



21 January, 2008
ASX ANNOUNCEMENT

COMPANY RESPONSE TO MEDIA SPECULATION

In response to recent market events, the Board of HFA Holdings Limited (ASX: HFA) would like to provide an update on issues relevant to the company.

The Board believes the recent fall in the Company's share price is due to speculation of a potential sale by the MFS Group, of its approximately 12% holding in HFA Holdings Limited.

The HFA Board advises the following:

- HFA has no operating or business relationship with MFS or any of its entities.
- MFS is not an investor in any of the HFA products so far as the HFA Board is aware.
- There are no MFS Directors or nominees on the board of HFA Holdings, and the Directors of HFA regard the MFS Group as passive shareholders.

The Board also advises that the company's funds management business continues to operate well.

Positive Investment Flow - Net funds flow across HFA's suite of investment products has continued to be positive every month in this financial year and no unusual redemption activity has been experienced. Details of fund capital movements are provided in Appendix A to this announcement.

Strong Fund Returns - Fund returns continue to be in line with expectations and the company's funds are achieving their stated goals of providing investors with above average risk-adjusted returns. Refer to Appendix B attached to this announcement.

Recent HFA fund performance should be compared against overall market performance where from 1 October, 2007, until 18 January, 2008, the S&P500 declined 12.75%, the MSCI declined 11.6%, the Russell 2000 declined 16.4% and the ASX 200 declined 11.8%.

In the same period the Lighthouse Partners Diversified Fund had delivered a positive return of approximately 1.5%. Similarly over the same period the LHP Long Short Equity Fund demonstrated its capital preservation qualities by delivering a negative return of less than 1.9%. The \$6 billion LHP DF and the \$0.9 billion LHP Long Short Fund represent approximately 75% of HFA's total AUM.

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HFA provides this information and at the date of issue confirms the information is correct. HFA takes no responsibility or liability if the recipient alters that information in anyway or presents it in a way that is misleading or deceptive. This information does not constitute financial product advice. The issuer of the HFA International Shares Fund and HFA Diversified Investments Fund is HFA Asset Management Ltd (ACN 082 852 364) holder of Australian Financial Services Licence No. 246747.



APPENDIX A – FY08 FUND FLOW TRENDS

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	2008 Total YTD
Net Inflow (A\$m)	75.6	18.8	6.1	21.5	15.9	64.8	202.5

APPENDIX B – FUND PERFORMANCE AS AT 31 DECEMBER 2007

	Octane 1*	Octane 2*	Octane Asia*	APL Before Tax	PF*	ISF HW	DIF HW	OGF Asia*	OGF Europe*	OGF US*	MSCI World Ex Au (USD)	UBS Composite 0+ Years	MSCI Gross Asian (USD)	S&P/ASX 200 Accumulation Index	Standard & Poors 500 TR Index (US\$)
1 Month	-0.07%	-0.11%	-0.72%	-0.56%	0.50%	0.29%	0.08%	-3.16%	-1.47%	-0.87%	-1.30%	-0.16%	-2.30%	-2.72%	-0.69%
3 Months	2.55%	2.88%	0.02%	4.01%	5.78%	1.68%	3.34%	-1.09%	1.74%	0.13%	-2.68%	0.25%	-2.97%	-2.73%	-3.33%
6 Months	-1.54%	-1.30%	5.85%	-6.04%	-0.59%	0.73%	-0.44%	3.90%	-0.12%	-0.20%	-1.03%	1.74%	3.83%	3.00%	-1.37%
12 Months	8.22%	8.30%	16.22%	10.65%	14.36%	11.16%	9.38%	n/a	n/a	n/a	6.60%	3.46%	12.29%	16.07%	5.49%
2 Years	8.11%	8.07%	n/a	13.45%	n/a	10.56%	9.24%	n/a	n/a	n/a	12.02%	3.31%	13.48%	20.08%	10.52%
3 Years	n/a	n/a	n/a	n/a	n/a	11.02%	9.52%	n/a	n/a	n/a	10.48%	4.13%	17.13%	20.99%	8.62%
4 Years	n/a	n/a	n/a	n/a	n/a	11.04%	9.46%	n/a	n/a	n/a	10.99%	4.83%	16.94%	22.70%	9.18%
5 Years	n/a	n/a	n/a	n/a	n/a	11.56%	9.07%	n/a	n/a	n/a	14.65%	4.47%	21.07%	21.04%	12.83%
Inception p.a.	8.72%	8.57%	15.21%	13.70%	14.36%	7.18%	8.19%	n/a	n/a	n/a	Since Inception Return are different for various Funds				
Inception Total	30.32%	22.83%	23.66%	50.18%	14.36%	59.73%	70.16%	3.90%	-0.12%	-0.20%					

* Please note that the 31 December 2007 performance numbers for these funds are estimates