



## **HFA Holdings Limited**

Annual General Meeting (AGM)  
14 December, 2007 – 11.00am  
Radisson Plaza Hotel



## **Chairman's Address**

**Brett Howard**

Annual General Meeting  
14 December 2007 – 11.00am  
Radisson Plaza Hotel – Sydney

# Strong Financial Performance – 2007 vs 2006

\$M	30 June 2007 Actual	30 June 2006 Normalised <sup>2</sup>	% 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 <sup>1</sup>		

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)

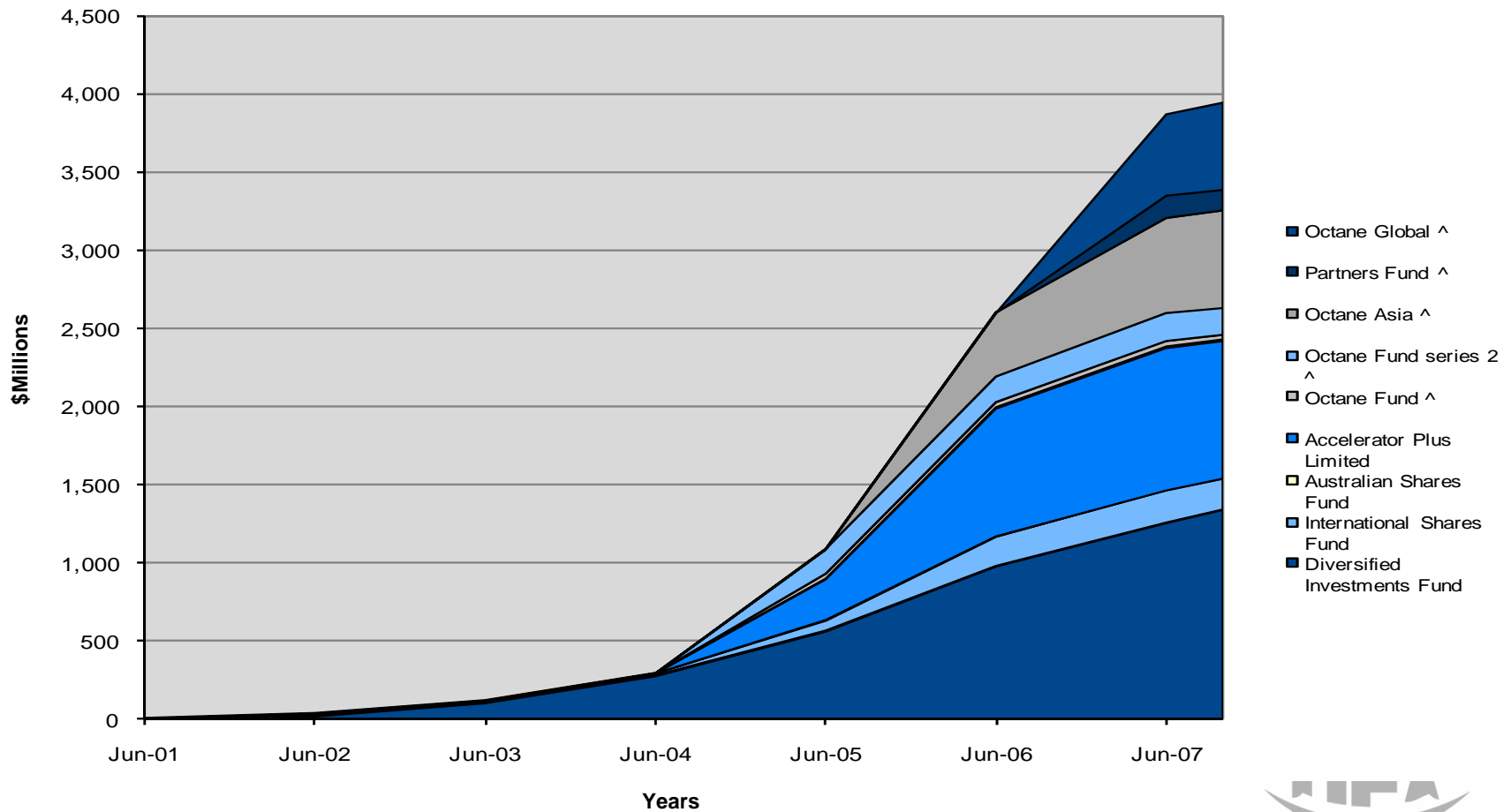


# Strong Financial Performance – 2007 vs Prospectus

\$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 <sup>1</sup>	4.5c	80%

1. 1.5c special dividend paid October 2006 + 2.6c interim dividend + 4.0c final dividend

# Continued AUM Growth



HFA AUM growth to 31 October 2007



# Outlook

## **HFA's existing business will continue to:**

- Drive exposure to strongly growing absolute return fund sector
- Continue growing skills in product structuring
- Grow distribution network and market penetration

## **Together with Lighthouse, HFA will have:**

- Improved quality and diversity of earnings
- Stronger business model
- Diversified fee base
- Access to greater range of products
- Opportunity to expand HFA's success beyond Australia



**CEO's Address**

**Spencer Young**

Annual General Meeting  
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# Review of FY07

- Financial results ahead of prospectus and revised guidance
- AUM growing strongly, \$3.88 billion at 30 June, 2007, up 47.5%
- Outperformance due to industry-leading product structuring ability combined with core product distribution capabilities
- Continued exposure to fast-growing absolute return fund sector



# Strong Investment Performance to October 2007

Return net of fees	1 year Return pa	2 year Return pa	3 year Return pa	Since inception Return <sup>^</sup> pa	Volatility since inception pa
HFA Diversified Investments Fund	13.72%	10.92%	10.66%	8.45%	3.34%
HFA International Shares Fund	16.43%	13.18%	12.76%	7.49%	4.89%
HFA Accelerator Plus (After Tax)	20.09%	14.07%	-	12.69%	8.84%
HFA Partners Fund	15.90%*	-	-	15.90%*	12.47%*
HFA Octane Fund 1	13.90%	10.42%	-	9.65%	5.15%
HFA Octane Fund 2	13.68%	10.34%	-	9.68%	5.88%
HFA Octane Asia	27.54%	-	-	21.31%	8.07%
MSCI World Index US\$	17.36%	18.19%	15.78%	6.92%	12.63%
Australian Fixed Interest**	3.62%	4.01%	4.40%	5.07%	2.70%

\*Annualised return stream dating from Jan 07 to Oct 07. Returns for October are estimates only for Octane 1, Octane 2, Octane Asia and Partners Fund.

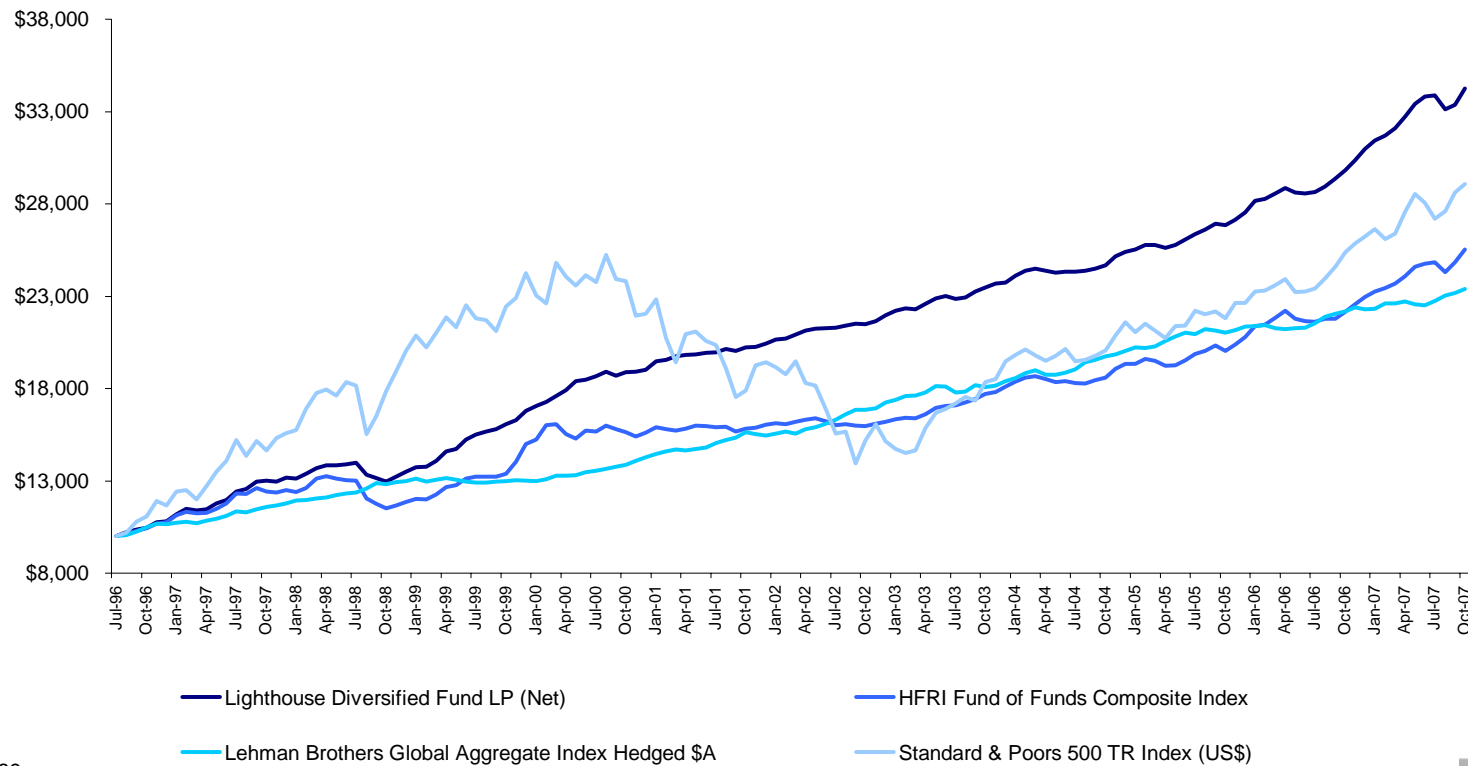
Source: HFA, Bloomberg and Morningstar. Performance is shown as at 31 October 2007. Past performance is not a reliable indicator of future performance.

The performance of Accelerator Plus shown after tax. <sup>^</sup> 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)

# Performance of Lighthouse funds

## Diversified Investments Fund, LP performance versus benchmark indices

Growth of \$10k Chart

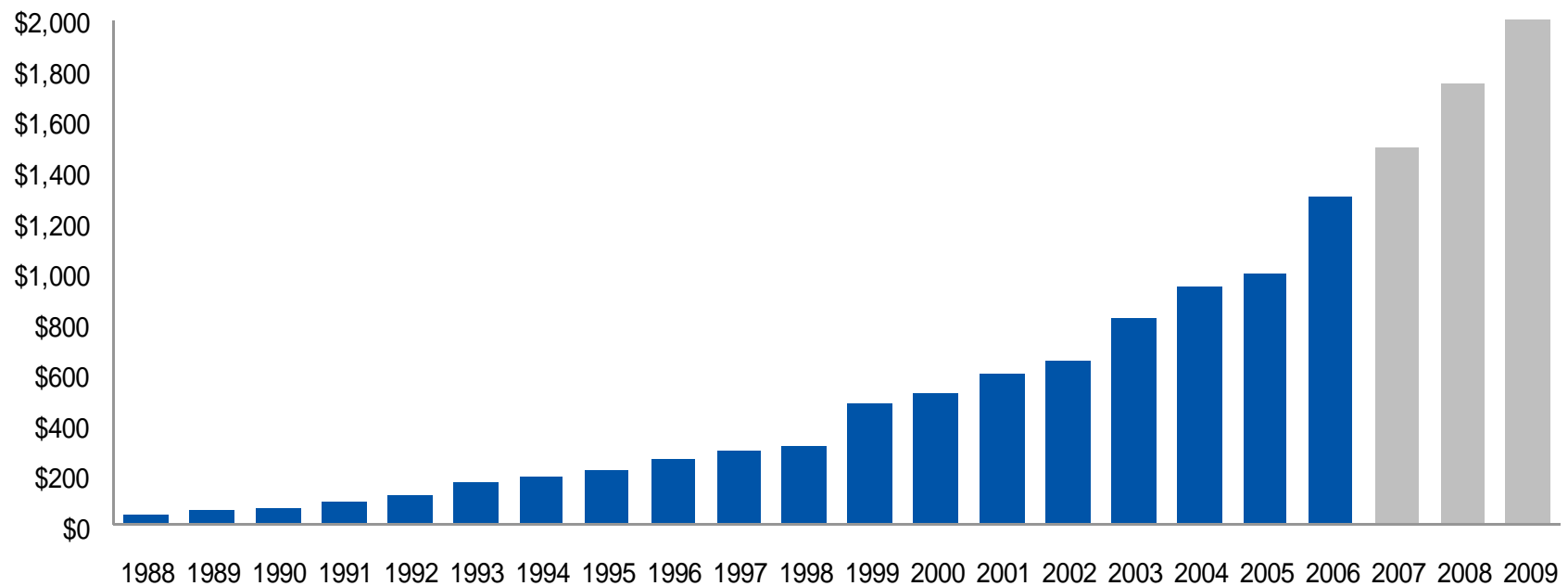


Source: Lighthouse



# Alternative Investments – Global Growth to Continue

**Estimated Global Hedge Funds Assets Under Management  
(in \$ billions)**



Note: Estimates for 2006-2009 are projections based on current data and may be revised in the future.

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# Lighthouse Transaction Update

Key Conditions	Achieved
Hart-Scott-Rodino Act (US antitrust laws)	YES
Foreign Investment Review Board (FIRB)	YES
Funding – Placement, Rights Issue, Share Issue, Debt Package	YES
Employment Agreements	YES
Lighthouse investor consents	YES

Following satisfactory completion of all outstanding conditions, both HFA and Lighthouse have agreed to close the transaction ahead of schedule on 2 January, 2008.

# Merger Benefits - Overview

## **Increased Scale**

- Over A\$9 billion in AUM
- Market capitalisation in excess of \$1 billion\* and possible index re-rating

## **Stronger Business Model**

- Vertical integration
- In-house investment management skills
- Alignment of interests between HFA and Lighthouse

## **Financially Sound**

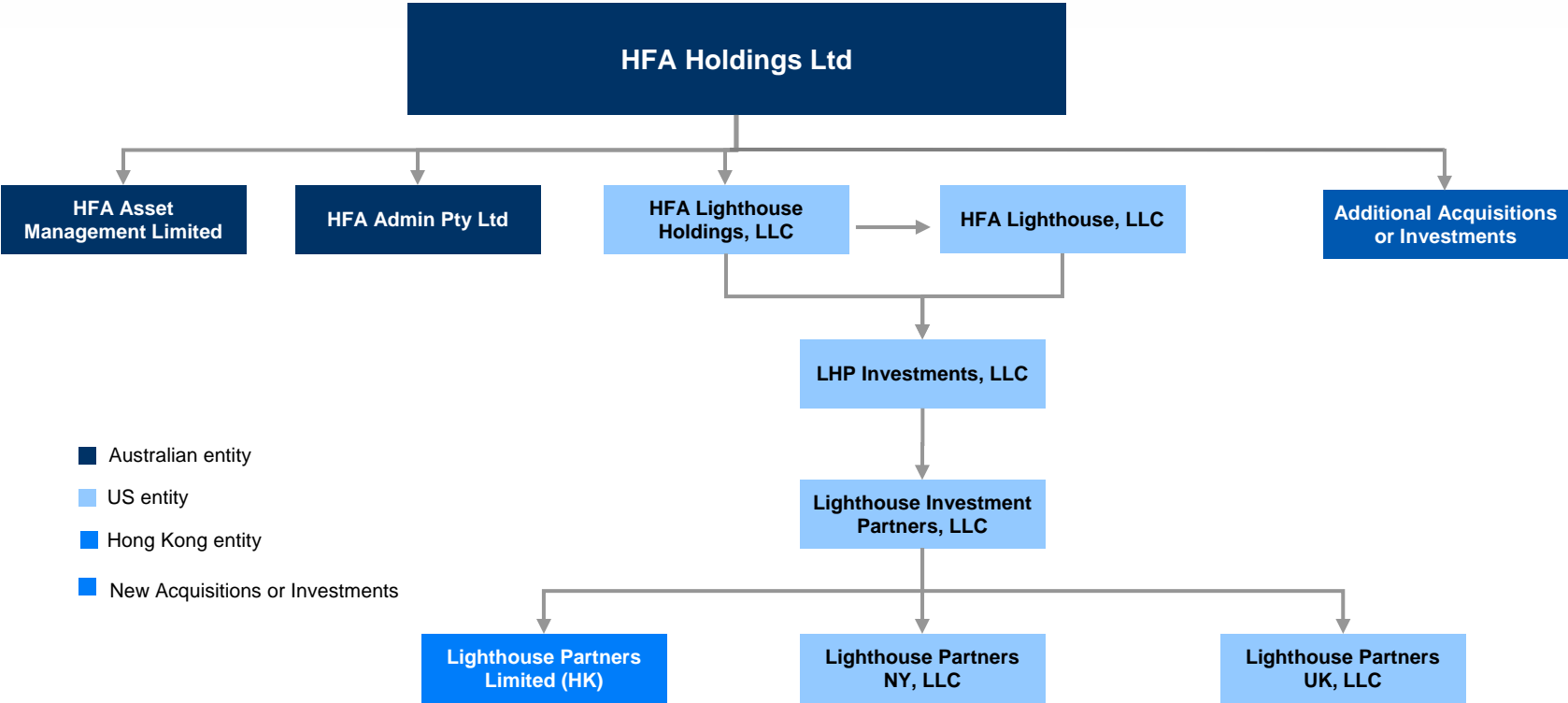
- Significant EPS accretion
- Diversification of fee base

## **Income and Geographic Diversity**

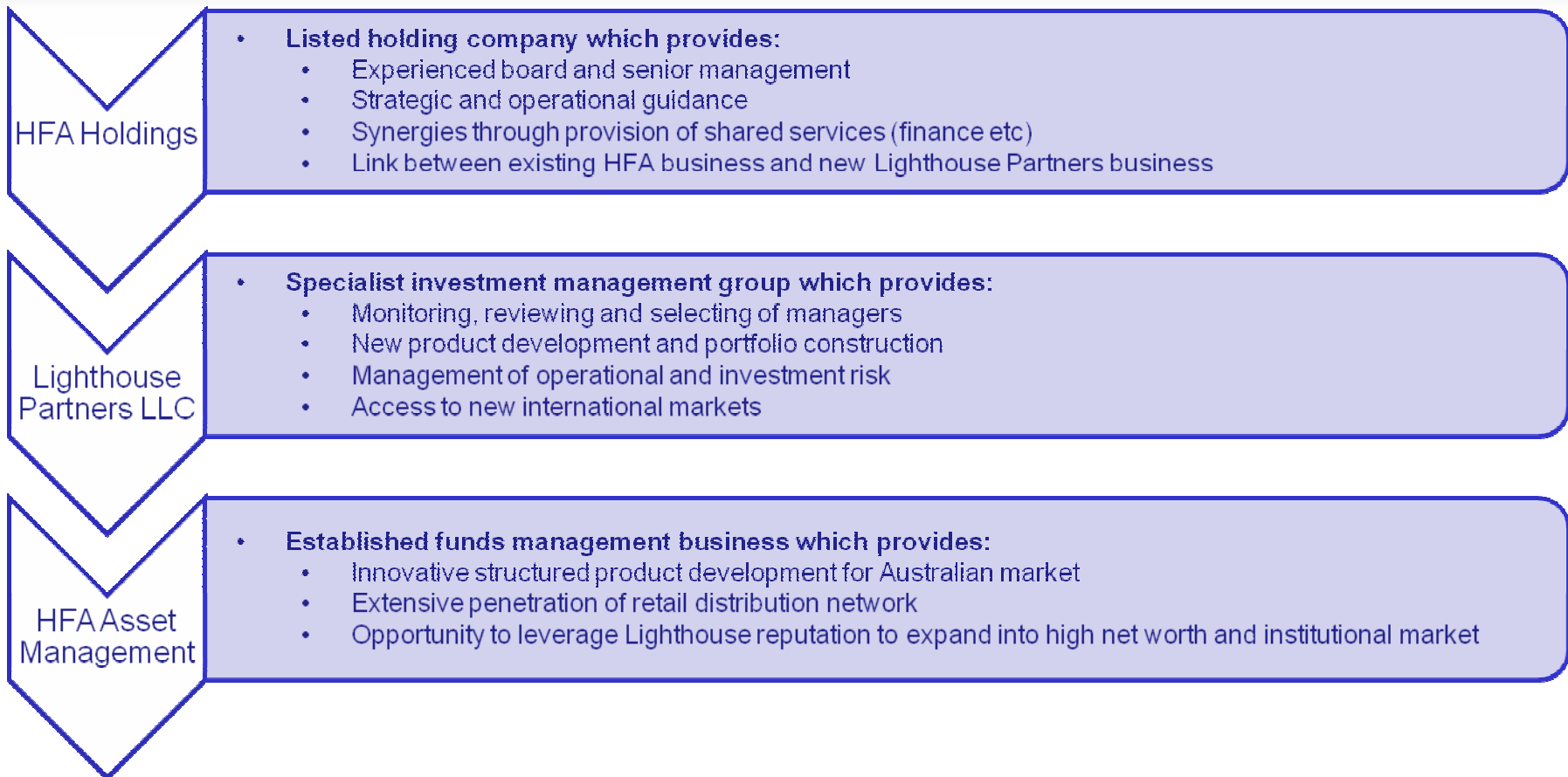
- Greater exposure to high net worth and institutional markets
- New markets in US, Europe and Canada

\*At share price of \$2.18.

# Corporate Structure – Post Acquisition

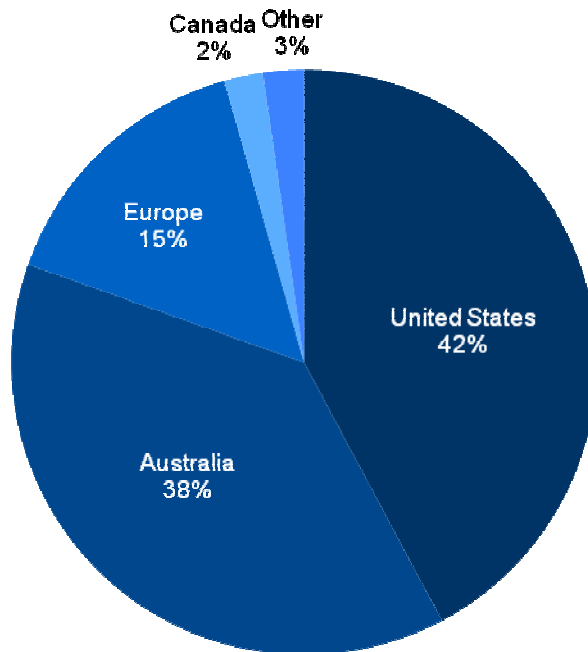


# Vertically Integrated Business

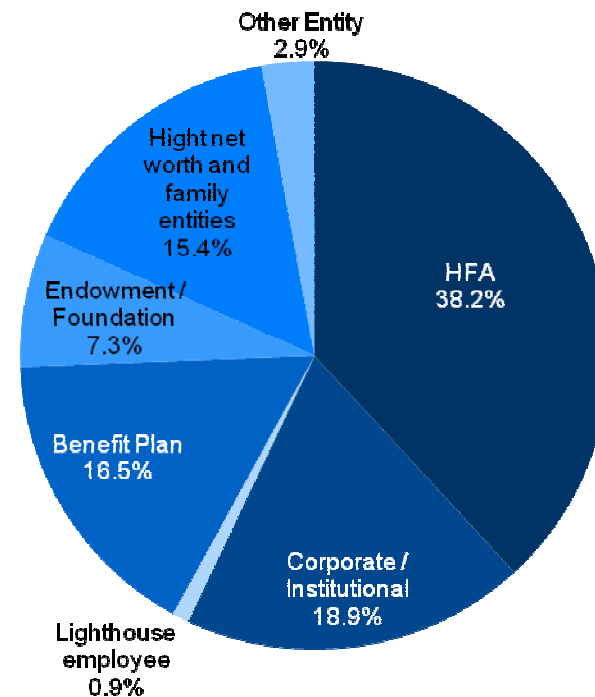


# Increased Diversity of Clients and FUM

Lighthouse FUM by geography  
(as at 31 August 2007)



Lighthouse FUM by investor type  
(as at 31 August 2007)





# Global Presence – Experienced People

Together HFA and Lighthouse will employ 90 investment professionals and support staff in offices around the world



# Investment Process

*The merger will not affect the investment team or the investment process at Lighthouse or HFA in any way. Continuity of investment process remains the first priority for directors and management*

# Outlook

*The completion of the Lighthouse acquisition combined with the strong fundamentals of our existing business leave us confident that HFA will continue on a solid growth path.*

## Proxies Received – Resolution 2

*“That Mr Michael King who retires by rotation in accordance with rule 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.”*

**FOR – 143,750,981**

**AGAINST – 5,080,443**

**ABSTAIN – 38,155**

**OPEN – 18,966,955**

## Proxies Received – Resolution 3 (Non-binding vote)

*“That the Remuneration Report as it appears on pages 20 to 23 inclusive of the Directors’ Report for the financial year ended 30 June 2007 be approved.”*

**FOR – 142,554,613**

**AGAINST – 6,123,898**

**ABSTAIN – 188,049**

**OPEN – 18,969,974**

## Proxies Received – Resolution 4

*“That, for the purposes of ASX Listing Rule 10.17 and clause 8.3(a) of the constitution of the Company, approval be given that the total amount that may be provided to the non-executive directors by way of remuneration for their services as directors of the Company be increased by the amount of \$350,000 to an aggregate amount of \$750,000 per financial year.”*

**FOR – 121,948,844**

**AGAINST – 1,275,106**

**ABSTAIN – 275,659**

**OPEN – 130,365**

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