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Chief Executive Officer
HFA Holdings Limited

“Broker Update”

5 November, 2008

New York

Chicago

Florida

London

Hong Kong

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Sydney

Melbourne

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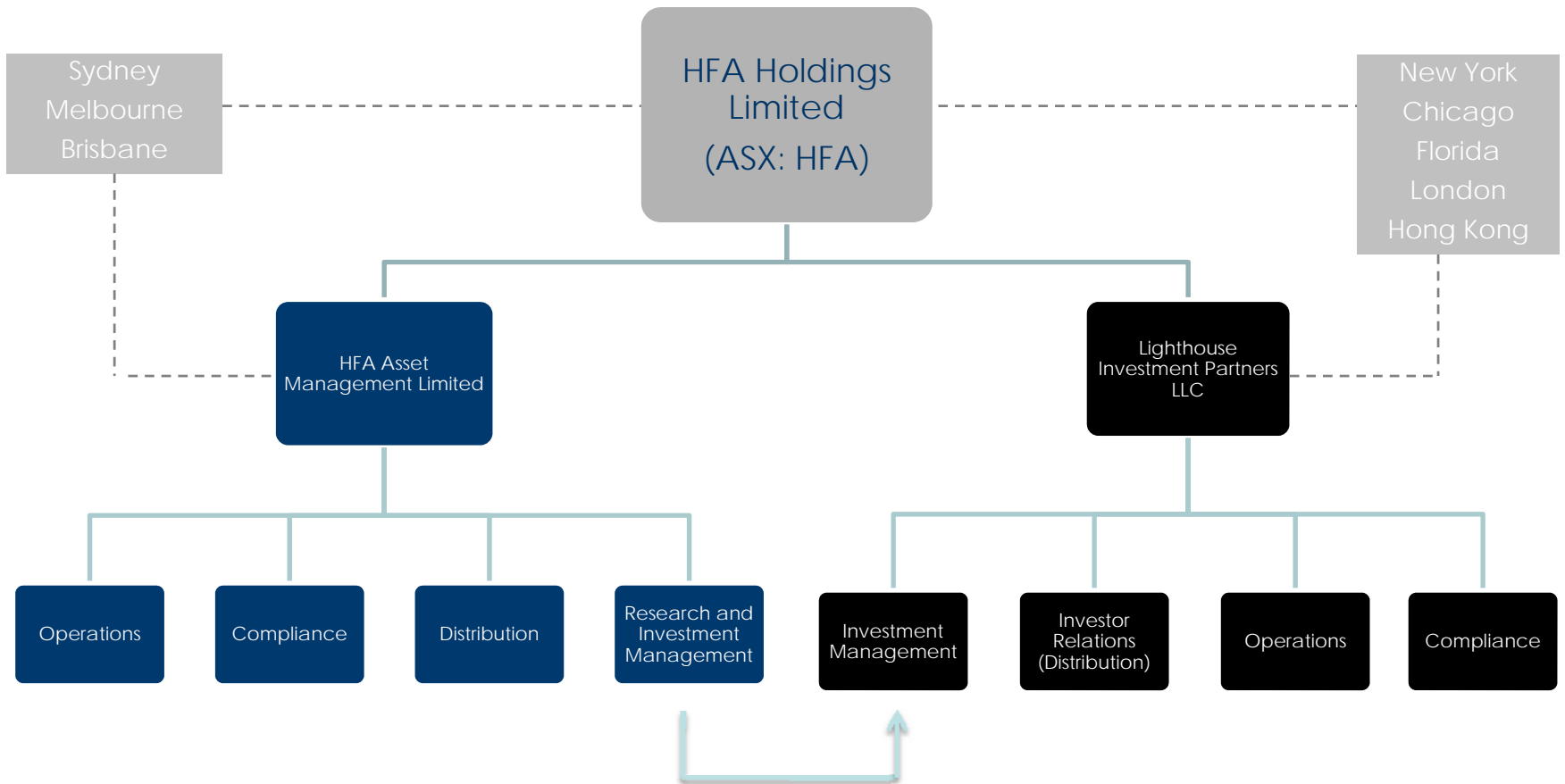
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AGENDA

1. Business Update
2. Fund Performance Update - LHP
3. Fund Performance Update – HFAAM
4. Industry Update
5. Outlook

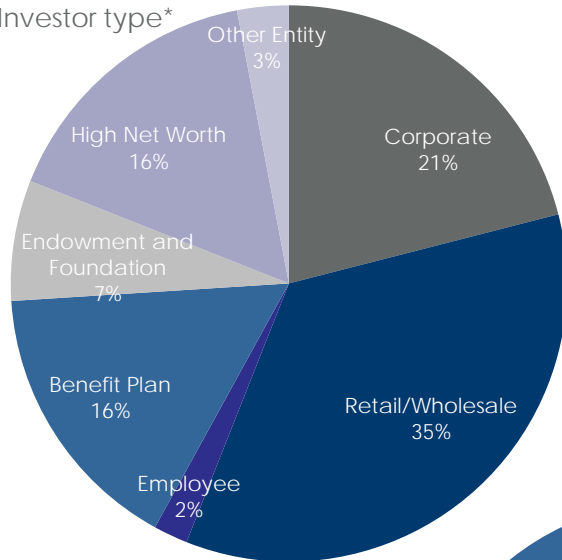
Corporate Structure



Investor Diversity

Investor Diversity

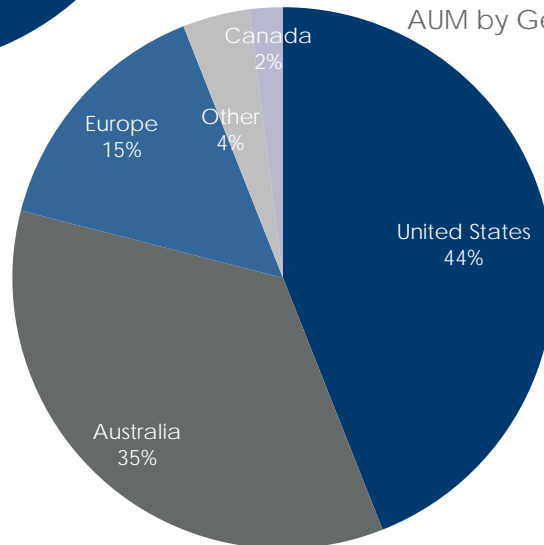
AUM by Investor type*



Comments

- HFA fund channels are highly diversified by both investor type and geography.
- Diversification reduces risk associated with any single market.
- Lighthouse acquisition provided stronger presence in both global institutional market and high net worth market

AUM by Geography*



International Organisation

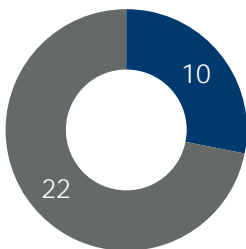
International Presence



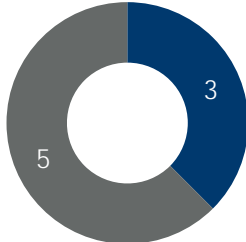
Comment

- HFA is a truly global absolute return investment manager with nearly 100 staff in locations around the world.
- International presence provides local knowledge on a global scale.

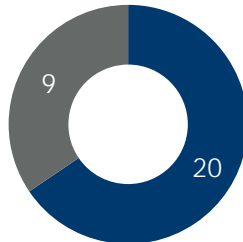
Operations
People - 32



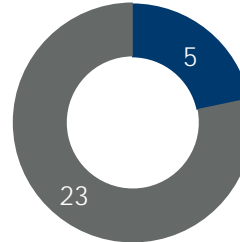
Compliance
People - 8



Distribution
People - 29



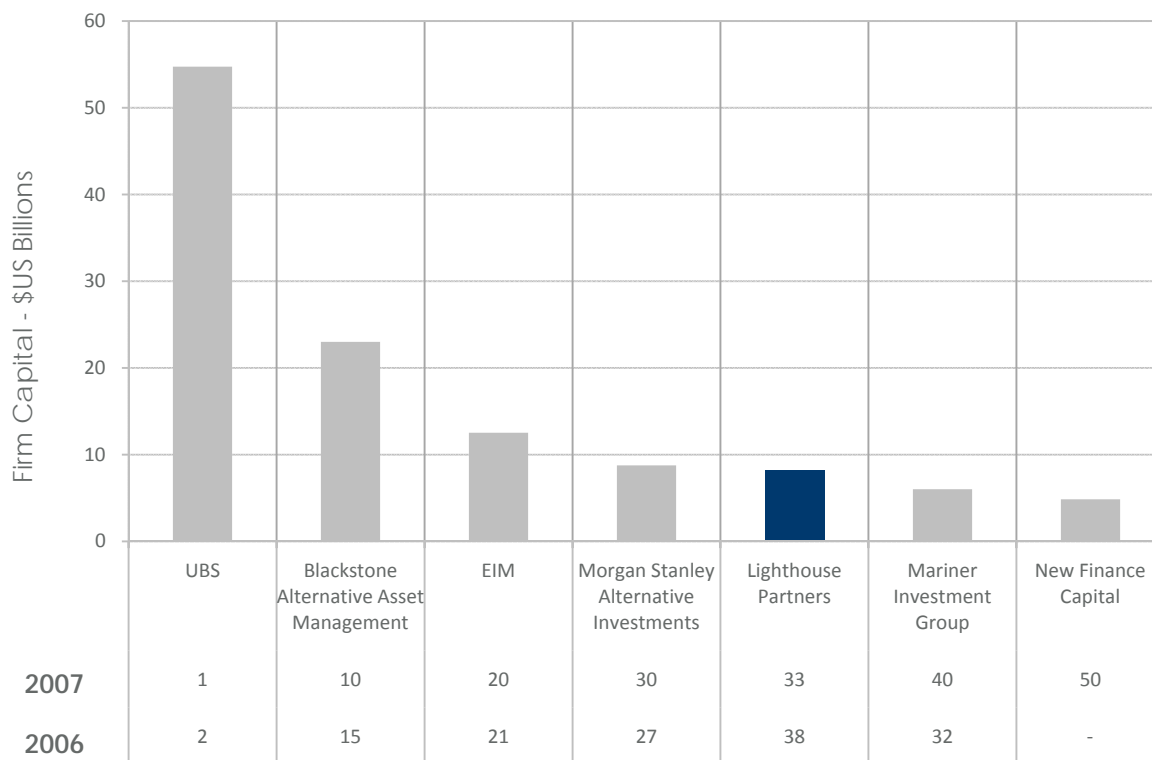
Investment
People - 28



- Australia
- USA/Europe/Asia

Global Ranking

Global Fund of Hedge Fund (FoHF) Rankings



Global Rankings

Comment

- HFA / LHP is ranked 33 in the top 50 global Fund of Hedge Fund (FoHF) managers
- Top 50 Global FoHF managers have a combined AUM of US\$750 billion

Group Fund Inflows

Quarterly Fund Inflows

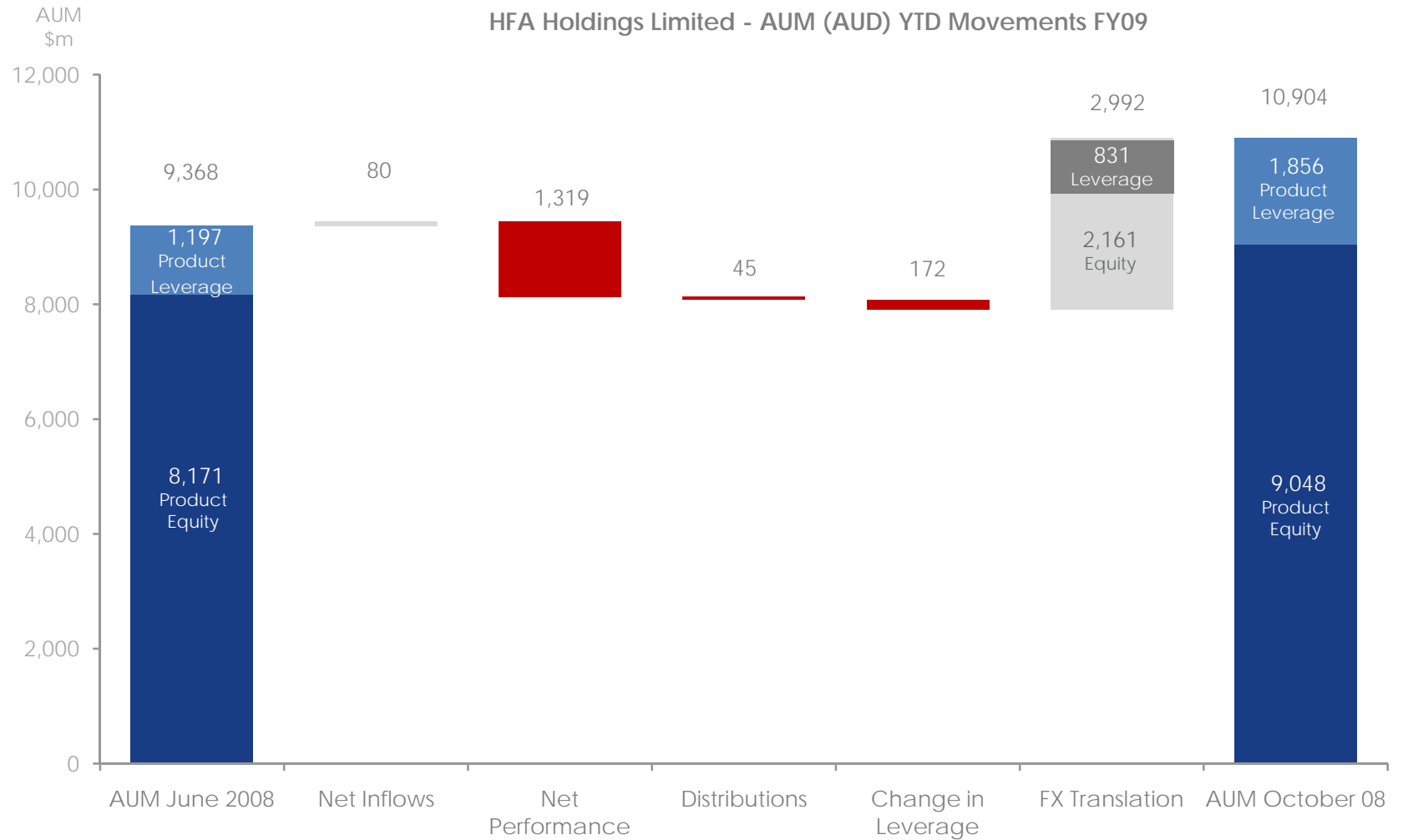
FY2008	Sep Qtr 2007*	Dec Qtr 2007*	Mar Qtr 2008	June Qtr 2008	Total
Net inflows (outflows) A\$m	\$100	\$103	\$116	\$215	\$534

FY2009	Sept Qtr 2008	Dec Qtr 2008**			Total (YTD)
Net inflows (outflows) A\$m	\$116	(\$36)	-	-	\$80

*excludes Lighthouse Partners inflows.

** October ONLY

Group AUM



Source: HFA, Lighthouse.

*FX conversion at month end spot rates

HFA Holdings - Debt Profile

Gearing Ratio

Pro forma	30 September, 2008
Debt / EBITDA ¹	1.9x
Financial undertaking to debt provider	< 3.5x

1. Includes pro forma full year Lighthouse earnings (1/7/07 – 30/06/08)

Minimum Interest Cover Ratio

Pro forma	30 September, 2008
EBITDA ² / Interest expense ¹	16.5x
Financial undertaking to debt provider	> 3.5x

1. Interest assuming acquisition took place on 1/7/07

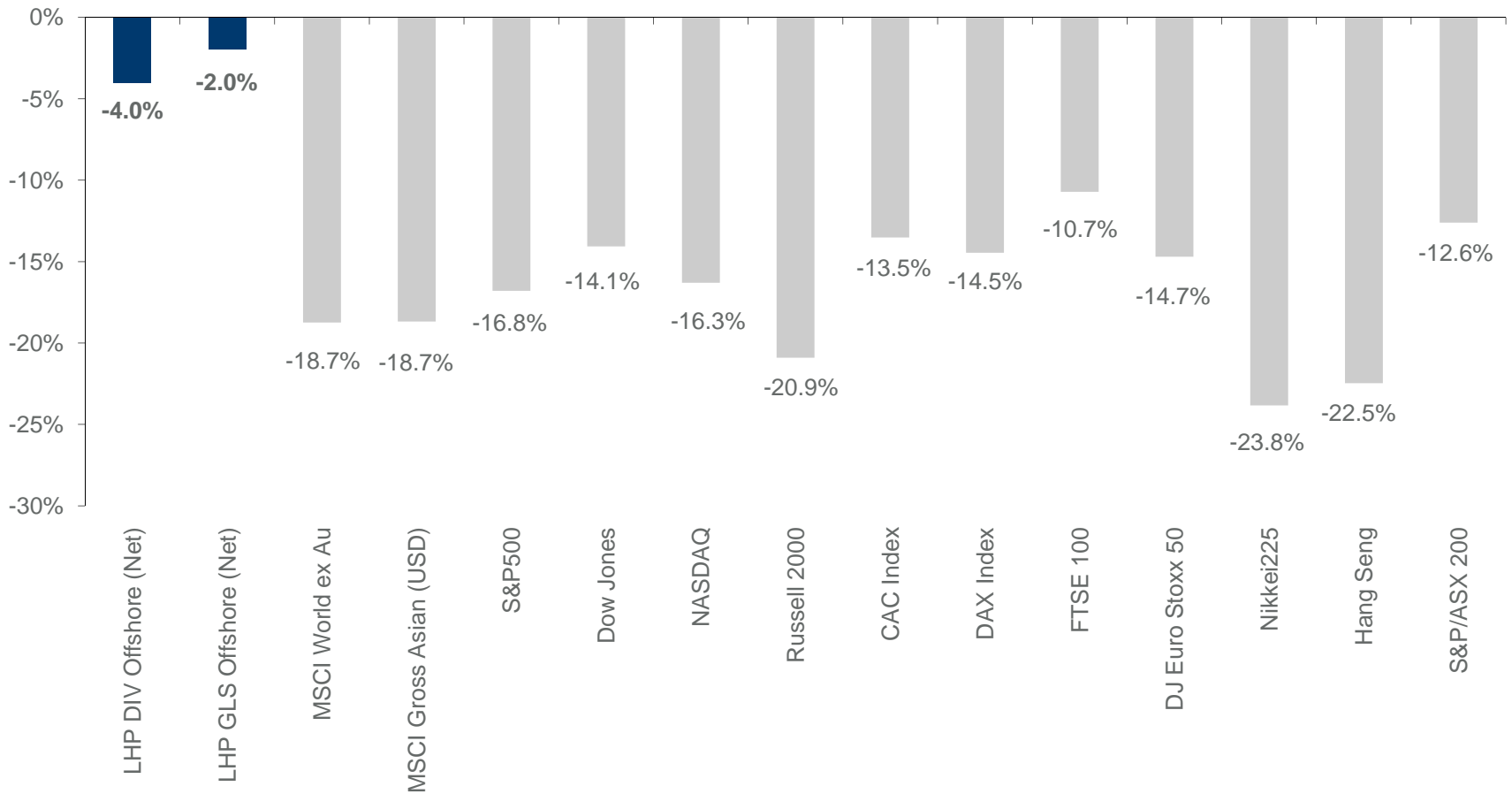
2. Includes pro forma full year Lighthouse earnings (1/7/07 – 30/06/08)

Comments

- Primary debt obligations
 - Lighthouse acquisition facility - US\$127.8m
 - Working capital - A\$10m (limit A\$30m)
 - No repayments due until end of 3 year term
- Funding costs
 - US\$ acquisition facility - recently fixed for remaining term of loan at LIBOR rate of 2.70% plus 80 bpts margin
 - Working capital - BBSY plus 80 bpts margin
- Cash
 - Total cash on hand as at 31 October 2008 was A\$45.6m
 - Non-committed cash as at 31 October 2008 was A\$22.9m

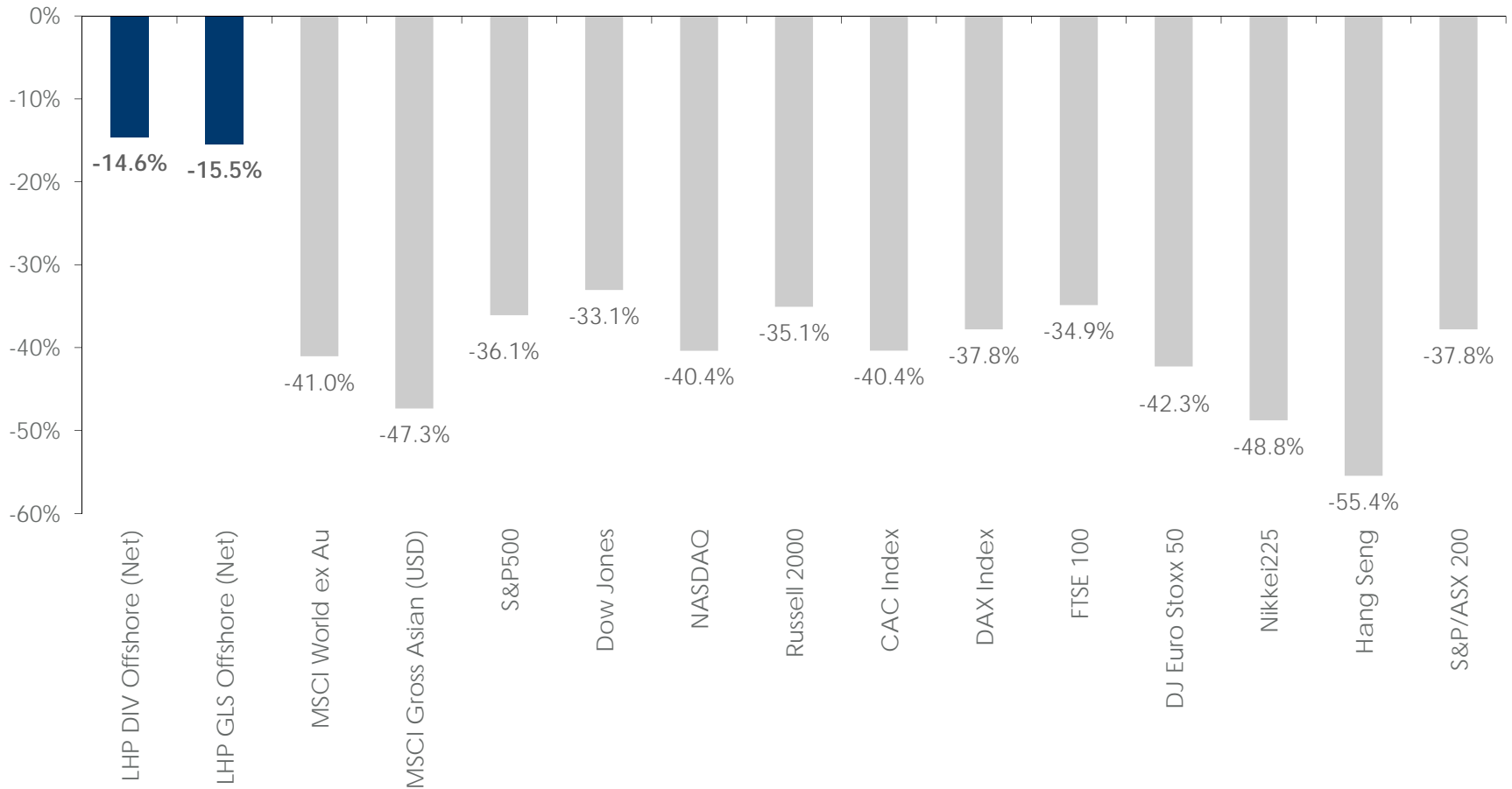
Core Fund Performance: October 2008

Comparative Returns – October 2008*



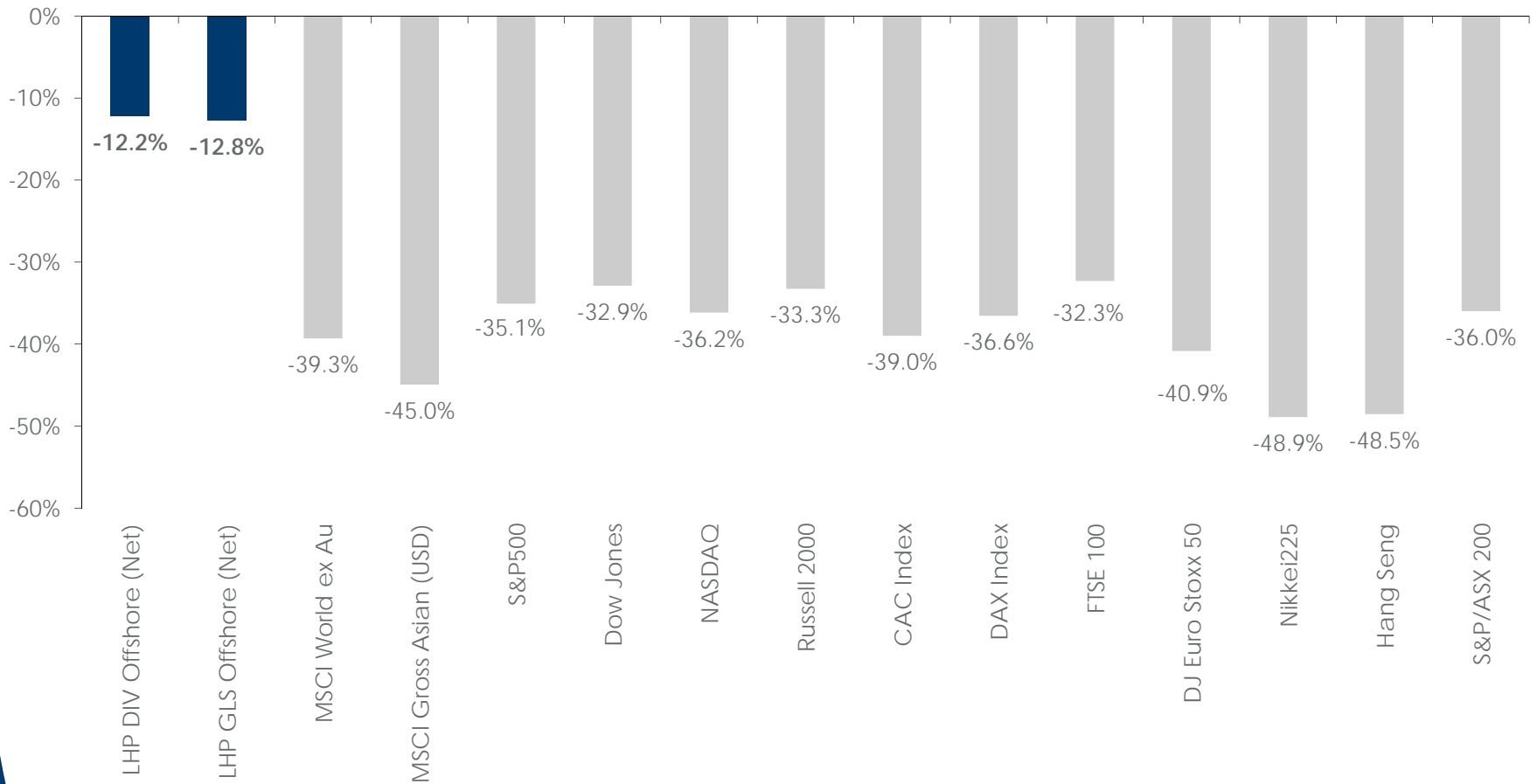
Core Fund Performance: 1 year

Comparative Returns - 12 months to 31 October, 2008*



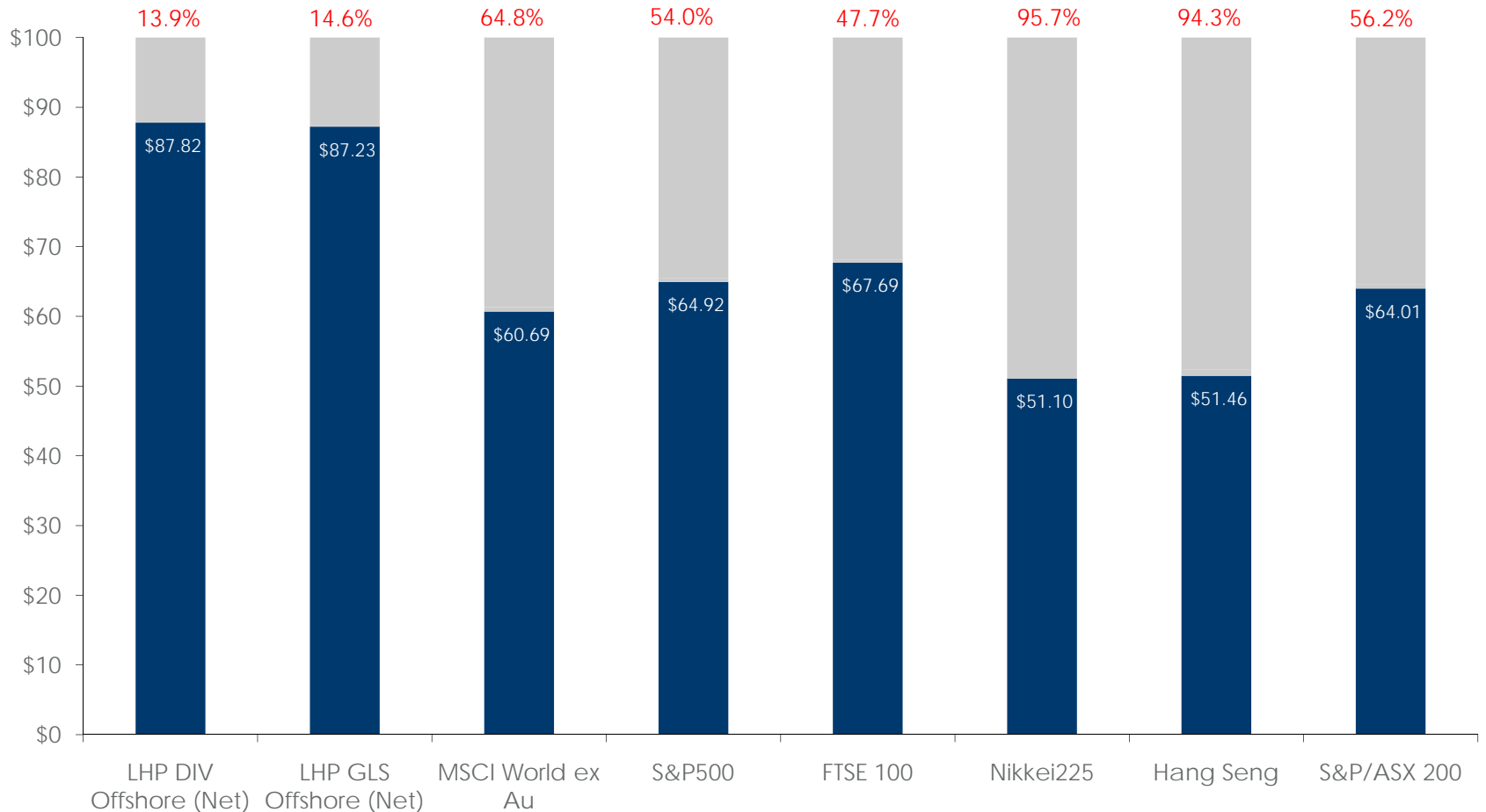
Core Fund Performance: "Since Market Highs"

Comparative Returns - 1 October, 2007, to 31 October, 2008*



Strong Relative Outperformance for Lighthouse Funds

Period 1 October, 2007, to 31 October, 2008*

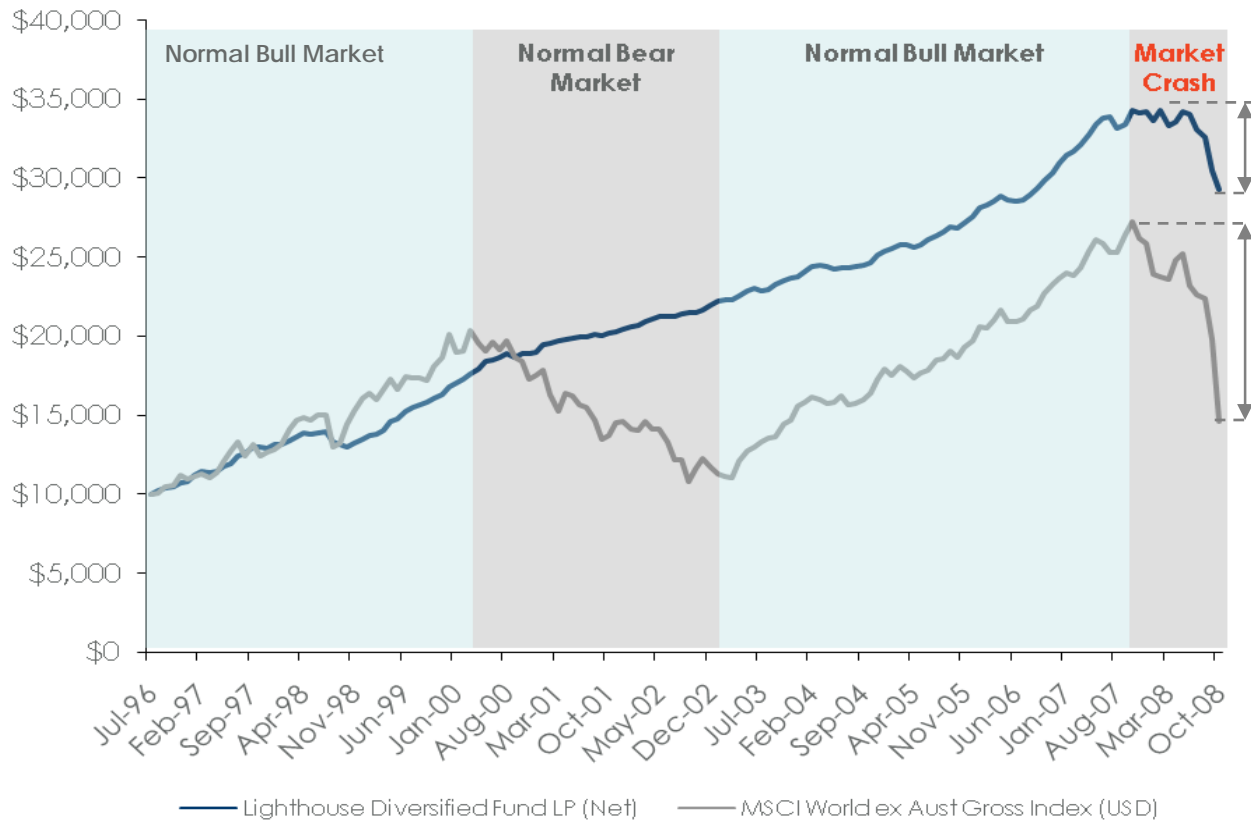


Capital retained from an initial \$100 invested AND the % return required to restore the initial capital investment

Capital Preservation

Preserving capital improves long term performance

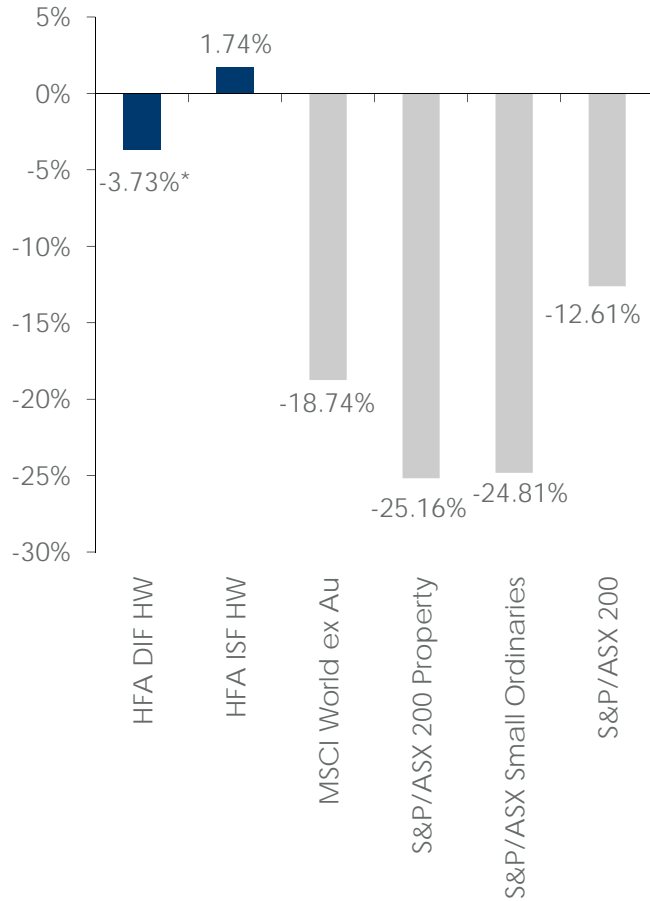
Comments



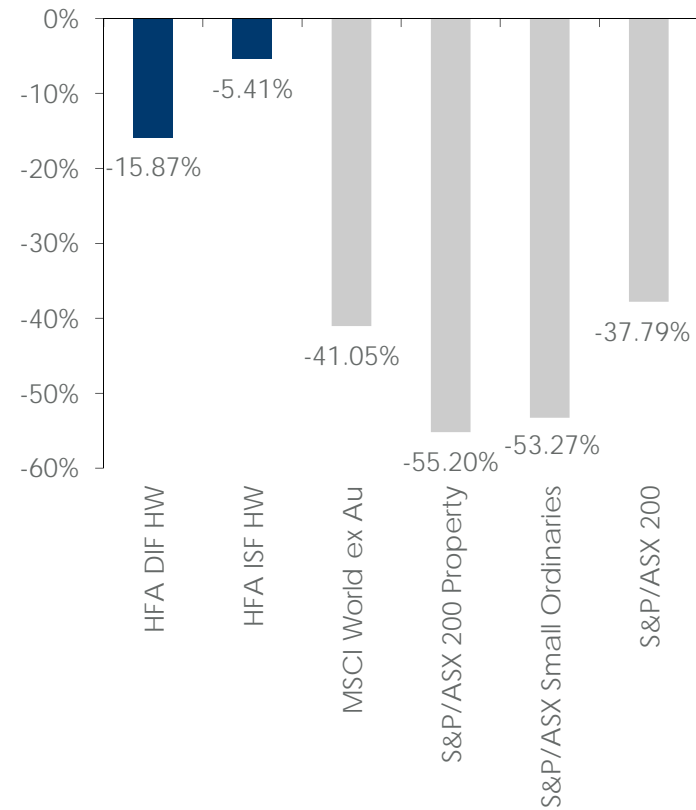
- Proven ability to generate profits in **normal rising or bull markets**
- Proven ability to protect capital or generate moderate profits in **normal bear markets**
- Demonstrated capital preservation character in **“crashing markets”**.

Strong Relative Outperformance for Australian Domestic Investors

October 2008

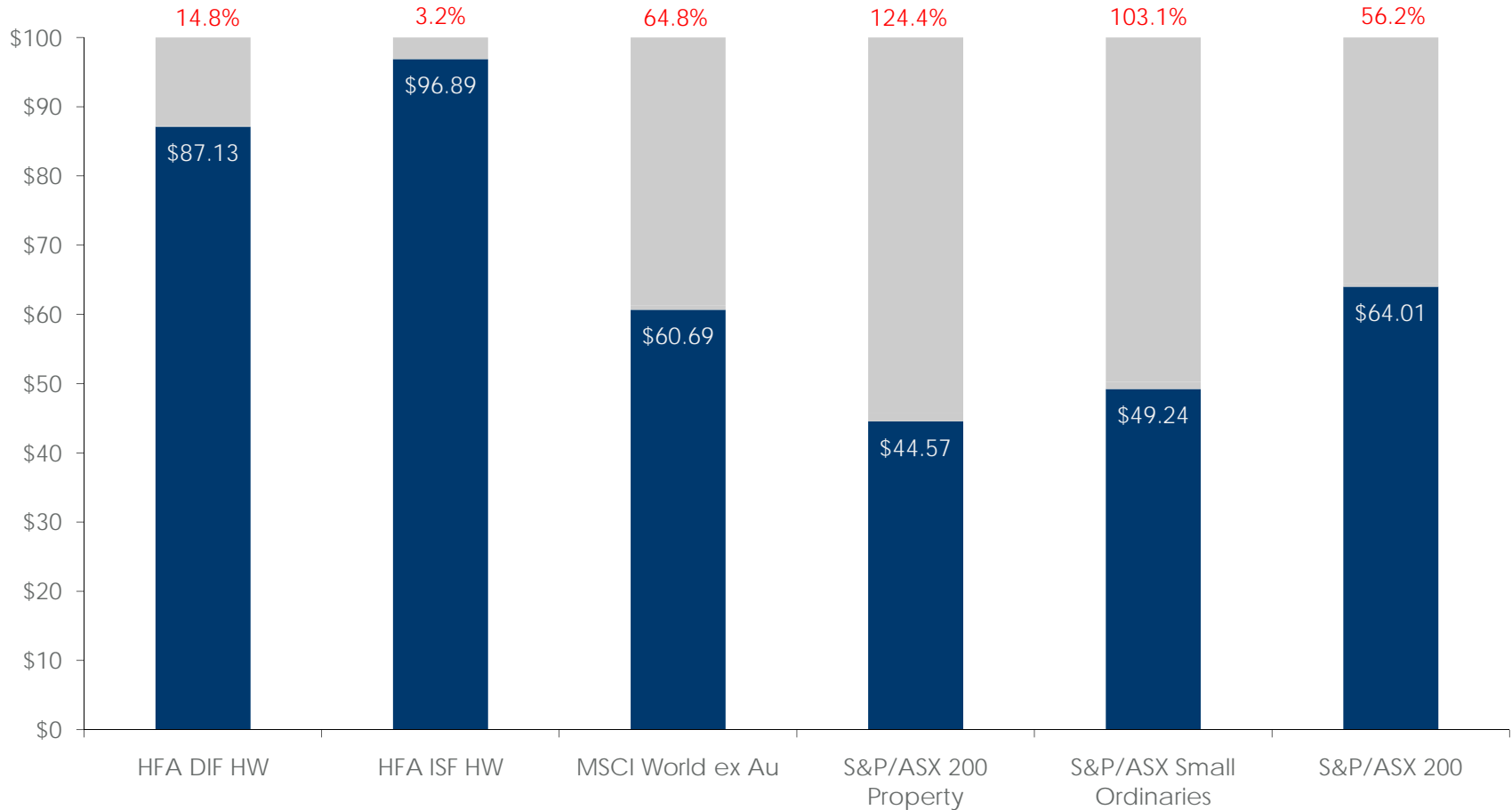


12 months to 31 October, 2008



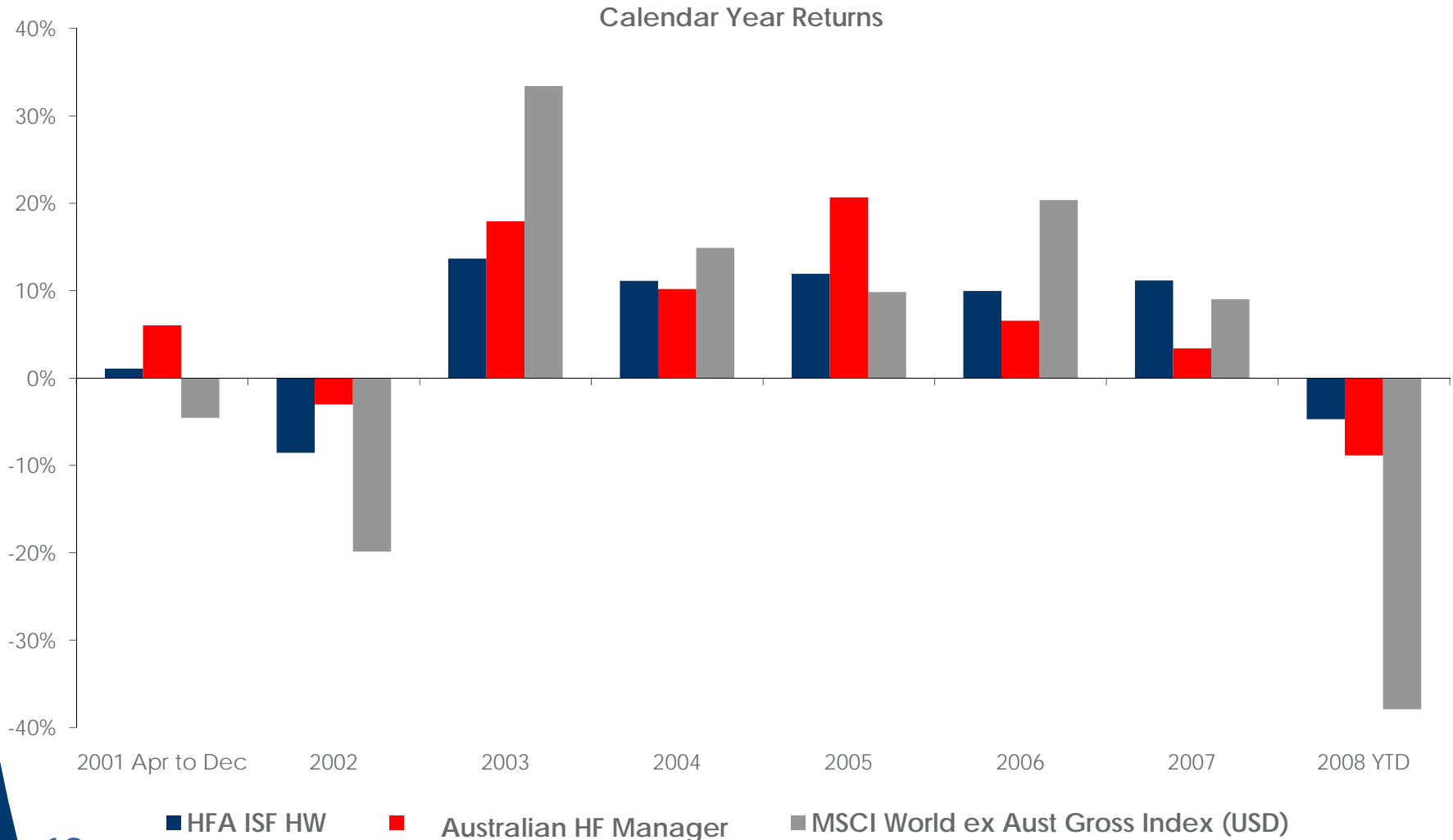
Strong Relative Outperformance for Australian Domestic Investors

Period 1 October, 2007, to 31 October, 2008*



**Capital retained from an initial \$100 invested AND
the % return required to restore the initial capital investment**

HFA AM performed well vs Australia's most prominent equity hedge fund....



Hedge Fund Industry Overview

- **Individual Hedge Fund and Investment Banks.** Failures look inevitable, as underdeveloped business models are forced to adapt to a lower risk and lower leverage environment. Business models with more diversified client bases and fee structures will be better positioned than those without. Those with less correlated investment strategies are better than those without. However, as long as investors continue to seek diversified investment portfolios, we believe the longer term industry outlook is robust **as competition (particularly from proprietary trading at investment banks) is reduced.**
- **Performance Issues.** In this combined “Credit / liquidity crunch” & “Falling equity market” (worst in 100 years) many hedge funds have failed to deliver non-correlated absolute returns. **The start of performance issues for hedge funds coincided with the failure of Lehman Brothers and the seizure of client assets.** Prior to Lehman Brothers failure, hedge funds were holding up very well given the volatile market conditions. **Because of the rapid changes in market conditions and regulation, hedge funds made the intelligent decision and de-leveraged into illiquid market conditions. The majority of hedge fund losses were not caused by directional market exposure but by realising wide bid/offer spreads on the long and short sides of their portfolios.** The average fund is down ~18% in 08, considerably less than global index declines of ~30%. The average hides a wide range but most funds can argue they have delivered some capital preservation, and have certainly outperformed most long-only or traditional asset classes.
- **Redemptions & Fund Closures.** We expect hedge funds redemptions to increase out to Dec 08 and average 20% - 30% of total industry AUM. We believe most funds have positioned themselves to facilitate calendar year end redemptions or into Q1. At the extremes, we expect that 20% - 30% of approx 10,000 individual funds may not survive this forced rationalisation of the industry. The converse is also true ie: 70% - 80% of hedge funds will successfully negotiate the market crisis and prosper in a post crash environment. **We believe a reduction in hedge funds will keep risk premium wider and should lead to better risk adjusted returns with lower leverage usage going forward.**

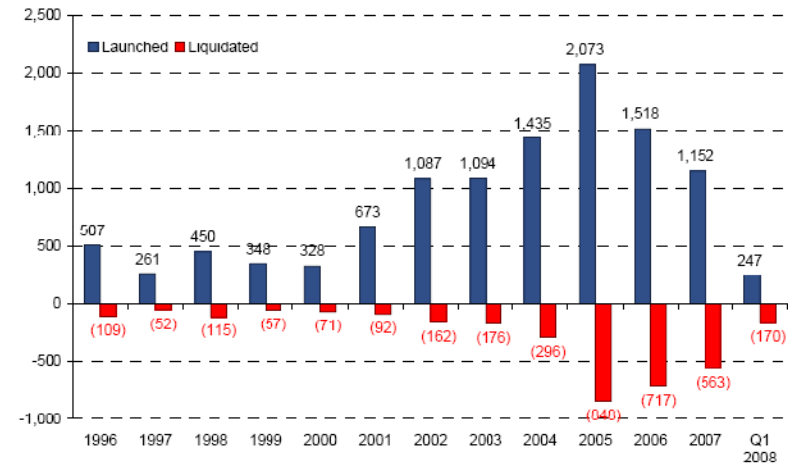
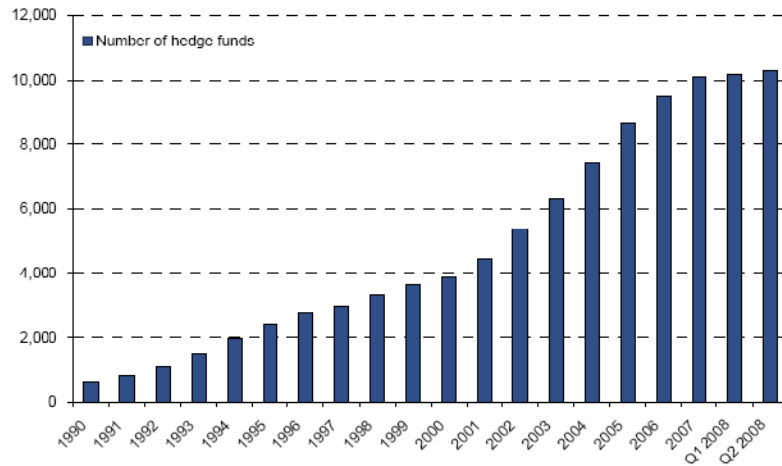
Hedge Fund Industry Overview

- **Investment Track Records & Experience.** The industry has grown rapidly over the past 5 – 10 years. We expect managers with longer track records and proven experience of managing through the market shocks of the 1990's and 2000's will be preferred to the newer managers.
- **What is the alternative?** A strong argument supporting the industry is the lack of better alternatives. Risk free assets have never been more expensive, and other investment strategies (long only equities, bonds, property etc.) have not performed any better (in fact most have performed dramatically worse) than the average hedge fund.
- **Industry consolidation.** For individual and FOHF hedge fund managers, increased scale may be the best way to manage the pressures of lower returns and reduced incomes. Clients are also likely to favour placing alternative assets with bigger managers or with FOHF's to minimise risk. We expect this to lead to a smaller, more concentrated industry with fewer, stronger players, and greater focus on genuinely market-neutral, non-correlated investment strategies. We believe that the current market crisis will in fact make the surviving hedge fund industry stronger, not weaker, in the longer term.
- **Industry Regulation.** It is uncertain to what extent regulation will be introduced. We would suggest that regulators will work in a more coordinated fashion to oversee the multi asset class operations of hedge funds. Greater disclosure is highly likely. Hedge funds are likely to face more stringent registration requirements and closer monitoring by international regulators. Overall this will make the industry stronger as it would open it up to a larger group of investors who in the past have shunned hedge funds due to its past opaque nature and de-regulated roots. **HFA and Lighthouse have been registered with their appropriate regulators since inception.**

Hedge Fund Industry Overview

September Qtr

- Hedge Fund redemptions¹ US\$31b
- Mutual Fund redemptions² US\$112b



Source: HFR Industry Reports © HFR, Inc. June 08, www.hedgefundresearch.com.

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Strategic Positioning & Outlook

Strategic Positioning:

- As one of the Top 50 in the global industry, HFA at #33 is well positioned to take advantage of any industry rationalisation
- A globally diversified client base has proven to be resilient while elsewhere significant redemptions have been industry wide
- A combination of US\$ and A\$ revenue places HFA earnings on a solid platform and removes uncertainty over debt service capability
- Strong “relative investment performance” positions HFA products well to participate in trend for asset allocation increases to alternatives
- Moderate budgeted expansion into Europe and Asia in FY09, expected to generate value in the medium term

Outlook:

- Challenging investments markets for the foreseeable future
- Capital preservation remains the highest priority for investment performance
- Retention and growth in FUM remains a key focus for the group
- Significant reduction in HFAAM product leverage (AUM) will materialise in the 2H with the quantum dependent on individual product performance
- A previously announced 40% share “buy back” planned for Accelerator Plus Limited (ASX:“HAP”) now deferred to March 09 and June 09
- HFA product portfolios retain compelling investment positions that could deliver above average returns



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