



ASX Announcement

16 July 2019

June 2019 – AUM & Investment performance update

Assets under management

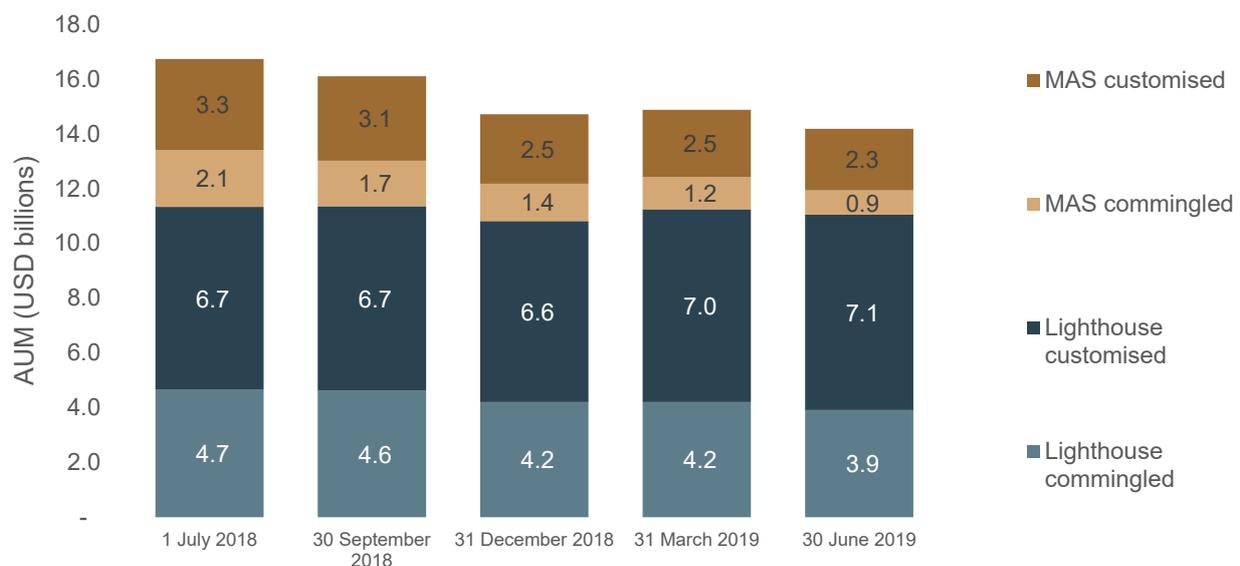
Navigator Global Investments Limited ('NGI' or 'the Company') provides the following update on Assets Under Management ('AUM'):

Summary for year ended 30 June 2019

	1 July 2018	Net flows	Performance	30 June 2019 (Estimate)
Commingled Funds				
- Lighthouse	USD 4.65 bn	↓ USD 0.67 bn	↓ USD 0.07 bn	USD 3.91 bn
- MAS	USD 2.08 bn	↓ USD 1.15 bn	↓ USD 0.04 bn	USD 0.89 bn
Single Investor Customised Solutions				
- Lighthouse	USD 6.67 bn	↑ USD 0.35 bn	↑ USD 0.12 bn	USD 7.14 bn
- MAS	USD 3.32 bn	↓ USD 1.11 bn	↑ USD 0.04 bn	USD 2.25 bn
Total AUM	USD 16.72 bn	↓ USD 2.58 bn	↑ USD 0.05 bn	USD 14.19 bn

Refer to notes on page 2 for the basis on which the above AUM figures have been determined.

Breakdown of total AUM for FY19 by quarter





Summary for quarter ended 30 June 2019

	31 March 2019	Net flows	Performance	30 June 2019 (Estimate)
Commingled Funds				
- Lighthouse	USD 4.21 bn	↓ USD 0.36 bn	↑ USD 0.06 bn	USD 3.91 bn
- MAS	USD 1.17 bn	↓ USD 0.26 bn	↓ USD 0.02 bn	USD 0.89 bn
Single Investor Customised Solutions				
- Lighthouse	USD 7.05 bn	↓ USD 0.05 bn	↑ USD 0.14 bn	USD 7.14 bn
- MAS	USD 2.46 bn	↓ USD 0.23 bn	↑ USD 0.02 bn	USD 2.25 bn
Total AUM	USD 14.89 bn	↓ USD 0.90 bn	↑ USD 0.20 bn	USD 14.19 bn

The above AUM figures have been determined on the following basis:

- 1 Net flows includes monies received by Lighthouse for applications and any redemptions effective 1 July 2019. This convention in relation to the reporting of net flows and AUM has been consistently applied by the NGI Group since January 2008.
- 2 Performance includes investment performance, market movements, the impacts of foreign exchange on non-USD denominated AUM and distributions (if any).
- 3 30 June 2019 AUM is estimated and is based on performance estimates which may be subject to revision near the 20th business day of the month and upon final audit. AUM excludes a non-discretionary long-only managed account structured for a single investor. AUM may include transfers from other Lighthouse Funds that occurred on the first day of the following month.

Commentary on AUM

As discussed during last August's company presentation, we expected this fiscal year to have a higher level of redemption activity than prior years. With the acquisition of MAS, we highlighted that we expected the next 12 months to be a period of transition with asset stabilisation at the end of June 2019. Whilst performance was up approximately \$200 million for the June quarter, this counterbalanced the negative results in the December 2018 half, resulting in a relatively flat impact of \$50 million increase on AUM for the full financial year.

The biggest contributor to the lower AUM is net outflows, with a higher than normal level of outflows across both Lighthouse and MAS resulting in a combined \$900m net outflow for the June quarter.

From a Lighthouse funds perspective, the Lighthouse Customised Solutions net flows for the quarter were relatively flat, however the Lighthouse commingled funds experienced net redemptions of \$360 million. The majority of these redemptions were from the Lighthouse Global Long/Short Funds. As global equity markets have continued to advance higher, it has created challenging conditions for hedged equity approaches. We have seen this type of market environment before and it is important that we continue to follow our stated investment process.

The MAS funds accounted for the remaining \$490 million of net outflows. \$260 million was redeemed from MAS Commingled Funds, leaving assets in these products of just under \$900 million in AUM. A further \$230 million was redeemed from MAS Customised clients. We anticipated higher than normal redemption activities for MAS in the first full year of integration.

We anticipate a stabilisation of MAS customised clients over the next 12 months. This view is based on the best information currently available to us, but as always may prove to be better or worse based on actual future events.



Earnings update

On 9 January 2019, the Company released an ASX announcement which provided guidance for a full year FY19 EBITDA of approximately \$36 million following a particularly difficult December quarter where AUM fell almost \$700 million from negative investment performance.

With improvements in investment performance over the 2nd half of the financial year, the Company estimates that EBITDA for FY19 will be approximately \$37.5 million, a 4.2% improvement on our earlier expectations.

The above EBITDA estimate is unaudited and may be subject to change as our external auditor completes their independent audit process. The Company anticipates releasing its Appendix 4E and 2019 Annual Financial Report on 8 August 2019, at which time detailed information regarding the result will be released.



June 2019 performance estimates for select Lighthouse Commingled Funds:

Lighthouse Commingled Fund	June 2019	Calendar YTD	3 year	5 year	3 year volatility
Lighthouse Diversified Fund Limited Class A	1.05%	4.51%	3.14%	2.77%	2.57%
Lighthouse Global Long/Short Fund Limited Class A	1.15%	6.54%	2.92%	3.09%	5.40%
Benchmarks					
S&P 500 TR Index	7.05%	18.54%	14.20%	10.72%	12.19%
MSCI AC World Daily TR Gross USD	6.59%	16.59%	12.23%	6.75%	11.30%
Barclays US Agg Gov/Credit Total Return Value Unhedged USD	1.48%	6.90%	2.40%	3.11%	3.33%
91-Day Treasury Bill	0.22%	1.24%	1.39%	0.87%	0.23%
Hedge Fund Research HFRX Global Hedge Fund Index	1.61%	4.22%	2.12%	-0.11%	3.84%

Performance may vary among different share classes or series within a Fund. Past performance is not indicative of future results.

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June 2019 returns for the Lighthouse Funds, and consequently, the other figures appearing in this document that include these returns in their computation, are estimated and subject to revision near the 20th business day of the month and upon final audit. 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. 2018 and 2019 performance is not audited and is subject to revision. The performance data for the selected Class A shares of the above Lighthouse Funds is presented as a representative proxy for the two main investment strategies of AUM invested in Lighthouse Funds. Returns may vary between different Funds of a similar strategy, as well as between share classes or series within the same Fund.

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.

S&P 500 TR Index: This index includes 500 leading companies in leading industries of the US economy. Although the S&P500® focuses on the large-cap segment of the market, with approximately 75% of coverage of US equities, it is also an ideal proxy for the total market. S&P 500 is part of a series of S&P US indices that can be used as building blocks for portfolio construction.

MSCI AC World Daily TR Gross USD: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

Barclays US Agg Gov/Credit Total Return Value Unhedged USD: An unmanaged market-weighted index, comprised of government and investment grade corporate debt instruments with maturities of one year or greater.

91-Day Treasury Bill: A short-term debt obligation backed by the US government with a maturity of 91 days. T-bills are sold in denominations of USD1,000 up to a maximum purchase of USD5 million and commonly have maturities of one month (28 days), three months (91 days), six months (182 days), or 1 year (364 days).

Hedge Fund Research HFRX Global Hedge Fund Index: This HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

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