



UBS Emerging Companies
Conference - 17 October 2007

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HFA Holdings Limited – highlights

Specialist absolute return fund of funds manager with \$4 billion AUM

Exposure to high growth wealth management industry

Diversified and highly rated products with strong performance track record

Established and growing retail and wholesale distribution network

Agreement in place to acquire Lighthouse Partners with US\$8 billion AUM

Significant domestic & international growth opportunities
(new products, retail, wholesale & institutional distribution, new markets)



HFA Business Overview



HFA Business

Specialist absolute return fund manager, established in 1998

- Fund of funds approach, utilising Lighthouse Partners investment team
- Diversified and highly rated HFA branded products
- Australian sourced AUM growing strongly, currently \$3.9 billion
- Established and growing retail and wholesale distribution network
- Foothold in the institutional sourced AUM market

Lighthouse Investment Partners Relationship

Lighthouse Investment Partners

- Lighthouse Partners is a US based specialist absolute return fund of fund manager
- Over US\$8 billion in AUM in six fund-of-funds products with over 85 underlying specialist managers
- 51 employees with **16 dedicated research analysts**

HFA and Lighthouse

- HFA has exclusive right to investment advice and access to Lighthouse Partners funds in Australia
- Benefits of relationship include:
 - Broadening HFA's access to investment managers
 - Access to an experienced team of analysts in New York, Chicago, London, Hong Kong
 - Access to global industry networks and relationships
 - Access to proprietary investment data & research



HFA Product Mix

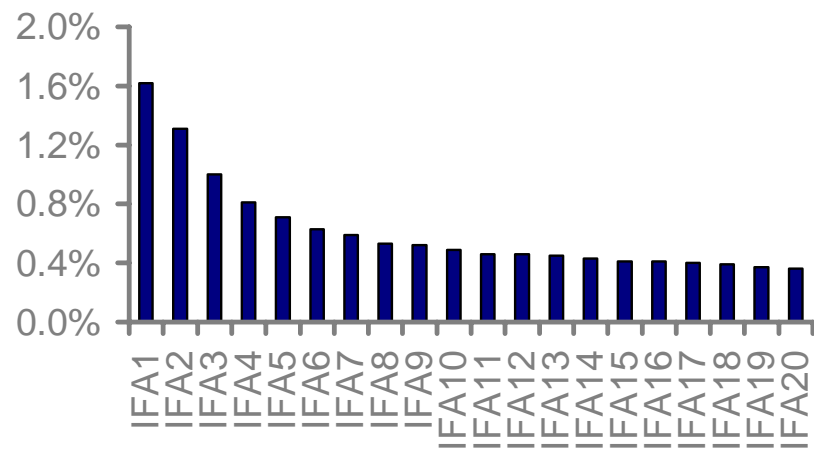
A broad mix of products diversified across assets, risk profiles and geographic regions

Main Products	Investment Adviser	Investment Strategy	FUM A\$m (June 07)	AUM A\$m (June 07)
HFA Diversified Investments Fund	Lighthouse	International absolute return fund-of-funds diversified across different managers	931	1,261
HFA Accelerator Plus (LIC)	HFA / Lighthouse	Invests in diversified absolute return fund-of-funds using leverage	260	912
HFA Octane Fund	Lighthouse	Interests in diversified absolute return fund-of funds using leverage with capital protection option	20	36
HFA Octane (Series 2) Fund	Lighthouse	Interests in diversified absolute return fund-of funds using leverage with capital protection option	113	183
HFA International Shares Fund	Lighthouse	Absolute return fund-of-funds with international share focus	210	210
HFA Octane Global	Lighthouse	Interests in diversified global long/short absolute return fund-of-funds using leverage with capital protection	352	521
HFA Partners Fund	Lighthouse	Invests in concentrated high conviction absolute return fund-of-funds using leverage	61	147
HFA Octane Asia Fund	Lighthouse	Interests in Asian diversified absolute return fund-of funds using leverage with capital protection option	332	608

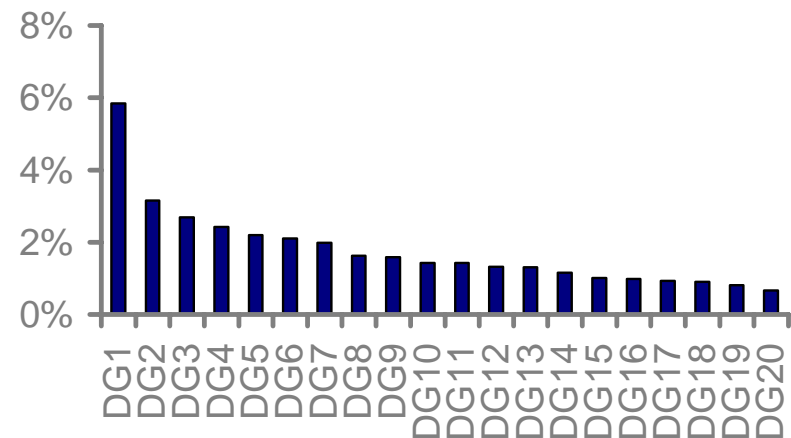
Strength of HFA Distribution Network

- Approved for investment by 375 financial planner dealer groups representing over 9,000 financial advisers
- HFA has diversified distribution with
 - Over 2,500 financial advisers to date placing their clients into HFA products
 - No single independent financial adviser contribution more than 1.7% of FUM
 - No single dealer group contributing more than 6% of FUM

Top 20 financial advisers



Top 20 dealer groups



Strength of HFA Distribution Network

HFA products are listed on more than 25 master trusts and wrap accounts with over \$85 billion in FUA

	Master Trusts	Wrap Accounts
Asgard	✓	✓
Austchoice	✓	–
BT Wrap	–	✓
Hillross	–	✓
ING	✓	✓
IOOF	✓	✓
Macquarie	✓	✓
MLC	–	✓
Navigator	✓	✓
Netwealth	✓	✓
Oasis	–	✓
Perpetual	–	✓
Summit	✓	✓
Synergy	✓	–

HFA Product Highly Rated

						
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	-		



Strong Investment Performance to September 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	11.13%	8.70%	9.67%	7.97%	3.16%
HFA International Shares Fund	15.36%	11.27%	12.34%	7.19%	4.87%
HFA Accelerator Plus (After Tax)	15.98%	9.91%	-	10.80%	8.43%
HFA Partners Fund	8.39%*	-	-	8.39%*	12.43%*
HFA Octane Fund 1	10.69%	7.67%	-	8.42%	4.89%
HFA Octane Fund 2	9.96%	7.37%	-	7.92%	5.54%
HFA Octane Asia	22.15%	-	-	17.48%	7.28%
MSCI World Index US\$	18.11%	15.15%	15.57%	6.55%	12.68%
Australian Fixed Interest**	3.47%	4.13%	4.66%	5.15%	2.71%

*Annualised return stream dating from Jan 07 to Sep 07.

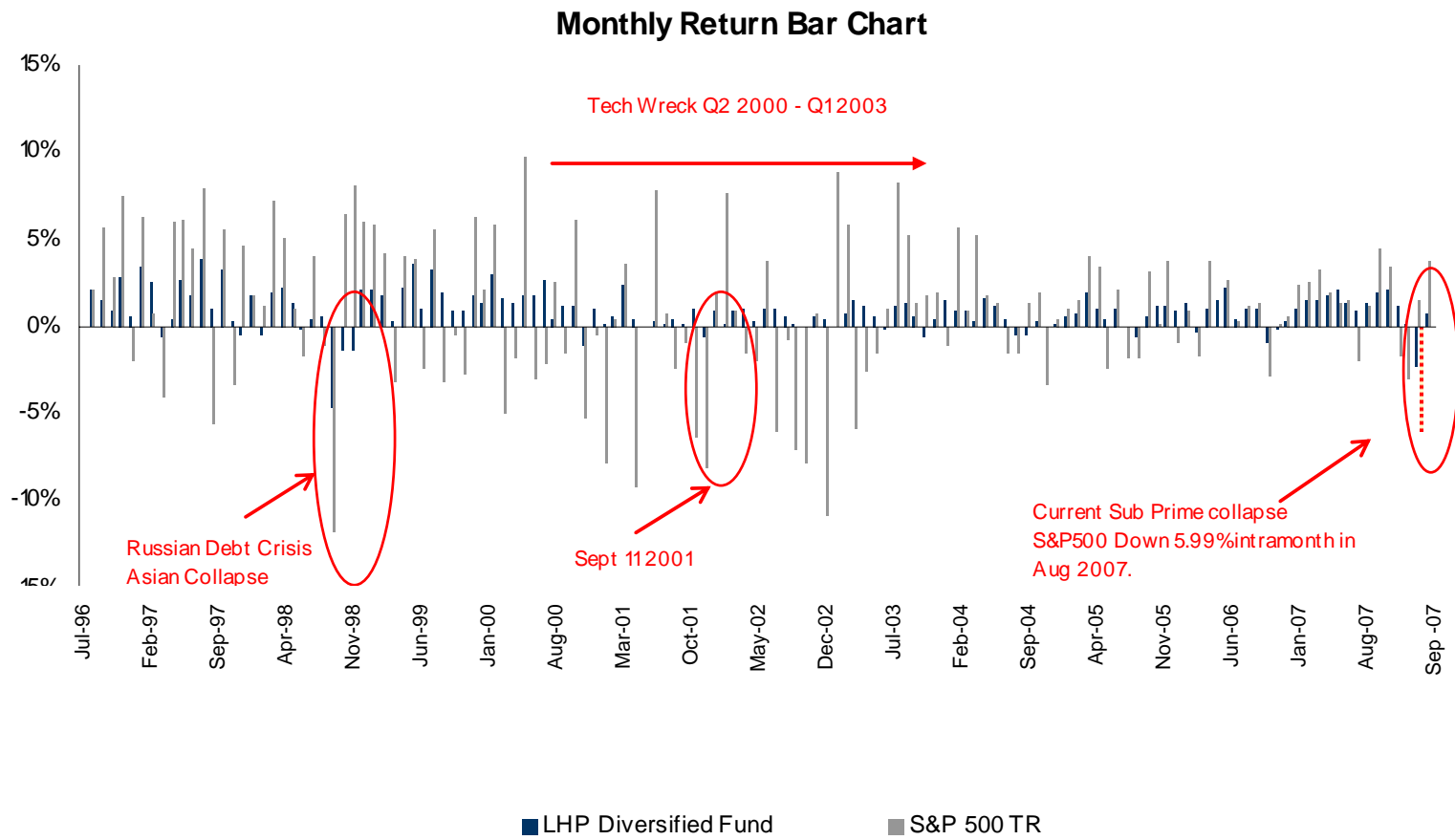
Returns for September are estimates only for Octane 1, Octane 2, Octane Asia and Partners Fund.

Source: HFA, Bloomberg and Morningstar. Performance is shown as at 30 September 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) APL (1-Nov-04), 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)



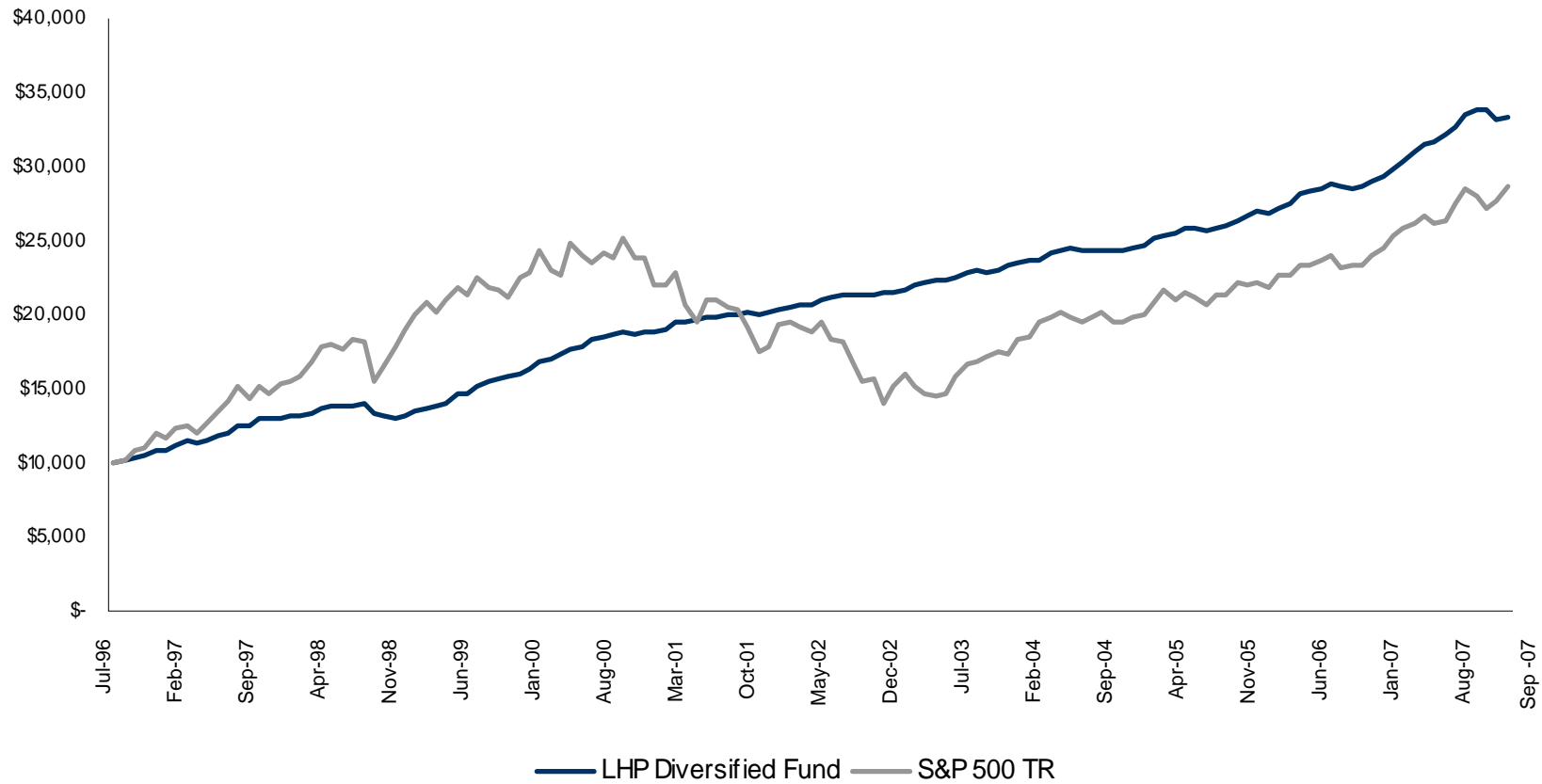
Proven ability to preserve capital / profit through market cycles



Returns for September are estimates only



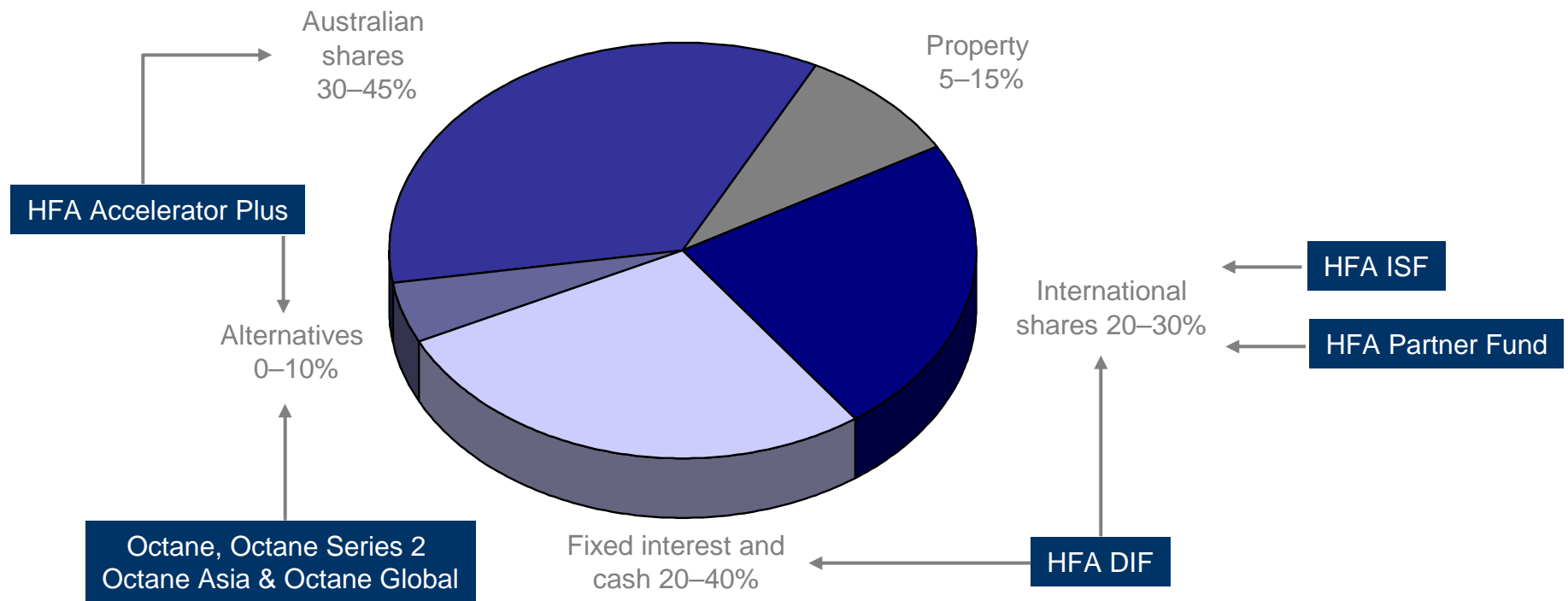
Delivering consistent returns through all market conditions



Returns for September are estimates only



HFA Products and Asset Allocation



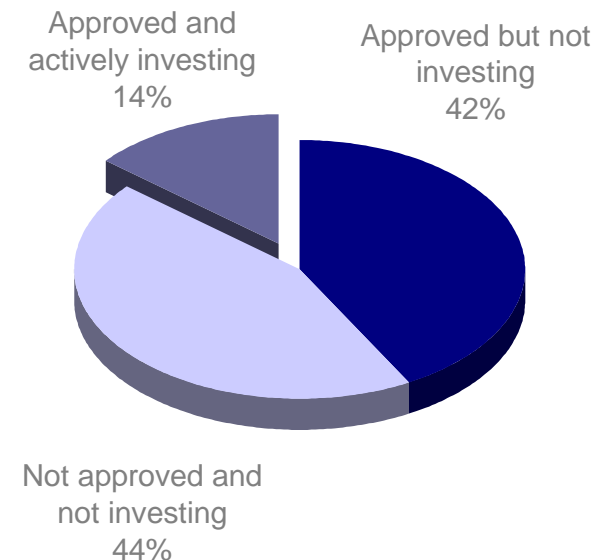
Note: Asset allocation is indicative only and is drawn from allocations published in the 30 November Mercer Investment Consulting Pooled Fund Asset Allocation



Domestic Growth Opportunities

- **Growth in wealth management & absolute return funds sectors**
- **Distribution opportunities**
 - Greater penetration with existing investors (44% of financial advisers yet to approve HFA products and 42% approved but yet to use HFA products)
 - Broader market penetration with existing and new dealer groups
 - Increased access to high net worth market
- **New products**
 - Plans to establish a broader range of products utilising capital protection, leverage, interest rate hedges and foreign exchange hedges
 - Specialist / niche products
- **Institutional mandates**
 - Increased focus on winning institutional mandates
 - A dedicated resource now allocated to institutional asset consultants

Financial adviser market share



FY 07 Score Card



100% growth in 07 across any financial measure

\$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)



Exceeded all financial IPO prospectus forecasts

\$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 Asset Growth up 48%

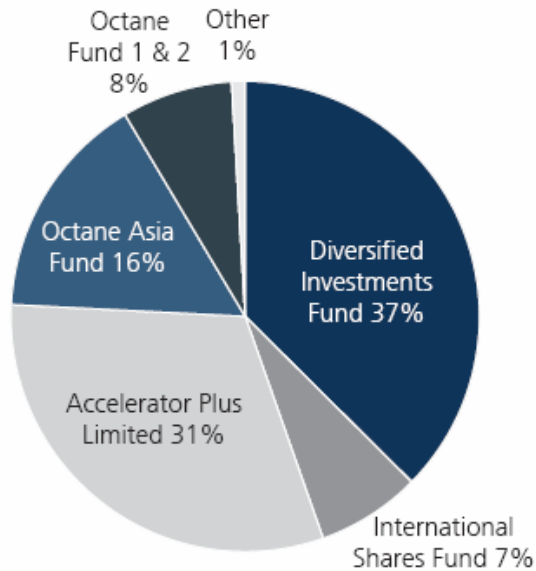
	30 June 2007 Actual	30 June 2006 Actual	% Change
Assets Under Management (AUM)	\$3.88 billion	\$2.63 billion	48%
Funds Under Management (FUM)	\$2.29 billion	\$1.56 billion	47%
Fund Ratings (Research Houses)	High Ratings	High Ratings	unchanged
Distribution	> 2,500 IFAs	> 2,400 IFAs	increased
Product Performance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



Continued diversification of our AUM

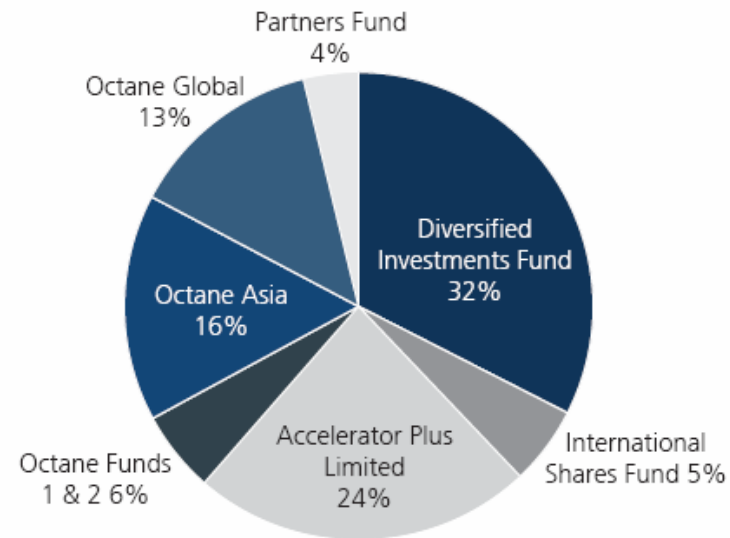
Delivering diversification of management and performance revenues

As at 30 June 2006



AUM = \$2.63 billion
As at 30 June 2006

As at 30 June 2007



AUM = \$3.88 billion
As at 30 June 2007



Details of the Proposed Merger



Overview of the proposed merger

Overview

- HFA proposes to merge with Lighthouse Partners via 100% acquisition of Lighthouse
- Total consideration of:
 - US\$348.5 million in cash (to Sun Trust Bank & management team)
 - \$134.67 million HFA shares (to LHP management team with escrow terms)
- Based on the current HFA share price, the acquisition price is estimated at 11x FY08 EBITDA
- HFA proposes to fund the merger via a combination of debt and equity
- The merger has significant strategic benefits to both HFA and Lighthouse
- The merger is expected to result in significant earnings per share (“EPS”) accretion for HFA, particularly on a cash EPS basis
- Investment team and process at Lighthouse and HFA remain the most important aspect of the respective companies and will be “unaffected” and be “untouched” as a result of the merger



Merger rationale

Stronger business model	<ul style="list-style-type: none">• Vertically integrated business, bringing investment management skills in-house• Interests of Lighthouse aligned with HFA from operational and ownership perspective
Experienced management team	<ul style="list-style-type: none">• Very experienced, stable and highly regarded team located in New York, Chicago, Palm Beach, London, Hong Kong
Enhanced quality of Revenue Stream	<ul style="list-style-type: none">• More diversified product range• More diversified client base by type• More diversified client base by geography• Less reliance on performance fees
Exposure to strong industry growth	<ul style="list-style-type: none">• Broader exposure to expected growth in the absolute return funds sector• Direct exposure to growing international wealth management sector

Merger rationale

Diversification of FUM

- 65% of Lighthouse FUM sourced from non-HFA channels
- Presence in global institutional and high net worth markets
- Geographic and distribution channel diversification

Potential to expand HFA distribution outside Australia

- Opportunity to build on HFA's success in Australia by enhancing HFA's ability to distribute products to investors in markets outside Australia

Ability to leverage new Lighthouse products

- Lighthouse has been active in new product development
- Lighthouse and HFA continue to work together on new products and investments

Overview of Lighthouse

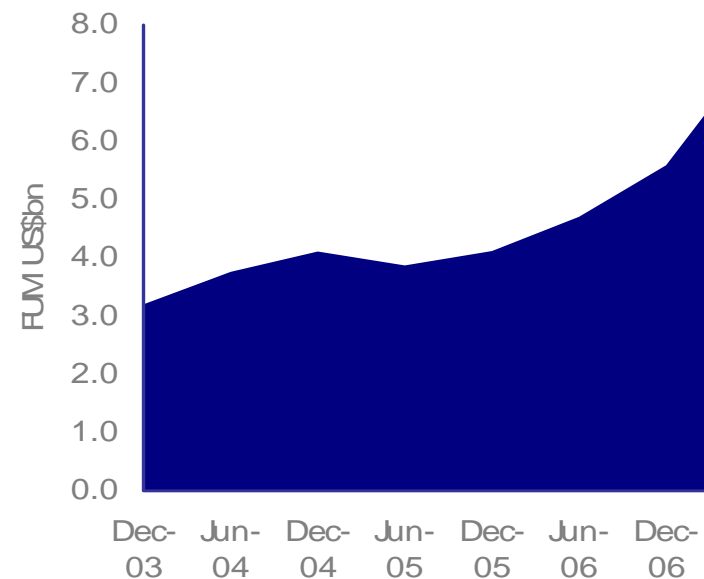


History of Lighthouse and HFA

Lighthouse

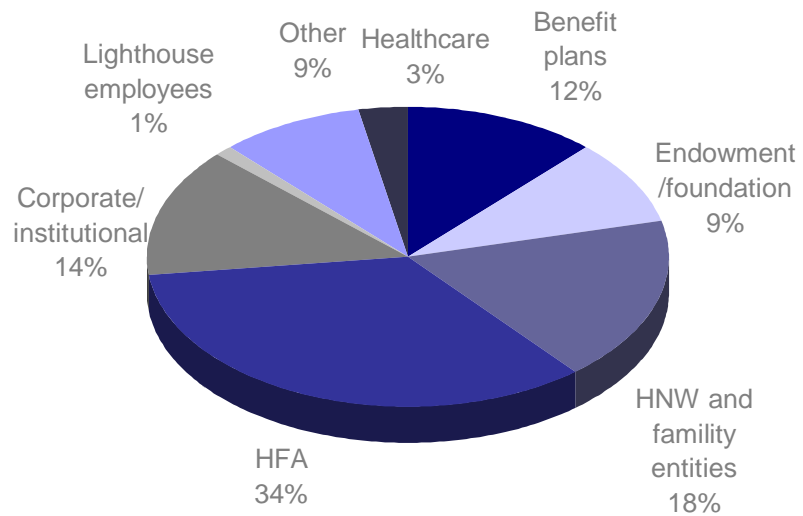
- Spun-out of a multi-family office (AMA) in 1999 to source external FUM
- Acquired by SunTrust Bank, Inc. (STI) in 2001
- Lighthouse AUM has grown at a rate of more than 20% per annum over the past 3 ½ years
- Investment returns have not deteriorated from growth in AUM

Lighthouse total AUM

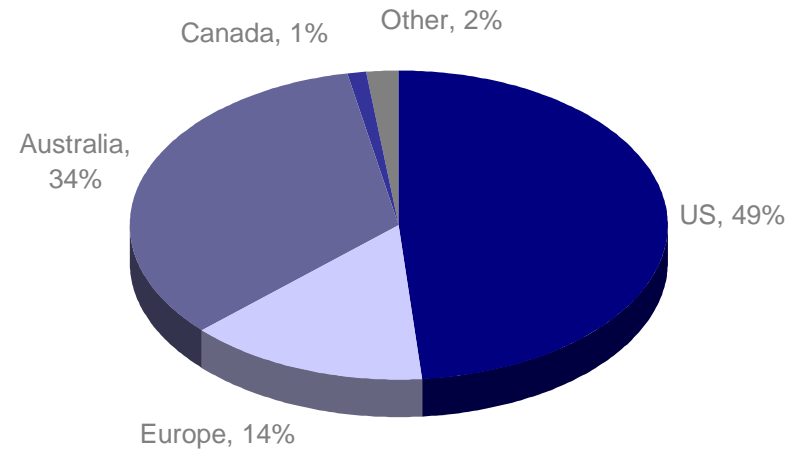


Lighthouse investor base

Lighthouse AUM by investor type



Lighthouse AUM by geography



Source: Lighthouse

Note: AUM as at 28 Feb 2007



Lighthouse Product Mix

A broad mix of products diversified across assets, risk profiles and geographic regions

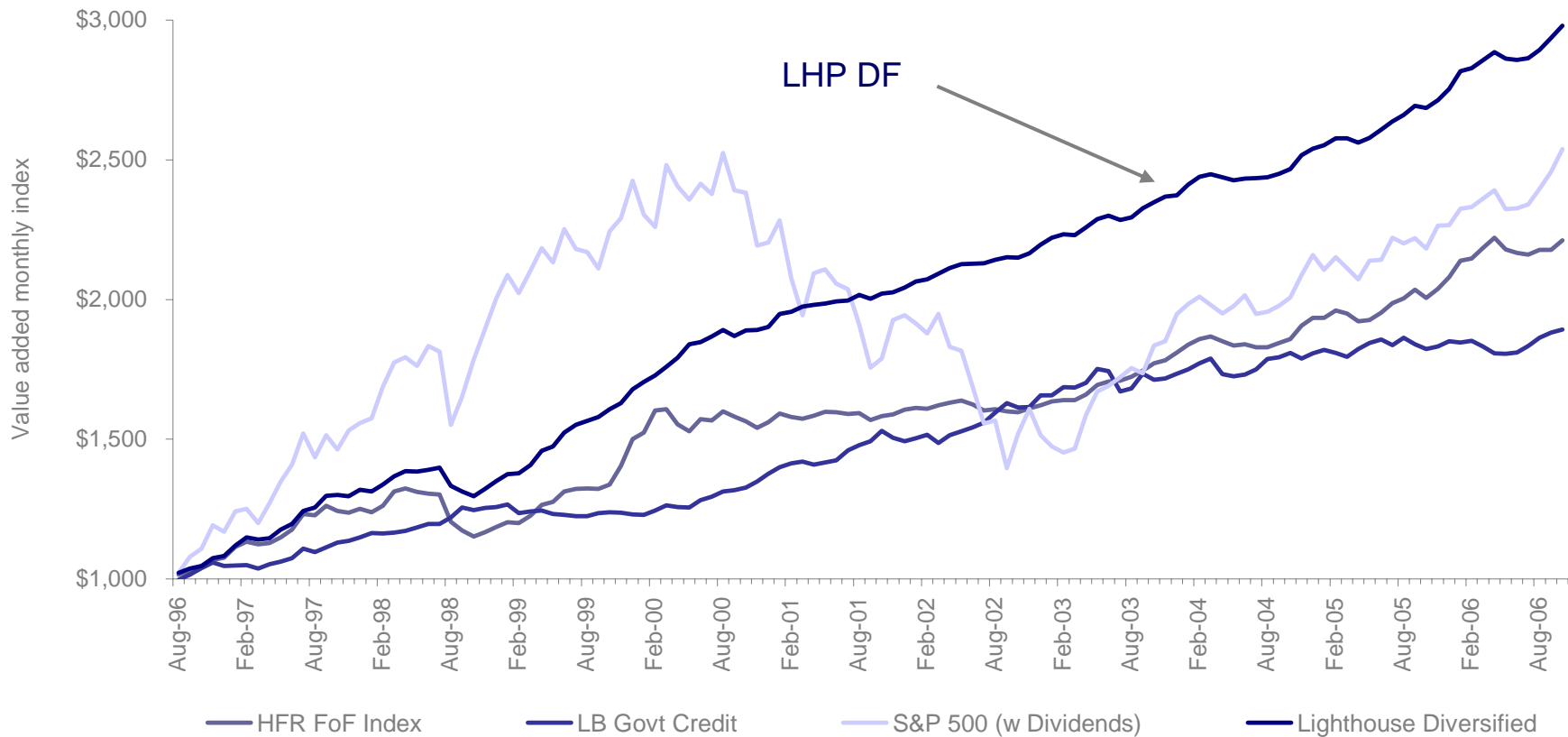
	Investment Strategy	AUM US\$m (June 07)	% of total AUM
Lighthouse Diversified Fund	<ul style="list-style-type: none"> Absolute Return with low correlation and beta to traditional markets 	5,122	71
Lighthouse Low Volatility Fund	<ul style="list-style-type: none"> Conservative multi-strategy fund 	196	3
Lighthouse Credit Opportunities Fund	<ul style="list-style-type: none"> Single strategy fund of funds with credit related strategy 	99	1
Lighthouse Global Long/Short Fund	<ul style="list-style-type: none"> Single strategy fund of funds seeking global equity long/short opportunities 	441	6
Lighthouse V Fund	<ul style="list-style-type: none"> Diversified fund seeking LIBOR +5% for benefit plans and insurance accounts 	624	9
Lighthouse Asian Strategies Fund	<ul style="list-style-type: none"> Diversified pan-Asian fund of funds with Absolute Return objectives 	378	5
Lighthouse Aggressive Growth Fund	<ul style="list-style-type: none"> Concentrated aggressive fund focused on specialty investment strategies 	197	3
Lighthouse Managed Futures Fund	<ul style="list-style-type: none"> Fund of funds focused on multiple managed futures trading programs 	12	<1
Other	<ul style="list-style-type: none"> N/A 	162	2

Source: Lighthouse



Performance of Lighthouse funds

Diversified Investments Fund, LP performance versus benchmark indices

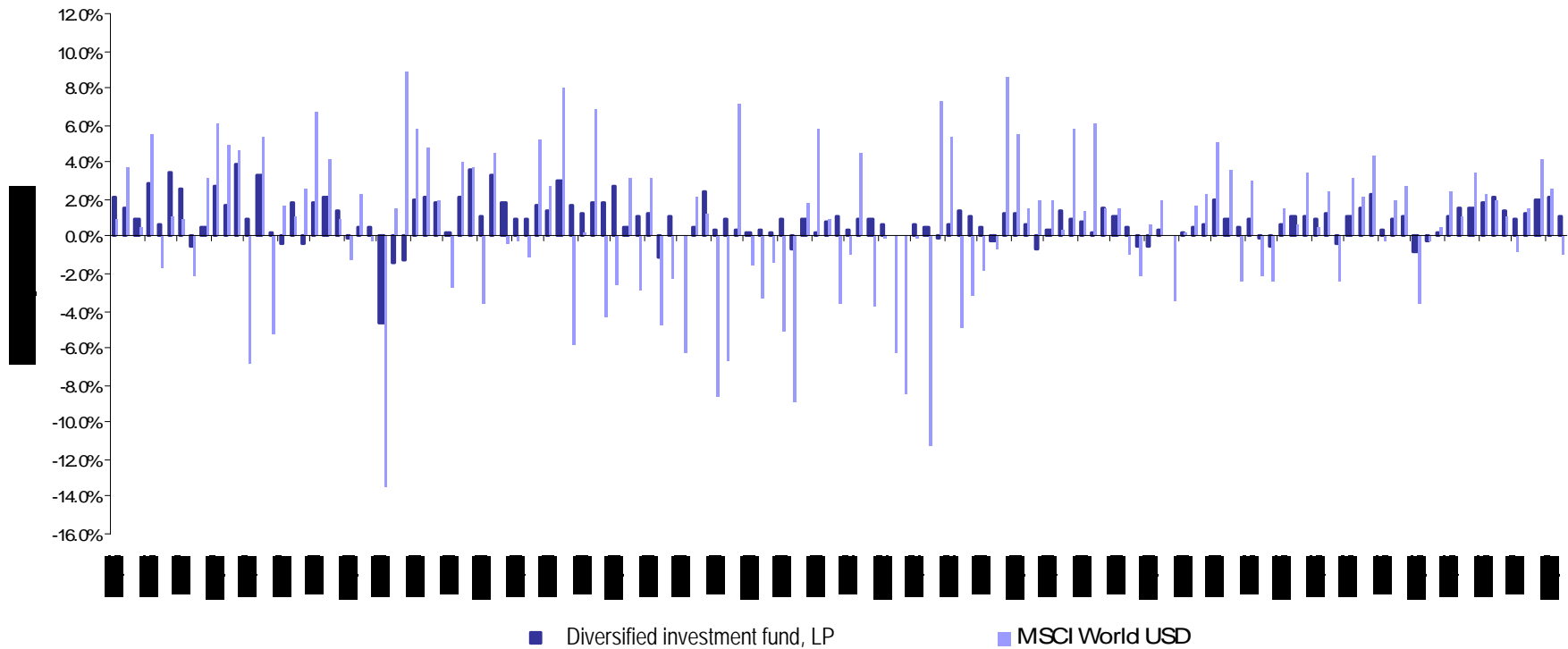


Source: Lighthouse



Performance of Lighthouse funds

Lighthouse fund performance versus MSCI world index (Aug 96-June 07)



Source: Lighthouse

Source: HFA Asset Management
Past performance is not a reliable indicator of future performance



Investment Highlights



Investment Highlights

Exposure to high growth Australian wealth management industry	<ul style="list-style-type: none">• HFA benefits from the regulated growth in the Australian wealth management industry<ul style="list-style-type: none">• Compulsory super scheme, tax incentives, withdrawal restrictions• Domestic & Global Absolute returns funds growing as proportion of the sector
Diversified and highly rated products	<ul style="list-style-type: none">• Diversified portfolio of funds covering asset classes such as international shares, domestic shares and bonds• Highly rated by independent research agencies
Performance track record, with low volatility	<ul style="list-style-type: none">• Operating since 1998• 50% of HFA's product have a track record of approximately five years and have consistently shown positive returns over that period

Investment Highlights

Established Distribution Network	<ul style="list-style-type: none">• Products recommended by 375 financial planner groups including 50 of the Top 100 in Australia and approved for investment by approximately 9,000 financial advisers• Listed on 25 master trust and wrap accounts
Lighthouse Relationship	<ul style="list-style-type: none">• Exclusive long term relationship in Australia and New Zealand• Provides access to investment professionals, proprietary investment data and access to industry networks and relationships
Significant Growth Prospects	<ul style="list-style-type: none">• Increasing penetration of IFA market• New products (three new products planned for the forecast period)• Developing institutional client base• General growth in wealth management industry and absolute return funds sector

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
- Substantial completion of due diligence
- 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