



2005/2006
Annual Results
August 2006

Spencer Young, *Chief Executive Officer*
Amber Stoney, *Chief Financial Officer*

The information contained in this document is not intended to be exhaustive and must be considered in conjunction with other publicly available information, disclosed by the Company to the Australian Stock Exchange from time to time.

Agenda

1) 2006 SCORECARD

2) FINANCIAL RESULTS

3) OUTLOOK

2006 Scorecard



2006 Scorecard - Financial

\$M	2006 Statutory Forecast ¹	2006 Normalised Actual ¹	2006 Pro Forma Actual ²	
Operating revenue	33.9	35.5	35.5	✓✓
Operating EBIT	10.8	11.4	13.6	✓✓
NPAT	7.7	7.9	9.6	✓
EPS (cents per share)	4.1c	4.2c	4.8c	✓
Dividend per share	1.3c	1.5c	1.5c	✓✓

¹ **Normalised** to exclude the impact of the HFA Employee Share Plans at 40% and other listing adjustments since 1 July 2005

² **Pro Forma** excludes the impact of the HFA Employee Share Plans, LHP fees

✓✓ Outperform

✓ On-target

✗ Underperform



2006 Scorecard - Business

	2006 Forecast	2006 Actual	Performance
Assets Under Management (AUM)	\$2.5 billion	\$2.65 billion	✓✓
Funds Under Management (FUM)	\$1.4 billion	\$1.5 billion	✓✓
New product inflows ¹	\$120 million	\$287 million	✓✓
Product Ratings	High Ratings	Retained	✓
Distribution	2,400 IFAs	> 2,400 IFAs	✓
Product performance	5.4 - 10%	Varies	✓ x

1 HFA Octane Asia Fund

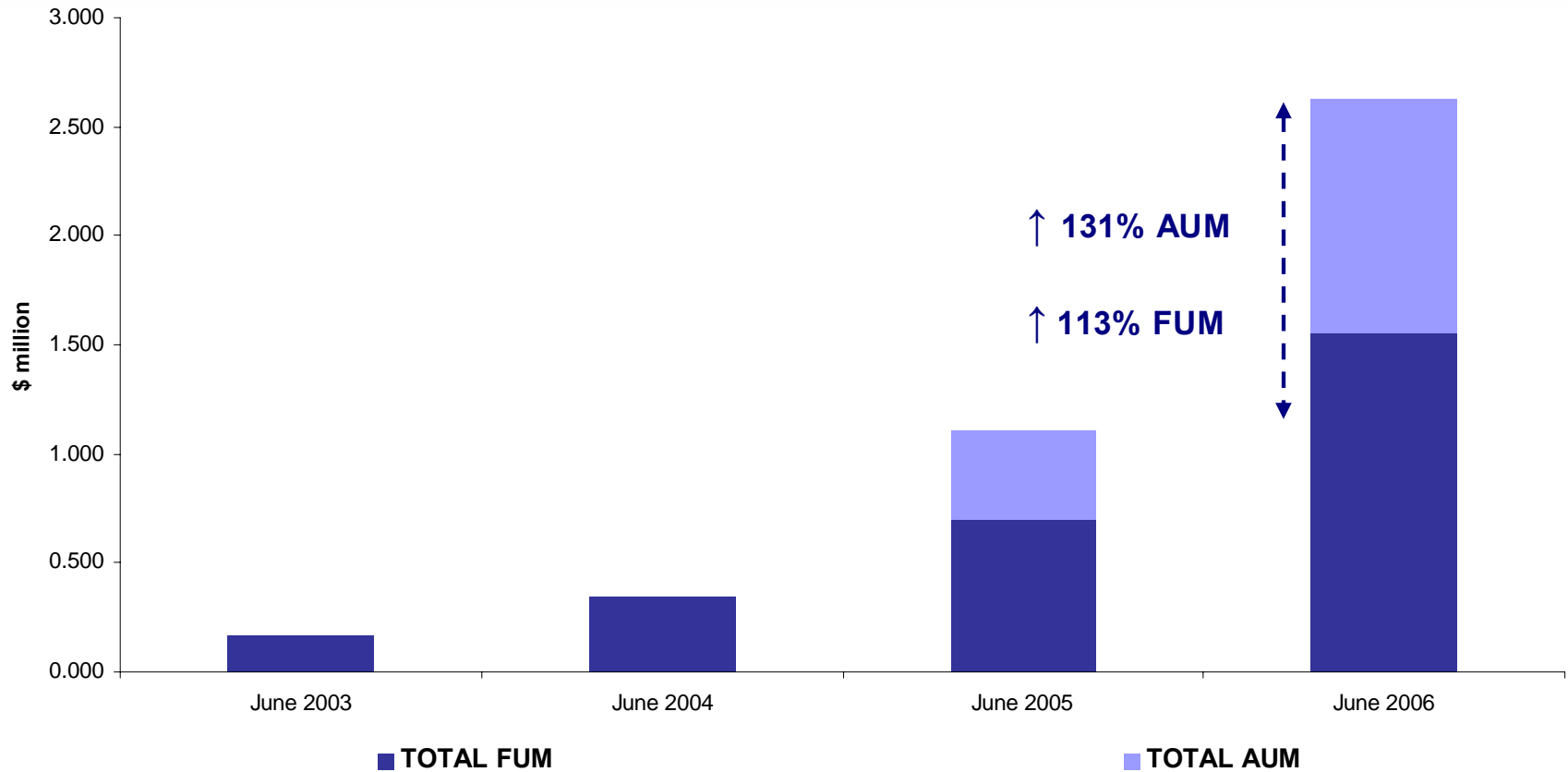
✓✓ Outperform

✓ On-target

x Underperform



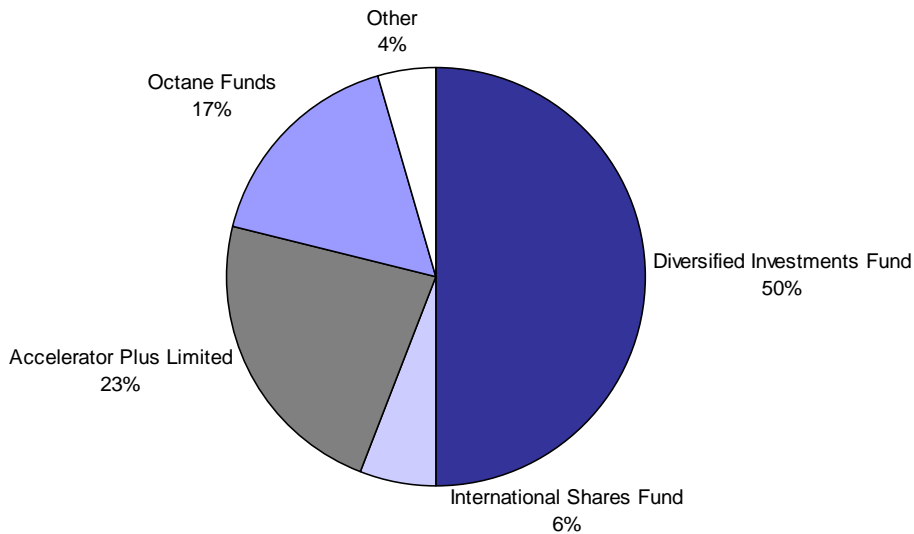
Strong AUM and FUM Growth



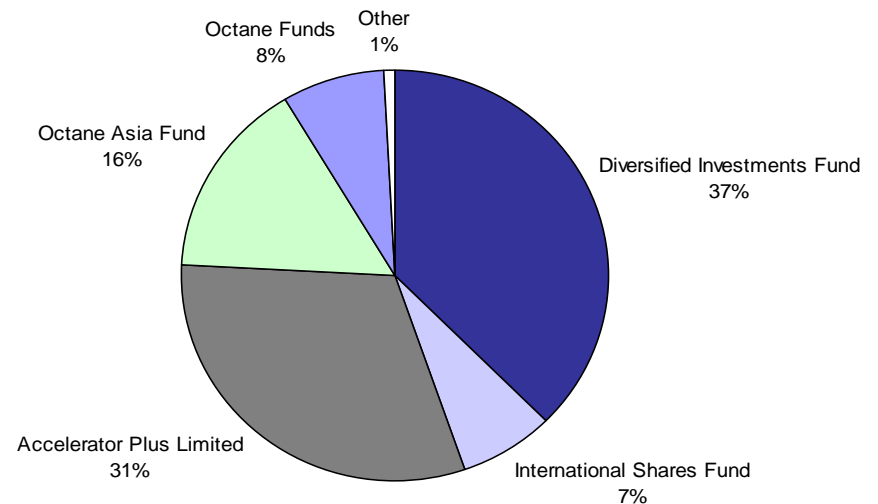
Growth Drivers

- Continued growth of traditional products
 - HFA Diversified Investments Fund – **\$192m**
 - HFA International Shares Fund – **\$65m**
 - Institutional mandates - **\$189m**
- New products diversify range
 - HFA Accelerator Plus Limited [\$120m FUM / \$450m AUM]
 - HFA Octane Asia Fund [\$287m FUM / \$410m AUM]

Enhanced AUM Diversity



As at 30 June 2005
AUM = \$1.1 billion



As at 30 June 2006
AUM = \$2.6 billion

Highly Rated Products

- HFA Products continue to be highly rated by leading researchers

						
HFA Diversified Investments Fund	AA	Highly Recommended	4 star	Recommended	Strong Buy	-
HFA International Shares Fund	-	Recommended	4 star	Recommended	Strong Buy	-
HFA Accelerator Plus Limited	Endorsed	Highly Recommended	-	-	Buy	Approved
HFA Octane Asia	Endorsed	Recommended	-	-	-	Approved

Extensive Distribution Network

- HFA products are supported by:
 - Over 375 financial planner dealer groups, representing over 9,000 financial advisers
 - More than 2,400 independent financial advisers
 - Listed on 25 master trusts/platforms
- Success of HFA Octane Asia Fund
 - Raised \$287m FUM / \$410 AUM
 - Received 3,000 applications

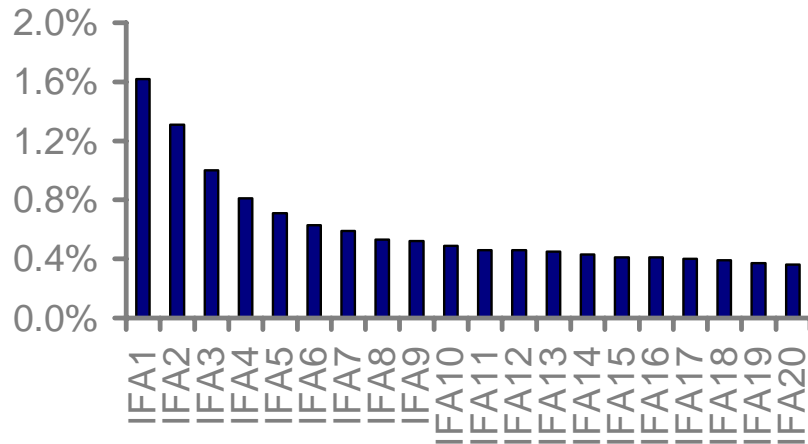


Diverse Distribution Network

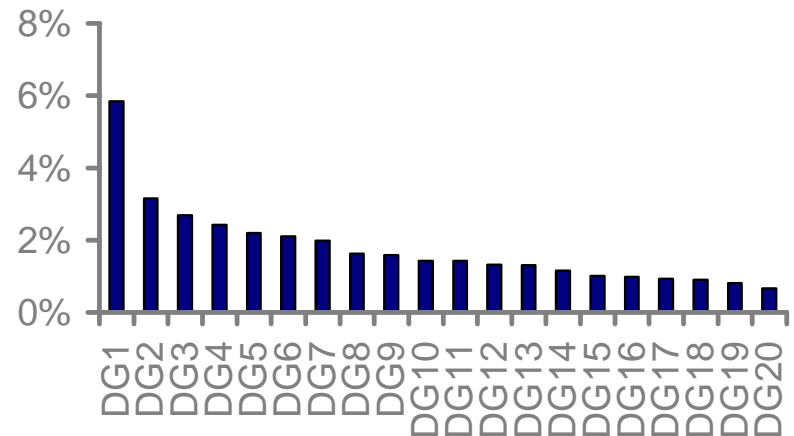
Diversified distribution network limits exposure to individual sources.

- No single dealer group contributes more than 6% of FUM
- No single independent financial adviser contributes more than 1.7% of FUM

Top 20 financial advisers



Top 20 dealer groups



Product performance

	One year Return pa	Two year Return pa	Three year Return pa	Since inception Return pa	Volatility since inception
HFA Diversified Investments Fund	8.03%	8.69%	7.79%	43.41%	2.30%
HFA International Shares Fund	7.53%	8.69%	10.13%	31.50%	4.90%
HFA Accelerator Plus	7.68%	-	-	14.41%	6.04%
HFA Octane Fund	6.27%	-	-	12.49%	2.90%
MSCI World Index US\$	14.84%	11.16%	14.66%	22.82%	13.97%
Bank Bill index	5.82%	5.75%	5.63%	31.5%	0.14%

As at 30 June 2006
Source: HFA and Bloomberg



Financial Results



Summary of Results

\$M	2006 Actual	2006 Normalised ¹	2006 Pro Forma ²
Operating Revenue	35.5	35.5	35.5
Net operating income	18.4	18.4	21.3
EBITDA	(8.2)	12.0	14.6
EBITDA Margin	(23%)	34%	41%
EBIT	(7.6)	11.4	13.6
Net profit after tax	(10.8)	7.9	9.6
Basic Earnings per share	(5.75) cps	4.2 cps	4.8 cps
Dividend	1.5 cps	1.5 cps	1.5 cps

1
2

Normalised to exclude the impact of the HFA Employee Share Plans
Pro Forma excludes the impact of the HFA Employee Share Plans, LHP fees at 40% and other listing adjustments since 1 July 2005



Results meet and exceed forecasts

Prospectus

\$M	2005 Actual	2006 Pro Forma ¹	2006 Statutory Forecast	2006 Actual	
Management fee revenue	7.9	20.6	20.6	21.0	↑ 2%
Performance fee revenue	4.8	12.4	12.4	13.5	↑ 9%
Other	0.9	0.9	0.9	0.9	
Operating Revenue	13.6	33.9	33.9	35.5	↑ 4%
Investment costs ²	(6.3)	(13.6)	(16.3)	(17.0)	↑ 4%
Net operating income	7.3	20.3	17.6	18.4	
Other expenses	(6.1)	(8.0)	(7.6)	(7.9)	↑ 4%
Other income	0.3	0.8	0.8	0.9	
Operating EBIT	1.5	13.1	10.8	11.4	↑ 6%
Net interest income ³	-	(0.4)	0.2	-	
Employee share plan ⁴	-	-	(18.2)	(19.0)	↓ 4%
Profit/loss before tax	1.5	12.7	(7.2)	(7.6)	
Income tax expense	(0.3)	(3.8)	(3.3)	(3.2)	
Profit/(loss) after tax	1.1	8.9	(10.5)	(10.8)	↓ 3%

1 Pro Forma excludes the impact of the HFA Employee Share Plans, LHP fees

at 40% and other listing adjustments since 1 July 2005

2 LHP fee arrangement did not change until 1 May 2006

3 Includes interest income and expense only

4 Once-off equity settled transaction and on-costs (see page 17)



Balance Sheet Analysis

\$M	As at 30 June 2005	As at 30 June 2006
Cash	0.9	8.1
Borrowings		
Current	(8.1)	(2.5)
Non-current	-	(5.0)
Net debt	(7.2)	0.6
Working capital	(5.0)	3.9
Intangible assets	3.3	9.4

Cash flows from operations

\$M	30 June 2005	30 June 2006
Net profit after tax	1.2	(10.8)
<i>Adjusted for</i>		
Depreciation and amortisation	0.3	0.6
Net gain on disposal of non-current asset	(0.1)	(0.7)
Equity-settled transaction (ESP)	-	18.2
Income tax expense	0.3	3.2
Operating profit before changes in working capital and provisions	1.7	10.5
Increase in receivables	(3.6)	(2.3)
Increase in payables	1.8	2.9
Increase in provisions	0.5	0.2
Net cash flow from Operating Activities	0.4	11.3

1 Normalised to exclude the impact of the HFA Employee Share Plan

Employee Share Plan Impact

- As outlined in the Prospectus, FY2006 results include non-recurring expenses in relation to the HFA Employee Share Plan
 - Under AIFRS, \$18.2m expense recognised in the Income Statement
 - Additional \$750,000 of related on-costs expensed in the Income Statement
- No overall change to equity as a result of issue of the shares

Outlook

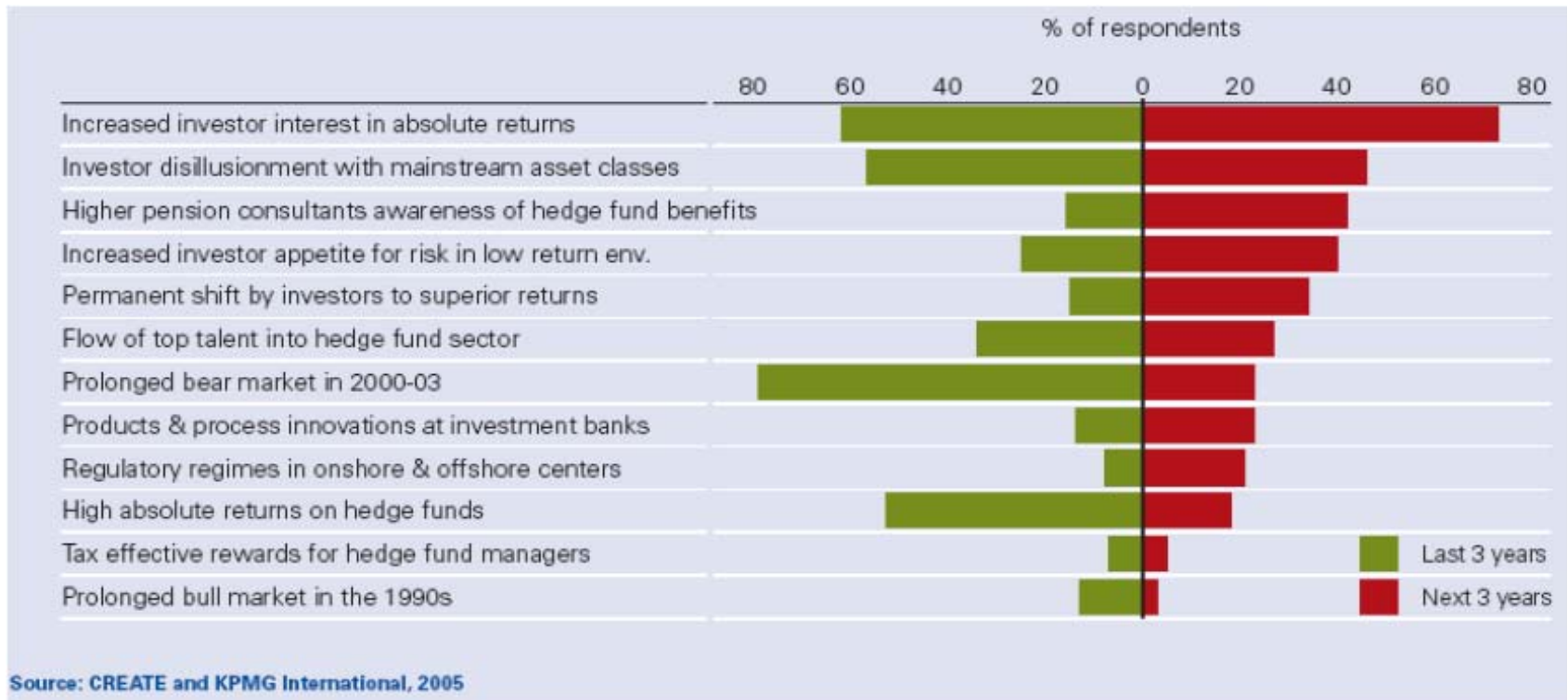


Growth Outlook – Three Key Drivers

- 1) Absolute return funds sector growth
- 2) New products to build diversity and scale
- 3) Investment performance

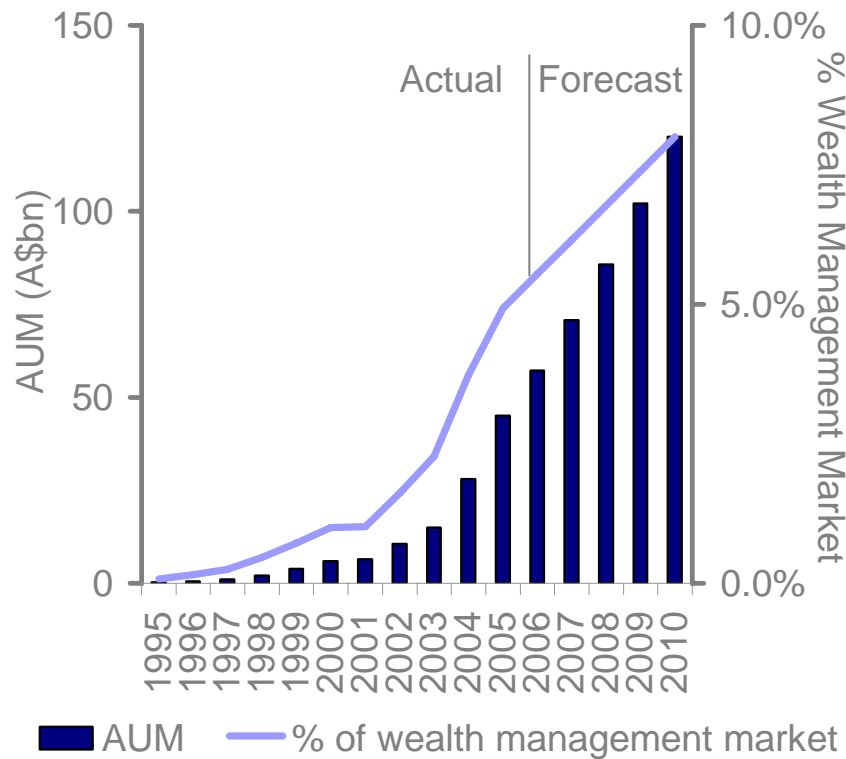
What are the growth drivers?

What factors have fuelled the worldwide growth in hedge funds in the recent past, and which, if any, are likely to do so over the next 3 years?



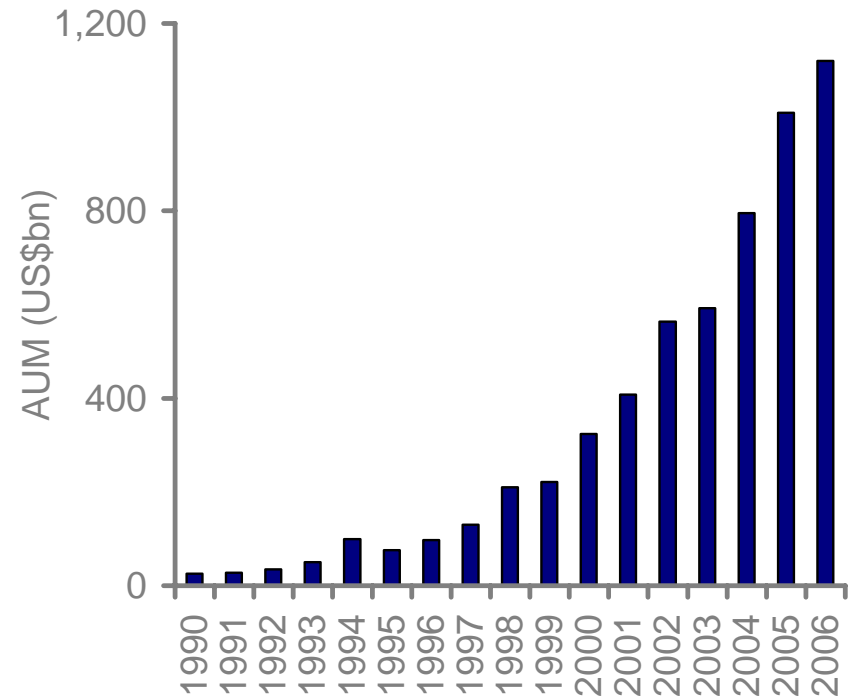
Sector Growth

Australian absolute return fund sector—historical growth



Source: ICAP Plc and Reserve Bank of Australia

Global absolute return fund sector—historical growth



Source: Hennessee Group LLC



New products

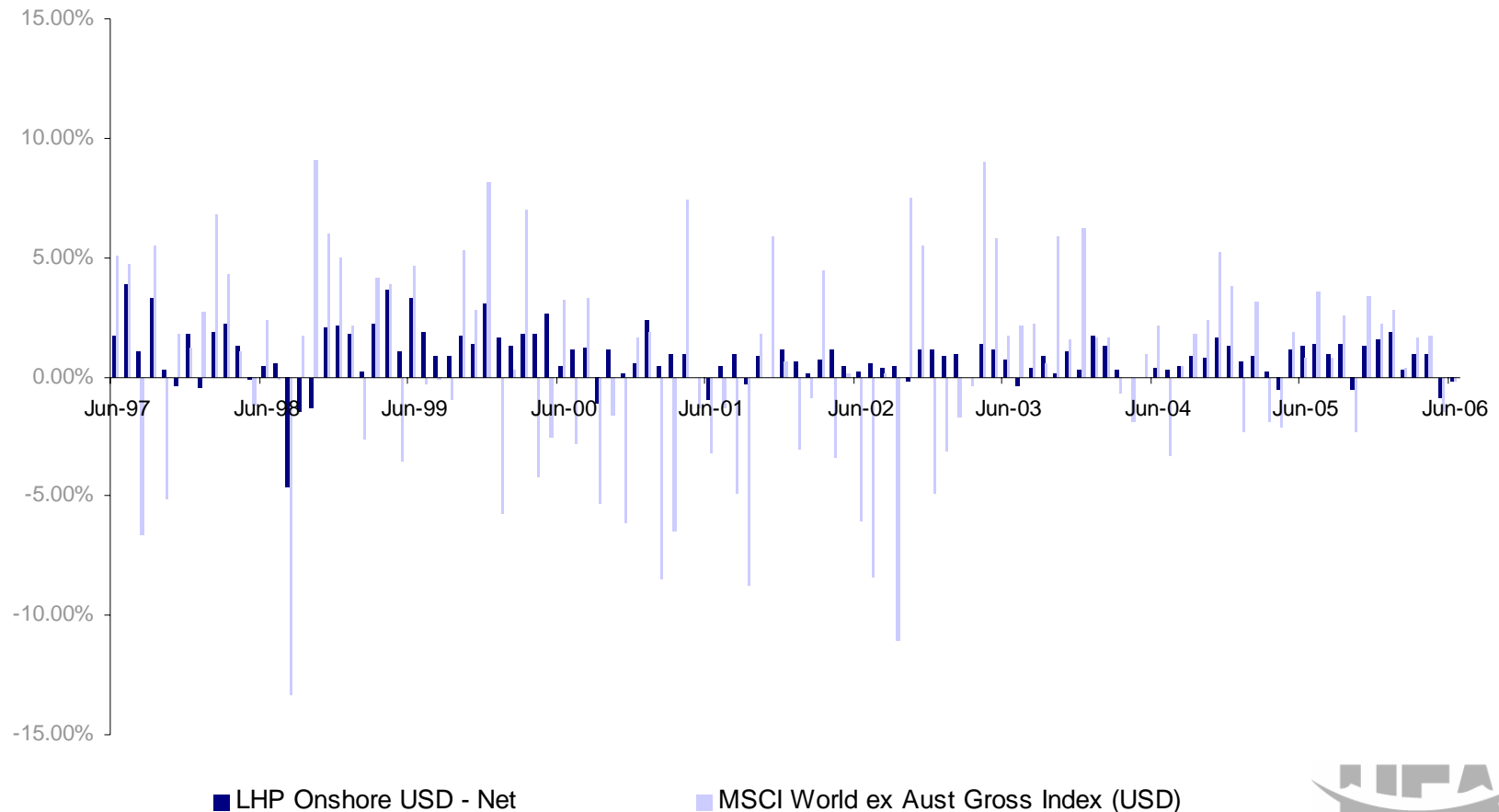
- New product roll out to continue in FY 2007
 - HFA Alternative Yield Fund to raise up to \$75 million, closing October 2006
 - Up to two new products to be launched H1 2007
 - New products not included in FY 2007 forecasts

Investment performance

- HFA is confident in the long term forecast product performance.
- Lighthouse Partners' (LHP) strong track record of performance.

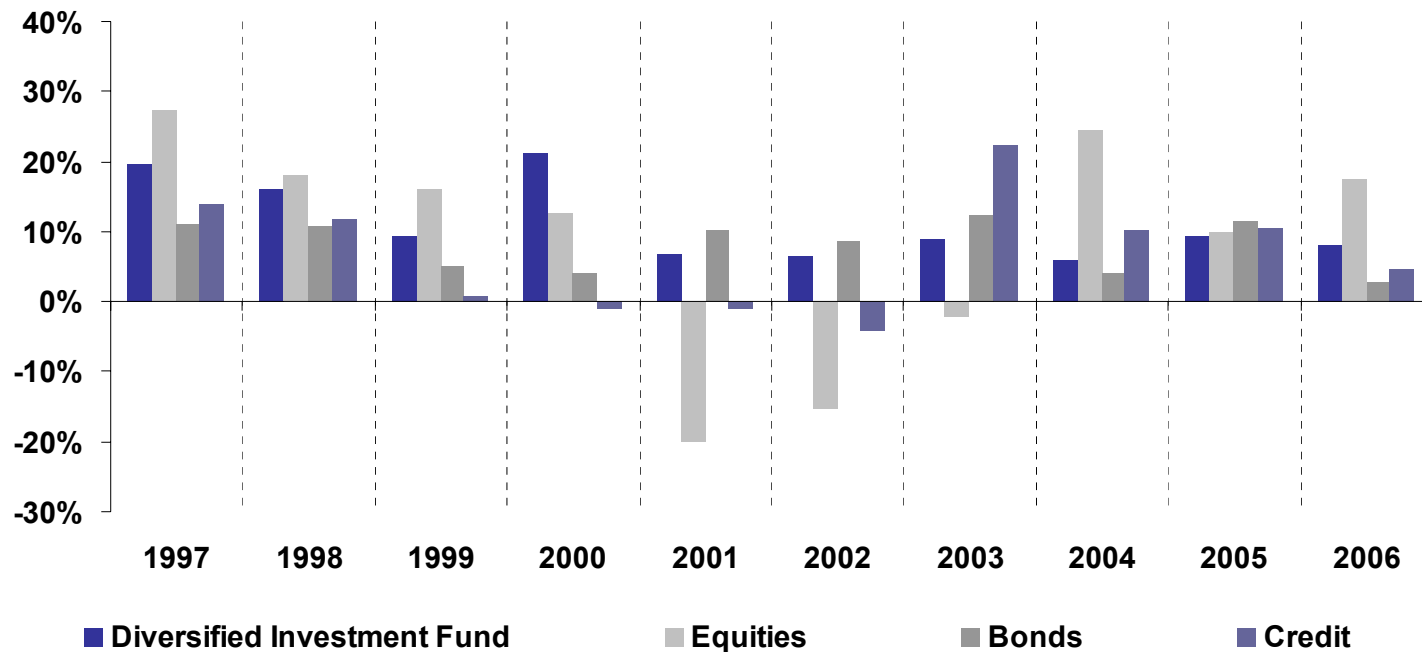
Performance of LHP

LHP onshore fund performance versus MSCI world index



Performance of HFA products

Diversified Investments Fund performance versus traditional asset classes



Source: Lighthouse Partners (year ended 30 June)

