

225 Based on the 8.7% per annum discount rate, the present value of the Redemption Payment ranges from approximately US$150 million to US$160 million. The upper end of this range is consistent with the fair value of the liability adopted in NGI's financial statements as at 30 June 2023.

Present value of expected cash distributions to GP Strategic Capital Parties

226 In the absence of the Proposed Transaction, and pursuant to the terms of the acquisition of the NGI Strategic Portfolio in 2021, for each of the FY20 to FY25 years:

(a) NGI receives:

(i) the Preferred Distribution Base Amount from the NGI Strategic Portfolio of US$17 million, indexed at 3% per annum[82]; plus

(ii) 20% of the annual cash distributions[83] generated by the NGI Strategic Portfolio in excess of the Preferred Distribution Base Amount

82 Any shortfall of the Preferred Distribution Base Amount is subject to a catch-up arrangement. However, to date the EBITDA of the NGI Strategic Portfolio has exceeded the Preferred Distribution Base Amount.

83 Whilst the NGI Strategic Portfolio represents minority interests in six asset managers, most are structured as private partnerships and investors receive their pro-rata share of profit.

(b) GP Strategic Capital Sellers receives the remaining 80% of the annual cash distributions generated by the NGI Strategic Portfolio in excess of the Preferred Distribution Base Amount.

227 The effect of the above is that NGI will not receive the full attributable profit share from the NGI Strategic Portfolio in FY24 and FY25. As the enterprise value shown above does not allow for this, it is appropriate to deduct the present value of the expected cash distributions to GP Strategic Capital Parties in these years in our valuation.

228 Consistent with our assessment of the value of the Redemption Payment, we have adopted a base level of EBITDA for the NGI Strategic Portfolio of US$56.0 million for CY23. However, as noted above, the AUM (and earnings) of the NGI Strategic Portfolio have increased significantly since acquisition. In our view, it is therefore more likely that the EBITDA generated by the NGI Strategic Portfolio (and therefore the cash distributions payable to GP Strategic Capital Sellers) will increase. In our base case calculations below we have assumed 5% earnings growth per annum.

229 As noted above, cash distributions have historically been around 90% of EBITDA. On this basis the present value of the after tax cash distributions in FY24 and FY25 payable to GP Strategic Capital Sellers is as follows:

Present value of earnings attributable to GP Strategic Capital Sellers in the absence of the Proposed Transaction

Year	FY24 US$m	FY25 US$m	Total US$m
EBITDA[1]	56.4[2]	59.2	
Total cash distribution (at 90%)	50.7	53.3	
NGI distribution:			
Preferred Distribution Base Amount	18.6	19.1	
20% of excess distribution	6.4	6.8	
Total NGI distribution	25.0	25.9	
Cash distribution to GP Strategic Capital Parties (before tax)	25.7	27.3	53.0
Tax (12.5%)[3]	(3.2)	(3.4)	
Cash distribution after tax	22.5	23.9	46.4
Present value factor (12.6% per annum)[4]	1.1260	1.2679	
NPV[3]	20.0	18.8	**38.8**

Note:
1 EBITDA and cash distributions have been set out on a financial year basis (consistent with the requirements of the calculation).
2 Being CY23 EBITDA of US$56.0 million plus 5% growth resulting in EBITDA for CY23 of US$57.8 million. For FY24 we have then averaged these figures providing a FY24 estimate of US$56.4 million.
3 Due to the amortisation of goodwill and some acquired intangibles for tax purposes, and other tax structuring benefits, the effective corporate tax rate on income from the NGI Strategic Portfolio is expected to be low.
4 Due to the short cash flow period, the NPV of the cash distributions to GP Strategic Capital Sellers is not particularly sensitive to the discount rate (as shown below). Our discount rate reflects a risk free rate of 4.5%, a market risk premium of 6.5%, a beta of approximately 1.25 and 100% equity funding.

230 The sensitivity of this present value to the EBITDA and EBITDA growth rate (per annum) over the period is shown below:

Sensitivity table - NPV of earnings shortfall				
	EBITDA (CY23) US$m			
	40.0	**53.0**	**55.0**	**57.0**
Gross earnings growth (per annum)	(10.0%)	28.6	30.5	32.4
	(5.0%)	31.2	33.2	35.2
	-	33.9	36.0	38.1
	5.0%	36.6	38.8	41.1
	10.0%	39.4	41.8	44.1

231 Having regard to the sensitivity table above, and the outlook for growth in AUM and cash distributions, we have assessed the present value of the cash distributions to GP Strategic Capital Sellers at between US$37 million and US$42 million.

Other assets and liabilities

232 NGI has a number of other assets and liabilities which have been reflected in our valuation:

(a) **cash** – NGI held US$32.9 million in cash as at 30 June 2023. NGI is required to hold a modest cash balance or net asset position for regulatory purposes. Given the cash required to be held for regulatory purposes, we have adopted cash for valuation purposes of US$25 million

(b) **investments** – NGI holds a number of investments in funds either managed by the Company or externally which had a fair market value of US$13.8 million as at 30 June 2023. However, as stated at paragraph 135, some 50% of these investments are co-invested with outside investors and therefore required for operations. Accordingly, for valuation purposes we have treated 50% of these investments as surplus assets

(c) **deferred tax benefits** – we have attributed a value to the US deferred tax benefits of US$10 million to US$12 million[84], representing the present value of future benefits expected to be realised over a five to six year period (i.e. the period in which they are expected to be utilised)

(d) **interest bearing debt** – as at 30 June 2023 the Company had outstanding debt of US$9.6 million

(e) **transaction costs** – we have allowed for estimated expenses of US$3.5 million in relation to the Proposed Transaction up to the date of the shareholder meeting to approve the Proposed Transaction[85].

233 The value attributed to these other assets and liabilities is summarised below:

84 NGI also has Australian capital losses that have no value (as they are not expected to be recouped) and are not recognised as an asset by the Company.

85 This excludes fees contingent on completion of the Proposed Transaction. These costs are allowed for in our valuation of NGI shares following completion of the Proposed Transaction.

NGI – other assets and liabilities	Paragraph reference	Low US$m	High US$m
Cash	232(a)	25.0	25.0
Investments	232(b)	6.9	6.9
Deferred tax benefits	232(c)	10.0	12.0
Interest bearing debt	232(d)	(9.6)	(9.6)
Transaction costs	232(e)	(3.5)	(3.5)
Total other assets (net of liabilities)		28.8	30.8

Fully diluted shares on issue

234 NGI currently has 243.7 million shares on issue and 90,289 Convertible Notes held by Dyal Trust outstanding, which are convertible into approximately 60.2 million NGI shares. There are also 3.0 million performance rights on issue and no options. The performance rights are subject to vesting conditions, none of which have been met as at the date of this report. Accordingly, we have adopted 303.9 million fully diluted share on issue for the purposes of our valuation.

Portfolio interest value of NGI

235 On this basis, the portfolio (or minority interest) value of NGI shares is as follows:

NGI – portfolio interest value	Paragraph reference	Low US$m	High US$m
Enterprise value of Lighthouse	196	109.2	119.7
Enterprise value of the NGI Strategic Portfolio	196	229.6	257.6
Other NGI Strategic Investment companies	212	59.4	59.4
Corporate costs	196	(26.4)	(29.4)
Total enterprise value		371.8	407.3
Other assets / liabilities	233	28.8	30.8
Redemption Payment	225	(150.0)	(160.0)
Accelerated acquisition of incremental profit distributions	231	(37.0)	(42.0)
Total other assets and liabilities		(158.2)	(171.2)
Equity value		213.7	236.2
Fully diluted shares on issue	234	303.9	303.9
Portfolio interest value per share (US$)		US$0.70	US$0.77
A$:US$ exchange rate[1]		0.65	0.65
Portfolio interest value per share (A$)		A$1.08	A$1.20

Note:
1 Assumes an exchange ratio of A$1.00 = US$0.65, based on the one month average for August 2023.

Cross check to pre-announcement share trading range

236 We have cross checked our assessed value of the equity in NGI to the listed market price of NGI shares. We note that:

(a) NGI is researched and analysed by five analyst firms and has institutional investors on its register

(b) significant information has been disclosed in relation to NGI's operations in its financial reports and stock exchange announcements

(c) NGI has an obligation under the ASX Listing Rules (subject to certain exemptions) to notify the ASX immediately of any information that it becomes aware of concerning NGI which a reasonable person would expect to have a material effect on the price or value of NGI

(d) NGI shares are relatively liquid when considering the free float of the shares[86].

237 In order to cross check our valuation of NGI shares we have considered the listed market price of NGI shares up to 14 June 2023 (being the last day of trading prior to the announcement of the Proposed Transaction). The trading range and VWAP of NGI shares in the one and three month periods up to 14 June 2023 are set out below:

NGI – share trading history

Period	Start date	End date	Low A$	High A$	VWAP A$
Day prior to announcement of Proposed Transaction	n/a	n/a	1.13	1.19	1.16
1 month	15 May 23	14 Jun 23	0.98	1.19	1.04
3 months	15 Mar 23	14 Jun 23	0.98	1.32	1.03

n/a – not applicable.

238 While our assessed valuation range exceeds the one and three month VWAPs of the NGI shares prior to the announcement of the Proposed Transaction, we note the share trading range has been relatively wide (and encompasses the high end of our valuation range). In addition, the VWAP of NGI share prices the day prior to the announcement of the Proposed Transaction was A$1.16 per share (and the closing share price was A$1.17 per share), which is above the midpoint of our valuation range. In the circumstances, we consider that our portfolio interest valuation range for NGI to be reasonable.

Controlling interest value of NGI

239 Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover, and after adjusting the pre-bid market price for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover).

240 On this basis, we have we have adopted the following controlling interest values of NGI:

NGI – controlling interest value

	Paragraph reference	Low A$	High A$m
Portfolio interest value per share	235	A$1.08	A$1.20
Control premium	239	32.5%	32.5%
Controlling interest value per share		A$1.43	A$1.58

86 Excluding two substantial shareholders (i.e. Dyal Trust and NGI's Chief Executive Officer, Mr McGould) who are long term holders of NGI shares.

VI Portfolio value of NGI shares following implementation of the Proposed Transaction

Introduction

241 As set out in Section II, RG 111 requires that the fairness of the Proposed Transaction be assessed by comparing:

(a) the controlling interest value of NGI shares prior to implementation of the Proposed Transaction (which is set out in Section V); and

(b) the portfolio interest value of NGI shares following implementation of the Proposed Transaction (which is set out below).

Methodology

242 The value of NGI following the Proposed Transaction has been derived having regard to the:

(a) enterprise value of NGI prior to the Proposed Transaction (on a portfolio interest basis), which is the same as the pre Proposed Transaction value

(b) cancellation of both the Redemption Payment (brought forward from April 2026) and the incremental cash distributions that GP Strategic Capital Sellers would have been entitled to in FY24 and FY25

(c) the other assets and liabilities owned by NGI

(d) shares to be issued under the Placement and the Equity Raising (which will be used to fund the cancellation of the Redemption Payment and the incremental cash distributions in FY24 and FY25).

Enterprise value of NGI prior to the Proposed Transaction

243 The enterprise value of NGI prior to the Proposed Transaction is set out in in Section V, and is summarised below:

NGI – portfolio interest value	Paragraph reference	Low US$m	High US$m
Enterprise value of Lighthouse	196	109.2	119.7
Enterprise value of the NGI Strategic Portfolio	196	229.6	257.6
Other NGI Strategic Investment companies	212	59.4	59.4
Corporate costs	196	(26.4)	(29.4)
Total enterprise value		371.8	407.3

Cancellation of the Redemption Payment and distributions to GP Strategic Capital Parties for FY24 and FY25

244 As the Proposed Transaction involves the cash settlement and cancellation of the Redemption Payment liability and the incremental cash distributions that GP Strategic Capital Sellers would have been entitled to in FY24 and FY25, it follows that the value of NGI shares following implementation of the Proposed Transaction excludes allowance for the Redemption Payment liability and the present value of the expected cash distributions for

FY24 and FY25. Instead, allowance is made for the shares to be issued to fund these payments (which is discussed below).

Other assets and liabilities

245 As set out in Section V, we assessed the value of other assets and liabilities held by NGI prior to the Proposed Transaction at between US$28.8 million and US$30.8 million. When considering the value of NGI following implementation of the Proposed Transaction, we have also taken into account an additional US$2.5 million in estimated Proposed Transaction related expenses (which is an increase on the US$3.5 million of unavoidable transaction costs included in the pre Proposed Transaction valuation). These costs include professional advisory fees which are contingent on the Proposed Transaction being completed.

246 The value attributed to other assets and liabilities (post implementation of the Proposed Transaction) is therefore as follows:

Other assets and liabilities post Proposed Transaction	Low US$m	High US$m
Other assets (net of liabilities) of NGI pre Proposed Transaction	28.8	30.8
Additional transaction costs	(2.5)	(2.5)
Total other assets (net of liabilities)	26.3	28.3
Less minority interest discount(1)	(2.6)	(2.8)
Total other assets (net of liabilities) of NGI post Proposed Transaction	23.7	25.5

Note:
1 We have applied a 10% discount to allow for the fact that investors often ascribe a modest discount to cash and other surplus assets that are not expected to be distributed to shareholders in the short to medium term.

Shares on issue post the Placement and Equity Raising

247 The shares to be issued pursuant to the Proposed Transaction and the related Placement and Equity Raising is as follows:

(a) **Placement** – Dyal Trust will be issued approximately 129.7 million NGI shares at a price of A$1.40 per NGI shares to the value of US$120 million

(b) **Equity Raising** – a US$80 million equity raising to all existing NGI shareholders and Convertible Note holders comprising the Rights Issue and the Noteholder Offer, to be executed following receipt of shareholder approval for the Proposed Transaction[87]. For the purpose of this report we have assumed that 123.1 million NGI shares will be issued under the Equity Raising, based on US$80 million being raised at an indicative price of A$1.00 per NGI share[88] and an exchange rate of A$1.00 = US$0.65[89].

87 Dependent on the outcome of the Equity Raising, any remaining consideration will be paid by NGI by a combination of existing cash on NGI's balance sheet and third party debt, provided that such third party debt does not exceed US$40 million.

88 Consistent with the indicative price provided by NGI in the 15 June 2023 announcement regarding the Proposed Transaction.

89 The exchange ratio has regard to the one month average exchange rate for August 2023.

248 Assuming 100% take up of the Equity Raising, following the settlement of the Proposed Transaction, the NGI ordinary shares (including dilution for the 2021 Convertible Notes) on issue would be as follows:

Shares on issue post Proposed Transaction	
	Shares (million)
Pre Proposed Transaction	243.7
2021 Convertible Notes	60.2
Fully diluted shares on issue pre the Proposed Transaction	303.9
Shares issued under the Placement	129.7[(1)]
Shares issued under the Equity Raising (assumed)	123.1[(2)]
Assumed fully diluted shares on issue post the Proposed Transaction	556.7

Note:
1 US$120 million placement to Dyal Trust through an issue of 129,712,902 Shares at A$1.40 per share.
2 Assumes an exchange ratio of A$1.00 = US$0.65, based on the one month average for August 2023. Number of shares equals US$80 million divided by US$0.65, divided by A$1.00 per share.

Portfolio value of NGI shares post Proposed Transaction

249 On this basis the value of NGI shares on a portfolio (or minority interest) basis post implementation of the Proposed Transaction is as follows:

Value of NGI post Proposed Transaction (portfolio or minority interest basis)			
	Paragraph reference	**Low US$m**	**High US$m**
Enterprise value	243	371.8	407.3
Other assets and liabilities	246	23.7	25.5
Equity value		395.5	432.8
Fully diluted shares on issue (million)	248	556.7	556.7
Controlling interest value per share		US$0.71	US$0.78
A$:US$ exchange rate[(1)]		0.65	0.65
Portfolio interest value per share (A$)		A$1.09	A$1.20

Note:
1 Assumes an exchange ratio of A$1.00 = US$0.65, based on the one month average for August 2023.

VII Evaluation of the Proposed Transaction

Assessment of fairness

250 RG 111 requires that the fairness of the Proposed Transaction be assessed by comparing the controlling interest value of NGI shares prior to implementation of the Proposed Transaction with the portfolio interest value of NGI shares following implementation (being the deemed "consideration" delivered to NGI shareholders).

251 In order for the Proposed Transaction to be "fair" under RG 111, the portfolio interest value of NGI shares following implementation of the Proposed Transaction must be equal to, or greater than the controlling interest value of NGI shares before implementation.

252 This comparison is set out below:

"Fairness" value comparison	Section	Low A$ per share	Mid-point A$ per share	High A$ per share
Portfolio interest value of NGI shares following implementation of the Proposed Transaction	VI	1.090	1.145	1.200
Controlling interest value of NGI shares prior to implementation of the Proposed Transaction	V	1.430	1.505	1.580
Extent to which portfolio interest value post implementation is less than the controlling interest value of NGI shares before implementation		(0.340)	(0.360)	(0.380)

253 Based on the above the Proposed Transaction is not fair when assessed based on the guidelines set out in RG 111.

Assessment of reasonableness

254 Under RG 111 a transaction is reasonable if it is fair. It may also be reasonable, even if it is not fair, if the expert concludes that the advantages of the transaction outweigh the disadvantages.

255 Accordingly, we have had regard to the following matters when considering whether the Proposed Transaction is reasonable.

Position of NGI shareholders

256 In considering whether the Proposed Transaction is reasonable, we have had regard to whether NGI shareholders are likely to be better off from a value perspective if they approve the Proposed Transaction by comparing the value of NGI shares pre and post the Proposed Transaction (and related Equity Raising) on a consistent portfolio value basis.

257 This comparison is shown below:

Comparative value of NGI shares	Section	Low A$ per share	Mid-point A$ per share	High A$ per share
Portfolio interest value of NGI shares post the Proposed Transaction and Equity Raising	VI	1.090	1.145	1.200
Portfolio interest value of NGI shares prior to the Proposed Transaction	V	1.080	1.140	1.200
Increase in portfolio interest value of NGI shares due to the Proposed Transaction		0.010	0.005	-
% increase		0.9%	0.4%	-

258 Whilst the above comparison indicates that the Proposed Transaction (including the Placement and related Equity Raising) only results in a negligible uplift in the portfolio value of NGI shares, it should be noted that this is because the post transaction valuation range reflects both:

(a) the issue of US$120 million in new NGI shares at a price of A$1.40 per share to Dyal Trust (which are being issued in consideration for GP Strategic Capital Sellers forgoing the Redemption Payment and its entitlements to distributions from the NGI Strategic Portfolio in FY24 and FY25); and

(b) the proposed Equity Raising to raise a further US$80 million at an indicative price of A$1.00 per share.

259 Thus, it should be noted that:

(a) the price at which shares are being issued to Dyal Trust, of A$1.40 per share, represents a significant premium to both:

(i) our portfolio value of NGI shares pre and post completion of the Proposed Transaction (the midpoints for which are A$1.14 and A$1.145 per share respectively); and

(ii) the VWAP of NGI shares in the one and three months prior to the announcement of the Proposed Transaction of A$1.04 and A$1.03 per share respectively

(b) the proposed Equity Raising (at an indicative A$1.00 per share) is expected to provide NGI shareholders with the opportunity to acquire additional shares in NGI at a substantial discount to both:

(i) the price being paid by Dyal Trust of A$1.40 per share

(ii) the VWAP of NGI shares since the Proposed Transaction announcement up to 31 August 2023 of A$1.35 per share.

260 Further, in the absence of the Proposed Transaction and related Equity Raising NGI is likely to have to raise additional equity capital in any event in order to fund the Redemption Payment. Such capital raisings of the size likely to be required in order to fund the Redemption Payment are normally priced at a discount to the listed market price of the shares.

261 We therefore consider that the advantages of the Proposed Transaction outweigh the disadvantages, and have therefore concluded that the Proposed Transaction is not fair but is reasonable.

Impact on control

262 If the Proposed Transaction is approved there will be an impact on the voting power and ownership of NGI. Whilst limits are in place regarding the timing of conversion of the existing 2021 Convertible Notes held by Dyal Trust (to prevent Dyal Trust from acquiring a voting interest which breaches s606 of the Corporations Act), pursuant to the Proposed Transaction (and the related settlement thereof) Dyal Trust will:

(a) increase its voting interest in NGI shares from 19.9% to between 44.8% to 46.5%[90]

(b) increase its economic interest in NGI from 35.8% to between 50.8% and 60.2%[91] (based on the number of fully diluted shares on issue including allowance for the dilution associated with the 2021 and 2023 Convertible Notes).

263 Notwithstanding this difference between an economic and voting interest, if the Proposed Transaction is approved, Dyal Trust will have a significant voting interest in NGI. Whilst, an independent Board Structure is to be maintained, with Dyal Trust retaining its existing Board nominee right[92], as well as being granted one additional Board observer, Dyal Trust could exert effective voting control of NGI should it choose to do so.

Dilution of existing shareholder interests

264 If the Proposed Transaction is approved the interests of existing NGI shareholders will be diluted as they will collectively hold an economic interest of between 39.8%[93] and 49.2%[94] of NGI shares (on a fully diluted basis) after the Proposed Transaction[95]. However, as noted above:

(a) the acquisition of the NGI Strategic Portfolio will increase the scale of NGI, and provide NGI with increased cash flows in the short term (as NGI will receive 100% of the distributions from the NGI Strategic Portfolio in FY24 and FY25)[96]; and

(b) in the absence of the Proposed Transaction and related Equity Raising NGI is likely to have to raise additional equity capital in any event in order to fund the Redemption Payment. Such capital raisings of the size likely to be required in order to fund the

90 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

91 If non Dyal Trust shareholders take up 100% of their entitlements in the Equity Raising, the economic interest of Dyal Trust would be 50.8%. If non Dyal Trust shareholders do not participate in the Equity Raising the economic interest of Dyal Trust would be 60.2%. Given the attractive pricing of the Equity Raising in comparison to share trading post the announcement of the Proposed Transaction as well as the Proportionate Top Up, we would expect non Dyal Trust shareholders to have a relatively high participation in the Equity Raising.

92 To date, Dyal Trust has not taken up its right to a Board nominee.

93 Assuming non Dyal Trust shareholders do not participate in the Equity Raising (see footnote 91).

94 Assuming non Dyal Trust shareholders take up 100% of their entitlements in the Equity Raising.

95 The actual level of NGI share ownership will depend on the level of participation in the Equity Raising.

96 From FY26 onwards, NGI will be entitled to 100% of the distributions from the NGI Strategic Portfolio in any event (even if the Proposed Transaction is not implemented).

Redemption Payment are normally priced at a discount to the listed market price of the shares.

Likelihood of receiving a future takeover offer

265 If the Proposed Transaction is approved, the likelihood of receiving a takeover offer from another party in future is diminished as any potential bidder would need to persuade Dyal Trust to accept its offer in order to obtain control of NGI.

266 However, we do not consider that this is a material disadvantage. This is because, in our opinion, it is (at least) equally likely that Dyal Trust would accept any offer for the whole company that reflected an appropriate and commercially attractive price.

Conclusion

267 Based on the above we summarise below the advantages and disadvantages of the Proposed Transaction from the perspective of NGI shareholders:

Advantages

(a) the price at which shares are being issued to Dyal Trust, of A$1.40 per share, represents a significant premium to both:

(i) our portfolio value of NGI shares pre and post completion of the Proposed Transaction (the midpoints for which are A$1.14 and A$1.145 per share respectively); and

(ii) the VWAP of NGI shares in the one and three months prior to the announcement of the Proposed Transaction of A$1.04 and A$1.03 per share respectively

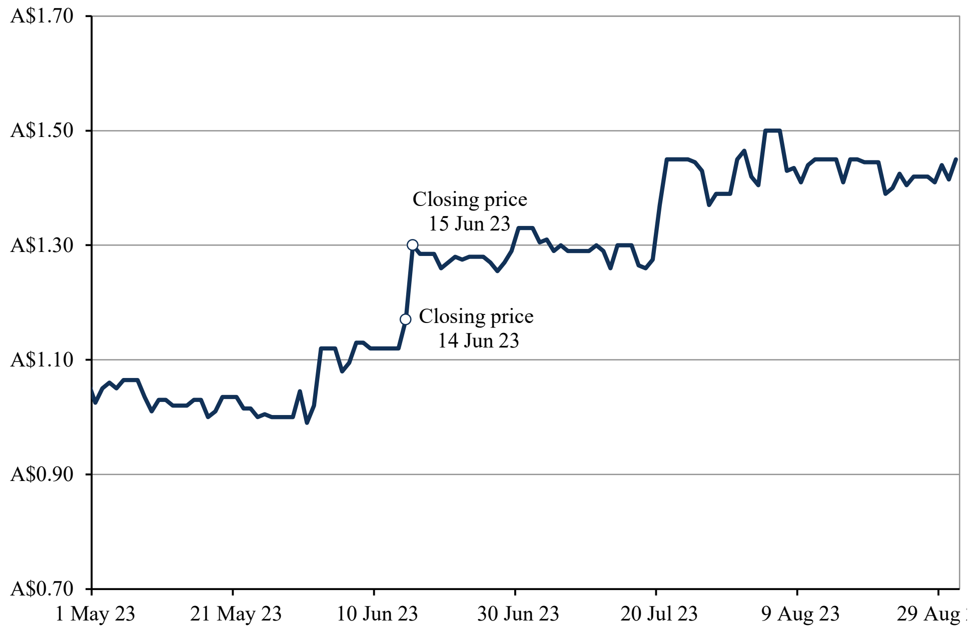
(b) the proposed Equity Raising (at an indicative A$1.00 per share) is expected to provide NGI shareholders with the opportunity to acquire additional shares in NGI at a substantial discount to both:

(i) the price being paid by Dyal Trust of A$1.40 per share; and

(ii) the VWAP of NGI shares since the Proposed Transaction announcement up to 31 August 2023 of A$1.35 per share

(c) the listed market price of NGI shares has increased materially following the announcement of the Proposed Transaction on 15 June 2023 (which indicates that market participants consider the Proposed Transaction to be value accretive), as shown below:

NGI – share price recent history[1]
1 May 2023 to 31 August 2023



Note:
1 Based on closing prices.
Source: Bloomberg.

(d) the Proposed Transaction provides NGI with a material increase in scale, cash flows and earnings for FY24 and FY25 (i.e. prior to the date at which the Redemption Payment would have otherwise been settled), which will enable the Company to reduce debt and/or channel cash flows towards growth opportunities

(e) the Proposed Transaction strengthens the NGI balance sheet and removes funding uncertainty regarding the outstanding Redemption Payment

Disadvantages

(f) pursuant to the Proposed Transaction, Dyal Trust will increase its voting interest in NGI from 19.9% to between 44.8% to 46.5%[97] and its economic interest from 35.8% to between 50.8% and 60.2%[98]. Dyal Trust will therefore have effective voting control of NGI should it wish to exercise its voting power. This voting power could further increase as Dyal Trust will be able to acquire an additional 3% voting interest every six months pursuant to s611(9) of the Corporations Act should it wish to do so

(g) the Proposed Transaction is not fair when assessed based on the guidelines set out in RG 111. This is because the Proposed Transaction does not provide value to NGI shareholders which is equal to the full controlling interest value of NGI shares prior to the Proposed Transaction.

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97 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

98 Assuming non Dyal Trust shareholders have nil and 100% participation respectively in the Equity Raising.

268 As indicated above there are a number of advantages and disadvantages associated with the Proposed Transaction. However, in our view, the advantages of the Proposed Transaction significantly outweigh the disadvantages.

269 For the reasons set out above, we have therefore concluded that the Proposed Transaction is not fair, but is reasonable to NGI shareholders.

Other matters

Amendments to 2021 Convertible Notes Deed Poll

270 We note that NGI shareholders are also being asked to approve a number of amendments to the terms of the 2021 Convertible Notes held by Dyal Trust (which were issued in 2021). The amendments primarily involve changes to the conversion rights and how the 2021 Convertible Notes are dealt with at maturity (as discussed below). These changes are being made to align with the terms of the 2023 Convertible Notes, which may be issued pursuant to the Proposed Transaction. However, the 2021 Convertible Notes and 2023 Convertible Notes will have different conversion prices, and the conversion price of the 2021 Convertible Notes will not change.

Changes to conversion rights

271 Currently, the 2021 Convertible Notes can be converted to ordinary shares by the holder at any time, subject to certain conditions including not contravening s606 of the Corporations Act. As Dyal Trust currently has a voting interest in 19.9% of the ordinary shares in NGI, Dyal Trust cannot currently convert any of the 2021 Convertible Notes to ordinary shares without NGI shareholder approval.

272 As the Proposed Transaction will result in Dyal Trust holding a voting interest of between 44.8% and 46.5%[99] of the ordinary shares in NGI, it is proposed that Dyal Trust will only be able to convert some or all of the 2021 Convertible Notes (or the 2023 Convertible Notes) provided Dyal Trust's voting interest after conversion does not exceed 46.5%. That is, the voting interest threshold before Dyal Trust (or the holder of the 2021 Convertible Notes) can convert some or all of the 2021 Convertible Notes to ordinary shares is to be increased from 19.9% to 46.5%.

273 In our opinion, this amendment to the terms appears reasonable on the basis that:

(a) Dyal Trust currently has a voting interest of 19.9% in NGI and is therefore unable to convert the 2021 Convertible Notes at present unless NGI either issues more ordinary shares, Dyal Trust sells some ordinary shares (and then converts), or NGI shareholders approve conversion

(b) if the Proposed Transaction is approved and completes, Dyal Trust will hold a 44.8% to 46.5%[99] voting interest, meaning that GP Strategic Capital Parties will also be unable to convert the 2021 Convertible Notes unless NGI either issues more ordinary shares or Dyal Trust sells some ordinary shares (and then converts)

(c) the amendment to the voting threshold does not therefore result in any acceleration of the conversion of the 2021 Convertible Notes.

99 The actual level of NGI share ownership will depend on the level of non Dyal Trust shareholder participation in the Equity Raising.

Maturity

274 Whilst the 2021 Convertible Notes can also be converted by NGI after seven years from their issue date (i.e. in 2028) and every year thereafter, conversion will also require NGI shareholder approval if s606 of the Corporations Act would otherwise be breached. Should such approvals not be obtained, the terms of the 2021 Convertible Notes require the 2021 Convertible Notes to be cash settled at the maturity date (being 10 years from their issue date) at the value which would be obtained by the noteholder if the 2021 Convertible Notes were converted to ordinary shares.

275 It is proposed that this cash settlement obligation be removed in the 2021 Convertible Note Deed. In its place, the maturity date will automatically be extended for three years (and continually be extended for this period) until conversion can occur.

276 Consequently, this amendment to the 2021 Convertible Notes Deed ensures that the 2021 Convertible Notes will become permanent equity capital, and removes the funding risk associated with the need to repay the 2021 Convertible Notes in cash at maturity if they are not converted beforehand.

277 We consider that this change is reasonable and appropriate.

Other minor changes

278 A number of other minor changes are proposed to be made to the 2021 Convertible Notes Deed in order to align the terms of the 2021 Convertible Notes with the 2023 Convertible Notes. These include:

(a) the inclusion of an obligation on the noteholder to provide appropriate representations to allow NGI to determine whether the conversion of the 2021 Convertible Notes would adversely impact NGI's status under the Investment Company Act of 1940 (as amended) in the US. If the parties reasonably determine that NGI's status would be adversely impacted, the parties are to co-operate in good faith to seek a solution that would address NGI's status under the Investment Company Act prior to allowing conversion of the 2021 Convertible Notes

(b) a change in the default interest rate to 4% per annum above the secured overnight financing rate (SOFR) published by the Federal Reserve Bank of New York (or a successor administrator of the SOFR) on the website of the Federal Reserve Bank of New York. Previously the default interest rate was 4% per annum above the London interbank offered rate (LIBOR). This change is being made as LIBOR is being phased out and is being replaced by SOFR by banks in the US.

279 These minor changes have no material impact on NGI or NGI shareholders.

Appendix A

A Financial Services Guide

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

3 LEA has been engaged by NGI to provide general financial product advice in the form of an IER in relation to the Proposed Transaction. The *Corporations Act 2001 (Cth)* (Corporations Act) requires that LEA include this Financial Services Guide (FSG) with our IER.

4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at A$290,000 plus GST.

7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of

performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Notice of Meeting and Explanatory Memorandum should not be directed toward LEA as it is not responsible for the preparation of this document.

12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

Appendix B

B Qualifications, declarations and consents

Qualifications

1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.

2 This report was prepared by Mr Jorge Resende and Mr Craig Edwards, who are each authorised representatives of LEA. Mr Resende and Mr Edwards have over 22 years and 29 years experience respectively in the provision of valuation advice (and related advisory services).

Declarations

3 This report has been prepared at the request of the Directors of NGI to accompany the Notice of Meeting and Explanatory Memorandum to be sent to NGI shareholders. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable to NGI shareholders.

4 LEA expressly disclaims any liability to any NGI shareholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

5 At the date of this report, neither LEA, Mr Resende nor Mr Edwards have any interest in the outcome of the Proposed Transaction. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

6 LEA has not had within the previous two years, any business or professional relationship with NGI or GP Strategic Capital Parties or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

8 LEA had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

Indemnification

9 As a condition of LEA's agreement to prepare this report, NGI agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of NGI which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Appendix B

Consents

10 LEA consents to the inclusion of this report in the form and context in which it is included in NGI's Notice of Meeting and Explanatory Memorandum.

Appendix C

C Valuation methodology

Valuation approaches

1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

(a) the DCF methodology

(b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets

(c) the amount that would be available for distribution to shareholders in an orderly realisation of assets

(d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis

(e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

2 Under the DCF methodology the value of the business is equal to the NPV of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future "maintainable" earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.

4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, EBITA, EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

Appendix C

5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company is adjusted for the time, cost and taxation consequences of realising the company's assets.

D Listed company multiples

1 The implied EBITDA multiples for (and a brief description of) listed companies operating in the Australian traditional and alternative asset management sectors and the global alternative asset management sector (with an enterprise value of less than US$1 billion) are set out below:

Listed company trading multiples[1]	Enterprise value[2]	EBITDA multiples		
		FY23[3][4]	FY24[3][5]	FY25[3][5]
	US$m	x	x	X
NGI	212	5.3	4.6	4.3
Australian alternative asset managers				
Regal Partners	262	8.9	6.4	4.4
Qualitas	268	11.7	8.9	6.5
Pacific Current Group	228	9.6	8.5	7.9
Median		9.6	8.5	6.5
Australian traditional asset managers				
GQG Partners	2,748	7.8	6.9	6.2
Perpetual	1,777	11.6	6.6	6.0
Magellan Financial Group	601	5.2	5.0	5.5
Platinum Asset Management	373	5.7	5.8	6.5
Median		6.7	6.2	6.1
International alternative asset managers[6]				
Bridgepoint Group	951	5.9	6.7	7.4
RMR Group	634	8.6	7.3	5.8
Foresight Group Holdings	562	6.8	7.0	6.4
Vinci Partners Investments	293	9.8	8.3	7.3
Median		7.7	7.1	6.8

Note:
1 Enterprise value and earnings multiples calculated as at 24 August 2023 except for NGI (which is calculated based on the one month VWAP prior to the announcement of the Proposed Transaction) and Pacific Current Group (which is calculated prior to the announcement of an acquisition of this business).
2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities and excludes surplus assets. Net debt excludes AASB 16 / US GAAP / IFRS lease liabilities. Foreign currencies have been converted to US dollars at the exchange rate prevailing as at 24 August 2023.
3 The EBITDA multiples for the Australian companies have been adjusted to remove the estimated impact of AASB 16, whilst the EBITDA multiples for the international companies have been adjusted to remove the estimated impact of the relevant equivalents to AASB 16 (i.e. IFRS 16).
4 Historic EBITDA is based on latest statutory full year accounts and exclude non-recurring items, significant write downs, realised investment gains or losses and restructuring charges. Results for companies with a 30 September or 31 December financial year end have been "calendarised" to reflect financial year ends to be more consistent with the NGI financial year end.
5 Forecast EBITDA is based on average analyst forecasts (excluding outliers and outdated forecasts).
6 Includes companies with an enterprise value of less than US$1 billion.
Source: Bloomberg, company announcements and LEA analysis.

Appendix D

Australian alternative asset managers

Regal Partners Limited

2 Regal Partners is an ASX-listed alternative investment manager with approximately A$5.8 billion in AUM as at 30 June 2023. Formed through the merger of VGI Partners and Regal Funds Management in June 2022, Regal Partners offers a diverse range of investment strategies. The group houses four alternative investment management businesses, being Regal Funds Management, VGI Partners, Kilter Rural and Attunga Capital across offices in Sydney, Melbourne, Singapore and New York.

Qualitas Limited

3 Qualitas is an Australian based alternative real estate investment manager and direct lending partner. Serving institutional, wholesale and retail clients, the group specialises in real estate private credit, opportunistic real estate private equity, income producing commercial real estate and build-to-rent residential investments. As at 31 March 2023, Qualitas had approximately A$6.0 billion in AUM.

Pacific Current Group Limited

4 Pacific Current Group is a multi-boutique asset management company with investments in 16 specialist investment companies. The company's portfolio is diversified across a range of factors, including investment strategy, geography, revenue model and client type. Pacific Current Group is focused on partnering with investment managers and providing strategic resources, such as capital, institutional distribution capabilities and operational expertise.

Australian traditional asset managers

GQG Partners Incorporated

5 GQG Partners is an investment boutique that specialises in the management of global and emerging market equities for institutions advisors and individuals worldwide. The company is majority employee owned, and as at 31 May 2023 had US$108.1 billion in AUM. Incorporated in Delaware and listed on the ASX, GQG offers a variety of funds and strategies to institutions, advisors, and individuals worldwide.

Perpetual Limited

6 Perpetual is an Australian based independent financial services group specialising in funds management, financial advisory and trustee services. As at 31 March 2023, Perpetual managed approximately A$210 billion in AUM through four segments, being Perpetual Investments Australia, Perpetual Investments International, Perpetual Private and Perpetual Corporate Trust. Perpetual also recently acquired independent global asset manager, Pendal Group.

Magellan Financial Group Limited

7 Based in Sydney, Magellan specialises in funds management. The company offers international investment funds to high net worth and retail investors in Australia, New Zealand and institutional investors globally. Magellan focuses on investing in global equities through a range of listed and unlisted investment funds. As at 31 May 2023, the company managed approximately A$41.1 billion in Australian equity, global equity and infrastructure

strategies for its clients. Independent of its core funds management, Magellan has financial investments in Barrenjoey Capital Partners and FinClear Holdings.

Platinum Asset Management Limited

8 Platinum Asset Management is an Australian based value fund manager that specialises in seeking out undervalued global equities. In addition to global portfolios, Platinum provides investment management services to related party unit trusts, an offshore fund and two ASX-listed investment companies. As at 31 May 2023, Platinum had approximately A$18 billion in AUM and employed more than 100 investment professionals.

International alternative asset managers

Bridgepoint Group PLC

9 Headquartered in London, Bridgepoint operates as a private equity and credit fund manager with €39.5 billion in AUM as at 30 June 2023. The company focuses on middle market businesses with four distinct fund strategies (middle market, lower mid cap, small cap and credit) across four verticals (advanced industrials, business and financial services, consumer and healthcare). Bridgepoint has around 365 employees across 10 offices in nine countries.

The RMR Group Incorporated

10 RMR Group is a US based alternative asset management company engaged in the management of a diverse portfolio of publicly owned real estate and real estate related businesses. The company supplies management services to a variety of real estate investment providers, including publicly traded real estate investment trusts, real estate related operating companies, commercial real estate finance companies and a publicly traded closed-end fund investing in listed real estate companies. As at 30 June 2023, RMR Group had approximately US$36 billion in AUM.

Foresight Group Holdings Limited

11 Foresight is a UK based infrastructure and private equity investment manager. It manages investment funds on behalf of institutions and retail clients using environmental, social and governance orientated strategies. The company targets attractive returns from hard-to-access private markets for over 200 institutional and approximately 29,000 private investors. As at 31 March 2023, Foresight had £12.2 billion in AUM and operated in in eight countries across Europe, the Pacific, Africa and the Americas.

Vinci Partners Limited

12 Vinci Partners is a Brazilian investment platform specialising in alternative investments. With approximately US$13.2 billion in AUM as at 30 June 2023, the company operates across four segments including private markets (private equity, real estate, infrastructure and credit funds), liquid strategies (public equities and hedge funds), investment products and solutions (portfolio management services), and financial advisory (IPO advisory and merger and acquisition transactions).

Appendix E

E Glossary

Term	Meaning
Convertible Notes	The 2021 and 2023 Convertible Notes
2021 Convertible Notes	Convertible notes issued to Dyal Capital (now GP Strategic Capital Parties) as part of consideration for the acquisition of the NGI Strategic Portfolio. The Convertible Notes are convertible to approximately 60.2 million NGI shares
2021 Convertible Note Deed Poll	Relates to the original issue of the 2021 Convertible Notes on 1 February 2021
2023 Convertible Notes	Convertible Notes to be issued on the same terms as the existing 2021 Convertible Notes other than in respect of the conversion price
A$ / AUD	Australian dollar
AASB 16	Australian Accounting Standard AASB 16 – *Leases*
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AUM	Assets under management
Bardin Hill Investment Partners	Part of the NGI Strategic Portfolio
Blue Owl	Blue Owl Capital Inc.
BMO	BMO Harris Bank N.A.
CAGR	Compound annual growth rate
Capstone Investment Advisors	Part of the NGI Strategic Portfolio
CFM	Capital Fund Management S.A., part of the NGI Strategic Portfolio
Commingled Funds	Product of Lighthouse's Hedge Funds Solutions business
Corporations Act	*Corporations Act 2001* (Cth)
Customised Solutions	Product of Lighthouse's Hedge Funds Solutions business
CY	Calendar year
DCF	Discounted cash flow
Dyal Capital Partners	Dyal Capital Partners, which was a business unit of Neuberger Berman Group, LLC, combined with Owl Rock Capital Partners and certain of its affiliates and Altimar Acquisition Corporation, a publicly traded special purpose acquisition company sponsored by an entity affiliated with HPS Investment Partners, LLC to form Blue Owl. Blue Owl is now publicly traded and listed on the New York Stock Exchange. Dyal Capital Partners (now a platform of Blue Owl) has since been renamed GP Strategic Capital
Dyal Trust	The trust known as "Dyal Trust I" and where the context permits, Neuberger Berman Australia Limited ACN 146 033 801 as trustee for that trust and JP Morgan Nominees Pty Ltd as custodian of NGI shares for that trust
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Equity Raising	A US$80 million pro-rata equity raising to all shareholders and holders of the 2021 Convertible Notes comprising the Rights Issue and the Noteholder Offer
First Redemption Period	CY21 to CY23
FSG	Financial Services Guide
FUMA	Funds under management and advice
FY	Financial year to 30 June
GP Strategic Capital	A platform of Blue Owl, formerly Dyal Capital Partners

Appendix E

Term	Meaning
GP Strategic Capital Parties	Affiliates of GP Strategic Capital including Dyal Trust
GP Strategic Capital Sellers	Affiliates of GP Strategic Capital excluding Dyal Trust
GROW	GROW Investment Group
Hedge Fund Solutions	Business division of Lighthouse
Hedge Funds	Business division of Lighthouse
HFA	HFA Holdings Limited
HFR	Hedge Fund Research Incorporated
IER	Independent expert's report
Implementation Agreement	Implementation Agreement dated 1 August 2023
Invictus	Collectively, Invictus Capital Partners, LP and four affiliate entities
Launch Date	The date of the Equity Raising
LEA	Lonergan Edwards & Associates Limited
LIBOR	London interbank offered rate
Lighthouse	Lighthouse Investment Partners, LLC
Longreach	Longreach Alternatives Ltd
Managed Account Services	Business division of Lighthouse, recently rebranded as Luminae
Marble Capital	Collectively, Marble Capital, LP as investment manager for Marble Capital GP Holdings, LP and Marble Capital Manager Holdings, LP
MAS	Mesirow Advanced Strategies
Mission Crest	Product of Lighthouse's Hedge Funds business
MKP Capital Management	Part of the NGI Strategic Portfolio
NGI / the Company	Navigator Global Investments Limited
NGI Strategic Investments	Minority ownership interests in 10 global alternative asset management firms
NGI Strategic Portfolio	Minority interests in Bardin Hill Investment Partners, Capstone Investment Advisors, CFM, MKP Capital Management, Pinnacle Asset Management and Waterfall Asset Management
Non Dyal Trust shareholders	NGI shareholders other than Dyal Trust and its affiliates
North Rock	Product of Lighthouse's Hedge Funds business
Noteholder Offer	A placement of shares to 2021 Convertible Noteholders to complete at the same time as the Rights Issue
NPV	Net present value
Pinnacle Asset Management	Part of the NGI Strategic Portfolio
Placement	US$120 million placement of NGI shares to Dyal Trust at a price of A$1.40 per share
Preferred Distribution Base Amount	US$17 million indexed at 3% per annum of the annual cash distributions generated by the NGI Strategic Portfolio
Proportionate Top Up	An offer of shortfall shares under the Rights Issue to eligible shareholders who took up their entitlements in the Rights Issue in full based on their percentage underlying holding of shares at the record date for the Rights Issue
Proposed Transaction	The accelerated acquisition of incremental profit distributions from the NGI Strategic Portfolio and settlement of the Redemption Payment to GP Strategic Capital Sellers
Redemption Payment	This originated on 1 February 2021 when NGI acquired the NGI Strategic Portfolio and relates to a payment to settle the remaining interest in the NGI Strategic Portfolio not currently owned by NGI. It is calculated based on an agreed formula linked to the earnings produced over the five years to CY25, capped at US$200 million
Relevant Gross Earnings	The aggregate net earnings of the NGI Strategic Portfolio companies, calculated after allowing for depreciation and tax and excluding gains and losses arising on one-off asset sales

Appendix E

Term	Meaning
RG 111	Regulatory Guide 111 – *Content of expert reports*
Rights Issue	Non-underwritten, non-renounceable pro rata offer by NGI to eligible shareholders
Second Redemption Period	CY24 to CY25
SOFR	Secured overnight financing rate
Strategic Partnerships	Product of Lighthouse's Hedge Funds Solutions business
UK	United Kingdom
US	United States of America
US$ / USD	US dollar
VWAP	Volume weighted average trading price
WANOS	Weighted average number of shares outstanding
Waterfall Asset Management	Part of the NGI Strategic Portfolio

Navigator GLOBAL INVESTMENTS

ACN 101 585 737

LODGE YOUR VOTE

ONLINE
https://investorcentre.linkgroup.com

BY MAIL
Navigator Global Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY MOBILE DEVICE
https://investorcentre.linkgroup.com

BY FAX
02 9287 0309

BY HAND
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

X99999999999

VOTING FORM

I/We being a member(s) of Navigator Global Investments Limited and entitled to attend and vote hereby:

STEP 1 Please mark either A or B

A VOTE DIRECTLY

elect to lodge my/our vote(s) directly (mark box)

in relation to the Annual General Meeting of the Company to be held at **12:00pm (AEDT) on Friday, 27 October 2023,** and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" or "abstain" for each item.

OR

B APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (AEDT) on Friday, 27 October 2023** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid meeting. You can attend at AICD, Clarence Room, 18 Jamison Street, Sydney or by logging in online at **https://meetings.linkgroup.com/NGIAGM23** (refer to details in the Notice of Meeting).

Important for Resolutions 2 & 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 & 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.
Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	For	Against	Abstain*
2 Adoption of the Remuneration Report			
3a Re-election of Director - Mr Michael Shepherd			
3b Re-election of Director - Mr Suvan de Soysa			
4 Renewal of proportional takeover provisions			
5 Approval of Performance Rights Plan			
6 Approval for Dyal Trust's and its Associates' acquisition of a Relevant Interest of up to 46.5% in Navigator			
7 Approval for the issue of Shares and 2023 Convertible Notes to Dyal Trust			
8 Approval for Navigator's acquisition of the Class II Units held by the GP Strategic Capital Sellers			

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"for"** or **"against"** for each item or **"abstain"**

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories **"for"** and **"against" or "abstain"** and their votes will be valid.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (AEDT) on Wednesday, 25 October 2023,** being not later than 48 hours before the commencement of the Meeting. Any Proxy received after that time will not be valid for the scheduled Meeting.

Forms may be lodged using the reply paid envelope or:

ONLINE

https://investorcentre.linkgroup.com

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE

QR Code

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **https://investorcentre.linkgroup.com** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

Navigator Global Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

LINK Group

Virtual Meeting
Online Guide

Before you begin

Ensure your browser is compatible. Check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer – 11 and up
- Microsoft Edge – 92.0 and after

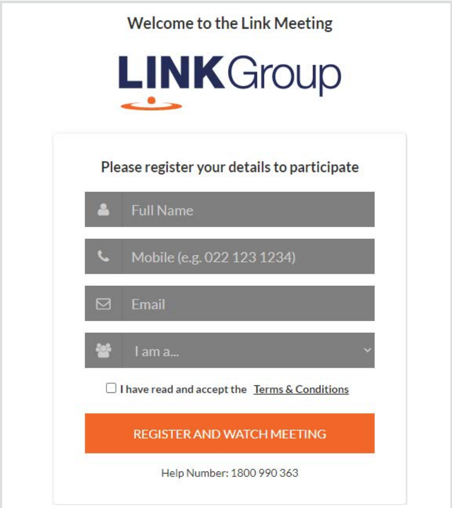
To attend and vote you must have your securityholder number and postcode.

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

Please make sure you have this information before proceeding.

Corporate Markets

Virtual Meeting Online Guide



Step 1

Open your web browser and go to https://meetings.linkgroup.com/NGIAGM23

Step 2

Log in to the portal using your full name, mobile number, email address, and participant type.

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

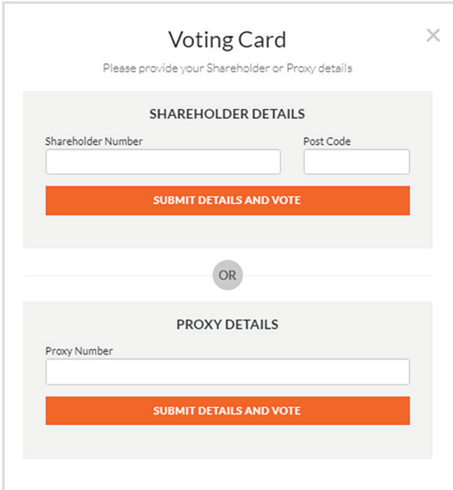
- On the left – a live webcast of the Meeting starts automatically once the meeting has commenced. If the webcast does not start automatically please press the play button and ensure the audio on your computer or device is turned on.
- On the right – the presentation slides that will be addressed during the Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.

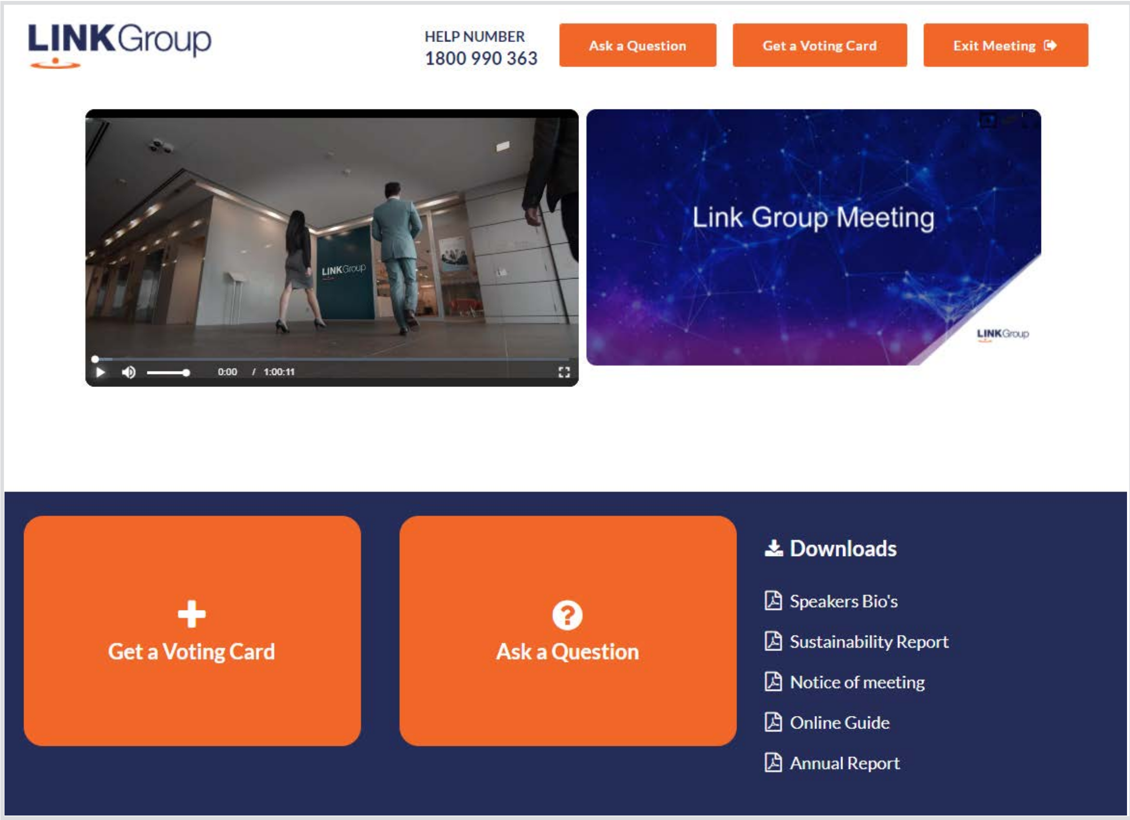


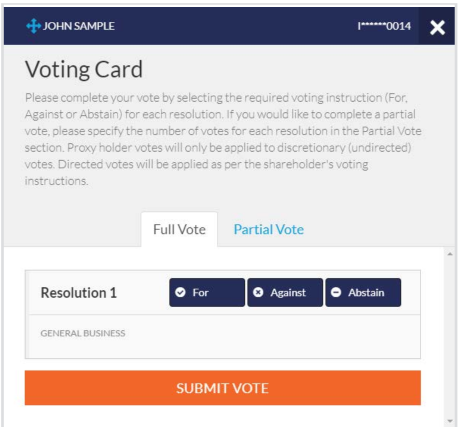
If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

Securityholders and proxies can either submit a Full Vote or Partial Vote.





Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

Once voting has been closed all submitted voting cards cannot be changed.

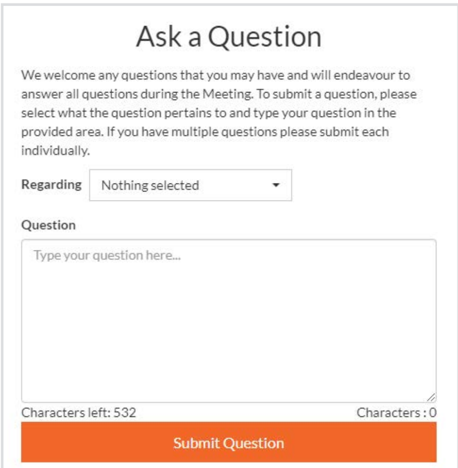
Virtual Meeting Online Guide *continued*

2. How to ask a question

Note: Only verified Securityholders, Proxyholders and Company Representatives are eligible to ask questions.

If you have yet to obtain a voting card, you will be prompted to enter your securityholder number or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The **'Ask a Question'** box will then pop up with two sections for completion.



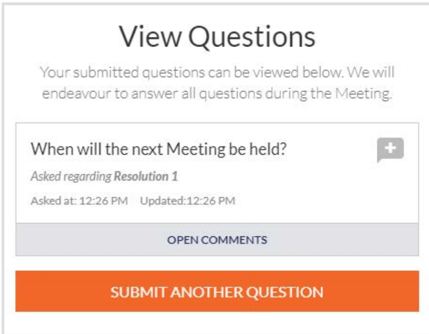
In the **'Regarding'** section click on the drop down arrow and select the category/resolution for your question.

Click in the **'Question'** section and type your question and click on 'Submit'.

A **'View Questions'** box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Meeting, but we will do our best to address your concerns.



3. Downloads

View relevant documentation in the Downloads section.

4. Voting closing

Voting will end 5 minutes after the close of the Meeting.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising of the remaining voting time. If you have not submitted your vote, you should do so now.

5. Phone Participation

What you will need

a) Land line or mobile phone

b) The name and securityholder number of your holding/s

c) To obtain your unique PIN, please contact Link Market Services on +61 1800 990 363

Joining the Meeting via Phone

Step 1

From your land line or mobile device, call: 1800 497 114 (from Australia) or +61 2 9189 1123 (from Overseas)

Step 2

You will be greeted with a welcome message and provided with instructions on how to participate in the Meeting. Please listen to the instructions carefully.

At the end of the welcome message you will be asked to provide your PIN by the moderator. This will verify you as a securityholder and allow you to ask a question on the resolutions at the Meeting.

Step 3

Once the moderator has verified your details you will be placed into a waiting room where you will hear music playing.

Note: If your holding cannot be verified by the moderator, you will attend the Meeting as a visitor and will not be able to ask a question.

Step 4

At the commencement of the Meeting, you will be admitted to the Meeting where you will be able to listen to proceedings.

Asking a Question

Step 1

When the Chairman calls for questions or comments on each item of business, **press *1** on your keypad for the item of business that your questions or comments relates to. If at any time you no longer wish to ask a question or make a comment, you can lower your hand by **pressing *2** on your keypad.

Step 2

When it is time to ask your question or make your comment, the moderator will introduce you to the meeting. Your line will be unmuted and you will be prompted to speak. If you have also joined the Meeting online, please mute your laptop, desktop, tablet or mobile device before you speak to avoid technical difficulties for you and other shareholders.

Step 3

Your line will be muted once your question or comment has been asked / responded to

Contact us

Australia
T +61 1800 990 363
E info@linkmarketservices.com.au