

5 August 2014

Australian Securities Exchange
Market Announcements
Via: E lodgement

TREASURY GROUP LIMITED MERGER WITH NORTHERN LIGHTS CAPITAL GROUP

Highlights

- Northern Lights Capital Group (Northern Lights) is a US based multi-boutique asset management business – FUM of A\$24.2bn across 13 associated funds management businesses (“boutiques”)
- No change of control at TRG, TRG will hold an interest of approximately 61% and majority Board representation
- Northern Lights contributed at transaction value of A\$193.0m, equivalent to a trailing pro-forma FY14 PE of 12.3x
- Expected to be materially EPS accretive to TRG shareholders from completion
- Key Northern Lights boutiques growing strongly
- Creates diversified international portfolio of asset management companies with combined FUM of A\$49.6bn
- Merger is consistent with Treasury Group’s stated growth strategy and delivers strengthened investment and distribution capabilities
- Transaction remains conditional with completion expected in October 2014
- TRG has declared a final FY14 dividend of 27.0 cents per share fully franked

Treasury Group Limited (ASX:TRG) announces that it has entered into an agreement to merge with Northern Lights Capital Group (Northern Lights), a privately owned, US-based, multi-boutique funds management business. Northern Lights currently holds investments in 13 boutiques with FUM of A\$24.2bn, and offices in the US, UK and France.

It is expected that the merger will deliver significant strategic and financial benefits to TRG and its shareholders. The transaction is expected to be materially accretive from completion, deliver increased portfolio diversification and strengthen investment and distribution capabilities.

TRG Managing Director, Andrew McGill commented “We are delighted to join with Northern Lights, transforming both businesses into an international multi-boutique asset management group. For Treasury Group, the merger executes on key elements of our strategy, delivers significantly strengthened product distribution capability and leaves us ideally positioned for our next phase of growth across international markets.”

“Northern Lights and Treasury Group share very similar philosophies with both organisations committed to providing creative capital and working diligently to grow portfolio companies,” said Tim Carver, Managing Director at Northern Lights. “Through this partnership, we are bringing together the expertise and the resources to create a true global leader in the multi-boutique asset management space.”

Transaction Overview

A new Australian Trust and Trustee Company will be established which will own the interests in the combined 21 boutiques¹ and give effect to the merger. TRG and Northern Lights will each receive units in the new Trust, equivalent to approximately 61% and approximately 39% holdings, respectively. Simultaneous with the merger, additional equity will be acquired in two Northern Lights boutiques. Northern Lights shareholders will receive equity in the Trust, deferred cash payments and potentially contingent payments and earn-outs linked to growth in profit at some boutiques.

Management and operations will be integrated and the business will be operated as one group under the direction of a common Board of Directors. Four Northern Lights nominees will join the existing five Directors on the TRG Board. Andrew McGill will be Managing Director and CEO of the merged group and Mike Fitzpatrick will be Chairman. Northern Lights co-founders Tim Carver and Paul Greenwood will be Executive Directors. Jeff Vincent, CEO of Laird Norton, and Gilles Guerin, CEO of BNP Paribas Capital Partners, will join the TRG Board as non-executive directors.

Initially, TRG and Northern Lights will continue to operate under their existing names and brands.

Merger Rationale

The strategic and financial rationale for the merger is considered to be compelling for TRG shareholders. It is expected to deliver material EPS accretion from completion. It provides exposure to key Northern Lights boutiques which have experienced strong growth. It creates a diversified international portfolio of multi-boutique asset management businesses. It executes on key elements of TRG’s strategy – expand and diversify portfolio, strengthen distribution capabilities, improve access to capital, consider M&A opportunities.

¹ Transfer of some portfolio assets remains subject to shareholder agreement processes including operation of pre-emptive rights provisions.

Group Strategy - Partnering with Outstanding Asset Management Professionals Worldwide

The strategy of the combined group will be an extension of TRG's existing strategies, leveraging the enhanced capabilities delivered by the merger and will include a number of elements:

Continued expansion and diversification of portfolio via value enhancing new investments

The merger will result in a strengthened management and investment team with executives well positioned to access deal flow within international markets. In addition to partnering with early stage asset management businesses, the combined group will have scale and financial capacity to invest in established businesses.

Over the past 5 years, Northern Lights and TRG have completed a combined 14 investments.

Leverage distribution capabilities to increase asset base

The merged business will have 14 sales executives across offices in the US, Australia and the UK focussed on the sale of boutique investment products to institutional investors, superannuation and pension funds, family offices and other classes of investors. It will also provide TRG with access to an additional 8 US based retail sales executives with 181 selling agreements in place across broker / dealers and RIAs via the relationship with WHV. This is expected to provide opportunities for increased distribution of TRG's boutiques into the US market, as well as providing access for Northern Light's boutiques into the Australian market (subject to compliance with all regulatory requirements).

The combined Northern Lights and TRG distribution teams have raised over A\$8bn in FUM for boutiques partners over the past 5 years.

Second listing on a global exchange within 3 years

It is intended that the merged group will seek a second listing on a global exchange within 3 years, which is expected to deliver benefits for shareholders including enhanced access to capital for growth. The second listing will provide liquidity for Northern Lights shareholders.

Efficient capital structure

The merged group will seek to drive return on equity via efficient investment structures and capital structure.

Leverage Northern Lights strategic relationships

BNP Paribas and Laird Norton are cornerstone shareholders of Northern Lights. Both organisations will continue to hold equity in the merged group and will be represented on the Board.

Consideration and Funding

Upfront cash consideration is payable in relation to the acquisition of additional equity in two Northern Lights boutiques. No upfront cash is payable to Northern Lights shareholders. The component elements of transaction funding are described in the following table.

Equity	<ul style="list-style-type: none"> ▪ TRG to be issued Class A Trust Units with 61% interest ▪ Northern Lights to be issued Class B Trust Units with 39% interest <ul style="list-style-type: none"> – Class B Units exchangeable into TRG shares at an exchange ratio of 1 TRG share for every 1.5 Class B Units for the first three years, 1 TRG share for every 1.2 Class B Units thereafter – The exchange ratio moves to 1 TRG share for every 1 Class B Units in the event of a takeover or scheme of arrangement in relation to TRG, and also where a second listing has not occurred within 5 years of completion
Debt	<ul style="list-style-type: none"> ▪ A\$49.4m committed external debt facility within the merged business secured over Northern Lights assets only (no debt at TRG level) ▪ TRG look through share of the debt facility is A\$30.2m ▪ 5 year term ▪ FY14 pro forma net debt / EBIT of 1.2x, interest cover of 6.8x and debt / equity of 14%
Vendor Finance	<ul style="list-style-type: none"> ▪ Deferred consideration of A\$41.6m (TRG look through share A\$25.5m) payable by the merged business to various Northern Lights vendors over the period to 2019
Contingent Vendor Finance & Earn-outs	<ul style="list-style-type: none"> ▪ Earn-outs payable by the merged business to various Northern Lights vendors: <ul style="list-style-type: none"> – Amounts based on 6 times multiple of fees on incremental FUM at one of the Northern Lights' boutiques. Potentially payable over an 8 year period post completion if targets are met. Up to 67% payable in equity at the Trustee Company's election – Contingent vendor finance of up to A\$45.1m (TRG look through share A\$27.6m) in relation to potential relative value of Alternatives Portfolio² payable if NPAT growth targets are achieved within a 7 year period. Structured as Redeemable Preferred Units with conditional refinance obligation in FY17

All necessary upfront cash funding is committed.

² Northern Lights Alternatives include Goodhart, Nereus, Raven, EAM, Blackcrane & NLAA.

Impact on TRG

As illustrated in Schedule 1, on a pro forma FY14 basis underlying TRG NPAT attributable to TRG shareholders increases from a forecast A\$14.0m to a post transaction NPAT of A\$14.7m. As such, the transaction is marginally accretive on a pro-forma FY14F basis. However, from close the transaction is expected to be materially EPS accretive. Northern Lights' businesses are expected to deliver pro forma FY14 revenue and NPAT of A\$37.4m and A\$15.7m³ respectively.

TRG will retain all existing franking credits. TRG expects to be able to continue to pay franked dividends to its shareholders in the future.

Final FY14 Dividend

On 5 August 2014, the TRG Board declared a final dividend for FY14 of 27.0 cents per share fully franked. The record date is 28 August 2014 and the payment date is 25 September 2014.

Process and Completion Timetable

The merger remains subject to the following conditions precedent:

- Satisfaction of all conditions required for draw down of debt funding including no material adverse change in relation to Northern Lights and satisfaction of all conditions to acquire additional equity interests in two Northern Lights boutiques;
- Northern Lights receiving minimum level of consents from clients of its boutiques (based on a revenue test);
- Finalisation of merger structure;
- Regulatory approvals in the US and UK; and
- Completion of shareholder agreement processes in relation to some TRG boutiques.

It is expected that all conditions will be satisfied in order for completion to occur by the end of October 2014.

TRG has received confirmation from the ASX that approval of the merger transaction by shareholders is not required under Listing Rule 11.

TRG was advised by Gresham Partners, Herbert Smith Freehills and Deloitte.

³ Includes normalisation and transaction pro forma adjustments.

Conference Call

Investors and analysts are invited to participate in a conference call at 11:00am AEST on 5 August 2014 to be hosted by Treasury Group's Managing Director Andrew McGill and Chief Financial Officer Joseph Ferragina.

The dial-in details are as follows:

Location	Local Number
Australia	+61 2 8113 1400
Australia (toll free)	1800 554 798
New Zealand	0800 450 585
Singapore	+65 3158 1295
United Kingdom (London)	+44 203 691 9060
United Kingdom	0808 234 8407
USA (NY)	+1 914 449 1588
USA other	1866 839 8029

Please quote the Conference ID or Conference Title: 6601957/ M&C Partners.

For further details please contact:

Andrew McGill
Managing Director, Treasury Group Limited +61 2 8243 0400

For media queries please contact:

Rebecca Lawson
Associate Director, M&C Partners +61 433 216 269

Schedule 1 – TRG FY14F Pro-Forma P&L⁴

12 Months to 30 June 2014 (A\$m)	TRG FY14F	TRG Share of Combined FY14F Pro Forma
Forecast P&L	Pre Transaction	Post Transaction
Revenue	3.2	24.8
Share of Associates & Other Income	20.0	15.7
Profit Before Tax	15.6	16.0
Underlying NPAT Attributable to TRG Shareholders	14.0	14.7

Schedule 2 – TRG Pro Forma Balance Sheet (31 December 2013)⁵

TRG Pro Forma Balance Sheet (A\$m)	Dec 2013 Status Quo	Adjustments	Dec 2013 Pro Forma
Assets	Pre Transaction		Post Transaction
Cash and cash equivalents	14.0	(7.7)	6.2
Trade and other receivables	5.2	(5.2)	-
Investments in Associates	43.3	173.6	216.9
Loans and receivables	1.9	(1.9)	-
Deferred tax assets	2.1	(2.1)	-
Other assets	0.3	(0.3)	-
Total Assets	66.7	156.4	223.1
Liabilities			
Trade and other payables	2.5	(2.5)	-
Provisions	0.4	(0.4)	-
Total Liabilities	2.9	(2.9)	-
Net Assets	63.8	159.3	223.1
Equity			
Equity attributable to equity holders of the parent	29.6	-	29.6
Contributed equity	5.1	-	5.1
Retained Earnings	29.1	159.3	188.4
Non-controlling interests	0.0	(0.0)	-
Total Equity	63.8	159.3	223.1

⁴ TRG share of combined FY14PF P&L includes normalisation and transaction pro forma adjustments taking into account the post transaction structure.

⁵ Balance sheet calculated on a pro forma and normalised basis as at 31 December 2013. The balance sheet is based on TRG's 61% equity interest in the Trust. TRG assets post transaction based on fair value assuming a TRG share price as at 4 August 2014 of \$9.67.

Schedule 3 – Northern Lights Boutique Portfolio

	Location	Investment Date	FUM (A\$) ⁶	Strategy
Aether	US	October 2008	\$1.0bn	Private equity fund of funds focused in the real assets sector
Alphashares	US	February 2008	\$376m	Provider of a range of Chinese equity ETFs
Blackcrane	US	March 2014	\$3m	Concentrated international/global equity strategies (all cap)
Del Rey	US	July 2010	\$833m	International equity value manager
EAM	US	May 2014	\$1.1bn	Small cap and micro-cap firm. US, International, Global and emerging market strategies
Elessar	US	December 2007	\$112m	US small cap specialist
Goodhart	UK	April 2009	\$427m	Specialist multi-product asset manager – Japanese equity and Emerging market equities, UCITS structure capability
Nereus	India	January 2011	-	Private equity boutique focused on renewable energy infrastructure
NLAA	UK	April 2014	\$268m	Hedge funds seeding vehicle
Raven	US	May 2010	\$254m	Private equity firm focused on asset-based lending
Seizert	US	December 2008	\$5.7bn	US equities specialist (core and value) – small cap, mid cap and large cap products
Tamro	US	June 2007	\$2.2bn	US small cap core equities
WHV⁷	US	January 2013	\$11.9bn	Intermediary investment platform, access to US mutual fund structures, in house and external manager strategies

⁶ As at 30 June 2014. AUD / USD exchange rate of 0.93 as at 4 August 2014.

⁷ Profit share arrangement.

Treasury Group Limited

Merger with Northern Lights Capital Group

5 August 2014

Summary information, not investment advice

This presentation has been prepared by the management team of Treasury Group Limited (TRG) in relation to a proposed joint venture transaction with Northern Lights Capital Group (Northern Lights) (Possible Transaction).

This presentation contains summary information about the Possible Transaction as at 5 August 2014.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

This presentation includes forward looking information relating to TRG, Northern Lights and the Possible Transaction. The forward looking information is not a representation or warranty (express or implied) as to future matters. Any forward looking information (which may be in the form of information, statements, budgets, estimates, opinions or projections):

- Is a statement of current expectation concerning future results and events and is not a prediction of future outcomes;
- Is based on a number of detailed assumptions which need to be considered and assessed in light of an investor's circumstances and knowledge;
- May involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct; and
- Involve known and unknown risks and are subject to significant uncertainties and contingencies, many of which are outside the control of TRG.

Accordingly actual results, outcomes and achievements may be materially greater or less than estimated.

Disclaimer

Neither TRG, nor any of its subsidiaries, related bodies corporate or affiliates, nor any of the directors, officers, management, employees, advisors and consultants of any such person, make any representation or warranty (express or implied) as to the accuracy or completeness of this presentation, or as to reasonableness of any assumption or input used in this presentation. To the maximum extent permitted by law, TRG, each of its subsidiaries, related bodies corporate and affiliates, and their respective directors, officers, management, employees, advisors and consultants expressly disclaim any and all liability for loss or damage suffered by any person, whether directly or indirectly and whether arising from negligence or otherwise, as a result of relying on this presentation, including the forward looking information, or as a result of any information contained in, or any omissions from, this presentation or the forward looking information.

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Merger Transaction Overview

- Treasury Group Limited (TRG) and Northern Lights Capital Group (Northern Lights) agree to a merger creating an international multi-boutique business with A\$49.6bn FUM
- Northern Lights is a privately owned, international multi-boutique asset management group headquartered in the US with 13 associated boutiques and pro forma NPAT of A\$15.7m in FY14
- No change of control for TRG, TRG entitled to 61% economic interest in merged business, majority board representation
- Northern Lights boutiques contributed to the merged business at a transaction value of A\$193.0m, equivalent to a trailing pro forma FY14 PE of 12.3x⁽¹⁾. TRG businesses contributed at market value
- Merger via a new Australian Trust and Trustee Company with Board, management and operations to be integrated
- TRG retains franking credits. TRG expects to be able to continue to pay franked dividends to shareholders in the future

Compelling Transaction Rationale

- Expected to be materially EPS accretive to TRG shareholders from close
- Creates diversified international portfolio of asset management businesses
- Key Northern Lights boutiques growing strongly
- Executes on TRG's growth strategy

Approvals & Timetable

- Subject to conditions precedent including regulatory approvals, Northern Lights client consents, finalisation of merger structure, satisfaction of conditions to draw debt facility and to acquire additional equity in two Northern Lights boutiques
- All necessary upfront funding committed
- No TRG shareholder approval required for the transaction; some TRG boutique shareholder agreement processes to be completed
- Completion expected in October 2014

(1) Includes deferred consideration. See page 13 for further information.

1. Transaction Summary Structure

Treasury Group Ltd

TRG shareholders will have a 61% economic interest in the combined value of TRG and Northern Lights boutiques.



Aggregate Portfolio

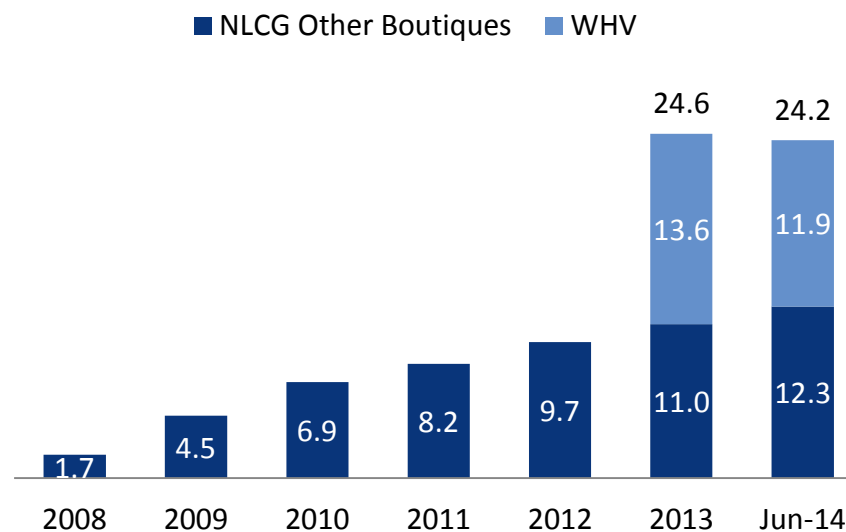


Note: Investors Mutual, Celeste and Orion have not yet waived their rights under their respective shareholder agreements. As such, transfer of TRG's shares in these boutiques remains subject to satisfaction of shareholder agreement requirements including pre-emptive rights provisions.

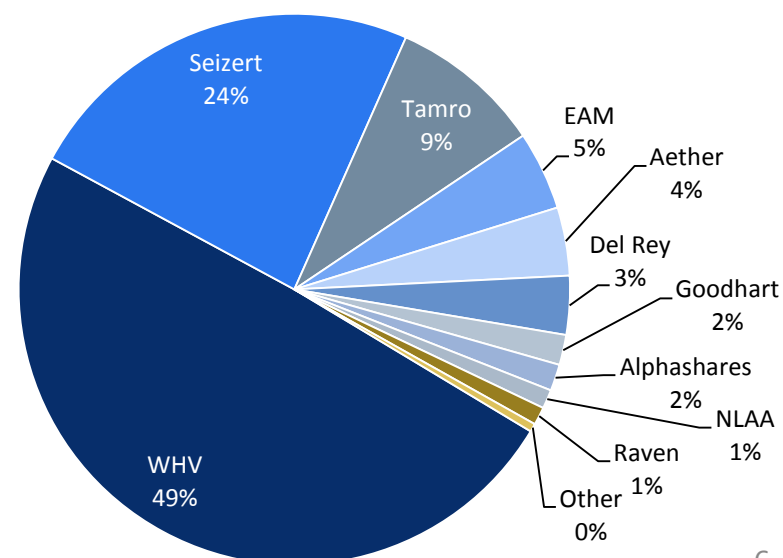
2. Overview of Northern Lights Capital Group Summary

- Founded in 2006 and headquartered in Seattle, US
- Private ownership with 27 limited partners, including BNP Paribas and Laird Norton Companies
- 20 employees and offices across the US, UK and France
- Team of industry veterans, formerly senior executives from Russell Investments, Janus Capital and Deloitte
- Structured equity-style investments in 13 boutiques
- Northern Lights key financial metrics:
 - FUM: A\$24.2bn
 - FY14PF Revenue: A\$37.4m
 - FY14PF NPAT: A\$15.7m
- Well diversified portfolio of strategies spread across US equities, international equities, emerging market equities, private equity and hedge funds
- Broad client diversification
- Strong history of organic and acquisition growth

Historical FUM (A\$bn)



FUM by Boutique



2. Overview of Northern Lights Capital Group Portfolio

Northern Lights investments are structured in different ways including equity, preferred equity and contractual profit share arrangements.

	Location	Investment Date	FUM (A\$) ⁽¹⁾	Strategy
Aether	US	October 2008	\$1.0bn	Private equity fund of funds focused in the real assets sector
Alphashares	US	February 2008	\$376m	Provider of a range of Chinese equity ETFs
Blackcrane	US	March 2014	\$3m	Concentrated international/global equity strategies (all cap)
Del Rey	US	July 2010	\$833m	International equity value manager
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Tamro	US	June 2007	\$2.2bn	US small cap core equities
WHV⁽²⁾	US	January 2013	\$11.9bn	Intermediary investment platform, access to US mutual fund structures, in house and external manager strategies

(1) As at 30 June 2014.

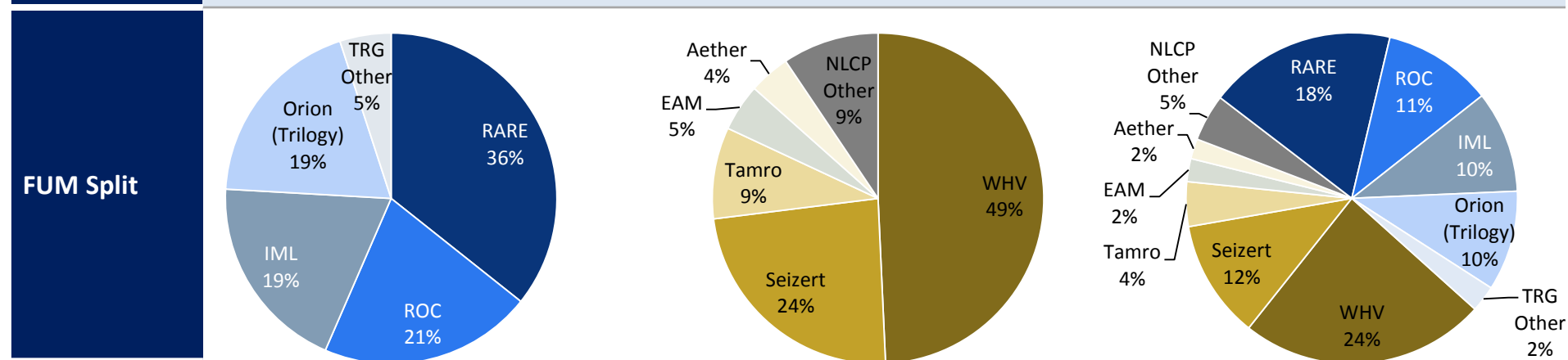
(2) Profit share arrangement.

3. Merger Details

Creates Diversified Global Portfolio

Diversification benefits from reduced reliance on any individual fund, strategy or team.

	TRG	Northern Lights	Merged Entity
Ownership	<ul style="list-style-type: none"> Australian public company (ASX:TRG) with a market capitalisation of A\$223⁽¹⁾m 	<ul style="list-style-type: none"> Private US company, with 27 limited partners including BNP Paribas and Laird Norton 	<ul style="list-style-type: none"> At completion TRG entitled to 61% economic interest in the trust, Northern Lights to 39%
Geographical Presence	<ul style="list-style-type: none"> Australian company, with offices in Australia and UK 	<ul style="list-style-type: none"> US company with offices in US, UK, France 	<ul style="list-style-type: none"> Global
Portfolio	<ul style="list-style-type: none"> 8 boutiques located in Australia, Singapore and the UK 	<ul style="list-style-type: none"> 13 boutiques located in the US, UK and India 	<ul style="list-style-type: none"> 21 boutiques
Employees	<ul style="list-style-type: none"> 17 	<ul style="list-style-type: none"> 20 	<ul style="list-style-type: none"> 37
FUM	<ul style="list-style-type: none"> A\$25.4bn 	<ul style="list-style-type: none"> A\$24.2bn 	<ul style="list-style-type: none"> A\$49.6bn



(1) As at 4 August 2014, based on a TRG share price of A\$9.67.

Partnering with outstanding asset management professionals worldwide.

- Continued expansion and diversification of portfolio via value enhancing new investments
 - Strengthened investment and management executive team positioned in international deal flow
 - Strong deal flow across merged group, completing 14 deals over last 5 years
 - Create value via differential between private and public market price multiples
- Drive growth in asset base across portfolio by leveraging distribution capabilities
 - 14 dedicated sales and marketing executives across offices in US, Australia and UK
 - Delivered asset growth of over A\$8bn⁽¹⁾ for portfolio companies in the past 5 years
 - Access to additional 8 US based retail sales executives and 181 selling agreements with RIAs and brokers/dealers
 - Opportunities for increased distribution of TRG products into US market, and Northern Lights products in Australian market (subject to compliance with all regulatory requirements)
- Second listing on a global exchange within 3 years
 - Liquidity for Northern Lights shareholders
- Efficient use of available capital including low levels of gearing
- Leverage strategic benefits of relationships with Northern Lights cornerstone shareholders, BNP Paribas and Laird Norton

Merger is consistent with TRG's stated strategies – expand & diversify portfolio, strengthen distribution capabilities, improve access to capital, consider M&A opportunities

(1) Excluding WHV.

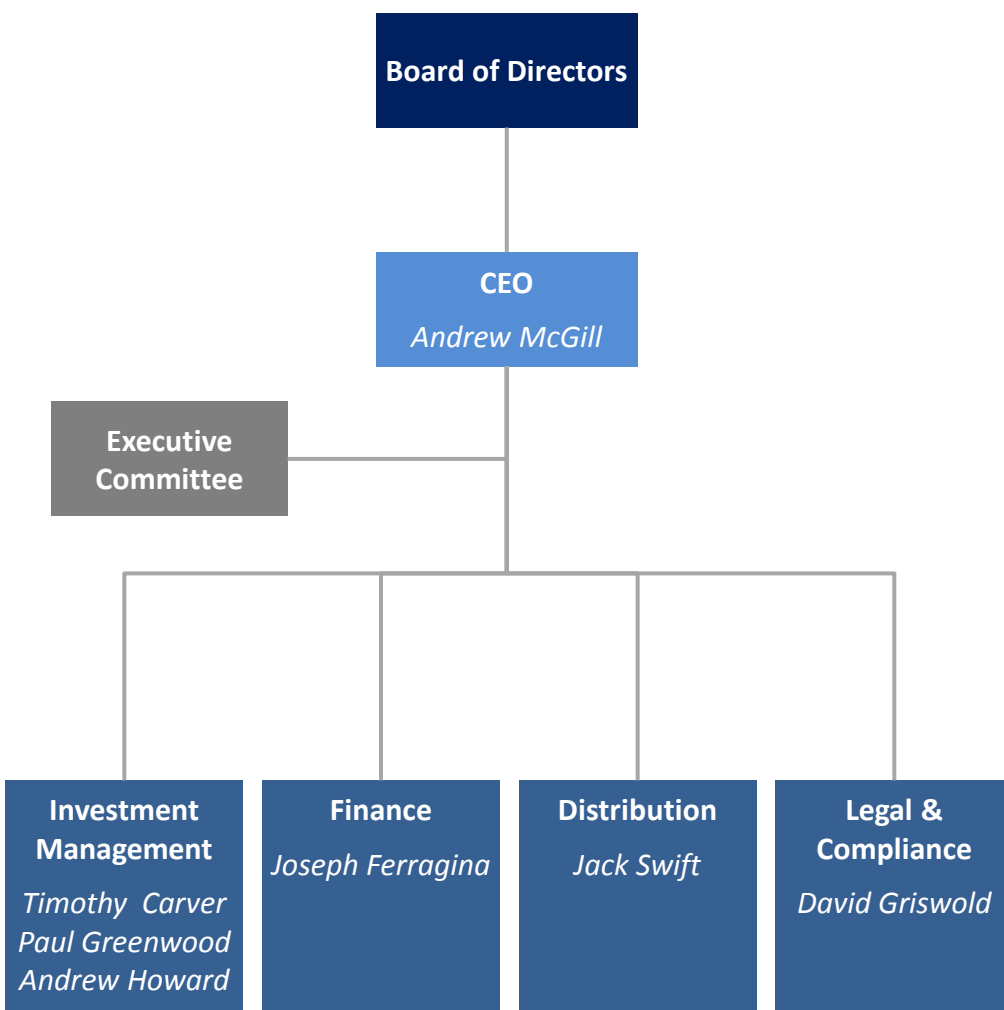
3. Merger Details

Organisational Structure and Boards of Directors

TRG and Northern Lights management will be integrated and the business will be operated as one group.

Common board of directors across TRG and the Trustee Company, with current TRG Directors holding majority representation at completion.

Trustee Organisational Structure



TRG & Trustee Board of Directors



Michael Fitzpatrick
Chairman



Peter Kennedy
Non-Executive Director



Melda Donnelly
Non-Executive Director



Reubert Hayes
Non-Executive Director



Jeff Vincent
Non-Executive Director



Gilles Guerin
Non-Executive Director



Andrew McGill
Managing Director



Paul Greenwood
Executive Director



Timothy Carver
Executive Director

3. Merger Details

Funding Arrangements

All necessary upfront funding committed.

Equity	<ul style="list-style-type: none"> ▪ TRG to be issued Class A Trust Units with 61% interest ▪ Northern Lights to be issued Class B Trust Units with 39% interest <ul style="list-style-type: none"> – Class B Units exchangeable into TRG shares at an exchange ratio of 1 TRG share for every 1.5 Class B Units for the first three years, 1 TRG share for every 1.2 Class B Units thereafter – The exchange ratio moves to 1 TRG share for every 1 Class B Units in the event of a takeover or scheme of arrangement in relation to TRG, and also where a second listing has not occurred within 5 years of completion
Debt	<ul style="list-style-type: none"> ▪ A\$49.4m committed external debt facility within the merged business secured over Northern Lights assets only (no debt at TRG level) ▪ TRG look through share of the debt facility is A\$30.2m ▪ 5 year term ▪ FY14 pro forma net debt / EBIT of 1.2x, interest cover of 6.8x, debt / equity of 14%
Vendor Finance	<ul style="list-style-type: none"> ▪ Deferred consideration of A\$41.6m (TRG look through share A\$25.5m) payable by the merged business to various Northern Lights vendors over the period to 2019
Contingent Vendor Finance & Earn-outs	<ul style="list-style-type: none"> ▪ Earn-outs payable by the merged business to various Northern Lights vendors: <ul style="list-style-type: none"> – Amounts based on 6 times multiple of fees on incremental FUM at one of the Northern Lights' boutiques. Potentially payable over an 8 year period post completion if targets are met. Up to 67% payable in equity at the Trustee Company's election – Contingent vendor finance of up to A\$45.1m (TRG look through share A\$27.6m) in relation to potential relative value of Alternatives Portfolio⁽¹⁾ payable if NPAT growth targets are achieved within a 7 year period. Structured as Redeemable Preferred Units with conditional refinance obligation in FY17

(1) Northern Lights Alternatives include Goodhart, Nereus, Raven, EAM, Blackcrane & NLAA.

3. Merger Details

Consideration – Proportionate Sources and Uses

- Upfront cash consideration is payable in relation to the acquisition of additional equity in two Northern Lights boutiques
- Northern Lights shareholders receive Class B Trust units and some deferred cash consideration

Sources ⁽¹⁾	A\$m
Class B Trust units issued	137.3 ⁽²⁾
TRG share of trust debt facility	30.2
Total upfront consideration	167.6
TRG share of deferred consideration	25.5
Total upfront and deferred consideration	193.0

Uses ⁽¹⁾	A\$m
Equity consideration – Core Business	137.3 ⁽²⁾
Cash consideration – Core Business	30.2
Total upfront consideration	167.6
TRG share of deferred consideration	25.5
Total upfront and deferred consideration	193.0

(1) Excludes earn-outs and contingent deferred consideration potentially payable if FUM and NPAT growth targets are met. AUD/USD exchange rate of 0.93 as at 4 August 2014.

(2) Value based on TRG share price of A\$9.67 as at 4 August 2014.

3. Merger Details

FY14 Pro Forma Transaction Multiple

Northern Lights businesses acquired by the Trust at a trailing pro forma FY14 PE multiple of 12.3x.

Year End 30 June	A\$m
Transaction Value⁽¹⁾	
Equity consideration to Northern Lights - Core Business ⁽²⁾	137.3
Cash consideration to Northern Lights boutiques vendors – Core Business	30.2
Transaction value (upfront consideration)	167.6
TRG share of deferred consideration	25.5
Transaction value (upfront and deferred consideration)	193.0
FY14PF Northern Lights NPAT	15.7 ⁽³⁾
FY14PF PE Transaction multiple (upfront)	10.7x
FY14PF PE Transaction multiple (upfront and deferred)	12.3x

(1) Excludes earn-outs and contingent deferred consideration potentially payable if FUM and NPAT growth targets are met.

(2) Value based on TRG share price of A\$9.67 as at 4 August 2014.

(3) Includes normalisation and transaction pro forma adjustments.

4. Financial Impact

TRG FY14 Pro Forma P&L

12 Months to 30 June 2014 ⁽¹⁾ A\$m	TRG FY14F	TRG Share of Combined FY14F Pro Forma
Forecast P&L	Pre Transaction	Post Transaction
Revenue	3.2	24.8
Share of Associates & Other Income	20.0	15.7
Profit Before Tax	15.6	16.0
Underlying NPAT Attributable to TRG Shareholders	14.0	14.7

- Marginally accretive on a pro forma FY14F basis, but expected to be materially EPS accretive from close
- TRG will retain all existing franking credits
- TRG expects to be able to continue to pay franked dividends to its shareholders in the future
- On 5 August 2014 the TRG Board has declared a FY14 final dividend of 27.0 cents per share fully franked, with record date 28 August 2014 and payment date 25 September 2014

(1) TRG share of combined FY14 P&L includes normalisation and transaction pro forma adjustments taking into account the post transaction structure.

4. Financial Impact

TRG 31 December 2013 Pro Forma Balance Sheet

Post transaction, TRG will equity account its interest in the merged entity.

TRG Pro Forma Balance Sheet (A\$m)	Dec 2013 Status Quo	Adjustments	Dec 2013 Pro Forma ⁽¹⁾
Assets	Pre Transaction		Post Transaction
Cash and cash equivalents	14.0	(7.7)	6.2
Trade and other receivables	5.2	(5.2)	-
Investments in Associates	43.3	173.6	216.9 ⁽²⁾
Loans and receivables	1.9	(1.9)	-
Deferred tax assets	2.1	(2.1)	-
Other assets	0.3	(0.3)	-
Total Assets	66.7	156.4	223.1
Liabilities			
Trade and other payables	2.5	(2.5)	-
Provisions	0.4	(0.4)	-
Total Liabilities	2.9	(2.9)	-
Net Assets	63.8	159.3	223.1
Equity			
Equity attributable to equity holders of the parent	29.6	-	29.6
Contributed equity	5.1	-	5.1
Retained Earnings	29.1	159.3	188.4
Non-controlling interests	0.0	(0.0)	-
Total Equity	63.8	159.3	223.1

(1) Balance sheet calculated on a pro forma and normalised basis as at 31 December 2013.

(2) Based on TRG's 61% economic interest in the Trust. TRG assets post transaction based on fair value, assuming a TRG share price as at 4 August 2014 of \$9.67.

5. Timetable

Approvals Required & Indicative Timetable to Completion

- All upfront transaction funding has been committed
- The transaction remains subject to the satisfaction of a number of conditions precedent, including:
 - Satisfaction of all conditions required for draw down of debt funding including no material adverse change in relation to Northern Lights and satisfaction of all conditions to acquire additional equity interests in two Northern Lights boutiques
 - Northern Lights receiving minimum level of consents from clients of its boutiques (based on a revenue test)
 - Finalisation of merger structure
 - Regulatory approvals including FINRA (US), Hart-Scott-Rodino Act (US) and FCA (UK)
 - Completion of shareholder agreement processes in relation to some TRG boutiques

Indicative Transaction Timetable

Northern Lights client approvals	August - September 2014
Regulatory approvals	August - September 2014
TRG boutique shareholders' agreement processes	August - October 2014
Targeted Transaction Completion	October 2014

A. Appendix - Supplementary Materials

Timothy J. Carver – Executive Director



- Tim leads the development and execution of Northern Lights' strategy to partner with boutique asset management companies
- Prior to co-founding Northern Lights, Tim spent nearly a decade as a general partner of Orca Bay Partners, a private equity firm specializing in the investment management industry
- Tim helped design several innovative structures in making private equity investments in such firms as Parametric Portfolio Associates and Envestnet Asset Management
- Tim is a graduate of Harvard University

Paul R. Greenwood – Executive Director



- Leads Northern Lights' efforts in identifying and researching potential affiliates of the Company
- Prior to co-founding Northern Lights, Paul was instrumental in developing and led the holistic approach to manager research employed by Russell – at the time, the world's largest multi-manager research firm
- Paul focused on manager evaluation for nearly 15 years at Russell, ultimately driving the implementation of Theory Directed Research
- Paul is a graduate of Washington State University and is a CFA® charterholder

Jeff Vincent – Non-Executive Director



- CEO of the Laird Norton Company, a major shareholder in Northern Lights, since 2001
- Jeff has more than 30 years of business experience. He has restructured business operations, acquired companies, and directed a variety of strategic initiatives to accelerate growth
- Jeff was previously a consultant at McKinsey & Company
- Jeff serves as a director on several boards, including: Laird Norton Company, TimberRiver Properties, Fusion Education Group, Northern Lights Capital Group and Laird Norton Wealth Management
- Jeff holds a MBA from Harvard Business School

Gilles Guérin – Non-Executive Director



- Gilles Guérin currently serves as CEO of BNP Paribas Capital Partners
- Prior to his current role, Gilles Guérin served as Chief Executive Officer of THEAM, a BNP Paribas investment unit
- Gilles has previously held executive and senior leadership roles at HDF Finance, AlphaSimplex, IXIS Asset Management Global Associates, and Commerz Financial Products
- Gilles Guérin graduated from Ecole Polytechnique with a degree in engineering, he also holds a post-graduate degree in Aerospace Engineering from ENSAE

Jack Swift



- Jack leads Northern Lights' global distribution efforts and serves as the CEO of Northern Lights Capital Group Distributors
- Prior, Jack was the Chief Operating Officer and Founding Partner of Echelon Capital Group which merged with Northern Lights in June of 2010. Jack also served as Managing Director and Head of Sales for Janus Capital Group (JNS) where his team raised over \$30B in assets
- Over the past 16 years Jack has been involved with the establishment, acquisition and/or growth of over 16 asset management companies
- Jack is a graduate of the United States Military Academy at West Point, and served in the US Army as an Airborne Ranger

David Griswold



- At Northern Lights, David serves as the General Counsel, Chief Compliance Officer and is the internal legal advisor on all major business dealings and transactions, and oversees internal and external compliance
- Prior to joining Northern Lights, David served as the General Counsel and Chief Compliance Officer at Global Index Group, a start-up developing financial indexes for use in exchange traded funds and similar products. Before that, David served as associate general counsel and director of global regulatory policy for Russell, where he spearheaded the consolidation of Russell's world-wide compliance efforts into a single cohesive compliance structure
- During his 19 years at Russell, David represented a number of Russell's business lines, including aspects of the firm's 1940 Act mutual fund products, brokerage firms and Asia-Pacific offices