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Full Year Results Presentation

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New York Chicago Florida London Hong Kong Brisbane Sydney Melbourne

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AGENDA

1. Introduction
2. Review of Results
3. Business Profile
4. Fund Performance
5. Outlook



INTRODUCTION

Review of International Events – 2008-2009

The Global Financial Crisis (GFC) triggered a complete re-evaluation of the concepts of “value” and “risk”

- Sub-prime Crisis**
 - Triggered by a dramatic rise in mortgage delinquencies and foreclosures in the United States.
 - Crisis created by excessive leverage and poor underwriting
 - Securities (CDOs etc) backed with sub-prime mortgages, widely held by financial firms, have either lost most of their value or questions remain as to how they should be valued.
- Banking Crisis**
 - Questions over asset quality and solvency of banks created a lack of confidence, resulting in the collapse and subsequent bailout of many banks and financial institutions (*Bear Sterns, Lehman Brothers, Washington Mutual, Merrill Lynch, AIG, Northern Rock, RBS and HBOS*).
- Credit Crisis**
 - The de-leveraging process by banks created (post Lehman Bros failure) a freeze in bond and commercial paper markets with credit, fixed income and other markets also affected / freezing up.
- Economic Crisis**
 - The combination of these events began to impact real economies with most developed countries entering technical recessions.
- Recovery**
 - Early signs evident of economic recovery in the United States while Australian economy proving relatively resilient.

Impact of Global Financial Crisis on Hedge Funds

A smaller pool of better managers, with greater transparency, will provide more opportunities for fund of hedge fund managers to generate high risk-adjusted returns in the future

Challenges

- Major dislocation of global financial systems created unprecedented trading environment
- Complete re-evaluation of all "value" and "risk" assumptions across the global financial system
- Reduced access to financing/leverage facilities
- Market desire for greater transparency and simpler structures for corporations, financial services providers and hedge funds
- Reduced confidence in hedge funds brought about by failure to deliver "absolute" returns and some high profile fund failures
- Government intervention in the functioning of listed capital markets (eg: ban on short selling)
- Distortion of capital flows brought about by Government guarantees on bank deposits and cash / money market accounts

Facts

- Fund of Hedge Fund performance has dramatically outperformed traditional asset classes throughout the current crisis
- Investors have benefited from the diversification which is at the core of the fund of hedge fund investment strategy
- Firms like HFA with strong risk management, due diligence and corporate governance standards are well positioned to better preserve capital during market dislocation
- Many sub-standard hedge funds and fund of hedge funds will not survive and the industry faces the prospect of greater regulation



REVIEW OF RESULTS

as at 30 June 2009

Business Scorecard

\$M	HFA Asset Management		Lighthouse Partners		HFA Holdings		
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	% Change
Funds Under Management	1,585	2,350	4,038	5,516	5,623	7,866	(29%)
Assets Under Management	2,125	3,852	4,038	5,516	6,163	9,368	(34%)
Investment Fund Flows	(178)	323	(1,864)	212	(2,042)	535	-

\$M	HFA Asset Management		Lighthouse Partners		HFA Holdings		
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	% Change
Management Fee Revenue	34.66	50.67	75.71	38.41	110.37	89.08	24%
Performance Fee Revenue	(0.16)	8.73	1.00	0.44	0.84	9.17	(91%)
Operating Expenses¹	13.43	12.70	29.46	13.41	42.89	26.11	64%
EBITDA (before significant non-cash items²)	11.90	24.31	40.75	25.85	52.65	50.16	5%

1. Operating expenses, net of other income and FX gain / (loss) on operating activities.

2. Significant items for financial year ended 30 June 2009 refers to non-cash equity settled transactions and non-cash impairment losses. Significant items for the financial year ended 30 June 2008 refers to non-cash equity settled transactions and foreign currency gains on derivative instruments.

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Note: Financial results for the year ended 30 June 2009 include the first full year contribution from the Lighthouse Group which was acquired on 3 January 2008.

Financial Overview

\$M	30 June 2009	30 June 2008	% Change
Net operating income	95.54	76.27	25%
EBITDA (before significant non-cash items ¹)	52.65	50.16	5%
NPAT	(573.18)	35.17	-
Basic EPS	(124.64)	10.07	-
Adjusted Cash EPS	8.86	10.07	-
Dividend per share (cents)	3.5	6.1	(43%)
Weighted Average Shares on Issue (shares)	459,869,086	349,255,193	32%

1. Significant items for financial year ended 30 June 2009 refers to non-cash equity settled transactions and non-cash impairment losses. Significant items for the financial year ended 30 June 2008 refers to non-cash equity settled transactions and foreign currency gains on derivative instruments.

Note: Financial results for the year ended 30 June 2009 include the first full year contribution from the Lighthouse Group which was acquired on 3 January 2008.

Financial Results

\$M	30 June 2009	30 June 2008	% Change
Management fee revenue	110.37	89.08	24%
Performance fee revenue	0.84	9.17	(91%)
Other	1.64	0.34	382%
Operating Revenue	112.85	98.59	14%
Investment costs	(17.31)	(22.32)	(22%)
Net Operating Income	95.54	76.27	25%
Expenses ¹	(42.89)	(26.11)	64%
Operating EBITDA (before EST)²	52.65	50.16	5%
Equity settled transactions	(12.40)	(0.55)	2155%
FX gain on derivative instrument	-	9.00	-
Operating EBITDA (after EST)²	40.25	58.61	(31)%
Depreciation and amortisation	(14.95)	(6.93)	116%
Impairment	(599.53)	-	-
Net interest income/ (expense)	(6.23)	(0.79)	689%
Profit/loss Before Tax	(580.46)	50.89	-
Income tax (expense)/benefit	7.28	(15.72)	-
Profit/(loss) After Tax	(573.18)	35.17	-

1. Operating expenses, net of other income and FX gain / (loss) on operating activities.
2. Non-cash equity settled transactions.

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Note: Financial results for the year ended 30 June 2009 include the first full year contribution from the Lighthouse Group which was acquired on 3 January 2008.

Adjusted Cash EPS¹

\$M	30 June 2009	30 June 2008	% change
NPAT (including FX gain)	(573.18)	35.17	-
Adjustments			
Income tax adjustment ²	(12.96)	2.66	(587%)
FX gain on hedging contract	-	(9.00)	-
Depreciation and amortisation	14.95	6.93	116%
Impairment expense	599.53	-	-
Equity settled transactions	12.40	0.55	2153%
Adjusted cash earnings	40.74	36.31	12%
Weighted average number of shares (shares)	459,869,086	349,255,193	31%
Adjusted cash earnings per share (cents)	8.86	10.40	(14%)

1. Adjusted Cash EPS represents EPS adjusted for significant non-cash and other items as shown above.
2. Adjust income tax per the income statement for actual tax paid / accrued relating to the relevant financial year.

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Note: Financial results for the year ended 30 June 2009 include the first full year contribution from the Lighthouse Group which was acquired on 3 January 2008.

Key Drivers of Result

The full year result was characterised by strong underlying cash earnings but severely impacted by acquisition-related impairment expense

Net Operating Income
(up \$19.27m, 25%)

- Increase attributable to full year contribution from Lighthouse of \$70.21m (2008: \$39.25).
- Increase offset by reduction in management and performance fees received from HFAAM due to difficult market conditions.

Expenses
(up \$16.78m, 64%)

- Increased expenses due largely to the inclusion of a full year of Lighthouse expenses.
- Offset by cost control measures across the Group.

Equity Settled Transactions
(up \$12.40m)

- An expense of \$12.40m (2008: \$0.55) relating to employee incentive schemes was recognised during the year. This is a non-cash expense to the company.

Impairment
(\$599.53m)

- An impairment expense has been recognised in relation to goodwill management rights and non-current receivables in the Australian business (\$13.91m) and goodwill relating to the merger with Lighthouse (\$585.62m).

Debt Profile

Minimum Interest Cover Ratio

	FY09
EBITDA / Interest expense ¹	6.9x
Financial undertaking to debt provider	>1.5x

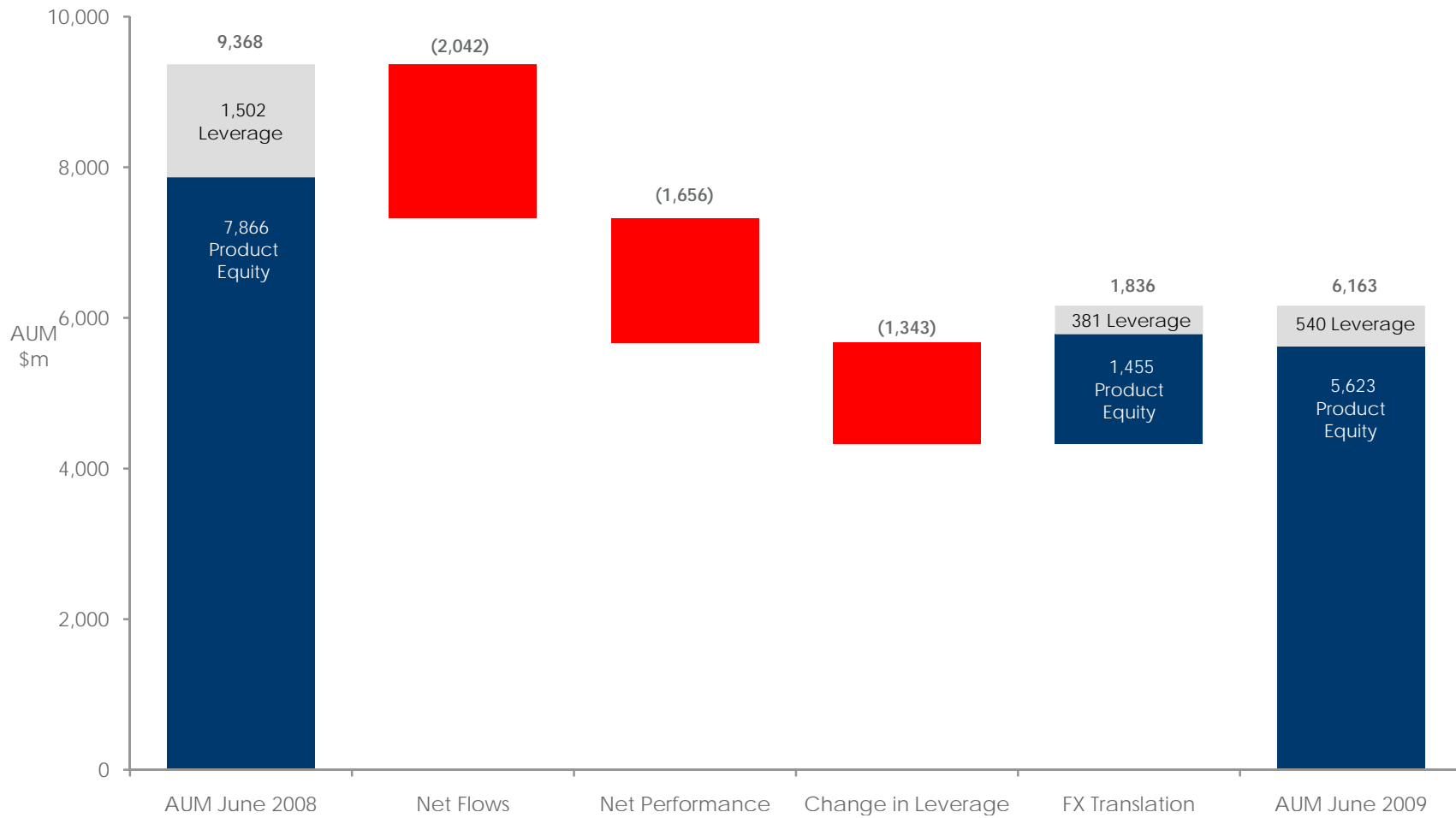
Minimum Assets Under Management

	FY09
Assets Under Management (US\$)	US\$5.0 billion
Financial undertaking to debt provider	>US\$2.6 billion

Comments

- Negotiated amendments to primary corporate loan facility in February 2009.
- Facility extended until November 2011.
- Amended facility does not include Gearing Ratio covenant.
- Reduction in US\$ denominated debt from US\$127.8 million to US\$113.1 million, and its A\$ denominated debt from A\$10 million to A\$6.9 million.
- Primary debt obligations:
 - Lighthouse acquisition facility – US\$113.0m
 - Working capital facility - A\$6.9m
- Amended facility will adequately support the company through the current market.

Group AUM Movement - 2009

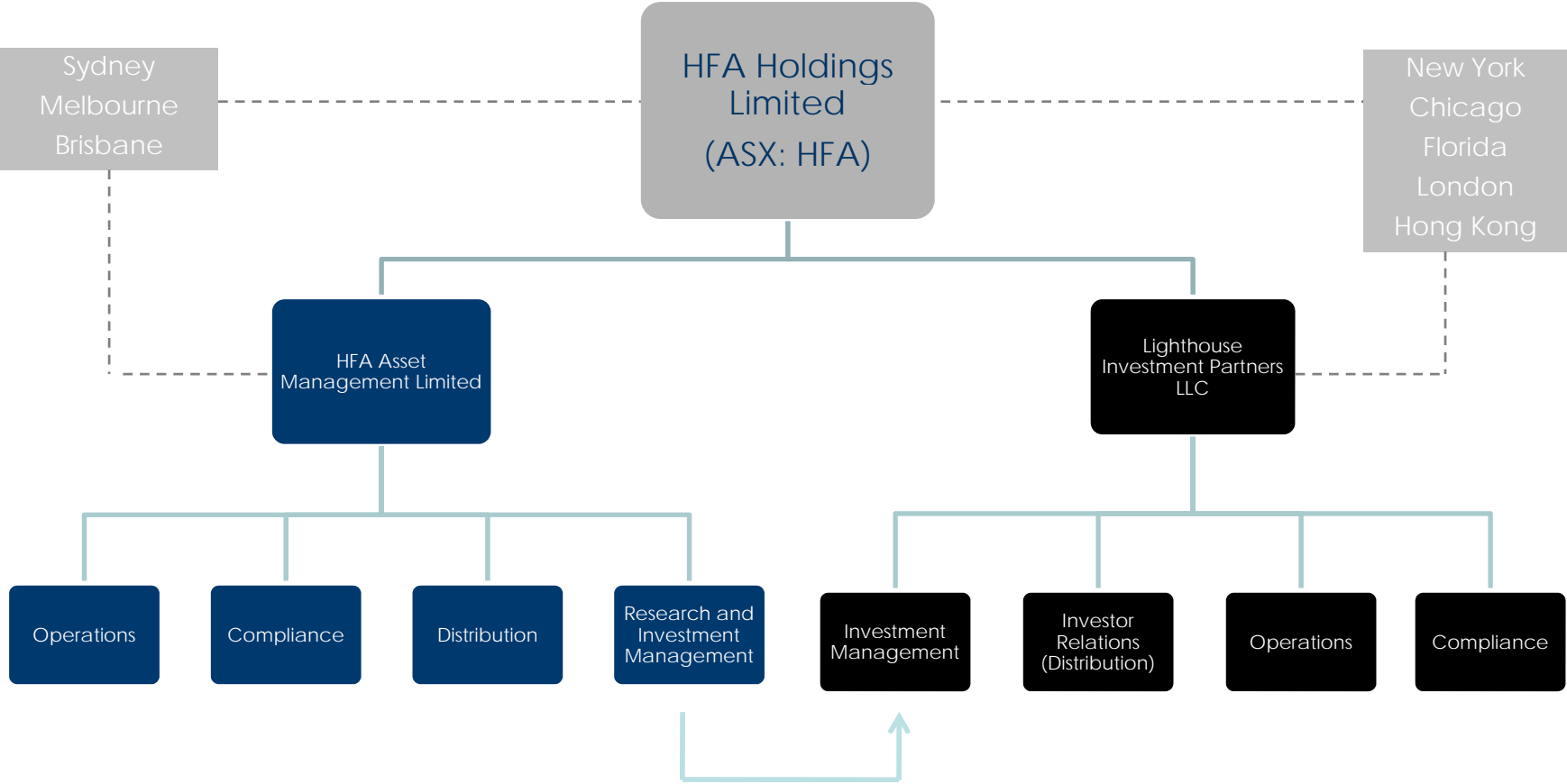




BUSINESS PROFILE

as at 30 June 2009

Corporate Structure



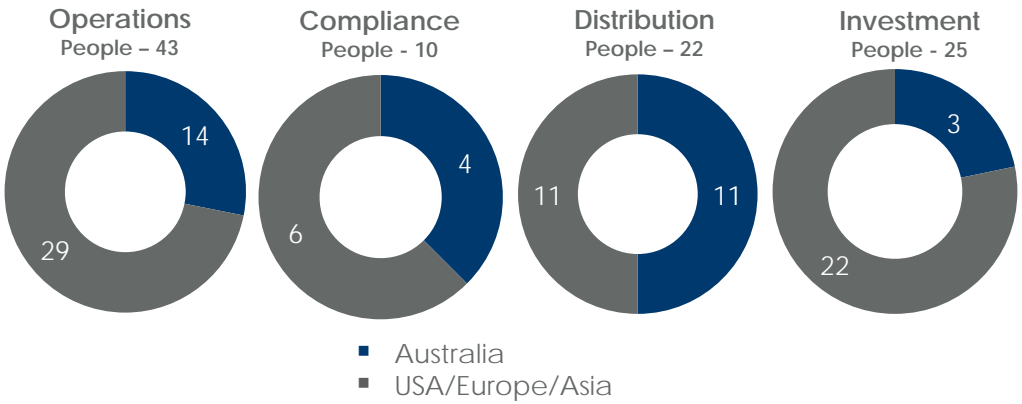
International Organisation

International Presence



Comment

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





FUND PERFORMANCE

as at 30 June 2009

Lighthouse Partners Product Performance

Comparative Fund Returns to 30 June, 2009

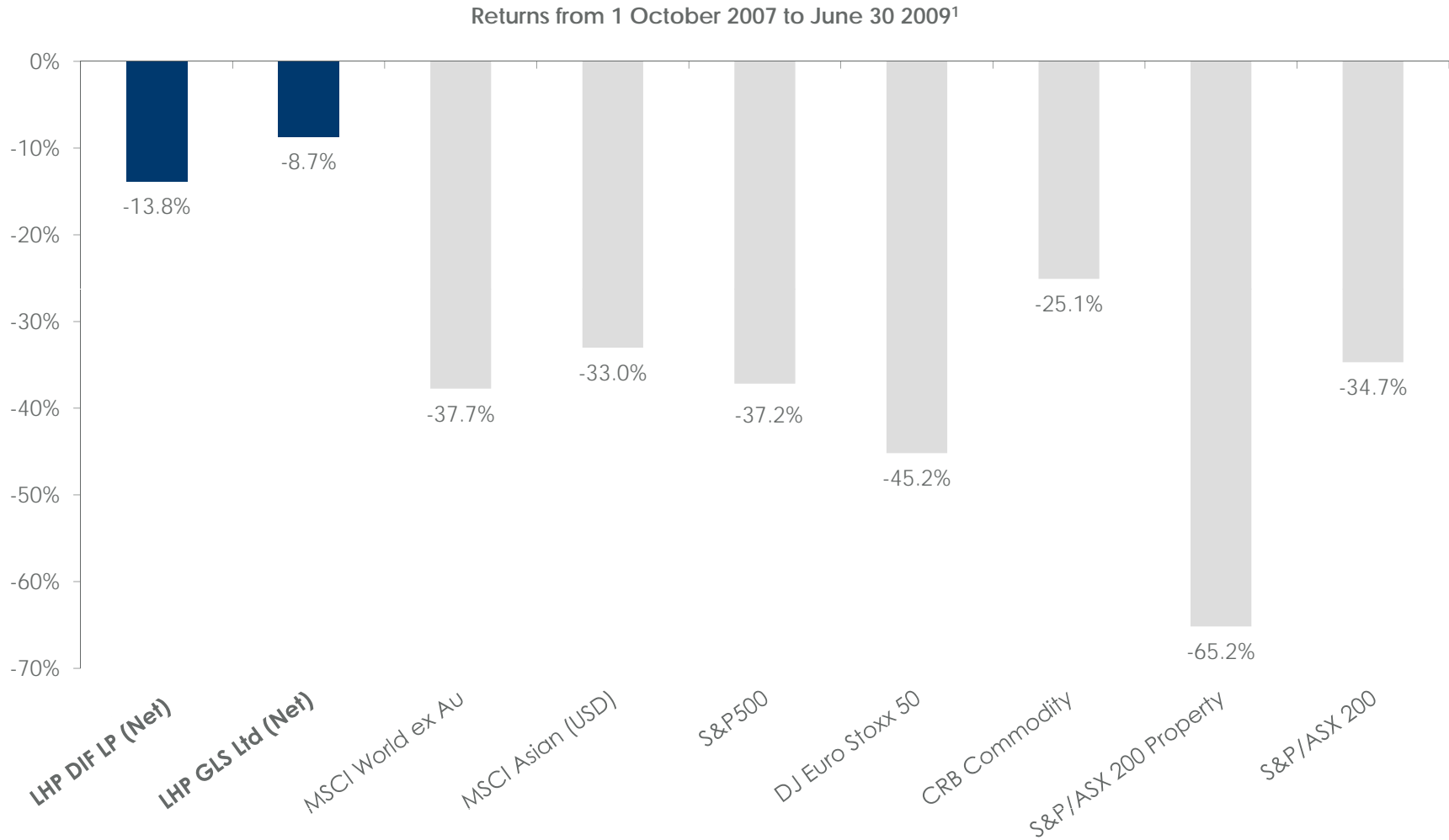
	LHP Diversified Fund LP (Net)	LHP Global Long Short Fund Ltd (Net)	MSCI World Ex Au (USD)	MSCI Gross Asian (USD)	S&P/ASX 200 Accumulation Index	Standard & Poor's 500 TR Index (US\$)
1 Month	1.43%	0.64%	(0.59%)	0.73%	4.01%	0.20%
3 Months	6.10%	4.28%	20.80%	28.16%	11.29%	15.39%
6 Months	8.51%	5.06%	6.21%	15.39%	9.08%	3.16%
12 Months	(15.46%)	(5.28%)	(28.95%)	(20.73%)	(20.14%)	(26.21%)
2 Years p.a.	(7.78%)	(4.65%)	(20.24%)	(15.34%)	(16.84%)	(19.93%)
3 Years p.a.	0.23%	4.49%	(7.69%)	(5.00%)	(3.82%)	(8.22%)
4 Years p.a.	2.48%	5.25%	(1.97%)	3.22%	2.47%	(4.27%)
5 Years p.a.	3.40%	6.04%	0.31%	3.82%	6.86%	(2.24%)
Inception p.a. ¹	8.52%	6.33%	Since inception returns are different for various funds			
Inception Total ¹	187.58%	40.16%				

1. LHP Diversified Fund LP inception being August 1996. LHP Global Long Short Fund Ltd inception being January 2004.

Source: Lighthouse, MSCI and Bloomberg

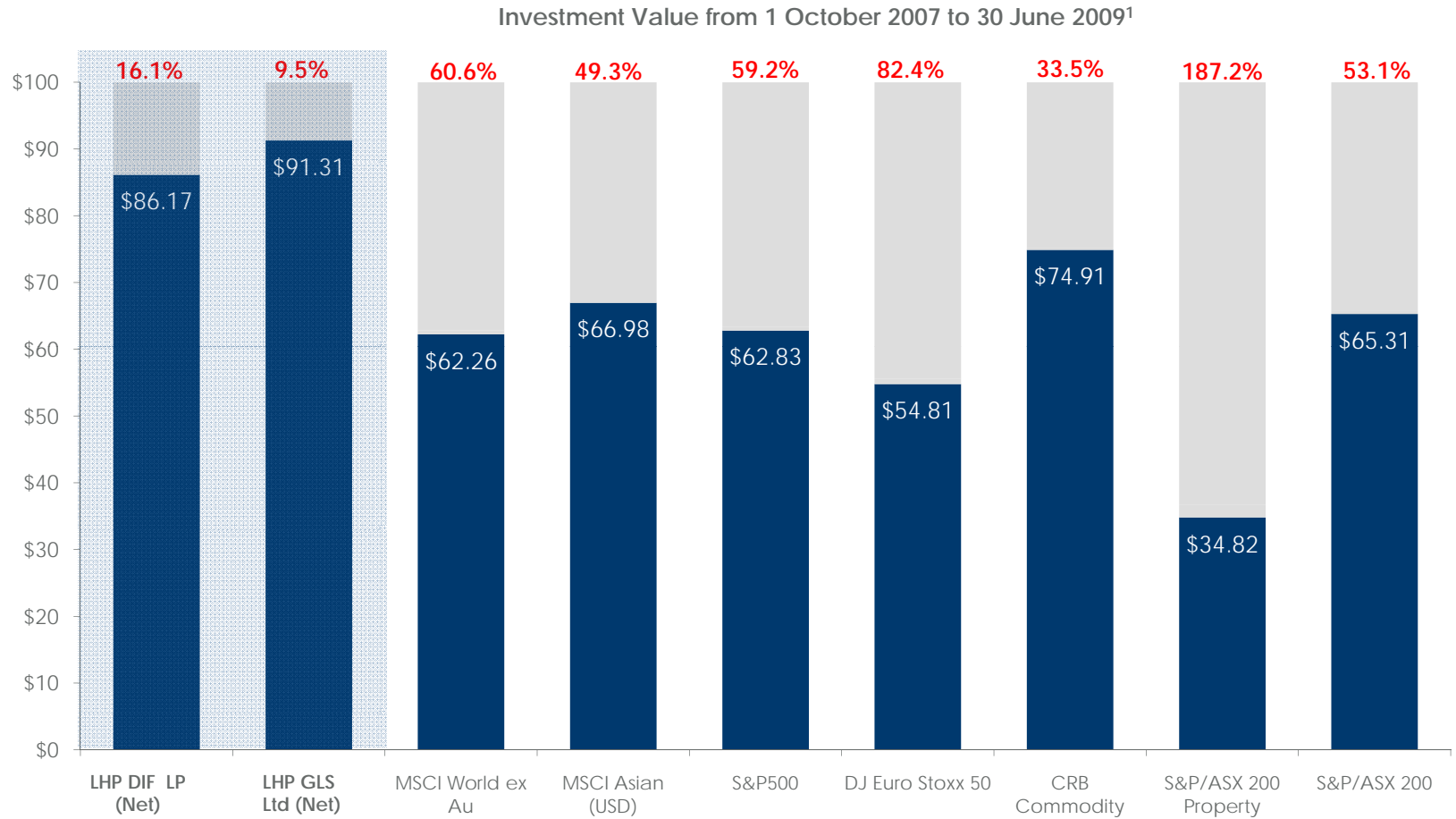
Past performance is not an indicator of future performance.

Strong Relative Outperformance for Lighthouse Funds



1. The above chart represents the period since the previous market high and how the Funds performed against the major market sectors.
 SOURCE: Lighthouse, MSCI and Bloomberg.
 Past performance is not an indicator of future performance.

Strong Relative Outperformance for Lighthouse Funds



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

1. The above chart represents the period since the previous market high and how the Funds performed against the major market sectors.

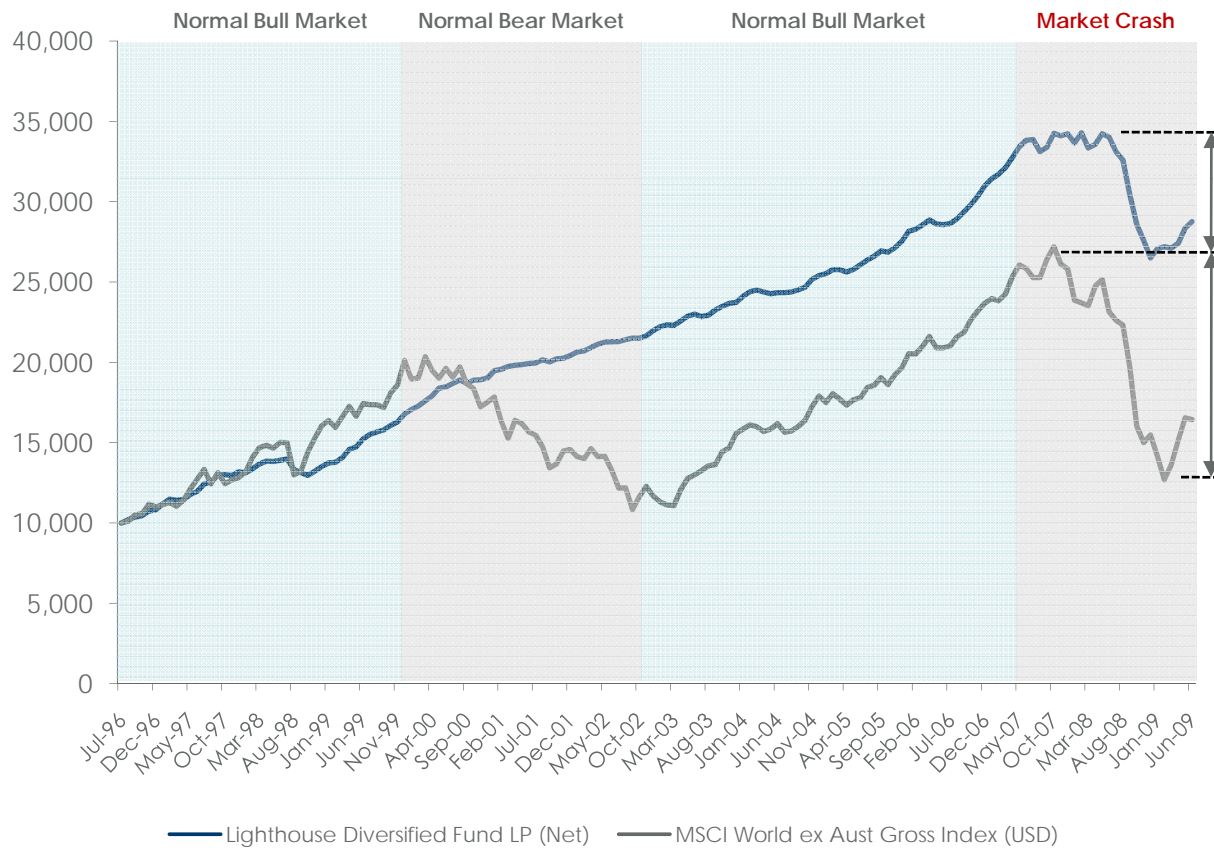
SOURCE: Lighthouse, MSCI and Bloomberg.

Past performance is not an indicator of future performance.

Capital Preservation

Preserving capital improves long term performance

Comments

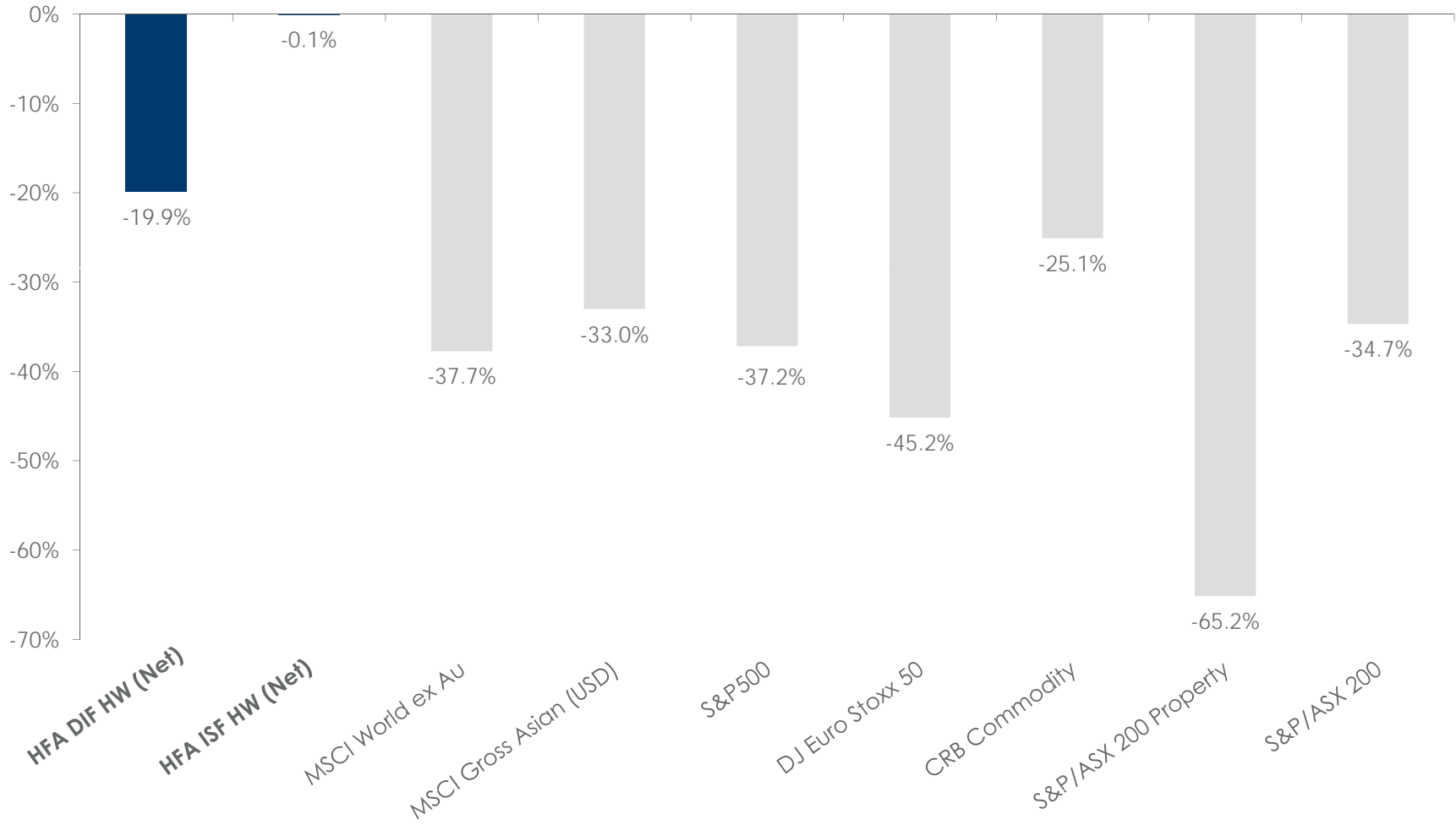


- Proven ability to generate profits in **normal rising or bull markets**
- Proven ability to protect capital or generate moderate profits in **normal bear markets**
- Capital losses limited relative to major equity market indices in **“market crash”**.

•from 1 August, 1996 (LHP Diversified Fund LP inception date), to 30 June 2009. SOURCE: Lighthouse and MSCI. Past performance is not an indicator of future performance.

Strong Relative Outperformance for Australian Investors

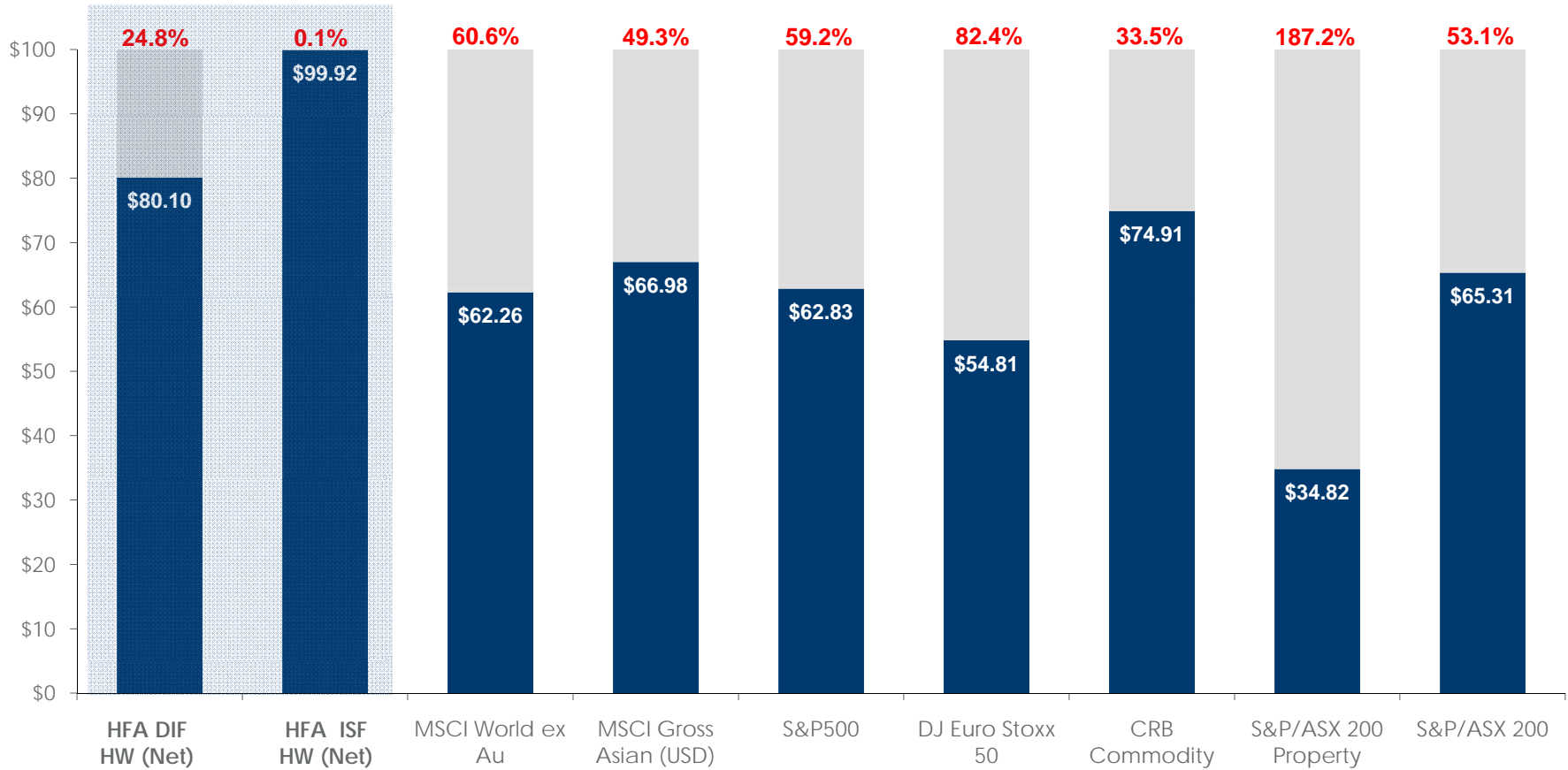
Returns from 1 October 2007 to 30 June 2009¹



1. The above chart represents the period since the previous market high and how the Funds performed against the major market sectors.
 SOURCE: HFA Asset Management, MSCI and Bloomberg.
 Past performance is not an indicator of future performance.

Strong Relative Outperformance for Australian Investors

Investment Value from 1 October 2007 to 30 June 2009¹



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

1. The above chart represents the period since the previous market high and how the Funds performed against the major market sectors.
 SOURCE: HFA Asset Management, MSCI and Bloomberg.
 Past performance is not an indicator of future performance.



OUTLOOK

as at 30 June 2009

Managed Accounts - The way forward

The transparency of underlying investments provided by a managed account program is regarded as a critical advantage in the future success of fund of hedge fund managers.

HFA/Lighthouse has made significant progress towards implementing its managed accounts infrastructure

Transparency

- A key strategy of HFA/Lighthouse is to protect, diversify and grow its asset base, while providing greater transparency and certainty around clients' investments.

Direct Ownership

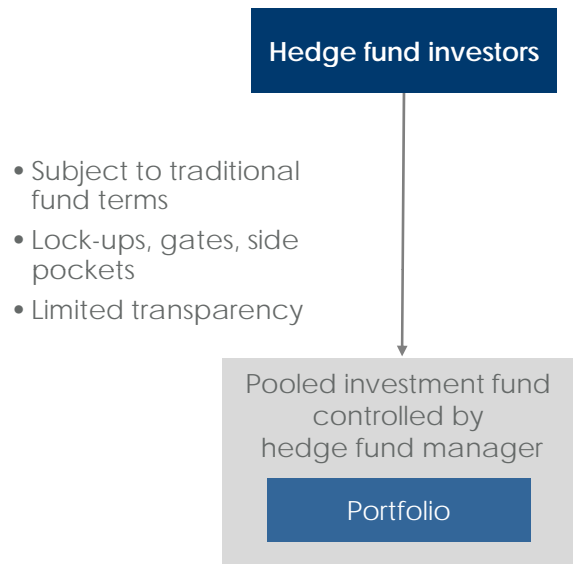
- A managed account program allows direct ownership of the underlying assets by the Lighthouse fund, rather than having to hold them via other pooled fund vehicles.
- This means that the Lighthouse fund's liquidity is not impacted by the decision of an external manager who moves to gate or suspend their fund. Lighthouse maintains control of how and when any particular asset is liquidated.
- This means Lighthouse knows real time exactly what assets are held and thus are not exposed to any misleading asset statements by underlying hedge funds.

Significant Progress

- The development of a comprehensive managed account infrastructure, which combines the support of technology, operations and legal resources, has allowed HFA/Lighthouse to invest in approximately 80 managed account relationships. Practical completion of the managed account program is expected within 12 – 18 months.

Commingled fund investment vs. managed account

Typical hedge fund investment

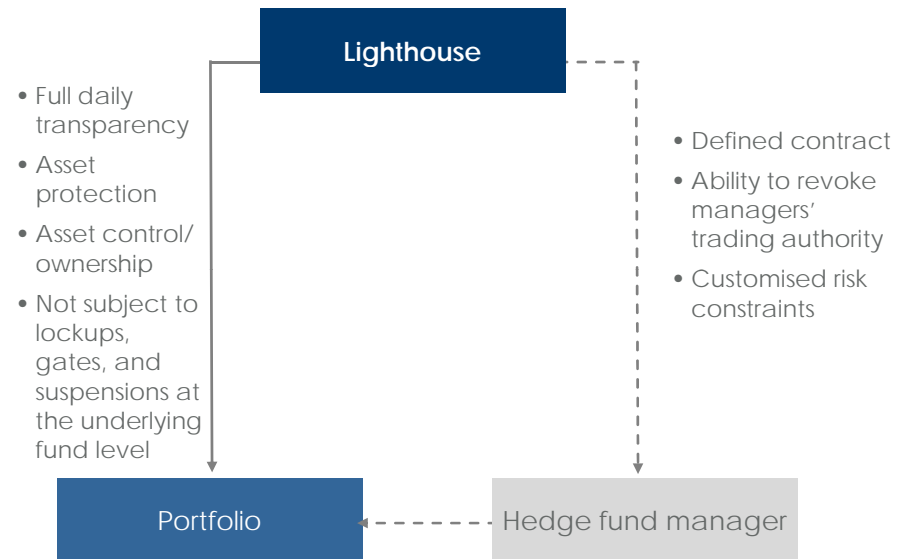


- Subject to traditional fund terms
- Lock-ups, gates, side pockets
- Limited transparency

Key distinctions

- Hedge fund manager manages investments and operations and selects counterparties
- Asset verification/valuation subject to a manager's auditor and administrator
- Hedge fund owns underlying portfolio investments
- Limited transparency offered to investors on portfolio investments

Managed Account investment



- Full daily transparency
- Asset protection
- Asset control/ownership
- Not subject to lockups, gates, and suspensions at the underlying fund level

- Defined contract
- Ability to revoke managers' trading authority
- Customised risk constraints

Key distinctions

- Hedge fund managers focus on what they do best, manage investments
- HFA/Lighthouse controls structure, owns underlying portfolio investments and works with underlying manager to select counterparties
- Asset verification/valuation subject to Lighthouses' auditor and administrator
- Lighthouse has full transparency on portfolio investments

Managed Accounts - Advantages

Benefit	Traditional Hedge Fund Investment	Managed Account
Position level transparency	Limited	Full
Frequency of data analysis	Monthly	Daily
Control over Lock-ups, gates, suspensions, holdbacks at underlying fund	x	✓
Ownership of assets by HFA/LHP fund of hedge fund	x	✓
Power to revoke a manager's trading authority	x	✓
Segregation of assets	x	✓
Ability to invest in a specific team of a multi-strategy manager	x	✓
Contractual investment covenants	x	✓
Intra-month re-allocation	x	✓
HFA/LHP approval of trading counterparties and service providers (e.g. prime brokerage and cash accounts)	x	✓

Outlook

HFA expects markets to return to more normalised conditions over the coming financial period.

AUM & FUM

- HFA expects new investment inflows to remain subdued while investors review their portfolios and await greater clarity on the global economic outlook.
- HFA expects the pace of redemptions from its funds to slow over coming months and are cautiously optimistic of a return to positive net inflows as investors become less concerned about the global economic outlook.
- Retention and growth in FUM remains a key focus for the group and through the rollout of its proprietary managed account program HFA will be well positioned to benefit from a rationalisation of the fund of hedge fund industry.

Investment Performance

- Capital preservation remains the highest priority for investment performance.

Financial

- Given the considerable uncertainty still surrounding the global economy and financial markets HFA does not believe it is appropriate to provide definitive guidance on future earnings.



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