

Wilson's Rapid Insights Conference
presentation
Amber Stoney, CFO

10 November 2016



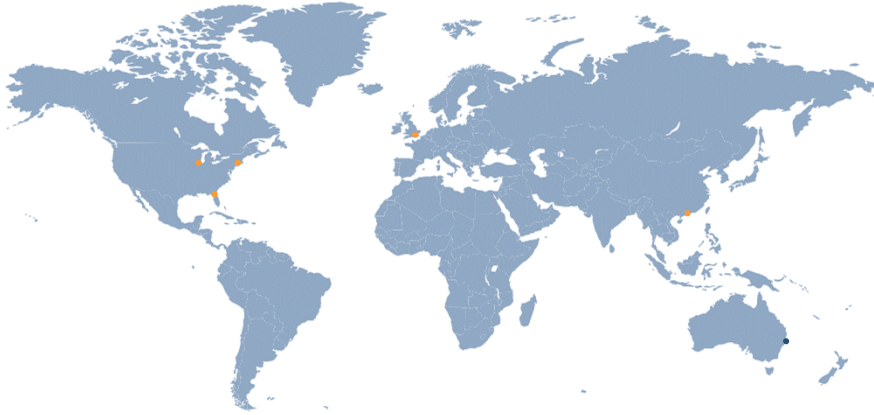
Who we are



HFA Holdings Limited is the ASX-listed parent entity of **Lighthouse Investment Partners, LLC** ('Lighthouse')

Lighthouse is a US-based investment manager dedicated to managing multi-manager hedge funds for diversification and absolute returns. Lighthouse's overall objective is to create and deliver innovative investment solutions that compound investor capital.

We take a global view in everything we do



\$8.53 billion
Total AUMA¹

20
Year track record

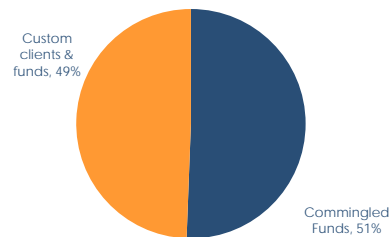
79
Total employees

23
Investment professionals

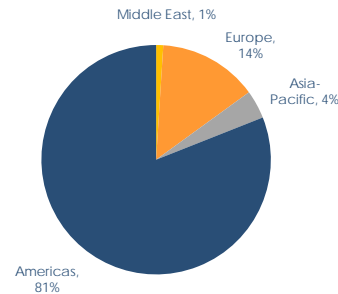
900+
Investors worldwide

As at 30 September 2016

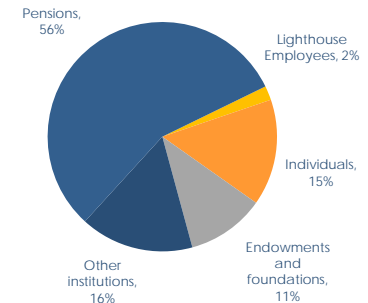
AUMA by services provided



AUMA by geographical location



AUMA by investor type

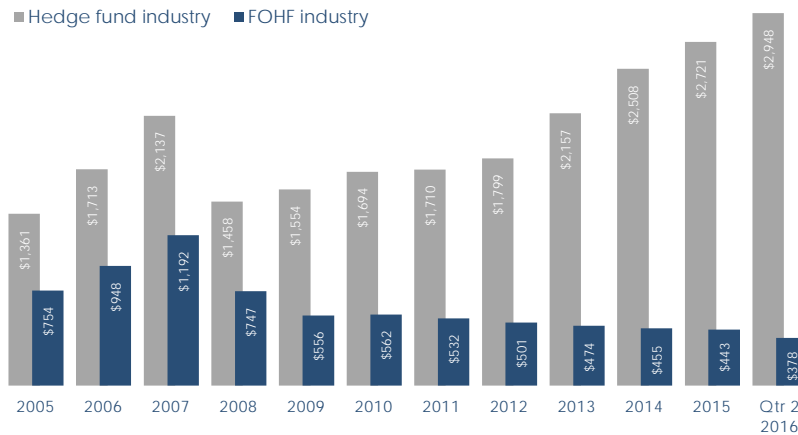


¹ Lighthouse AUMA as at 30 September 2016 is based on performance estimates, and includes application monies received effective 1 October 2016 but excludes application monies received effective 1 October 2015.

Industry snapshot

We operate in an investment industry segment which has experienced challenging conditions over the past decade, as evidenced by its ongoing decline in assets under management.

We expect to see some consolidation of the fund-of-hedge-funds ('FoHF') industry going forward as managers search for growth strategies. The FoHF industry faced continued outflows during the first quarter of 2016. According to data published by BarclayHedge, assets in the FoHF industry have dropped by two-thirds since its 2007 peak, and the number of firms in business has shrunk by 36% over the same period:



Source: BarclayHedge

FoHF Industry size as at 31 December 2015

- *Prequin* reports FoHF assets at \$807 bn
- *InvestHedge* reports combined assets of \$671 bn for FoHF managers managing more than \$1bn
- *BarclayHedge* reports FoHF assets of \$443 bn

InvestHedge ranking

- 28th largest FoHF manager by asset size as at 31 December 2015 (2014: Ranked 29th).

What we do

Lighthouse's purpose is to protect and grow our clients' assets. We believe it is how we do it that sets us apart.

The global asset management industry is a highly competitive space. Our focus is on the alternatives sector, and more specifically multi-manager hedge funds solutions. Our purpose is to protect and grow our investors' assets, and we seek to achieve this through diversification from traditional markets with exposure to intelligently and actively managed portfolios of hedge fund strategies.

We believe that what sets Lighthouse apart is:



Lighthouse managed accounts help redefine hedge fund investing

Lighthouse managed account benefit

-  Lighthouse funds own all underlying securities and positions
-  Lighthouse has position-level transparency
-  No lock-ups, gates, suspensions, or holdbacks of capital at the managed account level*
-  Ability to revoke managers' authority to trade in the event of breach**
-  Account governed by a negotiated Investment Agreement
-  Lighthouse can reallocate intra-month if necessary

Why we think it's important to our clients

Our accounts are segregated from underlying manager's commingled fund

Lighthouse knows what the managed accounts own and independently value each account

Managers may not apply artificial liquidity to our clients' capital

Style drift or unapproved risk may be detected and acted on swiftly if necessary

Explicit and enforceable contract of investments constraints empowers monitoring and better asset protection as compared to investing via a commingled fund

Active management of exposure may help manage risk and/or enhance investment opportunity

* Lighthouse retains certain of these rights at the Lighthouse fund level

** The Investment Advisory Agreement, which governs the managed account relationship, generally allows Lighthouse to revoke a manager's trading authority over an account subject to limited exceptions

AUMA holding relatively steady

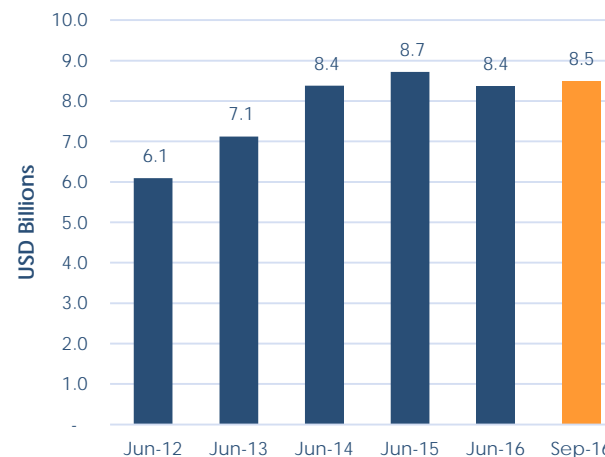
Quarter ended 30 September 2016	30 June 2016 AUMA	Net Flows	Performance	30 September 2016 AUMA (Estimate)
		Note 1	Note 2 & 3	Note 3
Commingled Funds	USD 4.58 bn	↓ USD 0.36 bn	↑ USD 0.10 bn	USD 4.32 bn
Customised Funds and Clients	USD 3.80 bn	↑ USD 0.34 bn	↑ USD 0.07 bn	USD 4.21 bn
Combined total	USD 8.38 bn	↓ USD 0.02 bn	↑ USD 0.17 bn	USD 8.53 bn

1 Net flows includes monies received by Lighthouse for applications effective 1 October 2016, and accordingly excludes monies received by Lighthouse for applications which were effective 1 July 2016. This convention in relation to the reporting of net flows and AUMA has been consistently applied by HFA since Lighthouse became a part of the HFA Group in January 2008.

Net flow numbers reflect a \$0.31 bn client transfer from Lighthouse Funds to Customised Client Accounts. Therefore, excluding the impact of this transfer, Lighthouse Funds had a net outflow of \$0.05 bn for the quarter, whilst Customised Funds & Clients had a net inflow of \$0.03 bn.

2 Performance includes investment performance, market movements, the impacts of foreign exchange on non-US denominated AUMA and distributions (if any).

3 30 September 2016 AUMA is based on performance estimates which may be subject to revision upon final audit.



Key Lighthouse Funds – performance

September 2016 performance estimates

Lighthouse Multi-strategy Funds	September 2016	3 year	5 year	10 year	3 year volatility
Lighthouse Diversified Fund LP <i>Lighthouse Diversified Fund (QP) II, LP Series A</i>	0.70%	6.37%	644%	4.32%	3.35%
Lighthouse V Fund Ltd <i>Class A</i>	0.25%	4.70%	5.06%	3.29%	3.25%
Lighthouse Multi-Strategy Fund Ltd <i>Class C</i>	0.40%	0.81%	4.99%	n/a	3.14%
Lighthouse Strategy-Focused Funds	September 2016	3 year	5 year	10 year	3 year volatility
Lighthouse Global Long/Short Fund LP <i>Series A</i>	0.95%	5.27%	7.27%	5.34%	4.36%
Lighthouse Credit Opportunities Fund LP <i>Series A</i>	0.60%	1.94%	5.08%	3.68%	5.00%
Lighthouse Healthcare Series <i>Class A2</i>	5.50%	12.34%	14.10	n/a	8.37%
Benchmarks	September 2016	3 year	5 year	10 year	3 year volatility
S&P 500 TR Index	0.02%	11.18%	16.38%	7.24%	10.83%
MSCI AC World Index	0.66%	5.75%	11.23%	4.90%	11.35%
Barclays Government / Credit Bond Index	-0.19%	4.22%	3.24%	4.87%	3.05%
91 Day US Treasury Bills	0.05%	0.11%	0.10%	0.91%	0.05%
HFRX Global Hedge Fund Index	0.55%	-0.22%	1.31%	-0.19%	3.84%

- Performance may vary among different share classes or series within a fund. Past performance is not indicative of future results.
- This information is neither an offer to sell nor a solicitation of an offer to purchase any securities. Such an offer will only be made to qualified purchasers by means of a confidential private placement memorandum or related subscription documents.
- Please refer to slide 13 for important information on the information provided above.

Summary of FY16 financial results

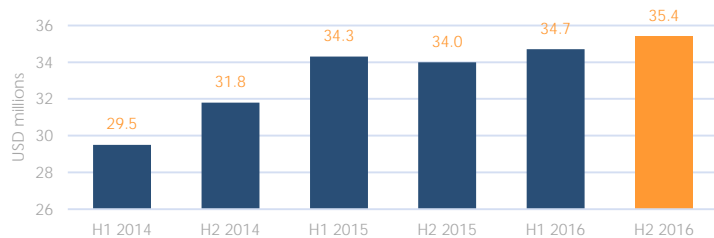
<i>USD millions</i>	30 June 2016	30 June 2015	% Change
Management and platform fee income	70.102	63.318	3%
Performance fee income	0.417	1.466	(72%)
Distribution costs	(6.085)	(6.235)	2%
Operating income	64.434	63.549	1%
Sublease income	.856	.704	22%
Operating expenses, excluding depreciation and amortisation	(35.600)	(35.360)	(1%)
Net finance costs, excluding interest	(0.200)	(0.054)	(271%)
Loss on settlement and conversion of convertible notes	-	(2.217)	-
EBITDA from continuing operations	29.490	26.622	11%
Underlying EBITDA from continuing operations	29.490	28.839	2%
Depreciation and amortisation	(5.373)	(9.564)	44%
Net interest expense	(0.104)	(0.499)	79%
Income tax benefit / (expense)	(9.015)	118.262	-
Net profit/(loss) after tax from discontinued operations	(0.890)	0.825	-
Net profit after income tax	14.108	135.646	(90%)
Basic EPS from continuing operations (cents)	9.25	83.12	
Basic EPS (cents)	8.70	83.62	

Key P&L items for FY16

Management & platform fees

Management and platform fee income from continuing operations increased by \$1.78 million (2.6%) to \$70.10 million from the prior year. Given the relatively flat AUMA throughout the year, the increase was a result of a 2 basis point increase in the average annual net management / platform fee rate to 0.75%pa.

Management & Platform Fees for each half year period



Performance fees

The Group earned \$0.42 million in performance fees this financial year, down 71.6% on the prior year. This is reflective of the volatility of global investment markets experienced across the financial year. The Group earns performance fees on selected managed funds and customised client portfolios. The fees represent an agreed share of investment outperformance of a fund or portfolio over a defined benchmark and/or high watermark. Performance fees are variable in nature, and it is difficult to forecast how much, if any, performance fee revenue will be earned by the Group in future periods. Performance fees generally represent a small proportion of the Group's overall revenue.

Distribution costs

Distribution costs relate to third party distribution arrangements in place for Lighthouse, whereby Lighthouse makes ongoing payments to third parties in relation to clients they have introduced and who continue to be invested in Lighthouse managed funds. Distribution costs have remained largely consistent for the twelve months at \$6.09 million, representing 8.7% of management and platform fee income for the year.

Operating expenses

Operating expenses, excluding depreciation and amortisation, increased by 0.7% or \$0.24 million compared to the corresponding prior year.

Taking into account sub-lease income to off-set the Group's rental expense, reduces the increase to 0.3% or \$0.10 million.

This reflects our continued focus on cost management across the business.

Amortisation expenses

Amortisation and depreciation is mainly comprised of amortisation of intangible assets. The largest intangible asset subject to amortisation was \$73.4m of client relationships recognised as part of the acquisition of Lighthouse in January 2008. These client relationships have been amortised at \$9.2m per annum over 8 years, with the amortisation expense ceasing on 31 December 2015. As such, depreciation and amortisation expense for the second half of the year was \$0.4 million.

The above comments relate to the FY16 full year underlying results from continuing operations

Business overview

AUMA & performance

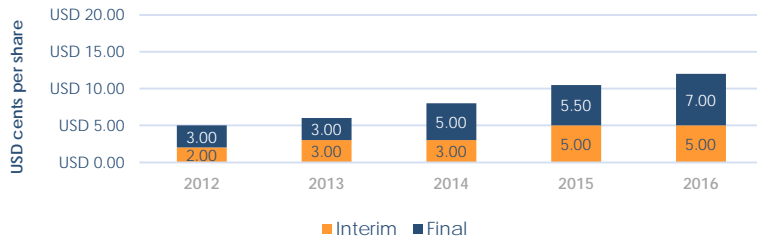
Financial information

Key balance sheet items as at 30 June 2016

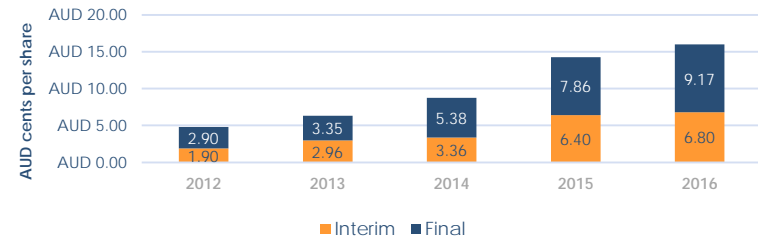
\$27.0 million	Current assets	Cash	<p>Key sources and uses of cash for the period:</p> <ul style="list-style-type: none"> + \$30.1 million cash generated from operating activities + \$1.2 million deferred revenue from sale of Certitude in FY15 - \$8.8 million paid in interest and principal repayments on the bank loan - \$5.4 million used for acquisition of investments - \$17.2 million paid in dividends to shareholders
\$12.4 million	Non-current assets	Investments	<p>Investments held by the Group:</p> <ul style="list-style-type: none"> ▪ \$8.86 million invested in Lighthouse funds and products ▪ \$2.89 million investment in 361 Capital ▪ \$0.68 million investment in promissory notes
\$95.8 million		Intangible assets	<p>Intangible assets recognised in the balance sheet:</p> <ul style="list-style-type: none"> ▪ \$93.8 million of goodwill ▪ \$2.0 million of trademarks and software
\$117.7 million		Deferred tax assets	<p>\$117.7 million of deferred tax assets recognised in the balance sheet relate to US tax consolidated group. The comprise \$36.0 million of US carried forward tax losses and \$81.6 million of other impairment losses and other deductible temporary differences</p> <p>\$65.8 million of unrecognised deferred tax assets relate to the Australian tax consolidated group, and comprise \$3.0 million of carried forward tax losses and \$62.8 million of impairment losses and other temporary differences</p>
Nil	Liabilities	Bank debt	The loan was repaid in full in March 2016

Dividend & share price history

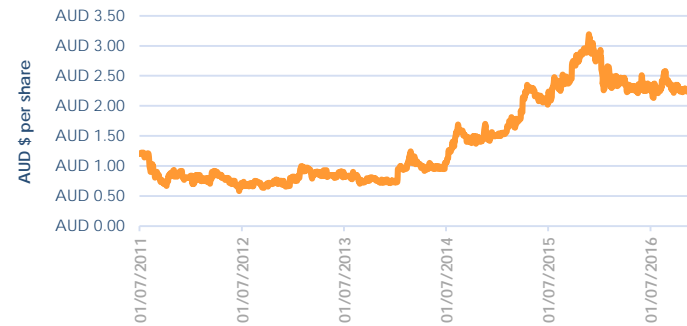
Dividends in USD cents per share



Dividends in AUD cents per share



AUD share price



Capital management policy

The Company has set a policy to apply from the 2017 financial year of paying a dividend of 70% to 80% of the earnings before interest, depreciation, amortisation and tax (EBITDA). Dividends will be unfranked, however may have conduit foreign income credits attached.

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

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

Business strategy

Our strategy continues to centre around retaining and growing assets through a quality client base:



As a company, we face the same challenges today as our investors - historically low interest rates and unprecedented intervention by central banks around the globe. While we cannot control the markets, we believe our process of finding the best talent globally and a culture of constant improvement will sustain HFA going forward.

Disclaimers

This presentation has been prepared by HFA Holdings Limited (**HFA**) and provides information regarding HFA and its activities current as at 9 November 2016. It is in summary form and is not necessarily complete. It should be read in conjunction with HFA's 30 June 2016 Annual Report.

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Performance data

Performance information contained in this presentation is estimated and subject to revision upon final audit. Certain of the funds may have no external investors. The performance data represents the returns for each of the respective Lighthouse Funds, or any related predecessor Fund, net of all fees and expenses, including reinvestment of earnings. Results include reinvestment of all income and capital gains. Performance shown for periods over one year has been annualised. Past performance is not indicative of future results.

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

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