Spencer Young
Chief Executive Officer
HFA Holdings Limited
Full Year Results Presentation

20 August, 2008

New York Chicago Florida London Hong Kong Brisbane Sydney Melbourne

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AGENDA

1. Review of Results
2. Business Profile
3. Industry Profile
4. Investment Product Overview
5. Outlook
6. Questions

REVIEW OF RESULTS

as at 30 June 2008

Financial Overview

$M	30 June 2008	30 June 2007	% Change
Operating revenue	98.6	74.6	32%
EBITDA[1]	58.6	30.2	94%
NPAT[1]	35.2	20.3	73%
EPS[1]	10.07 cents	9.74 cents	3%
Adjusted Cash EPS	11.7 cents	10.3 cents	14%
Dividend per share[2]	5.6 cents	6.6 cents	(15%)
Weighted Average Shares on Issue	349,255,193	208,205,672	68%

1 Includes $8.9m one-off FX gain on hedging of Lighthouse acquisition in 1H08. EBITDA excluding the gain is $49.7m (65% increase) NPAT excluding the gain is $29.0m (43% increase). EPS excluding the gain is 8.30 cents (15% decrease)

2 The 15% reduction in the Dividend per share has been primarily driven by the issue of an additional ~258m ordinary shares during FY08. The FY08 dividend includes the interim dividend of 2.1 cents and a final dividend of 3.5 cents. FY08 Dividend payout ratio is 65% of NPAT. FY07 DPS includes the interim and final dividend and excludes the special dividend of 1.5cents in October 2006.

Financial Results

$M	30 June 2008	30 June 2007	% Change
Management fee revenue	89.1	36.0	148%
Performance fee revenue	9.2	38.6	(76%)
Other	0.3	-	
Operating Revenue	**98.6**	**74.6**	**32%**
Investment costs	(22.3)	(30.6)	27%
Net Operating Income	**76.3**	**44.0**	**73%**
FX gain on hedging contract	8.9	-	
Expenses[2]	(26.0)	(13.7)	(90%)
Equity settled transactions	(0.6)	(0.1)	
EBITDA[1]	**58.6**	**30.2**	**94%**
Depreciation and Amortisation	(6.9)	(1.0)	
Net interest expense	(0.8)	(0.2)	
Profit/loss Before Tax	**50.9**	**29.0**	**76%**
Income tax expense	(15.7)	(8.7)	(80%)
Profit/(loss) After Tax[1]	**35.2**	**20.3**	**73%**

1 Includes $8.9m one-off FX gain on hedging of Lighthouse acquisition in 1H08. EBITDA excluding the gain is $49.7m (65% increase) NPAT excluding the gain is $29.0m (43% increase).

2 Expenses are net of other income

Adjusted Cash EPS

$M	30 June 2008	30 June 2007	% change
NPAT (including FX gain)	35.2	20.3	73%
Add Backs			
FX gain on hedging contract	(8.9)	-	
Depreciation and amortisation	6.9	1.0	
Equity settled transactions	0.6	0.1	
Impact of goodwill tax deduction[1]	7.1	-	
Adjusted cash earnings	**40.9**	**21.4**	**91%**
Weighted average number of shares	349,255,193	208,205,672	68%
Adjusted cash earnings per share	**11.7 cents**	**10.3 cents**	**14%**

Adjusted cash EPS (excluding FX gain) of 11.7 cents is 3.4 cents (41%) higher than EPS (excluding the FX gain) of 8.3 cents

Adjusted Cash EPS represents EPS adjusted for significant non-cash and other items as shown above.
1 Goodwill relating to the Lighthouse acquisition is US$499.6m. For US tax purposes this goodwill is amortised and deductible over 15 years.

Key Drivers of Result

Net Operating Income (up $32.3m, 73%)

- Management fees have increased by $53.1m resulting from higher HFA Asset Management fees $14.7m (growth in average AUM) and the 6 month contribution from Lighthouse of $38.4m.
- Performance fees have decreased by $29.4m reflecting product performance in the difficult market conditions experienced in FY08.

Expenses incl. equity settled transactions (up $12.8m, 93%)

- HFA Asset Management expenses have decreased by $0.5m reflecting tight expense control. These expenses include an accounting expense of $0.6m for performance rights granted under an employee incentive scheme. The performance rights have not yet vested.
- Lighthouse expenses for the period were $13.3m.

Depreciation and amortisation ($6.9m)

- The increase is driven largely by the amortisation of the Lighthouse customer relationship intangibles acquired

Net interest expense ($0.8m)

- Includes interest expense of $4.1m on the Lighthouse acquisition facility and working capital facility.
- Partially offset by interest income of $3.3m on the capital raising conducted in Nov 07 and other cash balances held

FX gain on hedging contract ($8.9m)

- One-off gain on the forward FX contract hedging the foreign currency exposure on the cash consideration for the Lighthouse merger. As a result of the early completion of the merger, the contract was not deemed to be an effective hedge for accounting purposes and the gain was recognised in the income statement in 1H08.

Business Scorecard

Key Business Drivers

$M	HFA Asset Management			Lighthouse Partners[1]	HFA Holdings		
	30 June 2008	30 June 2007	Change	30 June 2008	**30 June 2008**	**30 June 2007**	**Change**
Funds Under Management	2,357	2,290	3%	5,516	7,873	2,290	244%
Assets Under Management	3,849	3,880	(1%)	5,516	9,365	3,880	141%
Net Inflows	324	444	(27%)	211	535	444	20%
Management Fee Revenue	50.7	36.0	41%	38.4	89.1	36.0	148%
Performance Fee Revenue	8.7	38.6	(77%)	0.5	9.2	38.6	(76%)
Expenses[2]	13.3	13.8	4%	13.3	26.6	13.8	(93%)
EBITDA	32.8	30.2	9%	25.8	58.6	30.2	94%

1. From acquisition date 3 January, 2008.
2. Expenses are net of other income and include equity settled transactions

Fund Inflows

Quarterly Fund Inflows

	Sep Qtr 2007*	Dec Qtr 2007*	Mar Qtr 2008	June Qtr 2008	FULL YEAR
Net inflows (A$m)	$100.45	$103.02	$116.07	$215.87	**$535.41**

- 2008 calendar year inflows strong despite impact of weak investor sentiment and tendency to cash retention.
- Redemption activity was in line with our historical redemption activity, against industry trends towards increased redemptions.
- Long term value to be achieved from increased awareness of capital preservation qualities of absolute return investing during periods of volatility.
- Traditional funds management industry new fund flows slowing dramatically, whilst secular shift from traditional to alternative continues.
    - Industry Gross Inflows of March Qtr down by 36.1% from Dec Qtr**
    - Industry Net Inflows - $3.29B in March Qtr compared to +$1.59B in Dec Qtr**

*excludes Lighthouse Partners inflows. ** Source: Plan for Life

Debt Profile

Gearing Ratio

Pro forma	FY08	FY08 (no perf fees)
Debt / EBITDA[1]	1.55x	1.83x
Financial undertaking to debt provider	< 3.5x	< 3.5x

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

Minimum Interest Cover Ratio

Pro forma	FY08	FY08 (no perf fees)
EBITDA[2] / Interest expense[1]	12.66x	10.72x
Financial undertaking to debt provider	> 3.5x	> 3.5x

Comments

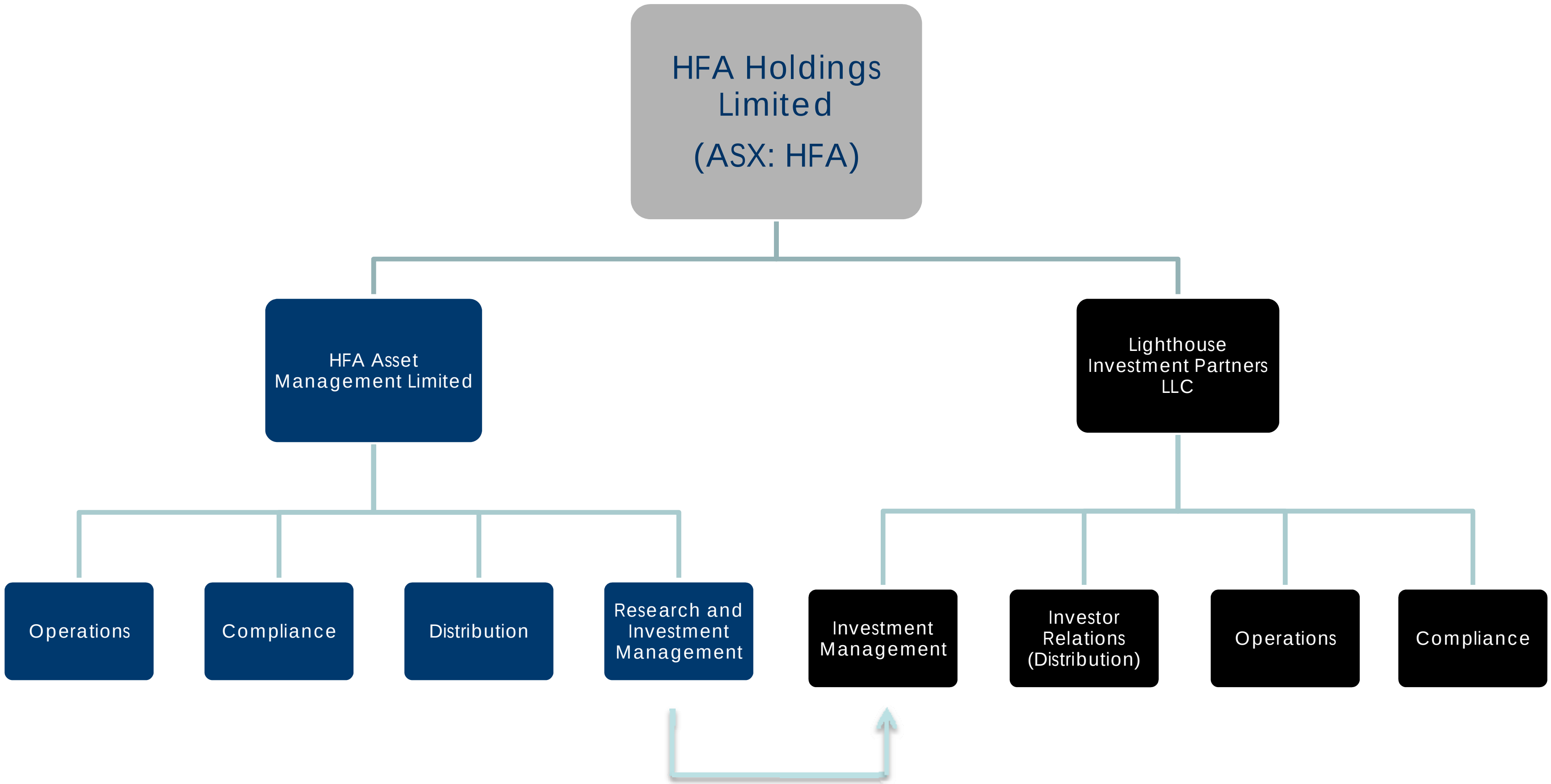
- Primary debt obligations
  - Lighthouse acquisition facility - US$127.8m
  - Working capital - A$10m (limit A$30m)
- No repayments due until end of 3 year term
- Funding costs
  - US$ acquisition facility - recently fixed for remaining term of loan at LIBOR rate of 2.70% plus 80 bpts margin
  - Working capital - BBSY plus 80 bpts margin

1. Interest assuming acquisition took place on 1/7/07
2. Includes pro forma full year Lighthouse earnings (1/7/07 – 30/06/08)

BUSINESS PROFILE

as at 30 June 2008

Corporate Structure



History of HFA

1987 - Lighthouse Funds created by Asset Management Advisors LLC (AMA)

1996 - Sean McGould joins AMA as Chief Investment Officer (CIO)

1998 - HFA Asset Management (HFAAM) established by Spencer Young

1999 – Lighthouse incorporated independent of AMA

2000 – HFA/LHP establish Advisory and Access Agreement

SunTrust Bank acquires AMA (incl. LHP) - 2000

HFA passes A$1 billion in Assets Under Management - 2005

HFA lists on the Australian Securities Exchange (ASX) – 2006 (May)

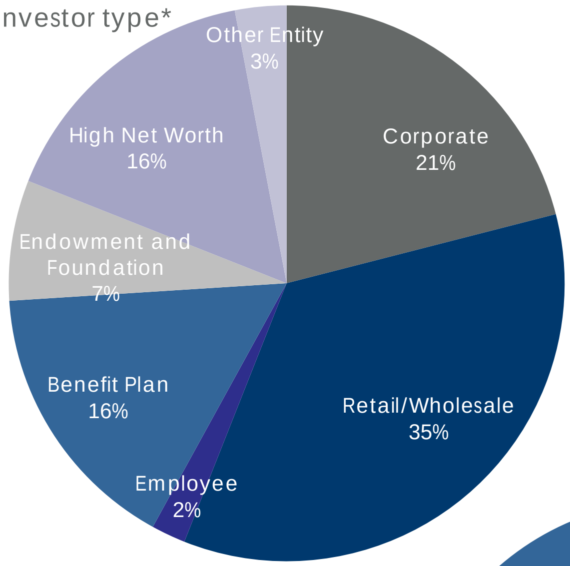
HFA passes A$3 billion in AUM – 2006 (Dec)

HFA acquires Lighthouse Investment Partners LLC and passes A$9 billion in AUM – 2008 (Jan)

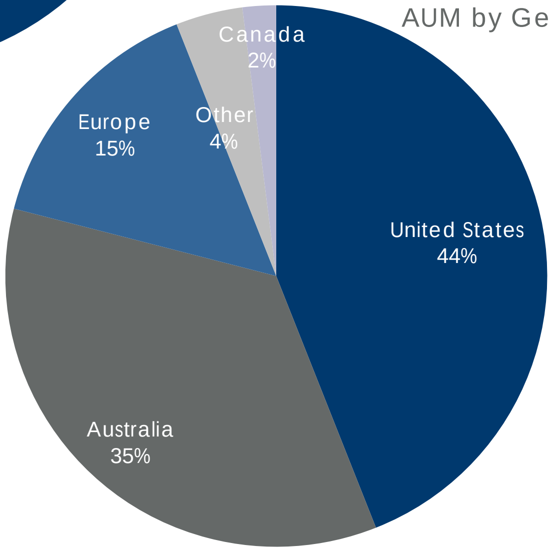
Investor Diversity

Investor Diversity

AUM by Investor type*



AUM by Geography*



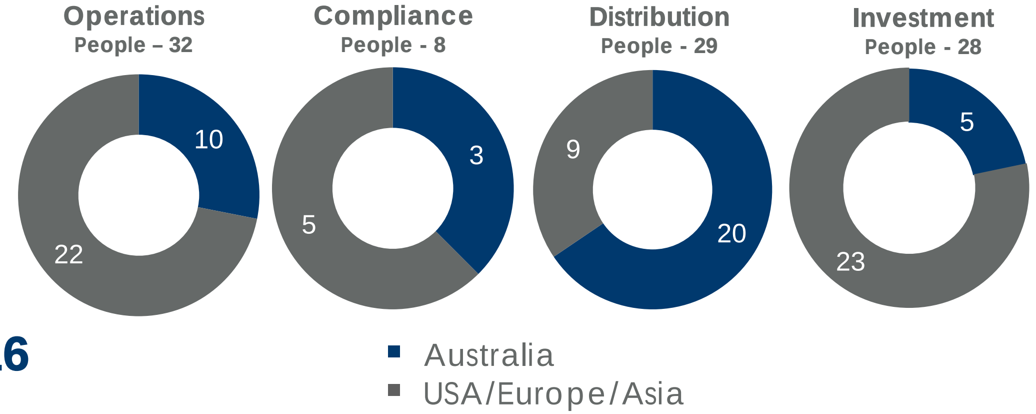
Comments

- 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

* As at 30 June 2008

International Organisation

International Presence



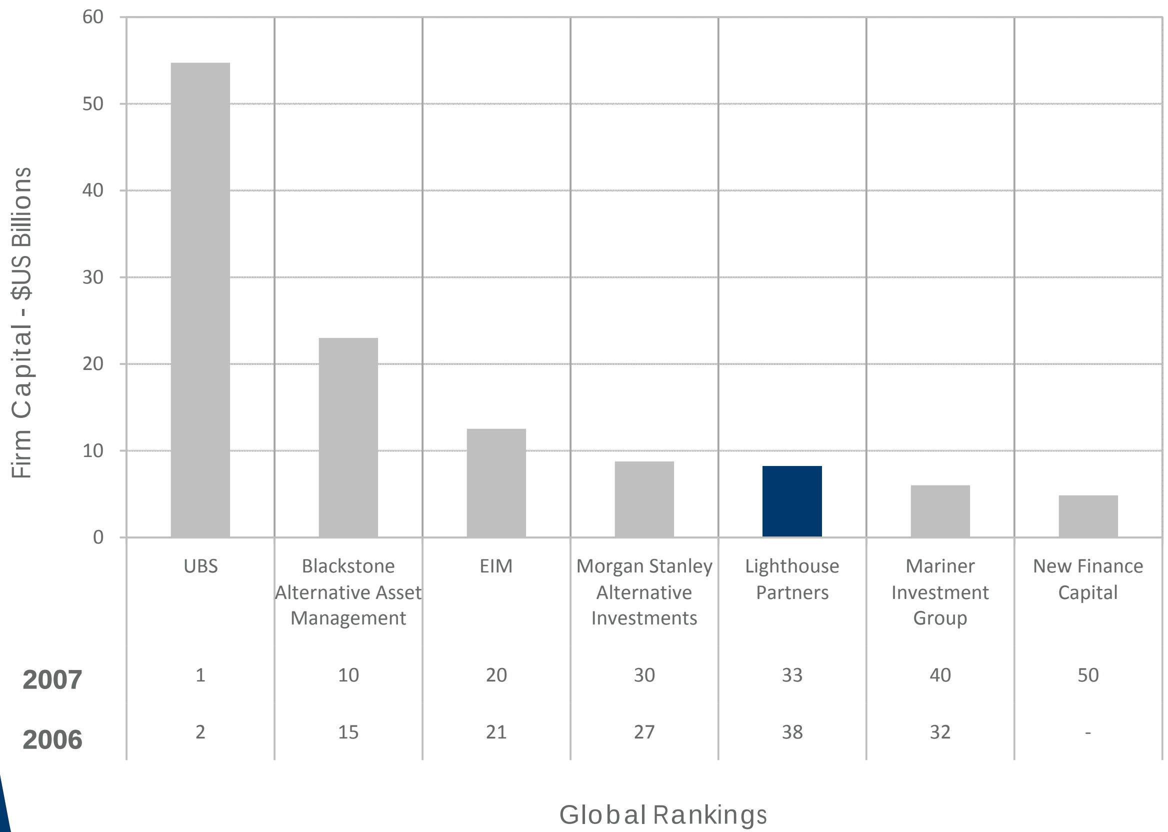
Comment

- 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.

Global Ranking

holdings

Global Fund of Hedge Fund (FoHF) 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
- AUM growth for the top 50 FoHF managers was 35% for the 12 months to June 2007

Source: Institutional Investor Alpha October 2007

Awards

HFA Asset Management

Money Management | LONSEC
FUND MANAGER OF THE YEAR 2008

FUND MANAGER

HFA absolutely delivers in alternative assets

The key to HFA Asset Management's win in this year's Hedge Fund of Funds (Alternative Assets) category was its Diversified Investment Fund "delivering on its purpose of generating absolute returns", according to managing director Oscar Martinis.

"Our fund has delivered capital preservation through all market conditions in 2007, and delivered an absolute return to investors," Martinis said.

The fund returned 9.38 per cent net in calendar year 2007, he said, compared to "our absolute return objectives" on the portfolio of 8 to 12 per cent per annum on a rolling three-year basis.

Another characteristic of the fund's performance during the year was delivering "equity-like returns with interest-like levels of volatility", he said.

"Our fund volatility since inception stands at 3.32, which is very similar in volatility profile to the UBS Composite Bond Index (2.7 over the period), while fixed interest returns over the 12 months were 3.5 per cent."

The fund, which Martinis said "generally runs over 50 underlying managers, and is driven over 11 different investment strategies, is also characterised in the fund-of-fund space by a "non directional" portfolio.

"We run a very low equity credit spread beta and fixed interest beta in our portfolio, which enables us to deliver a truly independent return stream from pretty much anything else out there in the market."

HFA beat two other finalists, BT for its Global Return Fund and Goldman Sachs JBWere for its Multi-Strategy Fund, to take out the category.

BT Global Return Fund portfolio manager Greg Revitt said 2007 was one of the fund's "best years for four years", returning about 9.5 per cent after fees, notwithstanding the volatility from June onwards.

"We are particularly satisfied with the fund's performance from June last year to March this year in an extremely stressed environment.

A key to the performance was "an underlying investment exposure that is quite diversified, with typically between 55 and 60 managers in the fund, each exposed to about 1.5 per cent to 1.6 per cent, and to a maximum of 4 per cent".

"Slightly less than half of the fund is distributed among the top 20 managers, ensuring that the risk focus is to select skilled managers that can add value in their own right, rather than exploiting any market direction," he said.

The fund's investment program is managed by Grosvenor Capital Management.

A spokesperson for Goldman Sachs JBWere's Multi-Strategy Fund said the fund had "performed well in challenging conditions throughout the year in the alternative asset space".

"Our view is that fund of funds continue to play an important role in overall portfolio construction, offering the opportunity to diversify and manage risk for certain clients.

"We have observed alternative assets to be an area of growing interest for the Australian adviser community, which is in line with the trend throughout the international marketplace."

Oscar Martinis

HEDGE FUND OF FUNDS (ALTERNATIVE ASSETS)

WINNER: HFA Asset Management
FINALIST: BT Investment Management
FINALIST: Goldman Sachs JBWere

34 — MONEY MANAGEMENT May 8, 2008 www.moneymanagement.com.au

Lighthouse

2007
Hedge Fund Manager of the Year by Professional Pensions (Lighthouse Partners)

2006
Best Credit/Fixed Income Fund of Funds by InvestHedge (Credit Fund)

2005
Best Single Strategy Fund of Funds by MARHedge (Credit Fund)

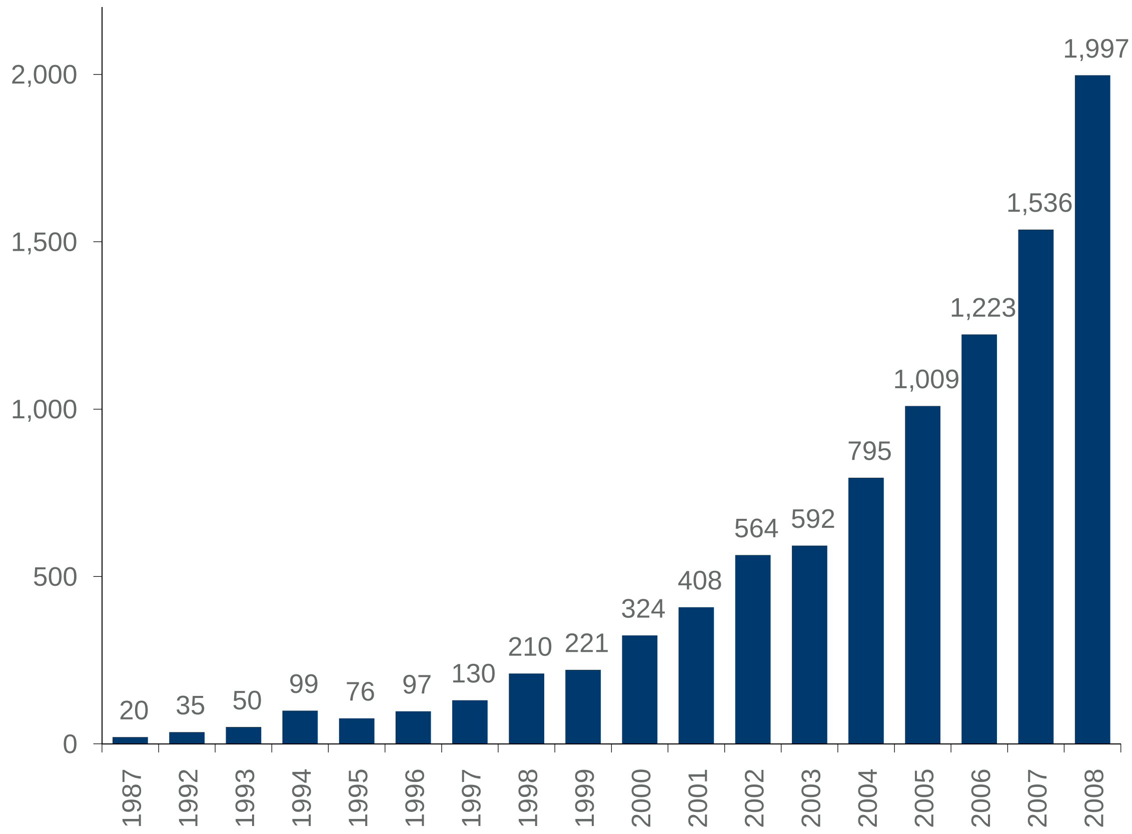
2002
Overall Best Fund by InvestHedge (Diversified Fund)

INDUSTRY PROFILE

as at 30 June 2008

Global Hedge Fund Growth

Global Hedge Funds - Assets Under Management ($Usb)



Comments

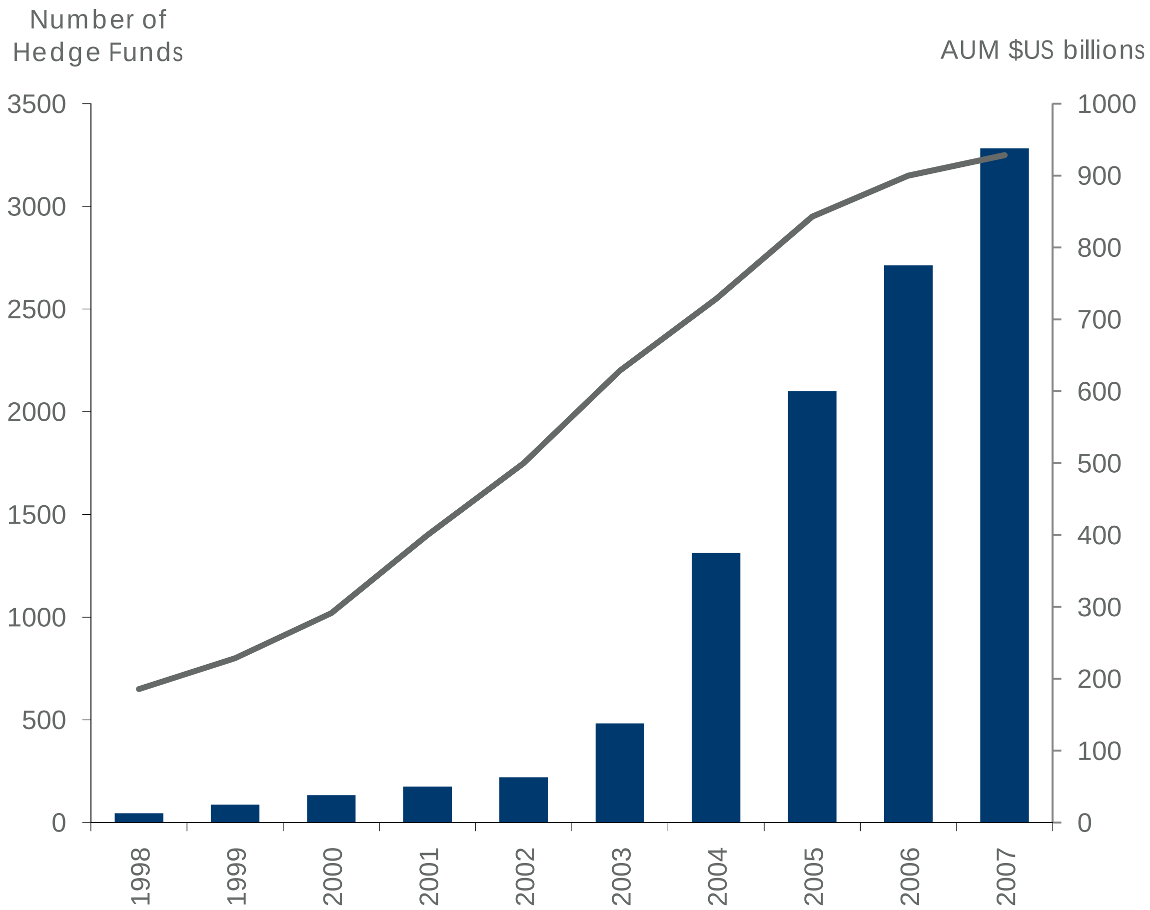
- Hedge fund industry assets (not including assets invested in fund of hedge funds) increased by $462 billion in 2007 to $1.997 trillion.
- The increase in assets represents +30% growth over industry assets since the beginning of 2007.
- Industry experienced net inflows of $278 billion (+18%) in 2007 with the remaining $184 billion (+12%) the result of positive performance.

SOURCE: Hennessee Group LLC

Global Fund of Hedge Fund (FoHF) Growth

holdings

Global Fund of Hedge Fund - Assets Under Management Growth ($USb)



Comments

- Fund of Hedge Funds (FoHF) assets more than doubled in the three years up to 2007 to reach nearly $US950bln or around 40% of global hedge fund assets.
- The number of publicly quoted hedge fund of funds has increased rapidly over the past decade.

SOURCE: IFSL Research Hedge Funds 2008 (July 2008) – www.ifsl.org.uk

Industry Comment

"There is no let up in the demand for alternative assets as pension funds around the world seek to diversify their portfolios and capture alpha through absolute return strategies."

Roger Unwin, Watson Wyatt global head of investment consulting (June 2008)

"The continued growth of global assets during the second half of last year...shows that hedge funds generally did a pretty good job negotiating the first phase of the global credit crunch."

Neil Wilson, HedgeFund Intelligence editorial director (April 2008)

"Investors should diversify their sources of return to generate more alpha-excess returns uncorrelated with the behaviour of capital markets."

van Eyk Strategic *Asset Allocation Summary (June 2008)*

"…alternatives, used in the right way, are enabling investors to better tailor investment strategies to address their myriad of financial and investment concerns, be it controlling volatility, boosting returns, or hedging inflation."

John Hunt, CEO of Institutional Americas at JPMorgan Asset Management (July 2008)

HFA Asset Management
Australian Alternative Investment Survey May 2008

holdings

Key Findings

74% of respondents said they would invest in FoHF on behalf of their clients over the next 12 months, 6% would not whilst 20% were uncertain.

75% of respondents will allocate 5-10% of their clients portfolios to Absolute Return Funds over the next 12 months whilst 21% would allocate 15-20%.

74% of respondents rated FoHF has having less risk than traditional managed funds, 20% rated equivalent risk and 6% greater risk.

When asked to rank the most important aspects of investing to their clients the advisers responded:

- 21% Absolute Returns
- 20% Capital Preservation
- 47% Consistent Performance
- 5% High Double Digit Returns
- 5% Tax efficient returns
- 2% Relative Returns vs Benchmarks

Survey Overview

299 financial planners participated in the survey.

- 53% from large dealer groups
- 19% from boutique dealer groups
- 15% from independent practices
- 13% from mid size dealer groups

- 9% < $10m FUM
- 12% $10-20m FUM
- 25% $20-50m FUM
- 24% $50-$100m FUM
- 30% > $100m FUM

JP Morgan Asset Management
Next Generation Alternative Investing Survey (July 2008)

Key Findings

Alternatives have become an essential part of portfolio strategies for institutional investors employing them. Growth expectations remain strong -- despite current market disruptions, dislocations, and sub-prime contagion.

Allocations

- Average allocations to alternatives exceed 18% and are expected to exceed 22% by 2010 -- an increase of over 20%.
- A pervasive need to enhance and diversify returns drives growth, with a shift in allocations away from traditional assets toward alternatives.

Strategies

- Growth in average allocations is expected across all major alternative asset classes, with absolute return/hedge funds and private equity growing the fastest.
- Hedge funds/absolute return: These strategies will account for approximately 40% of net inflows into alternatives through 2010.

Survey Overview

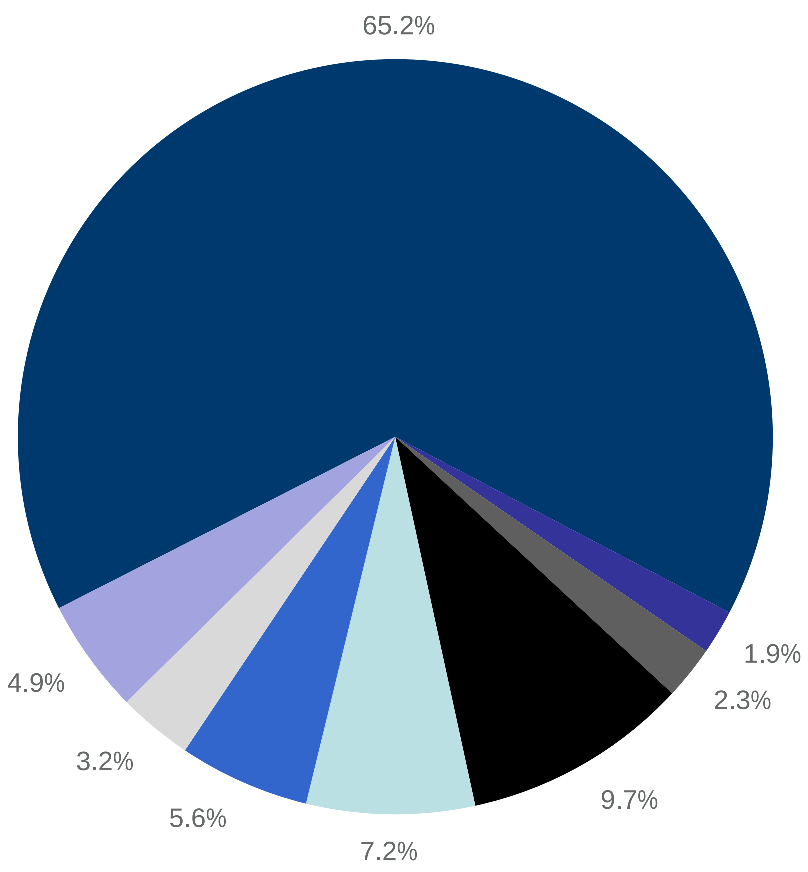
The JPMorgan Asset Management *Next Generation Alternative Investing Survey* examined the investment practices of 191 of the largest U.S. institutional investors across corporate plans, public funds and endowments and foundations representing $1.26 trillion in assets.

INVESTMENT PRODUCT OVERVIEW

as at 30 June 2008

Investment Product Overview

	Investment Strategy
Diversified Fund	Absolute Return with low correlation and beta to traditional markets
Low Volatility Fund	Conservative multi-strategy fund
Credit Opportunities Fund	Single strategy fund of funds with credit related strategy
Global Long/Short Fund	Single strategy fund of funds seeking global equity long/short opportunities
V Fund	Heavily diversified for benefit plans only. Investors seek LIBOR +5%
Asian Strategies Fund	Diversified pan-Asian fund of funds with Absolute Return objectives
Aggressive Growth Fund	Concentrated aggressive fund focussed on specialty investment strategies
Other	Various



Product Performance

Comparative Fund Returns to 30 June, 2008

	LHP Diversified Fund	LHP Global Long Short Fund	*MSCI World Ex Au (USD)*	*MSCI Gross Asian (USD)*	*S&P/ASX 200 Accumulation Index*	*Standard & Poor's 500 TR Index (US$)*
1 Month	-0.18%	-0.78%	-8.00%	-9.10%	-7.46%	-8.43%
3 Months	2.40%	3.55%	-1.61%	-2.30%	-1.79%	-2.73%
6 Months	-0.49%	-4.77%	-10.33%	-12.92%	-15.92%	-11.91%
12 Months	0.19%	-4.01%	-10.46%	-9.59%	-13.40%	-13.12%
2 Years p.a.	8.07%	9.75%	5.22%	3.99%	5.55%	2.36%
3 Years p.a.	8.16%	9.01%	9.13%	12.71%	11.35%	4.41%
4 Years p.a.	7.80%	9.08%	9.35%	11.06%	14.93%	4.88%
5 Years p.a.	7.11%	n/a	12.23%	16.64%	16.23%	7.58%
Inception p.a.	6.84%	9.10%	Since Inception Return are different for various Funds			
Inception Total	63.34%	47.97%				

- LHP Diversified Fund Ltd inception being February 2001
- LHP Global Long Short Fund Ltd inception being January 2004

Source: Lighthouse, MSCI and Bloomberg

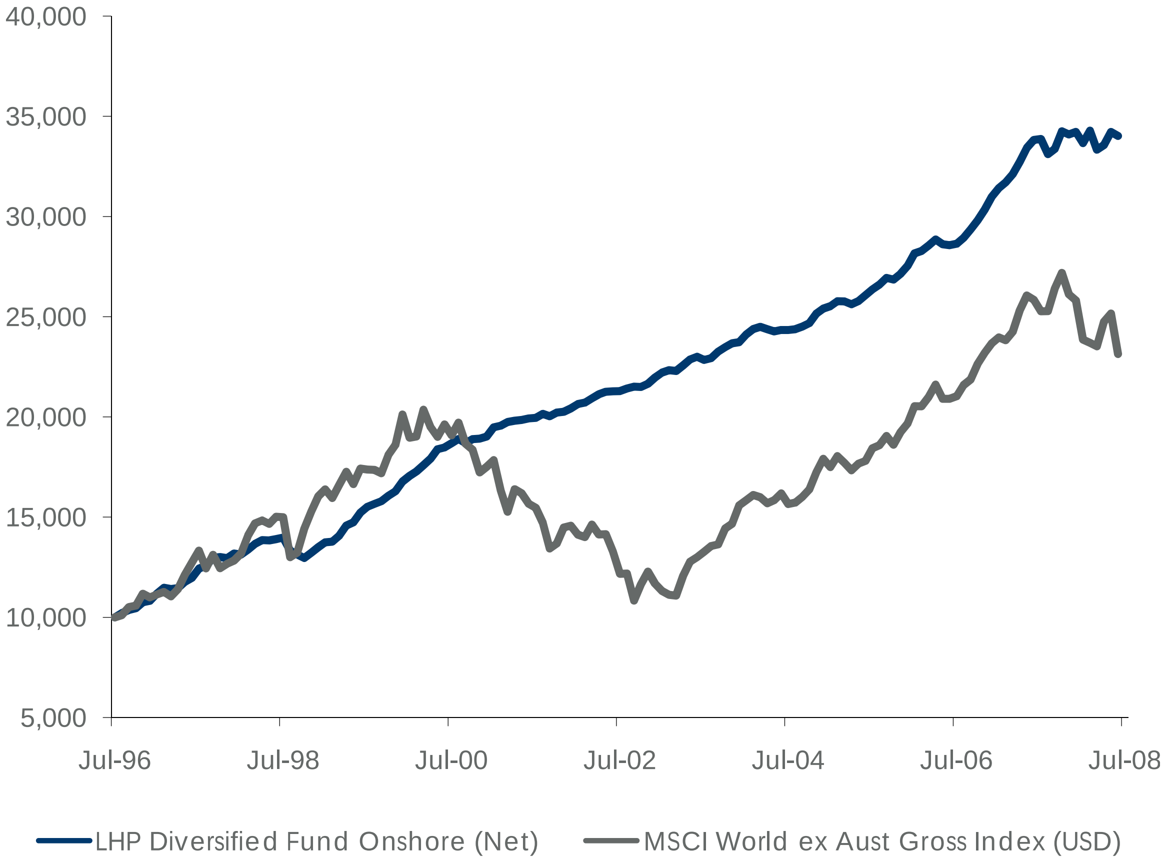
HFA Asset Management Product Leverage

- There is only product leverage at the HFA AM Fund level and not at the LHP Fund level
- Long term agreements
- Swap or Note structures – HFA Fund purchases from counterparty, counterparty adds leverage and invests in LHP fund.
- Underlying investments exhibit low volatility return characteristics suitable for the addition of leverage
- High quality counterparties
- USD Funding – fixed margin above short term US Libor, negotiated for term of structure (lower USD rate beneficial to structure)
- Defined re/de-leverage mechanism as part of risk management control driven by underlying fund returns
- Continuing counterparty demand to enter into structures with HFA
- HFA has strong experience in managing the risk of the structure

Fund Performance – Long Term

holdings

Growth of $US10,000*



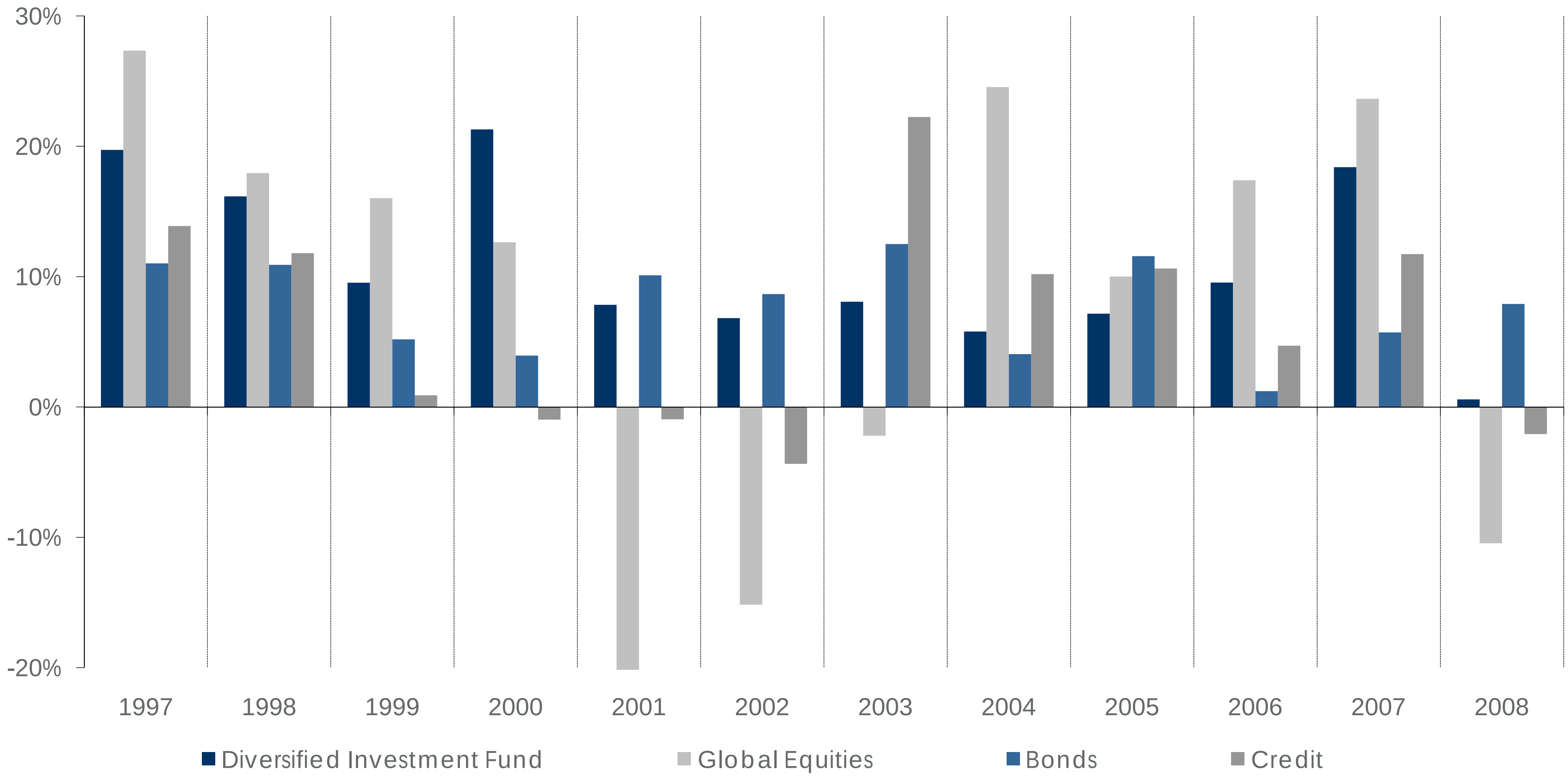
Philosophy

- It is better to miss a perceived good opportunity than risk sustaining real losses
- Focus on eliminating as much directional market exposure as possible
- Active strategy diversification reduces risk of loss
- Do not employ strategies which are not understood
- The "back-office" risk can be as substantial as the "front-office" risk
- Character matters. Reference and background checks prove critical to manager selection.

* from 1 August, 1996, to 30 June 2008. SOURCE: Lighthouse and MSCI.

Fund Performance – Long Term

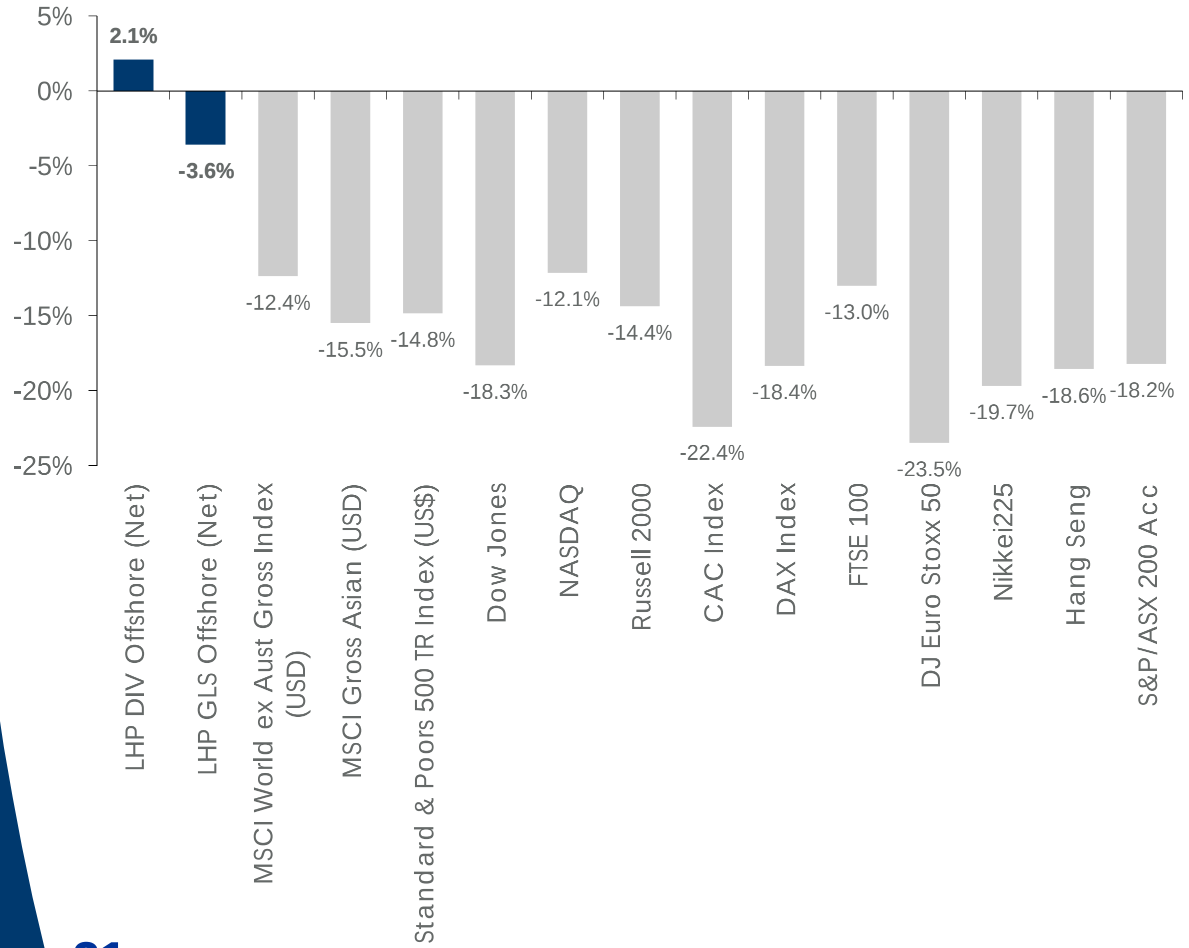
Diversified Performance vs Traditional Asset Classes *



*For year end 30 June, 2008.
Notes: DIF - LHP Onshore fund net of fees from Lighthouse Partners LLC. Global Equities - data from MSCI, MSCI world ex Australia gross in USD. Bonds - data from Morningstar, Lehman Brothers Global Aggregate Index H. Credit - data from Bloomberg, ML High Yield Masters 2 TR Index (H0A0).1997 year represents Aug 1996 - Jun 1997.

Fund Performance – Short Term

Comparative Returns - October 1, 2007, to 30 June, 2008*



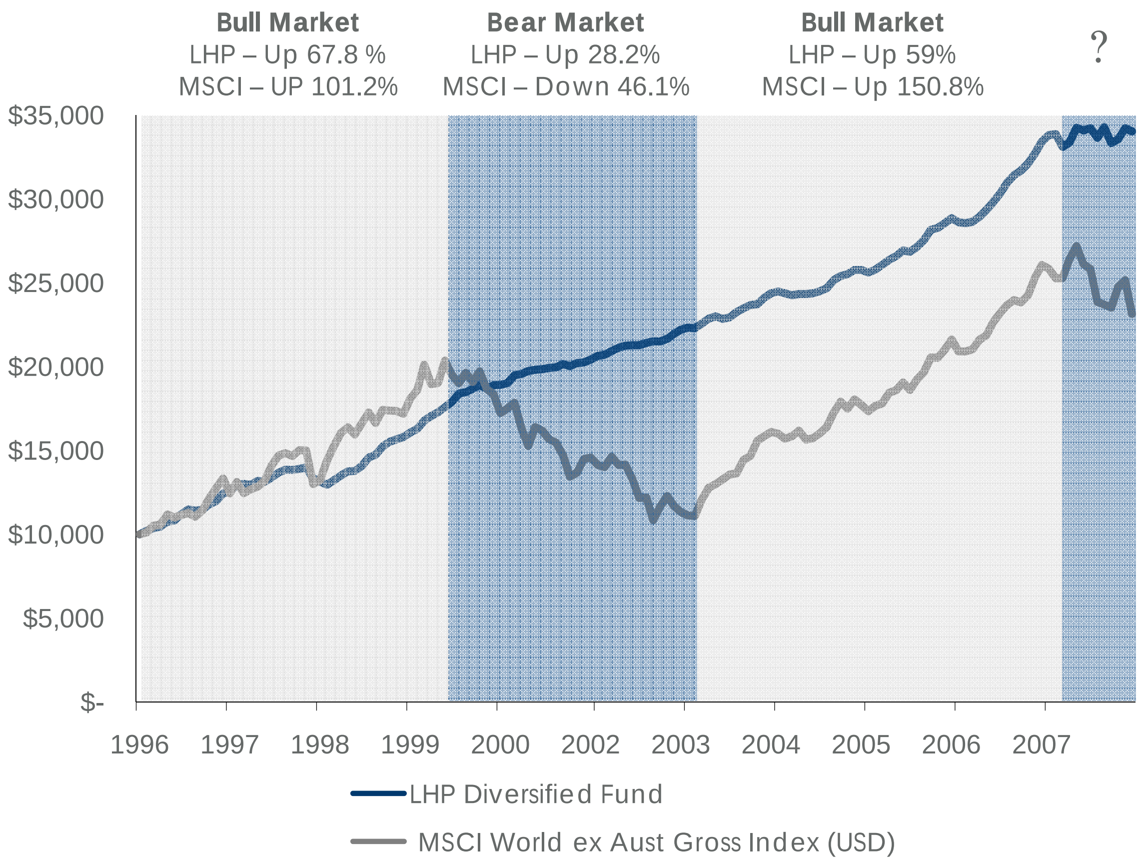
Comments

- Current market is characterised by low investor confidence which has manifested in sharp declines in most major indices.
- Absolute return investing has strong underlying capital preservation qualities.
- Benefits of absolute return investing during bear markets or periods of extreme volatility is significant.
- Absolute return funds provide a protection mechanism during periods of volatility.

* LHP Diversified Fund Ltd returns are net of fees. Source: HFA Asset Management, MSCI and Bloomberg.

Value of Capital Preservation

Preserving capital improves long term performance



Comments

- HFA funds have demonstrated superior capital preservation qualities in periods of extreme volatility.
- Capital preservation is the overriding investment goal for all HFA funds.

* from 1 August, 1996, to 30 June 2008. SOURCE: Lighthouse and MSCI.

OUTLOOK

for year to June 30, 2009

Strategic Positioning

- FY08 result leaves HFA well positioned to meet the challenges of a volatile market
- FY09 will present a number of investment opportunities to maintain fund performance
- HFA is well positioned to maximise opportunity of industry-wide shift from traditional (long-only) strategies to alternatives
- Less crowded investment market (through attrition, M&A) when sentiment returns
- Building distribution strength and brand awareness for return of positive sentiment
- Retained brand/reputation value through strong relative performance in FY08
- Budgeted expansion into Europe and Asia in FY09, expected to generate value in the medium term
- Opportunities may provide the possibility for material upside in fund performance and inflows during FY09

Outlook

CAPITAL MANAGEMENT

- Strong capital base with no requirement to raise additional capital in FY09
- Ability to pursue opportunistic, accretive acquisitions if available
- Investigating opportunities for use of surplus cash; including potential share buy-back or retirement of corporate debt

EARNINGS

- Earnings guidance is not appropriate in the current market environment
    - Performance Fees – dependent on markets which remain extremely volatile
    - Management Fees – recurring income in FY09 from existing and growing AUM base
- FY09, FY10 and FY11 accounts to reflect a non cash expenses related to LHP staff incentive scheme which will be funded by SGM Holdings (Sean McGould), not HFA Holdings. Accounting Standards require HFA to recognise as an a non cash expense. Post-tax impact over next three years is expected to be approximately $4.2 million (FY09), $1.4 million (FY10) and $0.4 million (FY11).

holdings

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