



HFA Holdings Limited
30 June 2007 Annual Results
27 August 2007

Paul Jensen - Chief Executive Officer

Rod Hughes - Chief Financial Officer

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Agenda

1) HFA Scorecard 2007

2) Financial Results June 2007

3) Update 2008



2007 Scorecard



HFA Financial Scorecard 2007 v 2006

\$M	30 June 2007 Actual	30 June 2006 Normalised ²	% Change
Operating revenue	74.6	35.4	111%
Operating EBIT	29.1	10.6	175%
NPAT	20.3	7.9	157%
EPS (cents per share)	10.05c	4.2c	139%
Dividend per share	8.1c ¹		

1 1.5c special dividend paid October 2006 + 2.6c interim dividend + 4.0c final dividend

2 Normalised for \$19.0m one off expense for employee share plan. Actual EBIT (\$8.4m), NPAT (\$10.8m), and EPS (5.75c)



HFA Financial Scorecard 2007 v Prospectus

\$M	30 June 2007 Actual	30 June 2007 Prospectus Forecast	% Change
Operating revenue	74.6	49.0	52%
Operating EBIT	29.1	20.0	46%
NPAT	20.3	13.9	46%
EPS (cents per share)	10.05c	6.9c	46%
Dividend per share	8.1c ¹	4.5c	80%

1 1.5c special dividend paid October 2006 + 2.6c interim dividend + 4.0c final dividend



HFA Business Scorecard 2007 v 2006

	30 June 2007 Actual	30 June 2006 Actual	% Change
Assets Under Management (AUM)	\$3.88 billion	\$2.63 billion	48%
Funds Under Management (FUM)	\$2.29 billion	\$1.56 billion	47%
Fund Ratings (Research Houses)	High Ratings	High Ratings	unchanged
Distribution	> 2,500 IFAs	> 2,400 IFAs	increased
Product Performance	Very Strong	Strong	-



Strong Investment Performance to June 2007

Return net of fees	1 year Return pa	2 year Return pa	3 year Return pa	Since inception Return^ pa	Volatility since inception pa
HFA Diversified Investments Fund	17.73%	12.78%	11.62%	8.96%	2.49%
HFA International Shares Fund	20.58%	13.87%	12.51%	7.66%	4.85%
HFA Accelerator Plus	28.15%	17.47%	-	15.46%	5.98%
HFA Partners Fund	32.34%*	-	-	32.34%*	3.99%*
HFA Octane Fund 1	17.66%	11.82%	-	11.11%	3.50%
HFA Octane Fund 2	17.38%	11.56%	-	11.57%	3.74%
HFA Octane Asia	16.83%	-	-	16.83%	4.24%
MSCI World Index US\$	20.91%	17.84%	14.32%	6.53%	13.21%
Australian Fixed Interest	3.99%	3.70%	5.05%	5.11%	2.76%

* Annualised return stream dating from Jan 07 to Jun 07

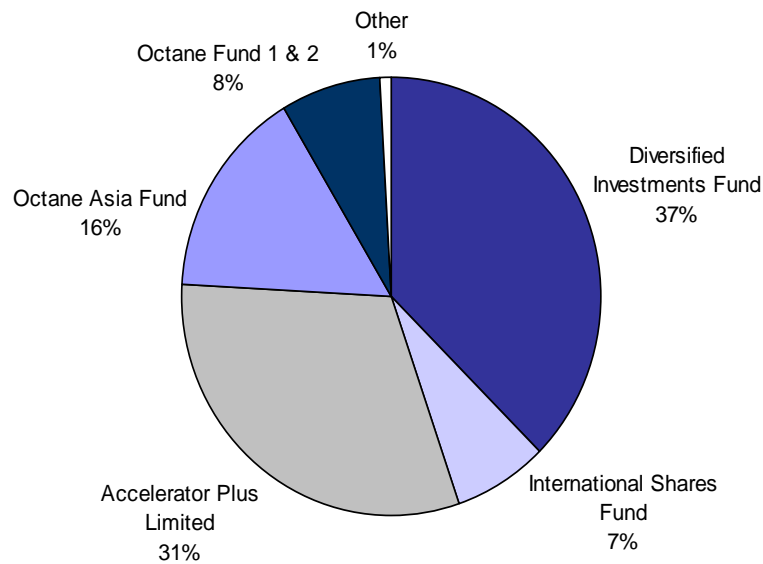
Source: HFA, Iress and Morningstar. Performance is shown as at 30 June 2007. Past performance is not a reliable indicator of future performance. The performance of Accelerator Plus shown after tax.

^ The inception date is for DIF (1-Apr-01), ISF (1-Apr-01), Octane (8-Nov-04), Octane 2 (30-Jun-05), Octane Asia (30-Jun-06) and Partners Fund (1-Jan-07). MSCI World and Australian FI (represented by the UBS Warburg Composite Bond Index) is shown since (1-Apr-01)

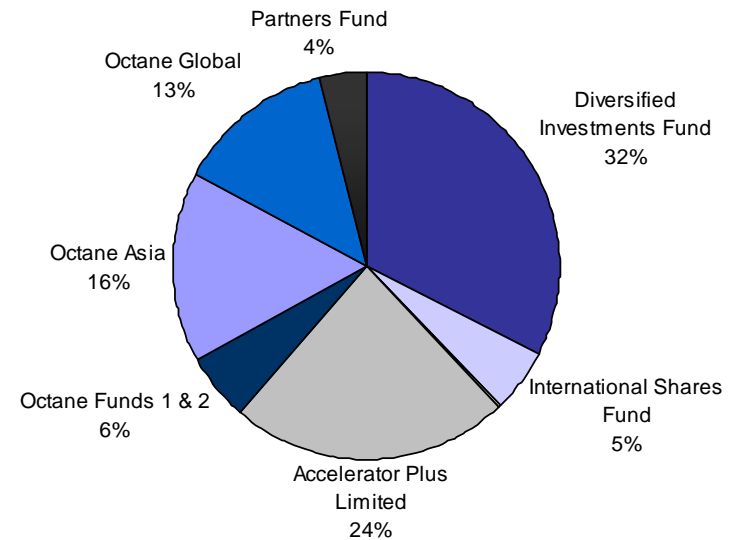


Continued diversification of our AUM

Provides diversification of management and performance revenues



AUM = \$2.63 billion
As at 30 June 2006



AUM = \$3.88 billion
As at 30 June 2007

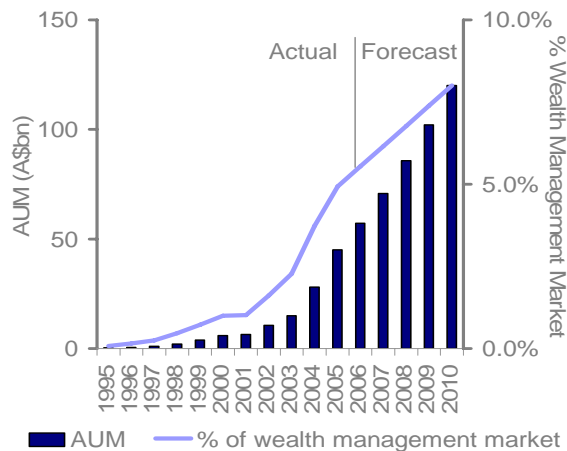
The investment integrity of the HFA Funds is recognised by Research Houses

HFA's funds continue to be highly rated by leading Research Houses

						
HFA Diversified Investments Fund	AA	Highly Recommended	4 star	-	Recommended	Strong Buy
HFA International Shares Fund	-	Highly Recommended	3 star	-	Recommended	Strong Buy
HFA Accelerator Plus Limited	Endorsed	Highly Recommended	-	Recommended	-	Buy
HFA Octane 1	Endorsed	-	Investment Grade	-		
HFA Octane 2	Endorsed	-	Investment Grade	-		
HFA Octane Asia	Endorsed	Recommended	-	Approved		
HFA Octane Global	-	Recommended	Investment Grade	-		
HFA Partners Fund	-	Recommended	4 star	-		

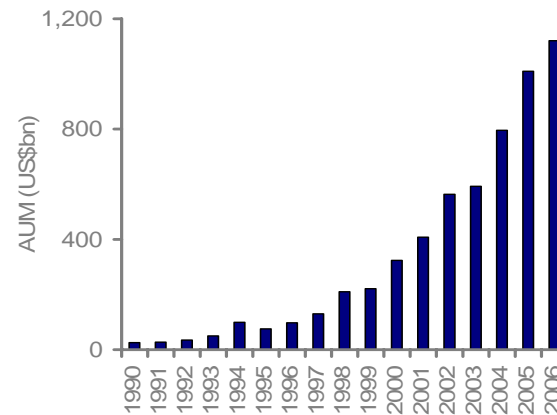
Absolute Return Funds are recognised as a smarter way to manage money

Australian Absolute Return Fund Sector Historical growth



Source: ICAP Plc and Reserve Bank of Australia

Global Absolute Return Fund Sector Historical growth



Source: Hennessee Group LLC

HFA funds are supported by:

- Over 375 financial planner dealer groups, representing over 9,000 Financial advisers
- Actively supported by over 2,500 independent financial advisers
- Listed on 25 wholesale master trusts / platforms



Financial Results



Strong Result - 30 June 2007

\$M	30 June 2007 Actual	30 June 2006 Normalised ¹	% Change
Management fee revenue	36.0	21.0	71%
Performance fee revenue	38.6	13.5	186%
Other	-	0.9	
Operating Revenue	74.6	35.4	111%
Investment costs	(30.3)	(17.0)	78%
Net Operating Income	44.3	18.4	141%
Expenses	(15.2)	(7.8)	95%
Operating EBIT	29.1	10.6	175%
Net interest income	(0.2)	0.7	(129%)
Income tax expense	(8.6)	(3.4)	153%
Profit/(loss) After Tax	20.3	7.9	157%

1 Normalised for one off \$19.0m expense for employee share plan

Very Solid Result - 30 June 2007 vs Prospectus

\$M	30 June 2007 Actual	30 June 2007 Prospectus Forecast	% change
Management fee revenue	36.0	34.7	4%
Performance fee revenue	38.6	14.1	174%
Other	-	0.2	
Operating Revenue	74.6	49.0	52%
Investment costs	(30.3)	(20.3)	49%
Net Operating Income	44.3	28.7	54%
Expenses	(15.2)	(8.7)	75%
Operating EBIT	29.1	20.0	46%
Net interest income	(0.2)	(0.1)	100%
Profit/loss Before Tax	28.9	19.9	45%
Income tax expense	(8.6)	(6.0)	43%
Profit/(loss) After Tax	20.3	13.9	46%

Balance Sheet Remains Sound

\$M	30 June 2007	30 June 2006
Cash	17.9	8.1
Receivables	31.5	8.3
Intangibles	11.7	9.4
Other current assets	2.9 ¹	-
Other assets	1.4	0.9
Total Assets	65.4	26.7
Payables	21.8	8.3
Borrowings	13.9	7.5
Other liabilities	9.1	2.5
Total Liabilities	44.8	18.3
Total Equity	20.6	8.4

1 Includes \$2.8m of prepaid merger transaction costs

Growth in Assets & Investment Performance are Key Drivers

- Net Operating Income
 - Strong growth in assets under management, driving management fee revenue
 - Strong investment performance driving performance fee revenue
 - Reduction in the investment management fee paid to Lighthouse from 50% to 40% (effective 1 May 2006)
 - **Has delivered a 111% in NOI to \$74.6m**
- Expenses
 - Average FTE's increased by 23% to 32 full time employees (6 employees)
 - Alignment of executive remuneration (salary & bonus) ensuring industry competitiveness & executive retention
 - Increased sales bonuses, arising from successful Partners Fund and Octane Global Fund
 - Increased administration expenses. Increased wholesale platform fees, fund establishment write-off
 - Higher amortisation of management rights, arising from successful Octane Asia Fund, Octane Global Fund
- Net Profit After Tax
 - **Up 157% to \$20.3m**



June 2008 Update



June 2008 Outlook

- Not appropriate to provide guidance at this stage
 - Impending merger with Lighthouse Investment Partners LLC
- Revenue Drivers
 - Strong asset growth to 2007 / 08
 - Higher % revenue from management fees
- Expenses Drivers
 - Constant management fee to LHP (40% revenue)
 - Executive and staff TEC remains at market
 - Increase in FTE to 42
 - Cost income ratio to remain at similar level



2008 AUM growth underpinned by

- Further penetration of Financial Advisers
 - 2 new Business Distribution Managers
 - 1 new Business Development Officers
- Broadening of distribution channels and geography
 - National Wholesale Manager - Institutional market, bank distribution
 - National Key Account Manager - Dealer Groups and Platforms, boutique structured offerings
 - New Zealand Manager - creation of HFA NZ
- Transforming Client Service
 - Creation of National Client Service Manager role
 - 2 new Adviser Services positions
 - 2 new Operations / Administration & Finance personnel
- Innovative product pipeline
 - New Product Development Manager



Merger with Lighthouse Progressing & On Track

- Lighthouse & HFA committed to merging their respective businesses on the agreed terms
- Credit approved loan commitment received from leading bank
- Due diligence process is continuing and milestones towards a merger are being completed and achieved
 - There have been no material impediments identified in the due diligence to date
 - Due diligence is continuing and we are on track to complete the merger
- HFA and Lighthouse do not consider there is any urgency to effect the merger and both agree it will be effected when all of the circumstances are appropriate
- MIA has been extended to allow the merger to be consummated at the appropriate time

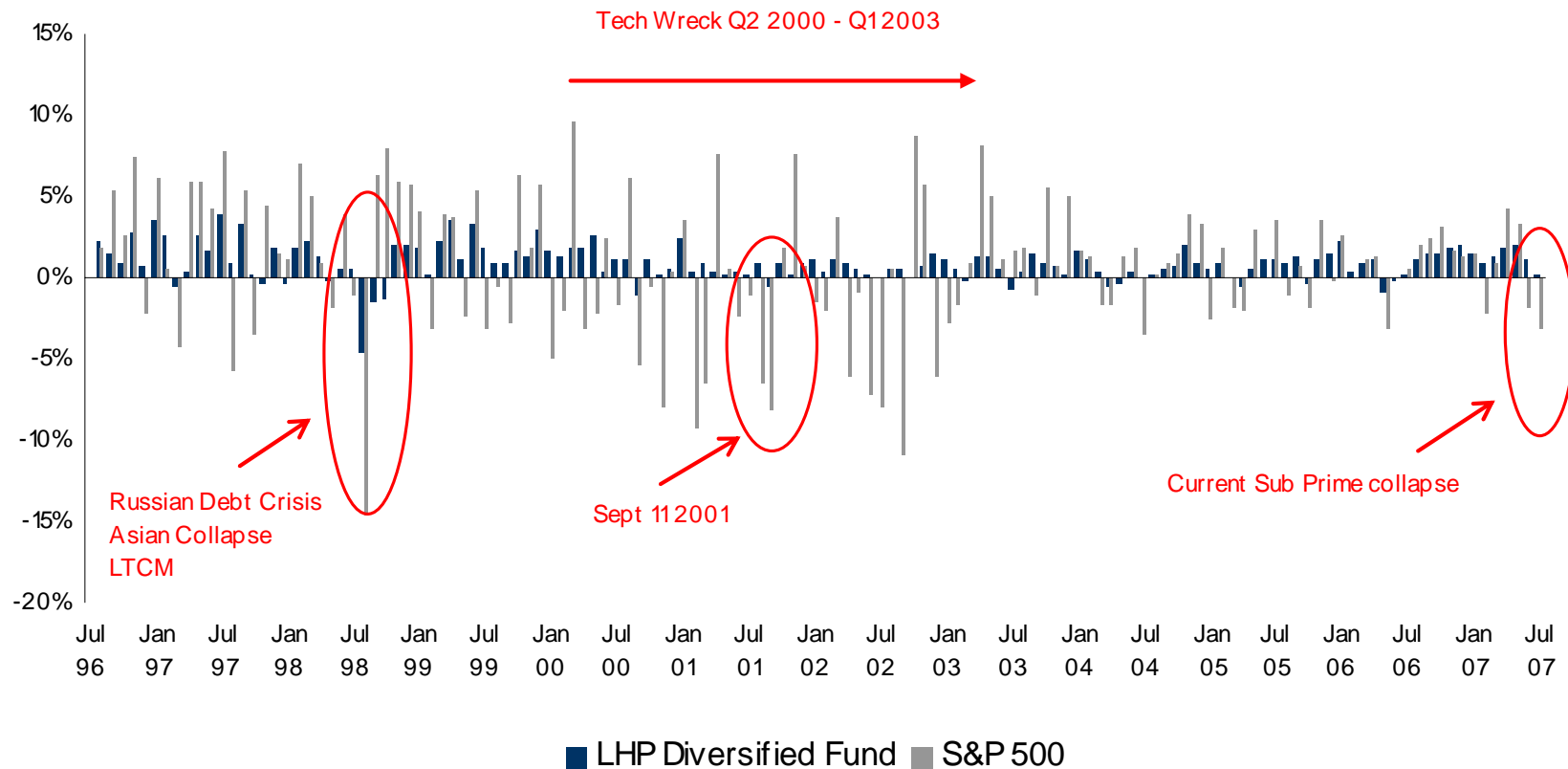


Recent Market Volatility

- HFA Funds are “Absolute Return Funds of Hedge Funds”
 - Invest in a portfolio of hedge fund managers
 - And provide exposure to multiple investment strategies
- A high level of manager & strategy diversification provides an inherent level of protection for our investors against adverse market movements
- HFA’s exposure to the US sub prime market was a net short position. We were a net beneficiary from the repricing of credit
- Given the scale and magnitude of recent events in the broad financial markets all of HFA’s and Lighthouse funds are performing within our investment expectations
- HFA / Lighthouse are not aware of any of our hedge fund managers suffering undue loss or experiencing liquidity issues
- We believe the current environment will create a strong set of investment opportunities for our underlying managers
- We see the current market conditions as highly conducive and expect the HFA funds to deliver consistent risk adjusted returns over the next 18 months

Lighthouse's proven ability to withstand significant market shocks over the long term

Monthly Return Bar Chart



Delivering consistent returns through all market conditions

