



HFA Holdings Limited

Annual General Meeting

17 October 2012



HFA Holdings Limited



1. Chairman's address – Mr Spencer Young

2. Formal Business

Overview



HFA Holdings (Group)

- AUMA of USD 6.6 billion, up 15%
- Group revenue down 3% to USD 66.2 million
- EBITDA down 23% to USD 15.2 million
- Final dividend of 3.0 cps (total FY12 dividends of 5.0 cps)



Lighthouse

- AUMA increase of 23% to USD 5.7 billion
- Positive net inflows of USD 1.2 billion
- On-going expansion of its managed account program and creating a separate line of business around custom solutions
- Acquired strategic 10% stake in 361° Capital, LLC, a provider and distributor of alternative investment mutual funds



Certitude

- Net outflows reduced total AUMA by 15%
- Raised a total of AUD 25 million in new investments in extremely difficult market
- 33% of gross outflows related to legacy structured products
- Executing strategy to expand global product range with existing and new partners

Key 2012 Financial Outcomes

Income

- Operating Income**
- Operating income of \$54.8 million (2011: \$55.7 million).
 - Lighthouse operations contributed \$47.7 million, up 2% despite performance fee revenue being \$2.3 million lower than in the prior year.
 - Certitude operations contributed \$7.0 million, down 19%. Half of the reduction is due to \$0.7 million less performance fee revenue being earned in the current year, the remainder is driven by lower average AUMA and a slight reduction in the average net management fee rate.

Expenses

- Operating Expenses**
- Operating expenses (excluding non-cash depreciation, amortisation and equity settled transaction costs) up 17% to \$40.2 million.
 - This is due mainly to increased personnel expenses, including:
 - higher US compensation for retention and alignment to industry
 - \$1.1 million of non-recurring costs associated with the stepping down of the HFA Holdings CEO and other Australian staff redundancy costs.

Earnings

- Operating EBITDA**
- The increase in expenses led to a 23% fall in EBITDA to \$15.2 million.
- NPBT**
- Pre-tax earnings of \$2.7 million compared to \$6.4 million.
- NPAT**
- Net profit after tax of \$2.7 million (2011: \$5.5 million).

Debt

- Bank Debt**
- \$26.3 million as at 30 June 2012 (30 June 2011: \$28.3 million).

Continued growth in AUMA

AUMA	Lighthouse Partners	Certitude Global Investments	Total Group
30 September 2012	USD 6.054 billion	AUD 0.928 billion	USD 7.025 billion
30 June 2012	USD 5.705 billion	AUD 0.926 billion	USD 6.649 billion
30 June 2011	USD 4.641 billion	AUD 1.086 billion	USD 5.807 billion

- Group**
- Group AUMA exceeds USD 7.0 billion for the first time since October 2008.
- Lighthouse**
- Net inflows of USD 170 million and positive investment performance since 30 June 2012 have increased AUMA to USD 6.1 billion.
 - Approximately 75% of net inflows related to managed account clients.
- Certitude**
- Certitude's AUMA has remained steady since 30 June 2012, with AUD 17 million of net outflows (AUD 9 million of which relate to closed-ended structured products) off-set by positive investment performance.

Lighthouse Funds – performance after-fees (USD)

September 2012 Performance Estimates*

Lighthouse Fund of Funds (USD)	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
Lighthouse Diversified Fund LP	5.48%	4.19%	0.71%	4.86%	3.31%
Lighthouse V Fund Ltd	5.00%	3.09%	0.50%	n/a	3.19%
Lighthouse Credit Opportunities Fund LP	8.66%	10.65%	1.55%	n/a	5.38%
Lighthouse Funds of Managed Accounts (USD)	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
Lighthouse Global Long/Short Fund LP	5.65%	2.96%	1.04%	n/a	5.03%
Lighthouse Multi-Strategy Fund Ltd	5.94%	3.87%	n/a	n/a	4.05%
Lighthouse Alpha Series	7.24%	3.30%	2.74%	n/a	3.93%
Lighthouse Managed Futures Fund SPC - Composite	0.58%	2.45%	5.64%	n/a	8.99%
Benchmarks (USD)	1 year	3 year (pa)	5 year (pa)	10 year (pa)	3 year volatility
S&P 500 (with reinvested dividends)	30.20%	13.20%	1.05%	8.01%	15.36%
MSCI ACWI Index	21.67%	7.78%	-1.54%	9.16%	17.24%
Barclays Government / Credit Bond Index	5.66%	6.50%	6.63%	5.39%	3.25%
91 Day US Treasury Bills	0.07%	0.09%	0.55%	1.67%	0.01%
HFRX Global Hedge Fund Index	2.21%	0.19%	-3.00%	1.78%	4.56%

* Performance for 2012 is not audited and is based on estimates for September 2012. Therefore, all performance data herein for the Lighthouse Funds is subject to revision. Performance may vary among different share classes or series within a fund. Past performance is not indicative of future results.

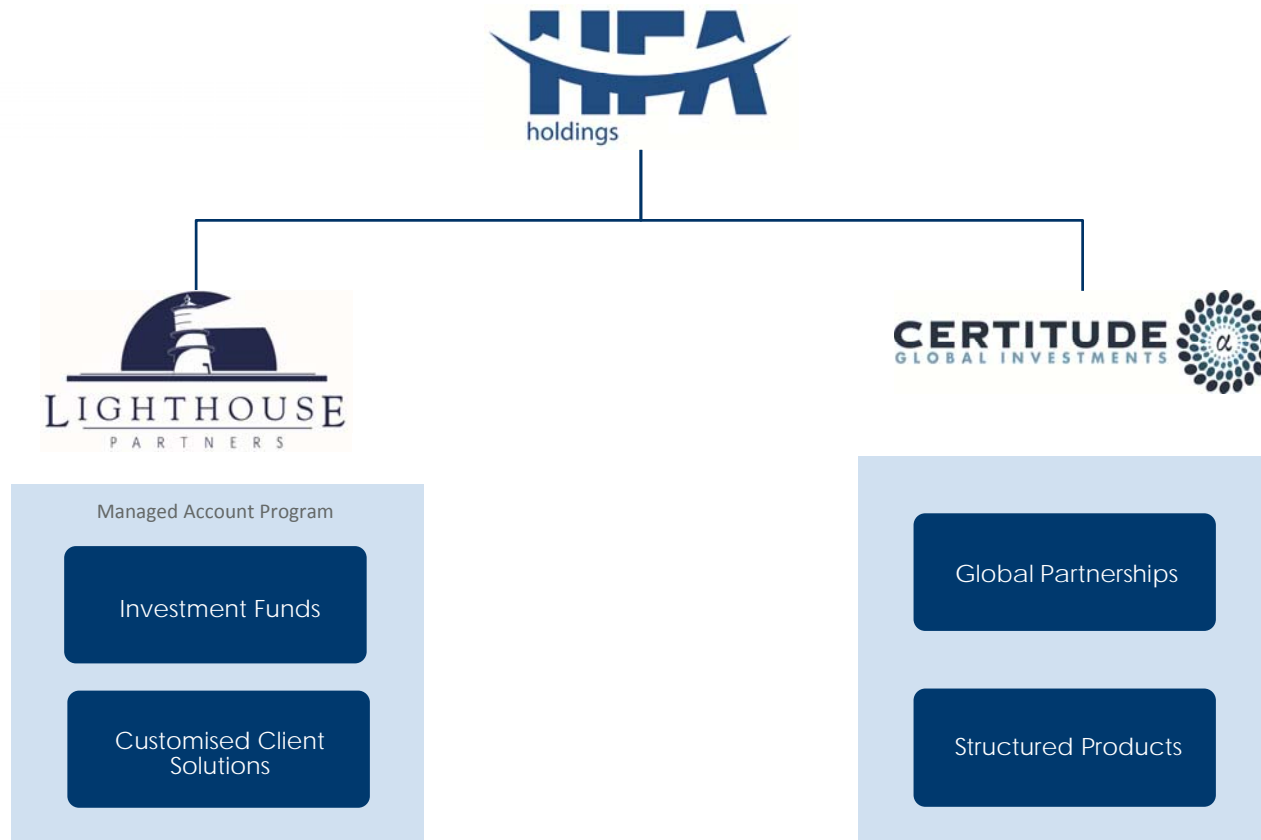
Certitude Funds – performance after-fees(AUD)

September 2012

	Performance (AUD)					
	1 year	3 year (pa)	5 year (pa)	10 year (pa)	Since Inception (pa)	Since Inception Volatility (pa)
Threadneedle Global Equity Fund	11.05%	n/a	n/a	n/a	13.70% (05-Sep-2011)	n/a
Benchmark: MSCI ACWI Gross (AUD unhedged)	13.71%	n/a	n/a	n/a	16.32% (05-Sep-2011)	n/a
Certitude Asian Opportunities Fund	9.79%	n/a	n/a	n/a	2.07% (12-Oct-2010)	n/a
Benchmark: MSCI AC Asia Pacific Index	13.70%	n/a	n/a	n/a	2.99% (12-Oct-2010)	n/a
LHP Global Long/Short Fund (Wholesale)	8.17%	5.78%	4.24%	7.61%	5.90% (31-Mar-2001)	4.98%
Benchmark: MSCI ACWI Net (100% hedged to AUD)	23.16%	9.44%	-1.09%	8.94%	4.39% (31-Mar-2001)	15.67%
LHP Diversified Investments Fund (Wholesale)	8.91%	6.19%	0.52%	4.58%	4.66% (31-Mar-2001)	6.60%
Benchmark: HFRX Global Hedge Fund Index (100% hedged to AUD)	5.82%	3.80%	-0.46%	4.16%	4.66% (31-Mar-2001)	6.03%

Past performance is not an indicator of future performance.

... a diversified, global fund manager





Lighthouse...a global leader in managed accounts

- Lighthouse Investment Partners is a US based investment manager dedicated to managing funds of hedge funds for diversification and absolute return.
- Investor base spans North America, Europe, and Asia and includes high net worth individuals, family offices, endowments, foundations, trusts, investment banks, benefit plans, pension funds, healthcare and insurance companies.
- Lighthouse has developed two business lines, each of which utilise its proprietary managed account program.

Lighthouse

Proprietary Managed Account Program

Lighthouse Managed Funds Multi-strategy and strategy-focussed funds

- Lighthouse manages a number of multi-strategy and strategy-focused funds.
- The funds utilise Lighthouse's proprietary managed account investment structure, in which Lighthouse Funds own the assets custodied in a prime brokerage account and authorise external fund managers to trade the assets within predetermined guidelines.
- The managed account structure provides:
 - transparency into asset positions;
 - vast amounts of daily data to allow timely risk management and monitoring of external fund managers;
 - enhanced control and security of assets;
 - investment flexibility;
 - administrative cost savings; and
 - overall improved liquidity compared to traditional fund-of-fund structures.

Investment Solutions Customised client solutions

- The development of the managed account program for Lighthouse's own managed funds created a new opportunity for Lighthouse to develop a customised client solutions business.
- This business offers investors who are able to commit to a significant investment size the ability to access the benefits of the managed account structure in their own customised portfolio.
- Lighthouse is able to work closely with large strategic investors to customise their alternative investment exposure and meet specific needs across middle office, risk monitoring and investment advisory services.
- Investors can choose some or all of the available services depending on their own requirements, and fees are structured accordingly



Certitude ... an independent provider of active managers

What does Certitude do?

- Certitude selects high quality active investment managers from around the globe and brings their expertise to Australian investors
- These active solutions aim to deliver outperformance, or 'alpha', allowing investors to complement their passive strategies with a strong risk management focus

Who are our investment partners?

- Our managers provide a global investment view that is thoroughly considered and time-tested
- Certitude's investment partners are located across all the major financial markets and their selection is underpinned by a robust investment process

Lighthouse Investment Partners, LLC

Marshall Wace GaveKal Asia Limited

Threadneedle Investments

Columbia Management



FY12 highlights and milestones

- Signed relationship deed to exclusively market and distribute Columbia Management for Global Fixed Income into the Australian retail and whole market;
- Launched the well-rated Threadneedle Global Equity Fund (unhedged);
- Certitude Asian Opportunities Fund's manager, Marshall Wace GaveKal Asia Limited was nominated as Morningstar's 'Emerging Manager of the Year'
- The LHP Global Long/Short Fund won 'Global Long/Short Manager of the Year' in May 2012 in the Money Management/ Lonsec awards

Outlook

- The Group will continue to develop both its managed fund and customised client solutions business over the coming year
- We expect investors to remain cautious in committing capital, however both Lighthouse and Certitude will remain active in meeting with prospective clients and servicing existing clients
- With investment markets likely to remain volatile in the foreseeable future, it is difficult to forecast the impact of this on the Group's future profitability.



1. Chairman's address

2. Formal Business

Proxies Received – Resolution 1

“That the Remuneration Report as it appears on pages 31 to 39 inclusive of the Directors' Report for the financial year ended 30 June 2012 be adopted.”

	Votes	Percentage
For	17,821,705	98.45%
Open	102,921	0.57%
Against	177,754	0.98%
Abstain	641,234	
Excluded	37,282,790	

Proxies Received – Resolution 2

“That Mr Spencer Young, who retires by rotation in accordance with clause 8.1(d) of the constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

	Votes	Percentage
For	47,106,140	84.12%
Open	125,079	0.22%
Against	8,767,366	15.66%
Abstain	27,819	

Proxies Received – Resolution 3

“That Mr Andy Esteban, who retires by rotation in accordance with clause 8.1(d) of the constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

	Votes	Percentage
For	55,733,676	99.71%
Open	124,036	0.22%
Against	39,873	0.07%
Abstain	128,819	

Proxies Received – Resolution 4

“That, in accordance with clause 8.1(k)(2) of the constitution, the directors nominate Mr Andrew Bluhm to be elected as a director of the Company.”

	Votes	Percentage
For	44,151,171	78.88%
Open	119,058	0.21%
Against	11,700,106	20.90%
Abstain	56,069	

Important information

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