



08 July, 2008
ASX ANNOUNCEMENT

COMPANY UPDATE - JUNE QUARTER 2008

Investment Inflows

HFA Holdings Limited (ASX: HFA) wholly owned subsidiaries HFA Asset Management (HFAAM) and Lighthouse Investment Partners (LHP) reported positive investment inflows for the June Quarter 2008. Total net inflows of A\$215.87 million for the quarter continued the year to date trend of positive inflows. Details of product capital movements are provided in Appendix A to this announcement.

"The June Quarter was an extremely volatile quarter for domestic and international investment markets and the fact that HFAAM and LHP continued to receive net inflows is testament to the increasing awareness of absolute return funds as an intelligent way to invest, particularly during periods of intense volatility," said HFA Holdings Chief Executive Officer, Spencer Young.

Assets Under Management

Unlike most financial services companies, HFA Holdings group assets under management (AUM) have not decreased over the past 2 quarters, in fact they have increased. This is due in part to the continued net positive funds flows but more importantly, it is due to HFAAM's and LHP's ability to preserve capital (in their respective investment funds) in times of extreme market volatility.

Mr Young said "HFA Holdings provides our shareholders with a hedge against the negative impact that a bear market has on AUM and earnings of financial services stocks". This puts HFA Holdings in an enviable position compared to most financial services companies because when markets rebound HFA will continue to grow from its pre bear market base of AUM and not have to play catch up in AUM. Mr Young also said "Not only is absolute return investing good for the investors in our Funds, it is also good for our shareholders, who do not have to sit and watch our firm's AUM and earnings fall in line with falling markets".

Investment Performance

The company's core investment funds – the LHP Diversified Fund and the LHP Global Long Short Fund – continued to provide above average risk-adjusted returns in the June Quarter 2008. Together, the funds represent approximately 75% of HFA's total AUM. Historical performance for the LHP Diversified Fund, which is the largest HFA fund (approx A\$5.7 billion) and the LHP Global Long Short Fund, are demonstrated in Appendix B and in the charts attached to this announcement.

June 2008:

During June 2008, the MSCI World Index fell 8.00%, the S&P500 declined 8.43%, and the S&P500 200 fell 7.46%. Over the same period the LHP Diversified Fund was down only 0.25% (Net of all Fees) while the LHP Global Long Short Fund was down only 0.85% (Net of all Fees).



June Quarter 2008:

Recent LHP Fund performance should be compared against recent overall market performance where from March 31, 2008 until 30 June, 2008, the S&P500 declined 2.73%, the MSCI declined 1.61%, and the S&P ASX 200 declined 1.79%. In the same period the LHP Diversified Fund has delivered a positive return of 2.32% (Net of all Fees) and the LHP Global Long Short Fund demonstrated a positive return of 3.49% (Net of all Fees).

From Equity Market highs: October 2007 to June 2008:

Since the peak of the equity markets in October 2007 the capital preservation qualities of the HFA Funds has been robust, which is clearly demonstrated in Chart 1 below. The LHP Diversified Fund has delivered a positive return of 1.98% (Net of all Fees) while the LHP Global Long Short Fund delivered a negative return of 3.66% (Net of all Fees). These returns are against negative returns of 12.37% for the MSCI, negative 14.85% for the S&P 500 and negative 18.22% for the S&P ASX 200.

Financial Year ended 30 June 2008:

Finally over the financial year ended 30 June 2008 the benefits of absolute return investing are clearly demonstrated with negative returns of 13.12% on the S&P 500, negative 13.40% on the S&P ASX 200 and negative 10.46% on the MSCI versus a positive return of 0.11% (Net of all Fees) for the LHP Diversified Fund and a negative return of 4.06% (Net of all Fees) on the LHP Global Long Short Fund.

NOTE: All LHP return numbers include an estimate for June 2008 and as such are estimates only.

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APPENDIX A – FY08 NET FUND FLOW TRENDS

	Sep Qtr -07	Dec Qtr -07	Mar Qtr -08*	Jun Qtr -08*	FY 2008 Total
Net Inflow (A\$m)	100.45	103.02	116.07	215.87	535.41

* 2H FY 2008 net inflow includes Lighthouse Partners investment inflow

APPENDIX B – FUND PERFORMANCE (Net of all Fees) as at 30 June 2008

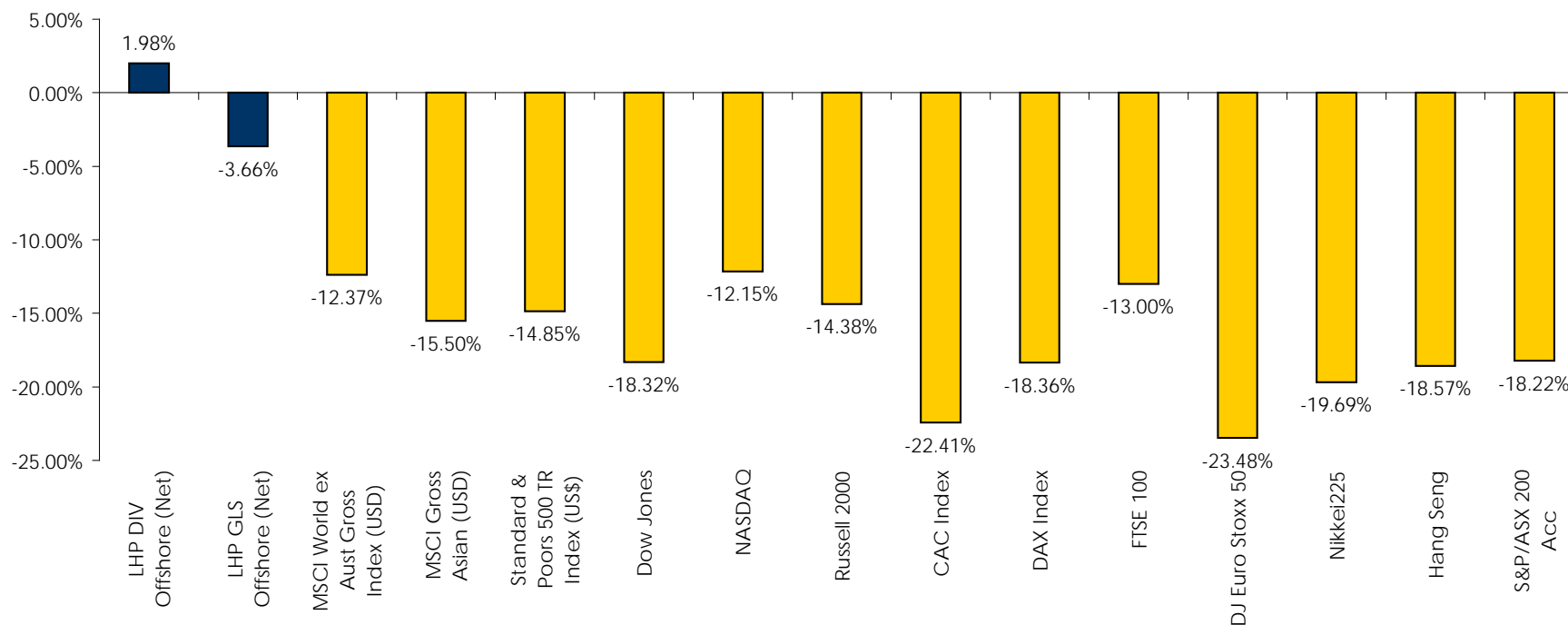
	LHP Diversified Fund ¹	LHP Global Long Short Fund ¹	MSCI World Ex Au (USD)	Standard & Poors 500 TR Index (US\$)	S&P/ASX 200 Accumulation Index	UBS Composite 0 + Years
1 Month	-0.25%	-0.85%	-8.00%	-8.43%	-7.46%	0.29%
3 Months	2.32%	3.49%	-1.61%	-2.73%	-1.79%	0.41%
6 Months	-0.57%	-4.82%	-10.33%	-11.91%	-15.92%	2.63%
12 Months	0.11%	-4.06%	-10.46%	-13.12%	-13.40%	4.42%
2 Years	8.03%	9.72%	5.22%	2.36%	5.55%	4.20%
3 Years	8.13%	8.99%	9.13%	4.41%	11.35%	3.94%
4 Years	7.77%	9.06%	9.35%	4.88%	14.93%	4.89%
5 Years	7.10%	n/a	12.23%	7.58%	16.23%	4.37%
Inception p.a.	6.83%	9.09%	Since Inception Return are different for various Funds			
Inception Total	63.21%	47.90%				

1. Please note that the 30 June 2008 performance numbers for the LHP Funds are estimates

- For all HFA product performance visit www.hfaam.com.au and www.lighthousepartners.com

Chart 1 below shows the returns of the Lighthouse Partners Diversified Fund and Global Long Short Fund (Net of all Fees) compared to global market indices for the period from 1 October 2007 to 30 June 2008.

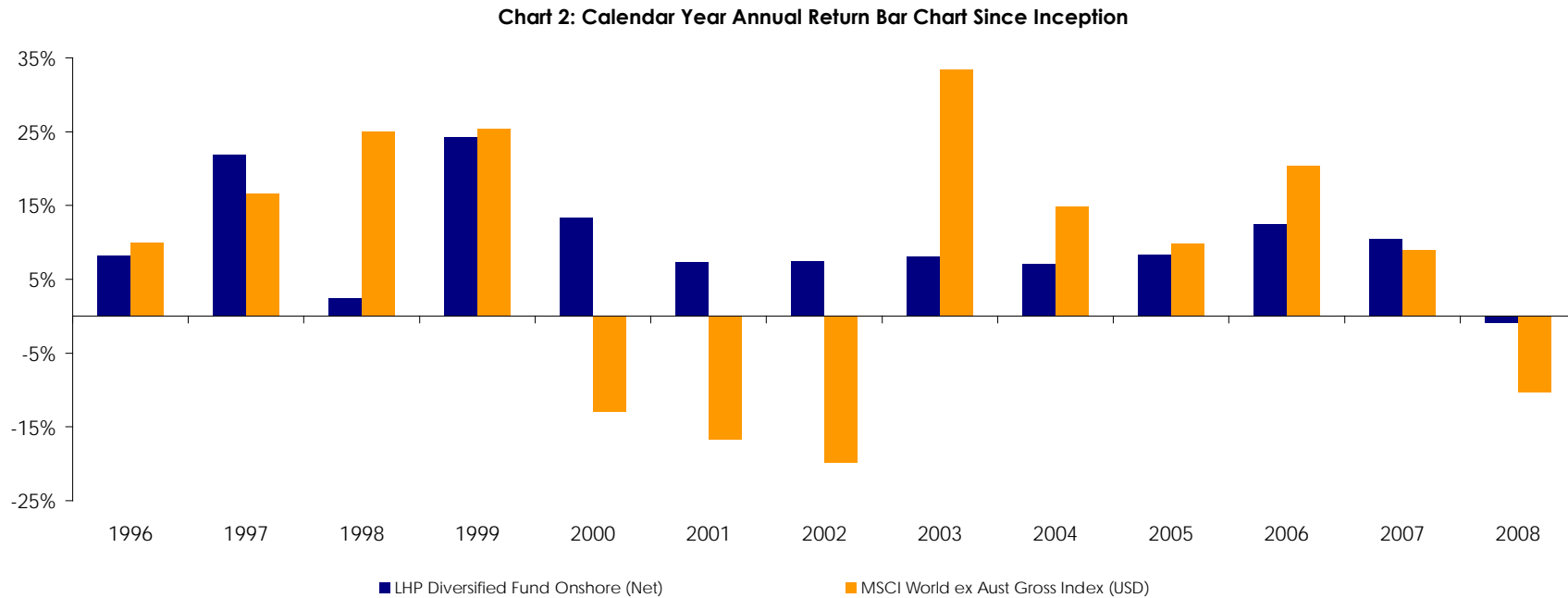
Chart 1: Returns from 1 October 2007 to 30 June 2008



Returns for the Lighthouse Partners Diversified and Global Long Short Fund include estimates for June 2008

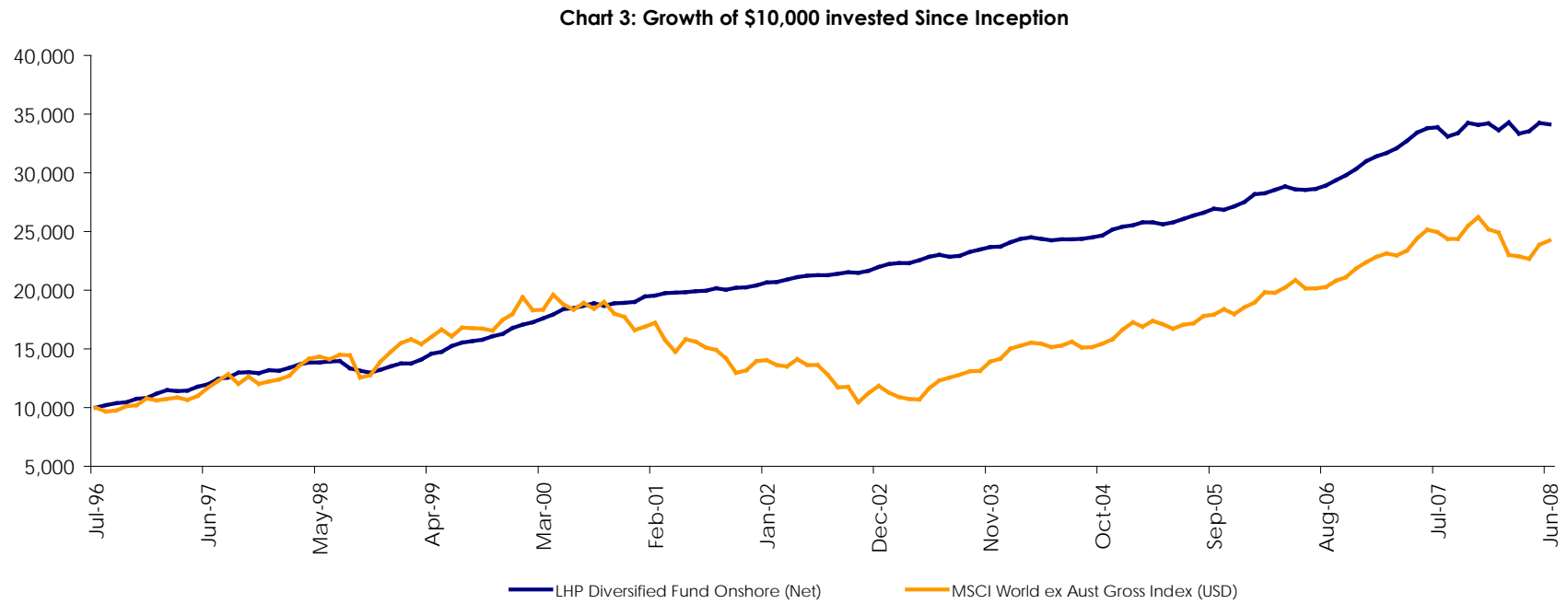


Chart 2 below demonstrates the consistent annual performance and low volatility of the Lighthouse Diversified Fund (Net of all Fees) since inception in August 1996.



Returns for the Lighthouse Partners Diversified Fund include estimates for June 2008

Chart 3 shows the growth of \$10,000 if invested in the Lighthouse Diversified Fund (Net of all Fees) at inception in August 1996.



Returns for the Lighthouse Partners Diversified Fund include estimates for June 2008