



HFA Holdings Limited (ASX: HFA)

General Meeting Presentation

Hilton Hotel
25 February 2011
11:00am

New York

Chicago

Florida

London

Hong Kong

Brisbane

Sydney

Melbourne

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SECTION 1

TRANSACTION OVERVIEW

The proposed transaction with Apollo illustrates the appeal of Lighthouse's managed account program and its strong track record...

Description of the proposed transactions on which shareholders are voting:

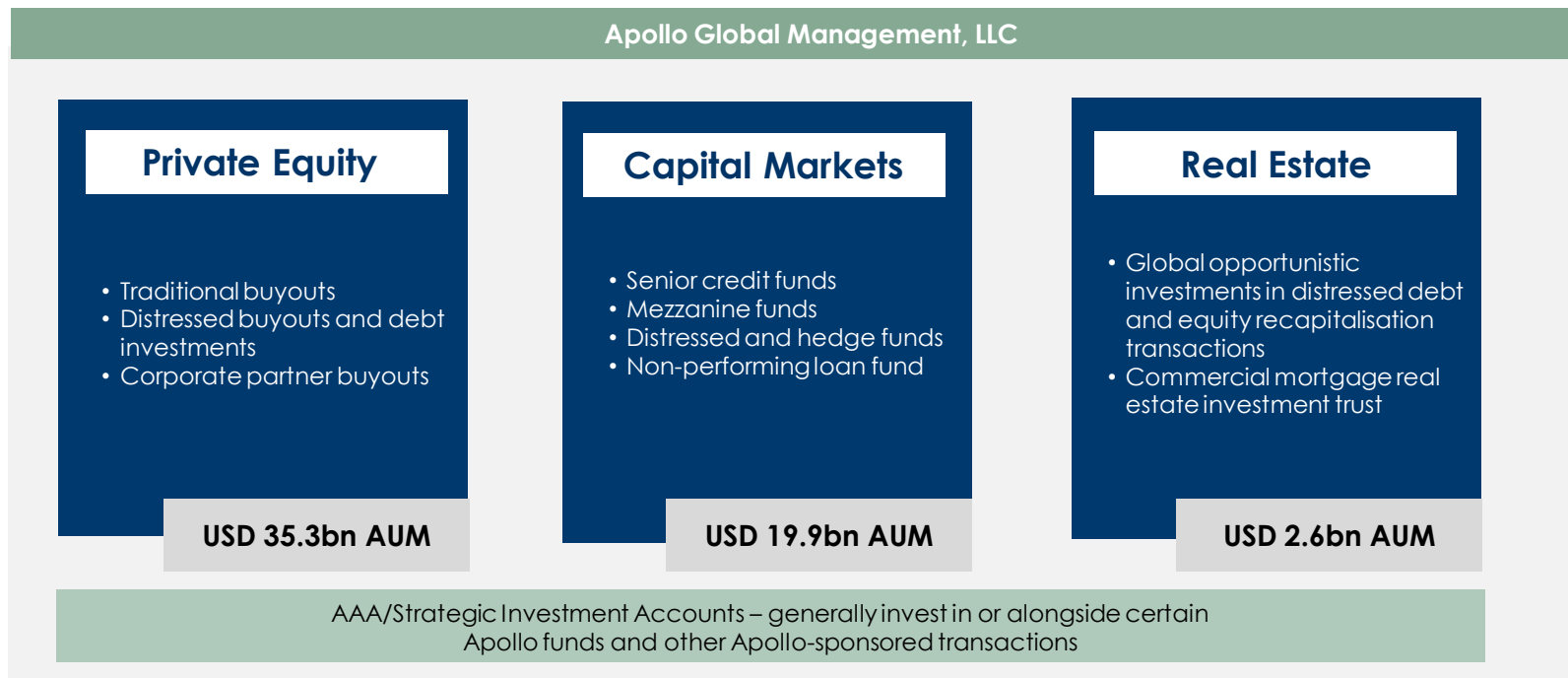
Mandatory Convertible Notes	<ul style="list-style-type: none">• USD 75m face value, issued to an Apollo group entity and a co-investor• Mandatory conversion into HFA shares after 8 years, at an initial conversion price of USD 0.2442• Holders may convert at anytime; HFA may cause conversion after 4 years subject to certain conditions• Interest accrues at the rate of 6.0% p.a., paid via principal capitalisation for the first 4 years, and thereafter either in cash or via principal capitalisation (at HFA's discretion)• HFA must comply with certain negative and positive covenants where Apollo holds MCNs which convert to more than 20% of the issued capital of HFA
Marketing Agreement	<ul style="list-style-type: none">• Once licensed, Apollo will provide certain distribution services in connection with the sale of Lighthouse investment products, including:<ul style="list-style-type: none">• Working with Lighthouse management to develop a comprehensive distribution plan• Assisting with distribution efforts across Apollo's client relationships
Options	<ul style="list-style-type: none">• 125 million options issued to an Apollo group entity and a co-investor• Exercise price of AUD 2.00• Exercisable at any time until the 8th anniversary of the issue date, subject to certain limitations
Right of First Refusal	<ul style="list-style-type: none">• Certain Lighthouse senior management shareholders have agreed to grant the Apollo group a right to purchase specified HFA shares that they own if they elect to dispose of such holdings• Bilateral arrangement between these shareholders and the Apollo group, but requires approval
Escrow	<ul style="list-style-type: none">• Escrow provisions are included in the new Lighthouse senior management employment agreements• The escrow restrictions cease to apply after a period of 2 years, or in certain other circumstances
Apollo Performance Rights	<ul style="list-style-type: none">• 4 million performance rights issued to an Apollo group entity to incentivise performance under the Marketing Agreement• Vesting conditions include Lighthouse achieving USD 35m of EBITDA in any 12 month period prior to 2014

All amounts are expressed on a pre share consolidation basis

About Apollo Global Management



- Founded in 1990 by Leon Black, Josh Harris and Marc Rowan, Apollo is a leading global alternative asset manager
- Focus is on contrarian, value-oriented investments in private equity, credit-oriented capital markets and real estate, invested across a core group of nine industries where it has considerable knowledge and resources
- Offices in New York, Los Angeles, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai
- Apollo Global Management manages funds on behalf of some of the world's most prominent institutional investors and had AUM of approximately USD 58bn as of 30 September 2010
- There is very little overlap between current investors in the Lighthouse funds and Apollo's major limited partners



(1) All data is as of 30 September 2010. The chart does not reflect legal entities or assets managed by former affiliates.

(2) Includes three funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.36 as of 30 September 2010.

HFA Holding's securities on issue and share register

Assumes shareholders approve Mandatory Convertible Note issue and Share Consolidation

HFA Holdings on issue of Mandatory Convertible Notes	HFA Holdings – pro forma assuming conversion of Mandatory Convertible Notes on issue date	HFA Holdings – pro forma assuming conversion of Mandatory Convertible notes after 4 years
117,332,542 Ordinary Shares	194,129,593 Ordinary Shares	214,616,749 Ordinary Shares
USD 75,000,000 of Mandatory Convertible Notes	Nil Mandatory Convertible Notes	Nil Mandatory Convertible Notes
31,250,000 Options	31,250,000 Options	31,250,000 Options
8,968,935 Performance Rights	8,968,935 Performance Rights	8,968,935 Performance Rights
Substantial shareholders (excluding Performance Rights, Options and ROFR)	Substantial shareholders (excluding Performance Rights, Options and ROFR)	Substantial shareholders (excluding Performance Rights, Options and ROFR)
<ul style="list-style-type: none"> Delaware 19.0% Sean McGould 16.6% Bank of America 10.7% UBS 9.1% Spencer Young 4.8% Other employees 14.3% 	<ul style="list-style-type: none"> Apollo 26.4% PA HH 13.2% Delaware 11.5% Sean McGould 10.0% Bank of America 6.4% UBS 5.5% Spencer Young 2.9% Other employees 8.6% 	<ul style="list-style-type: none"> Apollo 30.2% PA HH 15.1% Delaware 10.4% Sean McGould 9.1% Bank of America 5.8% UBS 5.0% Spencer Young 2.6% Other employees 7.8%

For further details of the pro forma impact of the MCN interest, Performance Rights, Options and ROFR on capital structure and substantial shareholdings, see the Notice of Meeting and Explanatory Memorandum

SECTION 2

STRATEGIC RATIONALE

The proposed transaction is a proactive step positioning HFA for growth...

Positive steps...

HFA Holdings (corporate)

- USD 75m to be raised via the issue of Mandatory Convertible Notes

Lighthouse Partners

- Strategic alliance with Apollo Global Management, under which the Apollo group will distribute Lighthouse investment products and services
- Lighthouse senior management entry into new employment contracts, including escrow arrangements

Certitude Global

- Migration to open architecture
- Appointment of new CEO
- Launch of 1st new product – Certitude Asian Opportunities Fund with Marshall Wace / Gavekal



... to build a stronger HFA

1. Improved growth outlook

- Lighthouse will benefit from Apollo's distribution relationships, and association with the Apollo brand
- Certitude focused on targeting identified key channels

2. Strengthened financial position

- Balance of the senior loan facility substantially matched by cash holdings
- Senior loan facility maturity of 5 years

3. Greater ability to attract/retain employees

- Due to improved growth outlook and strengthened financial position

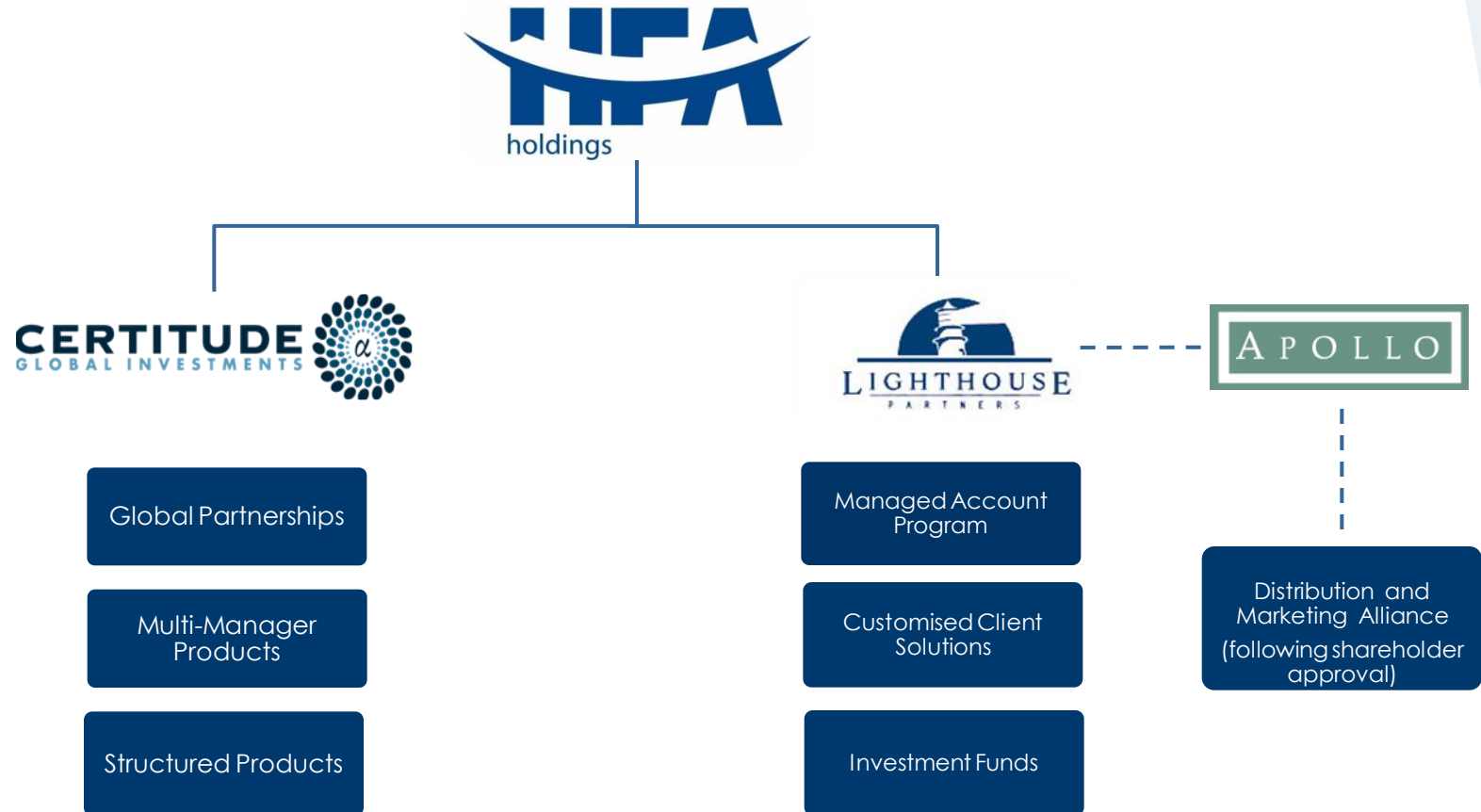
4. Positioned to benefit from industry trends

- Lighthouse's managed account program provides enhanced transparency, liquidity and security
- Certitude's open architecture model provides a multi-capability platform
- Balance sheet better able to support any industry consolidation opportunities that may arise

Assumes that the proposed strategic alliance with Apollo, issue of Mandatory Convertible Notes and related arrangements are approved by shareholders and the transaction is completed.

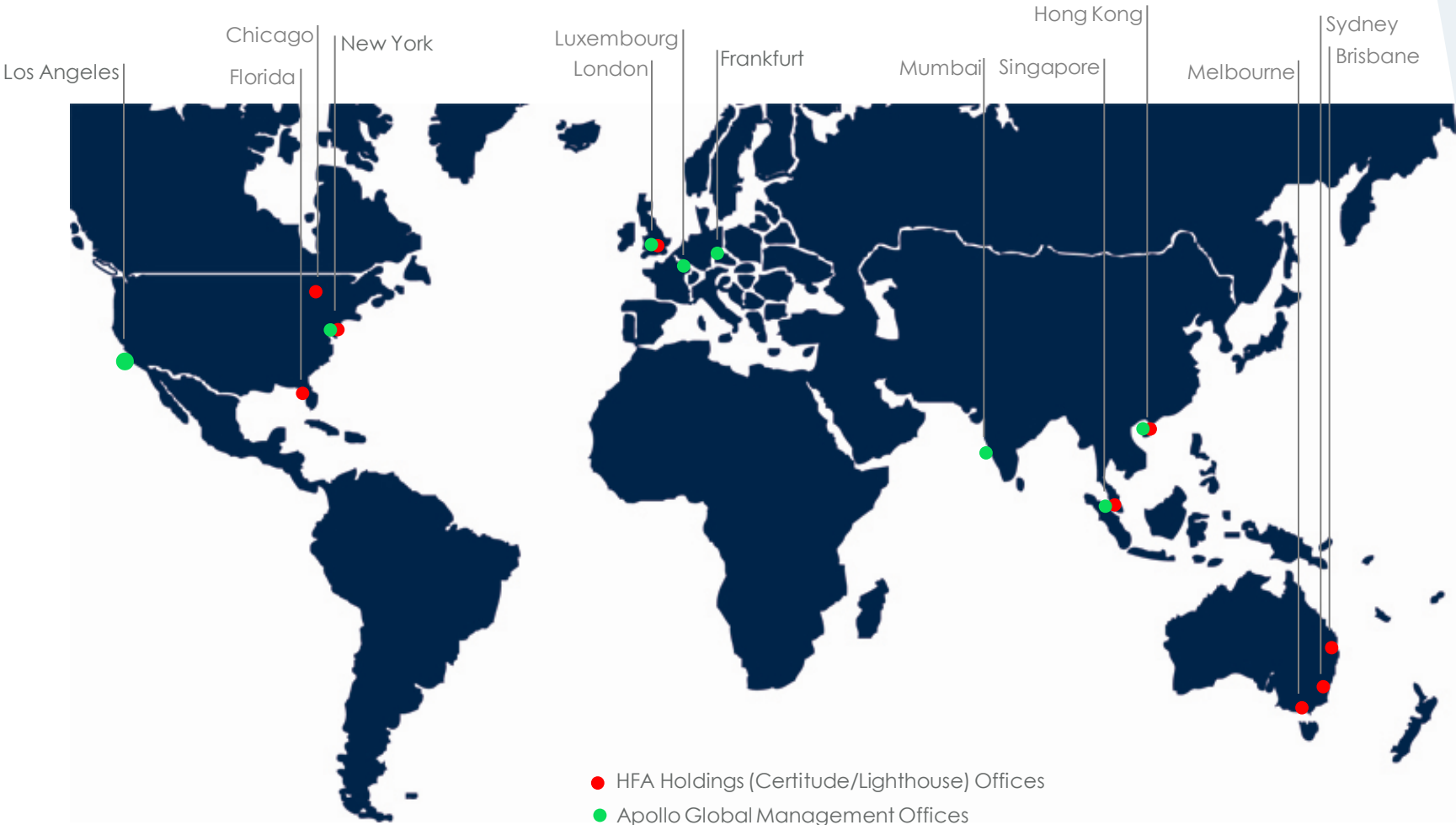
HFA Holdings

... a diversified, global fund manager



HFA Holdings and Apollo

... a global network of investment professionals



SECTION 3

INTERIM RESULTS HIGHLIGHTS

Half Year 2011 Key Financial Outcomes

Income

- Operating Income** • Stabilised post GFC operating income of AUD 28.3 million. Lighthouse contribution of AUD 23.8 million down 3.6% due to an increase in the average Australian Dollar exchange rate, partially offset by higher average USD AUM. Australian operations contributed AUD 4.5 million, down 30.5% due to lower average AUM

Expenses

- Operating Expenses** • Operating expenses (excluding non cash depreciation and amortisation) remained steady at AUD 17.3 million

Earnings

- Operating EBITDA** • Strong AUD 13.47 million operating cash flow led to AUD 11.09 million EBITDA (before equity settled transactions), down from AUD 13.83 million. Result reflected the increase in the average Australian Dollar exchange rate to 94.54 cents from 87.19 cents
- EBIT** • Pre-tax earnings of AUD 3.33 million compared to AUD 2.14 million for HY10, driven primarily by a lower equity settled transaction expense.
- NPAT** • Net profit after tax of AUD 3.02 million (HY10: AUD 993 thousand), positively impacted by a decrease in interest expense.

Cash flows and debt position

- Operating cash flows** • Cash flows from operating activities were AUD 13.47 million
- Debt reduction** • AUD 6.4 million in debt repayments through HY11
- Debt as at 31 December 2010** • USD 97.01 million
- Net debt of AUD 63.05 million (30 June 2010: AUD 87.70 million)

8% increase in AUM from 30 June 2010 in USD terms

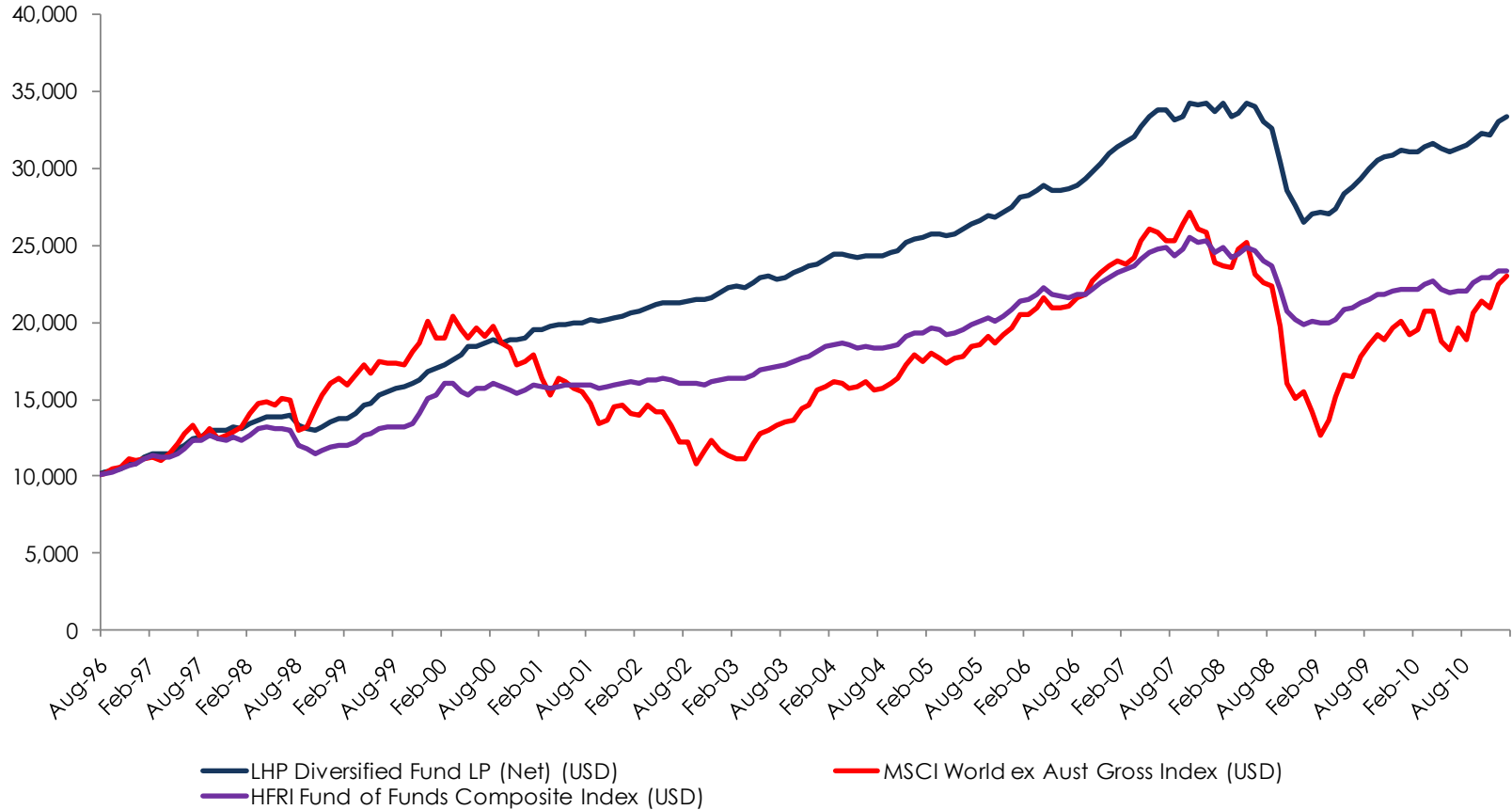
AUD billion	Certitude Global Investments			Lighthouse Partners			Total Group		
	31-Dec-10	30-Jun-10	%Change	31-Dec-10	30-Jun-10	% Change	31-Dec-10	30-Jun-10	% Change
FUM	1.134	1.254	-10%	3.870	4.259	-9%	5.004	5.513	-9%
AUM	1.157	1.281	-10%	3.870	4.259	-9%	5.027	5.540	-9%
USD billion									
FUM	1.153	1.069	-8%	3.933	3.630	+8%	5.086	4.699	+8%
AUM	1.176	1.092	-8%	3.933	3.630	+8%	5.109	4.722	+8%

AUM & FUM - Analysis

- AUM & FUM**
- Lighthouse has experienced positive growth in AUM for the half year due to strong performance of its core products and overall net inflows
 - Lighthouse AUM has decreased in AUD terms as USD growth has been off-set by foreign exchange conversion differences arising from the higher Australian Dollar compared to 30 June 2010
 - Decrease in Certitude AUM has been due to net fund outflows during the first half. As at 31 December 2010, only AUD 23 million in leverage remains in the HFAAM branded products
- Fund flows**
- Lighthouse fund flows for HY11 were positive USD 8.4 million
 - Certitude fund flows for HY11 were negative AUD 187.7 million, largely due to the withdrawals windows offered by the HFA Diversified Investments Fund

Strong investment performance partnered with Managed Account structure provides solid platform for business growth...

Growth of \$10,000 Since Inception



LHP Diversified Fund LP inception being August 1996.
Source: Lighthouse, MSCI and Bloomberg
Past performance is not an indicator of future performance.

FORMAL BUSINESS

Proxies Received – Resolution 1

Share Consolidation

FOR –	254,256,985
AGAINST –	534,652
ABSTAIN –	0
OPEN –	1,439,917

Proxies Received - Resolution 2

Issue of Convertible notes, Options and Apollo Performance Rights

FOR –	254,659,010
AGAINST –	90,302
ABSTAIN –	12,000
OPEN –	1,470,242

Proxies Received – Resolution 3

Approval of Right of First Refusal Agreement

FOR –	131,149,955
AGAINST –	146,689
ABSTAIN –	123,094,993
OPEN –	1,439,917

Proxies Received - Resolution 4

Approval of Escrow Arrangements

FOR –	126,815,758
AGAINST –	179,689
ABSTAIN –	127,796,190
OPEN –	1,439,917

Proxies Received – Resolution 5(a)

Election of Grant Kelley

FOR –	253,981,095
AGAINST –	132,366
ABSTAIN –	11,222
OPEN –	2,106,871

Proxies Received – Resolution 5(b)

Election of James Zelter

FOR –	253,981,095
AGAINST –	132,366
ABSTAIN –	11,222
OPEN –	2,106,871

Proxies Received – Resolution 5(c)

Election of Anthony Civale

FOR –	253,970,595
AGAINST –	142,866
ABSTAIN –	11,222
OPEN –	2,106,871



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