

**LEADER** in  
ABSOLUTE  
RETURN  
SOLUTIONS



**MANAGING DIRECTOR  
HFA ASSET MANAGEMENT**

Macquarie Capital Securities  
Australia Conference  
May 7, 2008  
Hilton Hotel, Sydney

New York

Chicago

Florida

London

Hong Kong

Brisbane

Sydney

Melbourne

# Disclaimer



This presentation has been prepared by HFA Holdings Limited (**HFA**) and is supplied on the following conditions which are expressly accepted and agreed to by each interested party (**Recipient**).

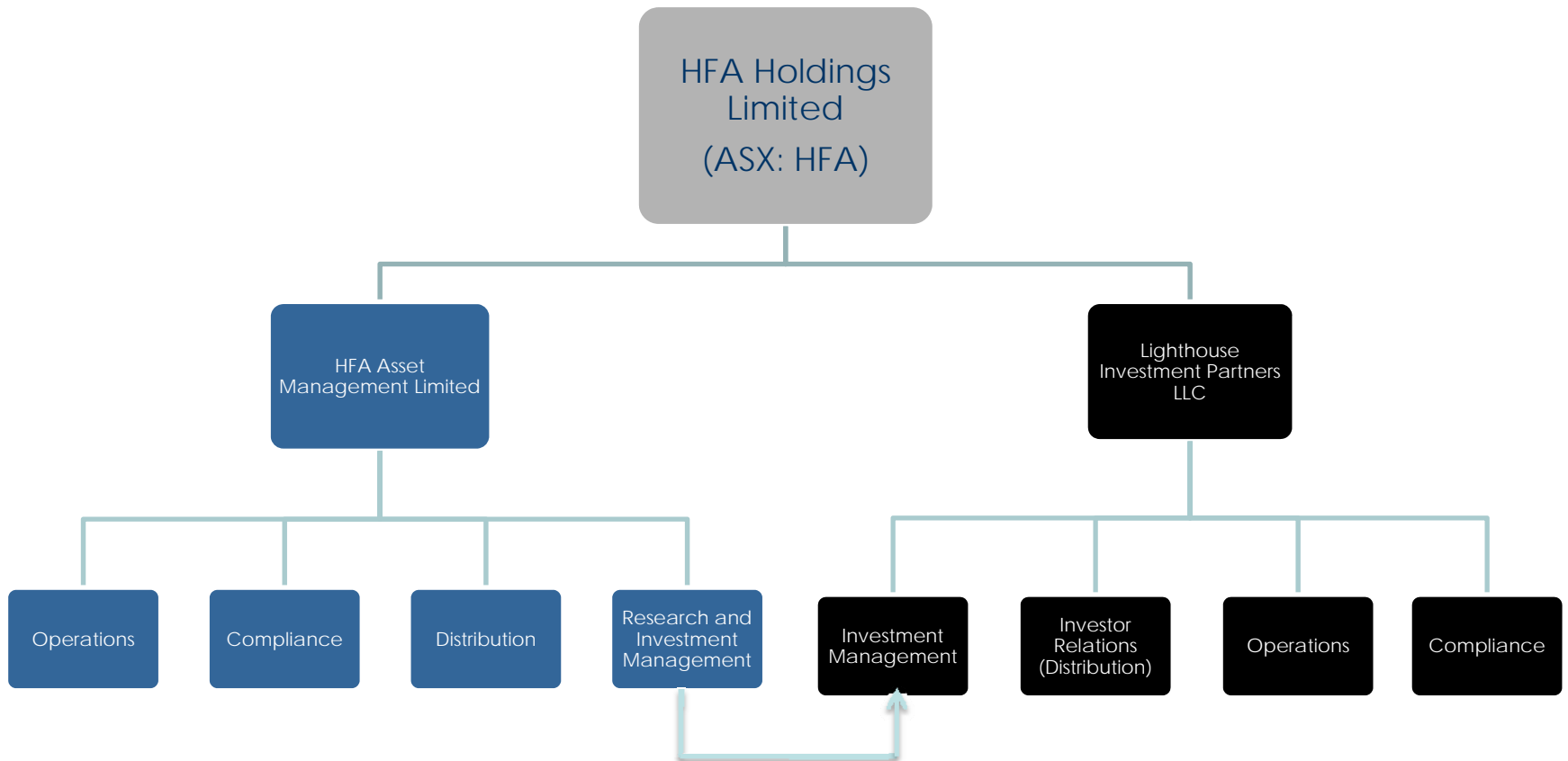
The information in this presentation is not financial product advice and has been prepared without taking into account the objectives, financial situation or needs of any particular person.

This presentation is being provided to the Recipient as a person to whom a disclosure document is not required to be given under chapter 6D of the Corporations Act 2001, and in receiving a copy of this presentation the Recipient warrants that it is such a person. This presentation does not purport to contain all of the information that may be required to evaluate HFA and the Recipient should conduct their own independent review, investigations and analysis of HFA and of the information contained or referred to in this presentation.

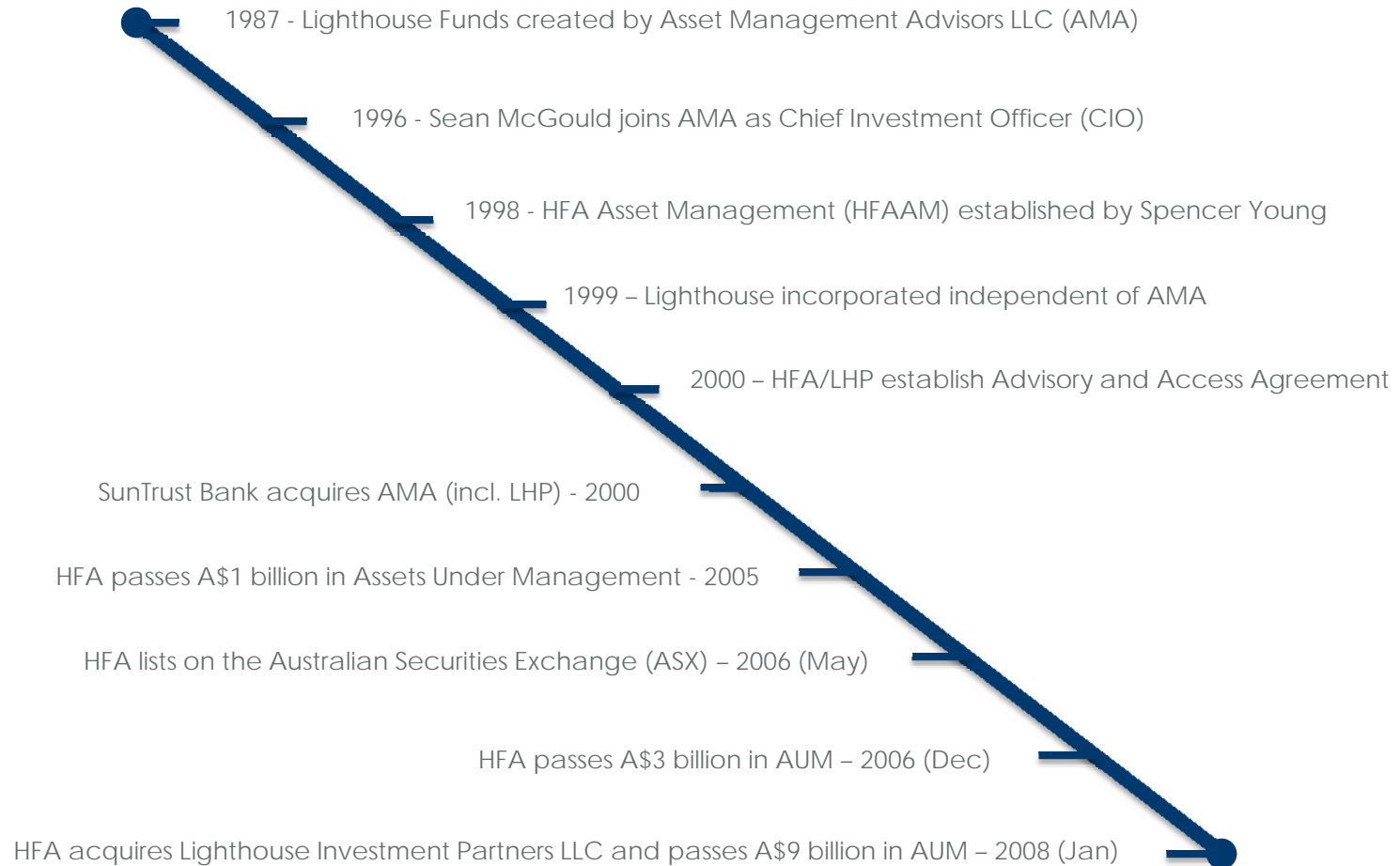
None of HFA or their representatives and their respective employees or officers (collectively, the **Beneficiaries**) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation or subsequently provided to the Recipient or its advisers by any of the Beneficiaries, including, without limitation, any historical financial information, the estimates and projections and any other financial information derived there from, and nothing contained in this presentation is, or shall be relied upon, as a promise or representation, whether as to the past or the future. Past performance is not a reliable indicator of future performance. The information in this presentation has not been the subject of complete due diligence nor has all such information been the subject of proper verification by the Beneficiaries.

Except insofar as liability under any law cannot be excluded, the Beneficiaries shall have no responsibility arising in respect of the information contained in this presentation or subsequently provided by them or in any other way for errors or omissions (including responsibility to any person by reason of negligence).

# Corporate Structure



# History of HFA



# International Organisation

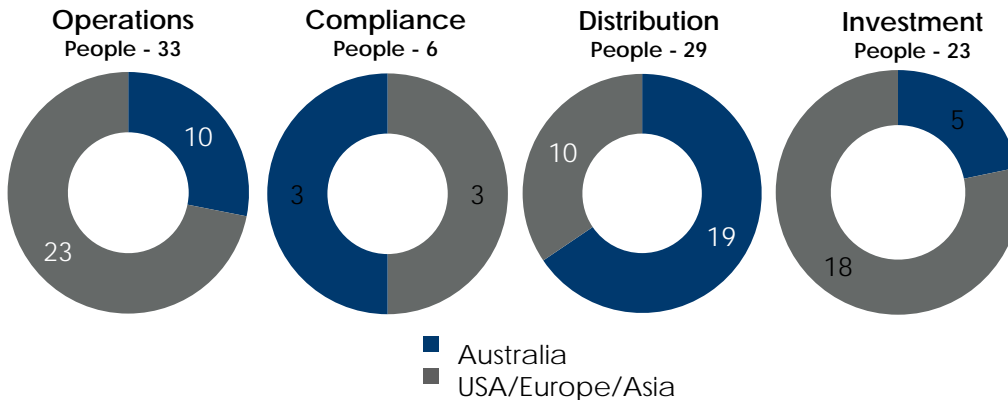


## International Presence



## Comment

- HFA is a truly global absolute return investment manager with 91 staff in locations around the world.
- International presence provides local knowledge on a global scale.
- Lighthouse has appointed Phil Harris as Managing Director of the investment team. Prior to joining LHP, Phil was an Investment Manager in GAM's Multi-Manager Team.

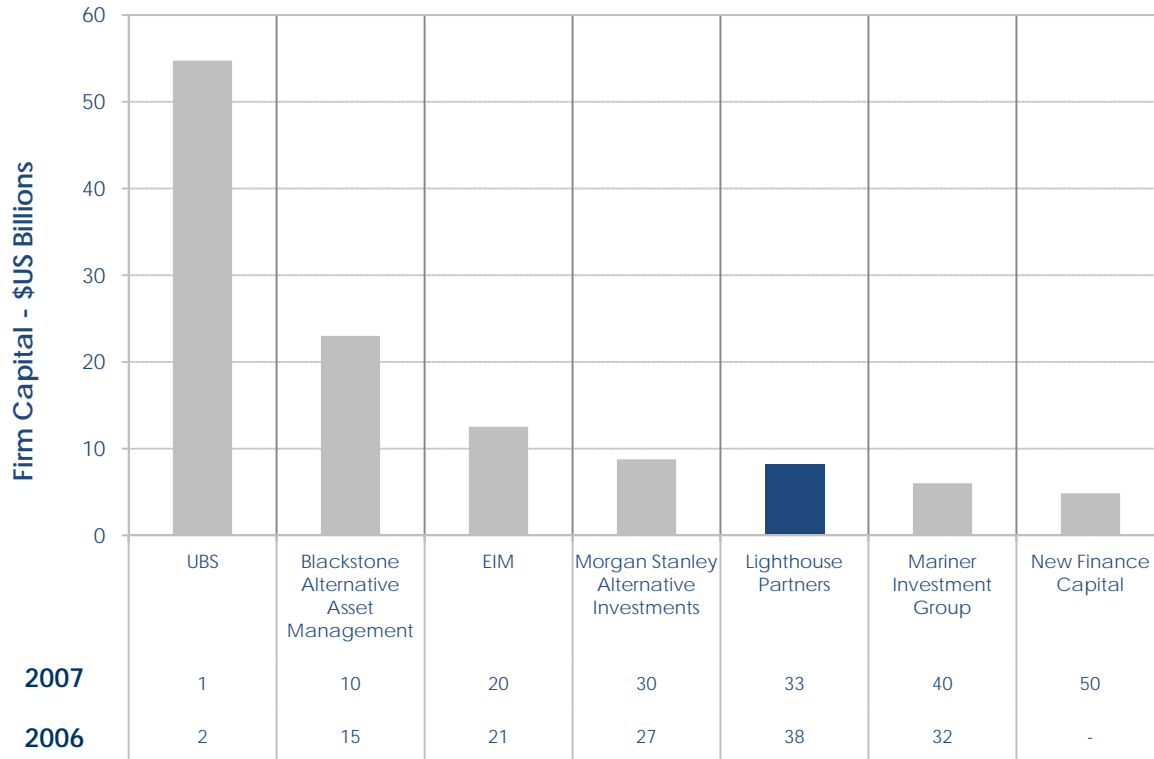


# Global Ranking



## Global Fund of Hedge Fund (FoHF) Rankings

## Comment



Global Rankings

- HFA / LHP is ranked 33 in the top 50 global Fund of Hedge Fund (FoHF) managers
- Top 50 Global FoHF managers have a combined AUM of US\$750 billion
- AUM growth for the top 50 FoHF managers was 35% for the 12 months to June 2007



# Financial Scorecard



## Strong profit growth since IPO

	FY06	FY07	1H08	FY08 Guidance
<b>NPAT</b>	\$7.9m <sup>1</sup>	\$20.3m	\$16.5m <sup>2</sup>	-
<b>EBITDA</b>	\$11.1m	\$30.2m	\$22.4m <sup>2</sup>	\$56m <sup>2</sup>
<b>Pro-forma EBITDA<sup>3</sup></b>	-	-	-	\$87.3m

1. Normalised for one-off impact of \$19m employee share plan expense.
2. Includes one-off FX gain of \$8.9m.
3. Combined EBITDA of HFA and LHP for full year

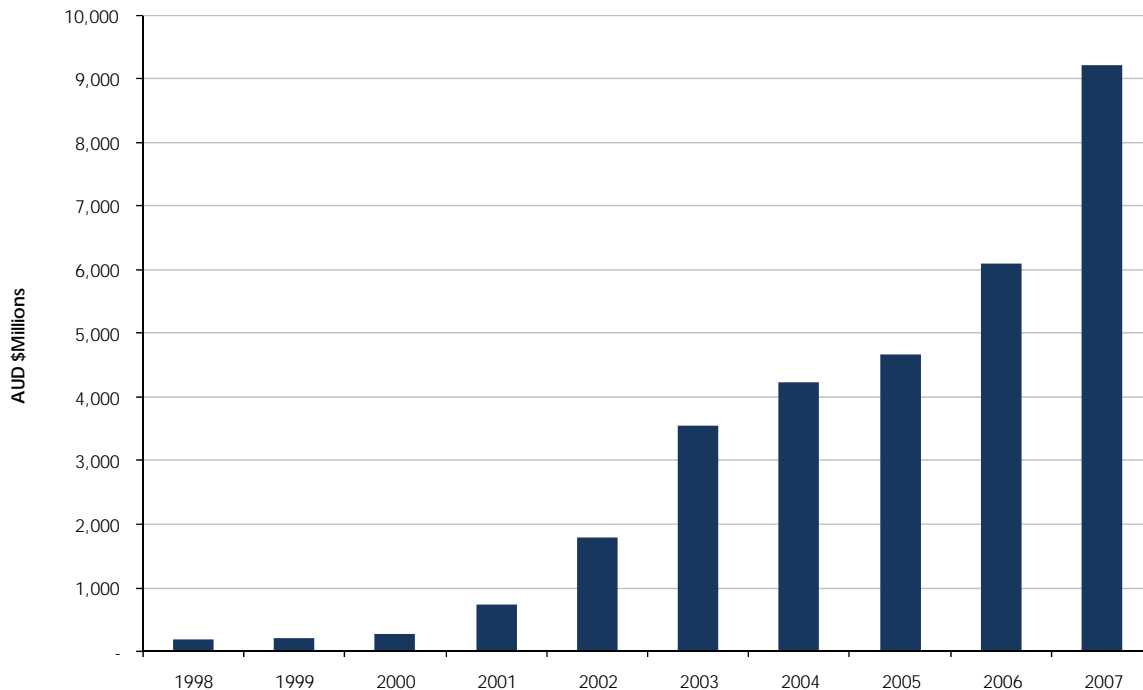
## Comments

- HFA has achieved or exceeded key financial forecasts in every accounting period since IPO demonstrating clear focus on revenue growth, cost control and earnings growth.
- Retained guidance for FY08 EBITDA of at least \$56 million.

# Strong Growth



## Growth in Assets Under Management (AUM)



## Comments

- Since 1998, HFA's AUM has grown from less than \$200 million to approx A\$9.6 billion at 30 April, 2008.
- AUM growth built on strong distribution channel development and product performance.
- Future growth to come from expanded retail capabilities in Australia and expansion in the US, Europe and Asia



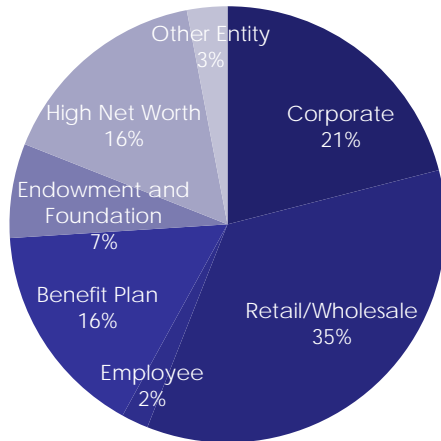
# Investor Diversity



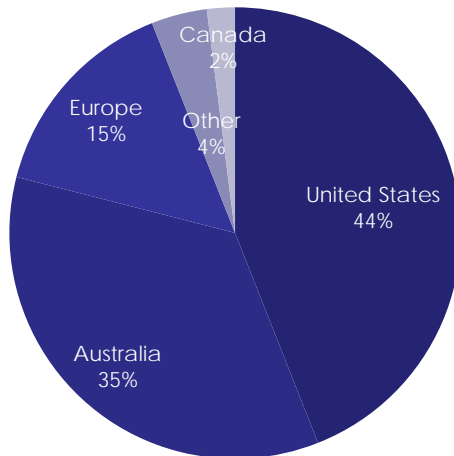
## Investor Diversity

## Comments

AUM by Investor type\*



AUM by Geography\*



- HFA fund channels are highly diversified by both investor type and geography.
- Diversification reduces risk associated with any single market.
- Lighthouse acquisition provided stronger presence in both global institutional market and high net worth market

\* As at 30 April 2008



# Product Performance



## Comparative Fund Returns to 30 April, 2008

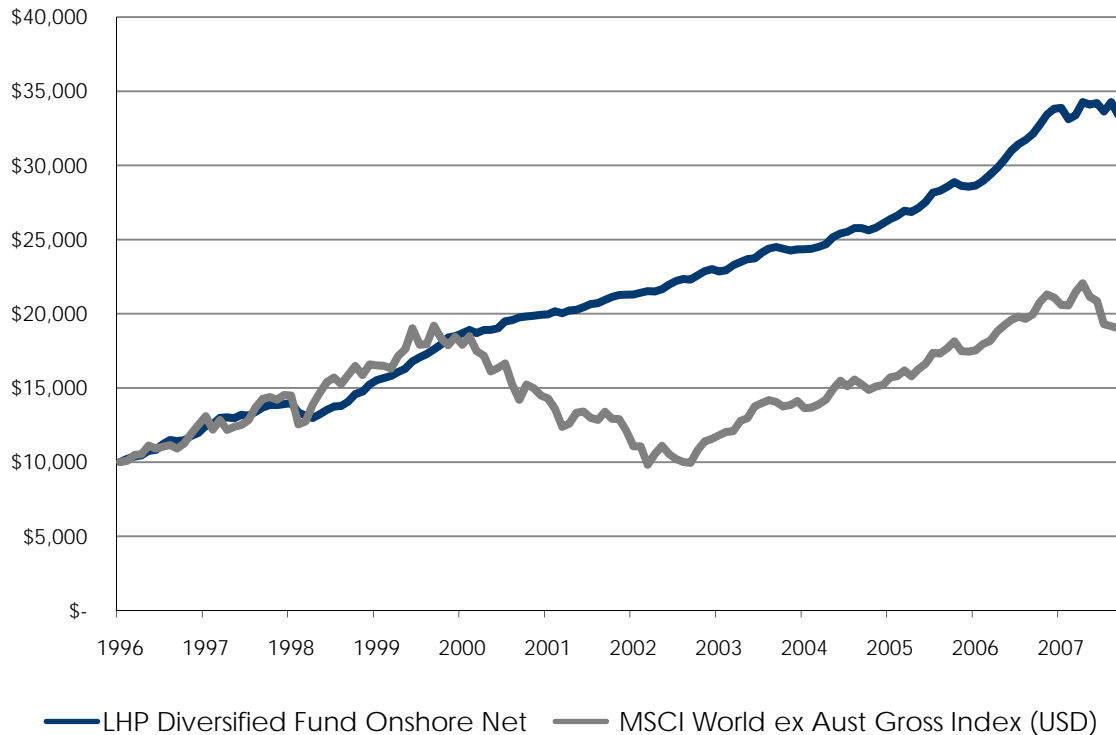
	LHP Diversified Fund <sup>1</sup>	LHP Global Long Short Fund <sup>1</sup>	MSCI World Ex Au (USD)	MSCI Gross Asian (USD)	S&P/ASX 200 Accumulation Index	Standard & Poor's 500 TR Index (US\$)
1 Month	0.93%	1.12%	5.24%	7.67%	4.53%	4.87%
3 Months	0.29%	-3.34%	3.76%	5.39%	0.37%	1.03%
6 Months	-2.05%	-8.55%	-8.95%	-10.92%	-15.41%	-9.64%
12 Months	<b>1.93%</b>	<b>-1.61%</b>	<b>-2.24%</b>	<b>4.61%</b>	<b>-5.56%</b>	<b>-4.68%</b>
2 Years p.a.	6.71%	7.19%	7.02%	5.04%	7.42%	4.81%
3 Years p.a.	8.30%	9.54%	12.60%	16.84%	16.74%	8.23%
4 Years p.a.	7.32%	8.65%	12.07%	13.82%	18.08%	7.75%
5 Years p.a.	7.23%	n/a	15.44%	21.96%	18.05%	10.62%
Inception p.a.	6.80%	8.93%	Since Inception Return are different for various Funds			
Inception Total	61.17% <sup>2</sup>	44.85% <sup>3</sup>				

1. April performance figures for LHP are estimates
  2. LHP Diversified Fund Ltd inception being February 2001
  3. LHP Global Long Short Fund Ltd inception being January 2004
- Source: Lighthouse, MSCI and Bloomberg

# Consistent Performance and Low Volatility



## Growth of \$US10,000\*



## Comments

- HFA funds have an established track-record of delivering superior risk-adjusted returns.
- HFA's products are a compelling alternative investment option particularly during periods of volatility and extended bear markets.

\* from 1 August, 1996, to 30 April, 2008. April 2008 performance figures for LHP are estimates; LHP returns net of fees. SOURCE: Lighthouse and MSCI.

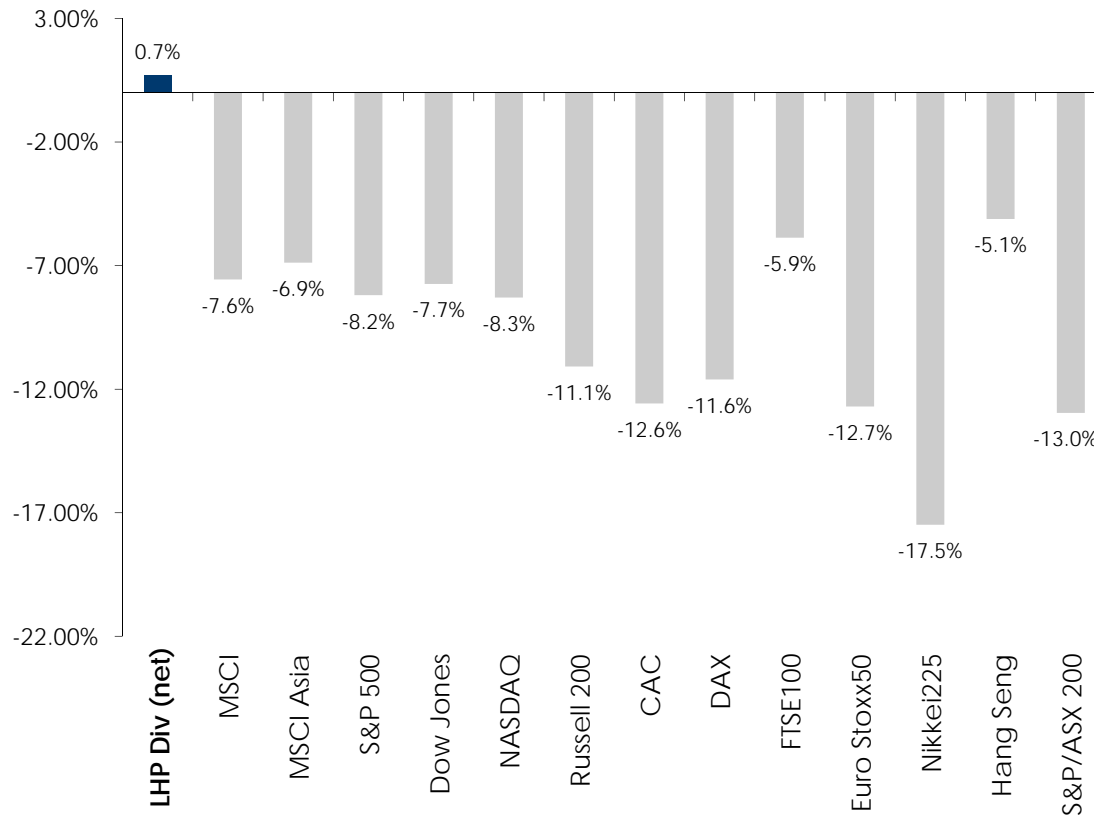


# Capital Preservation



## Comparative Returns - October 1, 2007, to 30 April, 2008\*

## Comments



- HFA funds have demonstrated superior capital preservation qualities in periods of extreme volatility.
- Capital Preservation is the overriding investment goal for all HFA funds.

\* LHP Diversified Fund Ltd returns are net of fees. LHP figures include an estimate for April 2008. Source: HFA Asset Management, MSCI and Bloomberg.



# Fund Inflows



## Quarterly Fund Inflows

	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008
Net inflows (A\$m)	\$100.45	\$103.02	\$100.23

## Comment

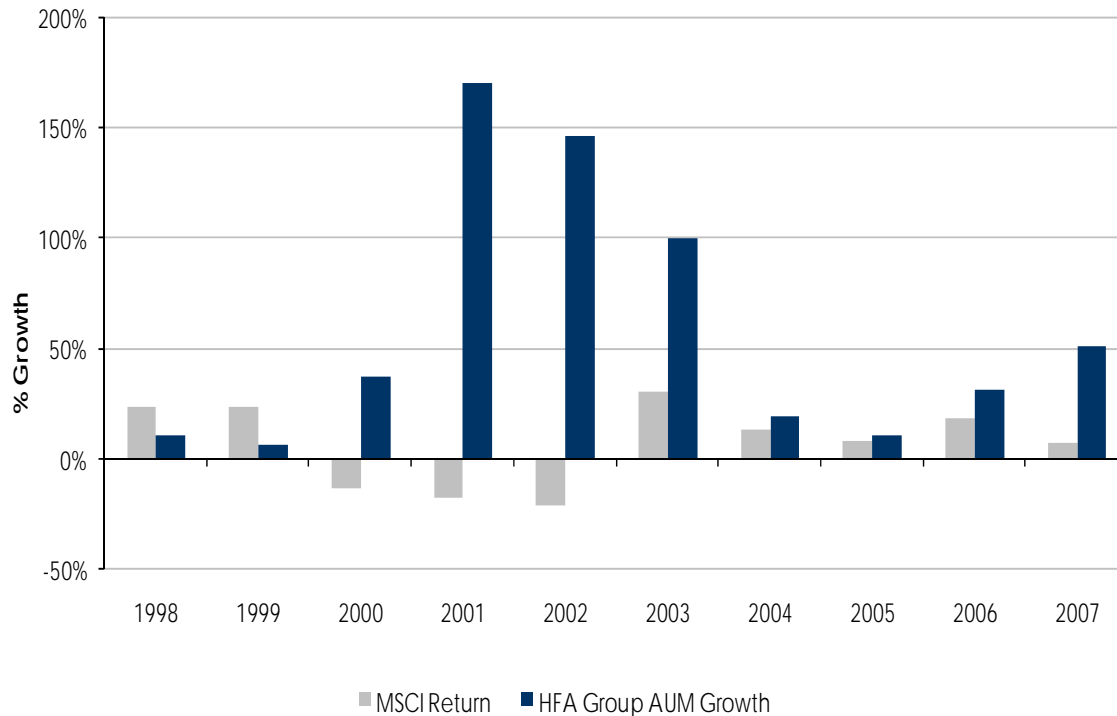
- 2008 calendar year inflows strong despite impact of weak investor sentiment and tendency to cash retention.
- April has been another solid positive investment inflow month.
- Long term value to be achieved from increased awareness of capital preservation qualities of absolute return investing during periods of volatility.

# Current Opportunity



## Growth in Group AUM v's MSCI Return (Calendar Year)

## Comments



- HFA has historically benefitted through increased fund inflows during periods of market downturn.
- Three of the four strongest periods of AUM growth occurred in the same year as a negative return from global equities.

# Debt Profile



## Gearing Ratio

Pro forma Forecasts	FY08	FY08 (no perf fees)	FY08 (pro forma long term perf fees)
Debt / EBITDA	1.73x	2.01x	1.35x
Financial undertaking to debt provider	< 3.5x	< 3.5x	< 3.5x

1. Translated at A\$/US\$ exchange rate of 0.91 as per prospectus and includes planned debt reduction of \$4m in March 08.
2. Includes full year Lighthouse earnings (1/7/07 – 30/06/08)

## Minimum Interest Cover Ratio

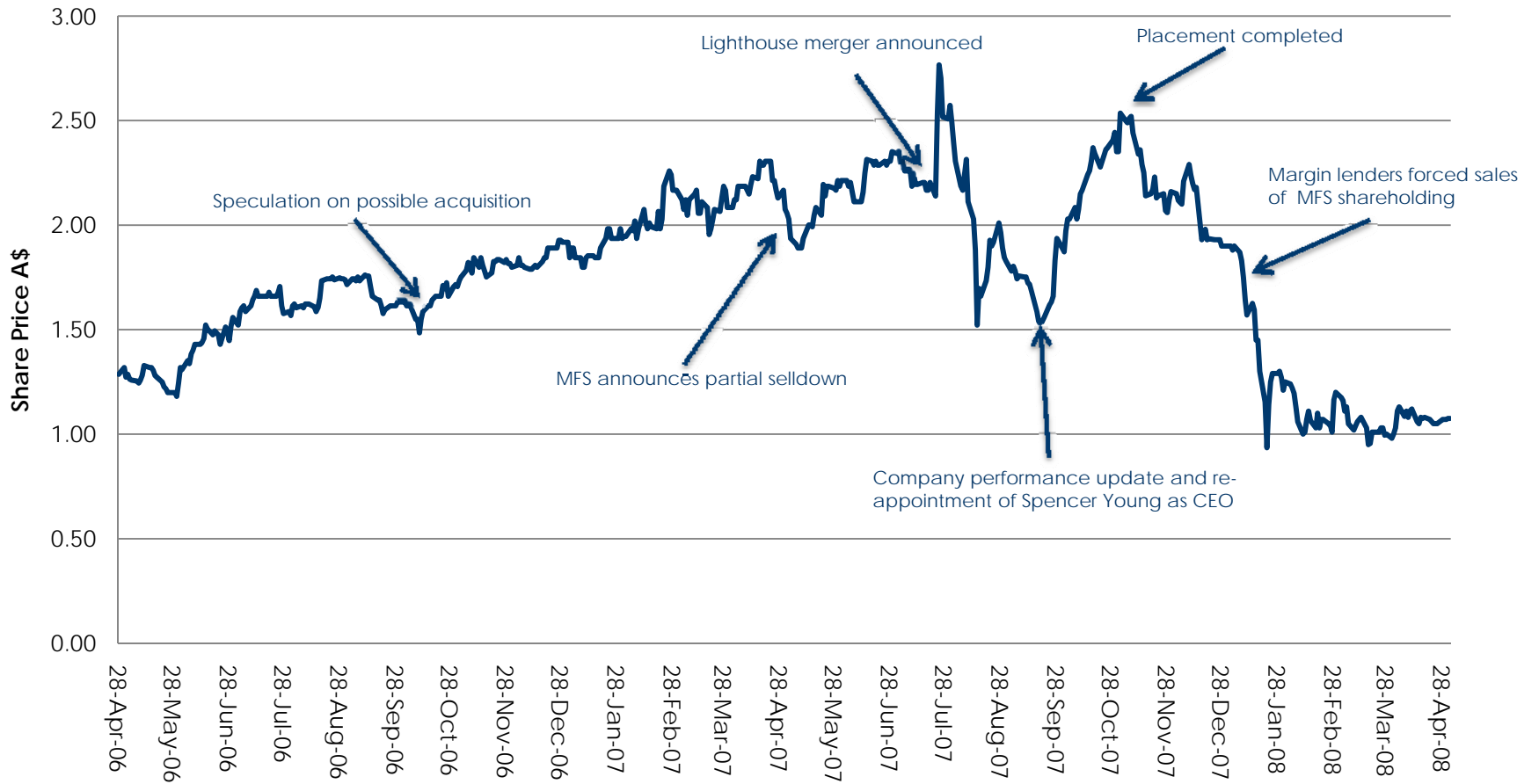
Pro forma Forecasts	FY08	FY08 (no perf fees)	FY08 (pro forma long term perf fees)
EBITDA / Interest expense	12.8x	11.1x	16.4x
Financial undertaking to debt provider	> 3.5x	> 3.5x	> 3.5x

1. Interest assuming acquisition took place on 1/7/07
2. Includes full year Lighthouse earnings (1/7/07 – 30/06/08)

## Comments

- Primary debt obligations
  - Lighthouse acquisition facility - US\$128.5m
  - Working capital - A\$10m (limit A\$30m)
- No repayments due until end of 3 year term
- Funding costs
  - US\$ acquisition facility - recently fixed for remaining term of loan at LIBOR rate of 2.70% plus 80 bpts margin
  - Working capital - BBSY plus 80 bpts margin

# HFA Share Price





# Outlook



- HFA / LHP Funds will continue to deliver solid risk adjusted returns.
- Volatility through the third quarter of FY08 has slowed investors' investment decision making. There are now indications these decisions may be starting to accelerate.
- Secular trend of shift in assets from traditional to alternative asset management to continue.
- Management believes that significant opportunities exist and that HFA will continue on its solid growth profile.

**LEADER** in  
ABSOLUTE  
RETURN  
SOLUTIONS



HFA HOLDINGS LIMITED  
ABN: 47 101 585 737

Level 5, 151 Macquarie Street  
Sydney NSW 2000

Telephone: (02) 8302 3333

Facsimilie: (02) 9252 4580

E-mail: [info@hfaholdings.com.au](mailto:info@hfaholdings.com.au)

Website: [www.hfaholdings.com.au](http://www.hfaholdings.com.au)

New York

Chicago

Florida

London

Hong Kong

Brisbane

Sydney

Melbourne