Treasury Group Ltd NORTHERN LIGHTS CAPITAL GROUP

ASX announcement Wednesday 26 August 2015

NPAT increased, Dividend Up

- Underlying NPAT of $18.7m, up 32.9% on FY14
- NPAT of $138.7m, materially higher due to non-recurring abnormal gains at merger
- Dividend of 52 cps, up 4% on FY14
- Aggregate FUM of $49.0 billion, down 2.3% since 30 Sept 2014*
- Solid performance from leading boutiques – RARE, IML, Seizert and Aether
- Sale of 75% of holdings in RARE Infrastructure announced post reporting period
- Strategy to deploy capital into growth and expansion opportunities

Treasury Group Limited (ASX:TRG, “Treasury” or “the Company”) is pleased to report the Company’s full year results for the year ended 30 June 2015. The results reflect Treasury’s stand-alone result for the period from 1 July 2014 to 24 November 2014 plus Treasury’s share of post-merger economics for the period from 25 November 2014 to 30 June 2015. The relatively short period as a merged group and the timing of recognition of some income and expense items has impacted the 2015 result.

The Merged Group

FY15 shows early signs of the benefits of the merger between TRG and Northern Lights Capital Group (“NLCG”). The results reflect contributions from a well-diversified portfolio of strategies spread across US equities, international equities emerging market equities, private equity and hedge funds; all of which have broad client diversification. Despite volatility on the global market, TRG/NLCG saw a number of boutiques perform strongly and the tax efficiency of the group structure for Treasury was evidenced with an income tax benefit of $3.1m realised in FY15 vs. a tax expense of $2.1m in FY14.

The merger was completed on 25 November 2014 and management is pleased to report that the integration of operations is now complete. As part of the transaction, a new Australian trust (Aurora Trust) was established to own interests in the combined portfolio of boutiques. Together Treasury, NLCG and Aurora Trust are referred to as the Group. In FY15, the financial performance includes only 7 months of NLCG contribution.

Financial and Operational Results

Consolidated profit after tax (NPAT) for the six month period to 30 June 2015, totalled $138.7m. On an underlying basis, the Company’s profits were $18.7m, an increase of 32.9% on FY14.

The key drivers for the increase in profit were continued strong earnings and growth from RARE and IML together with contribution from Seizert and Aether in the period post completion of the merger. On the other hand, investment performance at WHV was behind benchmark. Contribution from WHV was materially lower than expectations at the time of the merger due to poor investment performance and flow on effects on earnings contributed to The Group and therefore an impairment charge of $10.8m has been reflected in the TRG 30 June 2015 results.

*benchmark FUM when merger deal was announced

Total funds under management (FUM) at 30 June 2015 were $49bn, a decrease of $1.1bn or 2.3% since 30 Sept 14 ($50.1bn pro forma consolidated). The acquisition of Northern Lights contributed $23.9bn of the aggregate FUM as at 30 September 2014.

Average net margin (excluding Trilogy/WHV and performance fees) across Aurora Trust's portfolio of boutiques on pro forma full year basis was 47 bps in FY15.

Included in the profit and loss of Aurora are non-cash expenses that include $1.4m for amortisation of identifiable intangible assets and $2.3m of interest expense that represents fair value adjustments for unitholder debt.

Dividend

The board has declared a fully franked final dividend of 28 cents per share, which is 3.7% higher than for FY14. The Record Date for the Final Dividend is 3 Sept 2015 and the Payment Date is 30 Sept 2015. The FY15 dividend represents a payout of 71% of Underlying NPAT, which sits within Treasury's dividend policy range of 60-80%.

Sale of RARE Infrastructure

Post year-end, Treasury announced to the market the acquisition of a majority of RARE by Legg Mason which will acquire a controlling stake in RARE. Although TRG/NL is not a natural seller, this transaction presented an opportunity to monetise the RARE investment at an attractive point in the infrastructure cycle.

The investment in RARE has delivered outstanding returns on initial cash investment, delivering >33x cash on cash return over 9 years of ownership. Treasury will retain 10% equity interest as well as an earn-out structure to provide TRG/NL with continued exposure to equity upsides from FUM growth in the RARE business.

The transaction remains conditional with completion expected in November 2015.

The sale provides capital to repay external debt, fund new investments and provides balance sheet flexibility for potential capital management.

Summary of the Profit and Loss for the year ending 30 June 2015:

A$000's	**FY15**	**FY14**	**% Change**
Total Revenue	$6,715	$2,324	189%
Share of equity accounted investments	$9,211	$19,772	(53%)
Underlying share of earnings from Aurora*	$6,564	-	n/a
Expenses	($7,259)	($7,753)	(6%)
Underlying Net Profit After Tax	**$18,650**	**$14,035**	**33%**
Underlying Earnings Per Share (cents)	72.8	60.8	20%
Dividend Per Share (cents)	52.0	50.0	4%

*Excludes impairment charge in relation to WHV

Treasury Group's Chairman, Mr Mike Fitzpatrick commented:

"The company has had a year of significant change following the merger with Northern Lights, subsequent equity raising and sale of RARE. These transactions continue to execute on the company's core strategy of diversifying our earnings stream, enhancing our distribution capabilities offshore, and enhancing our management team with greater depth and geographical expertise. We are pleased to say that the integration of the merger is complete and we can now focus growth opportunities and repayment of external debt."

Treasury Group's CEO-elect, Mr Tim Carver commented:

"We are pleased to report today's result for Treasury and the Group as well as a number of other value enhancing transactions executed throughout the year. The completion of the merger with Northern Lights and sale of RARE has diversified our earnings base and provides strengthened management and investment capabilities, and provides a solid base for earnings growth going forward.

The combined group is well placed to deliver shareholder returns, with our priority on repaying external debt as well as assessing new investment opportunities."

- ENDS-

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About Treasury Group

Treasury Group and Northern Lights Capital Group is a multi-boutique asset management firm dedicated to providing value to shareholders, clients and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. After the merger, Treasury Group and Northern Lights Capital Group collectively had approximately A$49 billion under management across a global platform of 19 boutique asset managers, as of June 30, 2015.

TREASURY GROUP LIMITED

FULL YEAR RESULTS PRESENTATION

26 AUGUST 2015

Agenda

1. Overview
2. Treasury Group FY15 Results
3. Aurora Trust FY15 Results
4. Strategy
5. Outlook
6. Appendix

1. Overview

Momentum from key boutiques driving improved outcomes

Financial

» Underlying NPAT of $18.7m – up 32.9% on FY14

» Statutory NPAT of $138.7m includes significant abnormals (mark to market revaluation of TRG portfolio at merger completion)

» Final dividend increased to 28.0cps

Operational

» TRG and NLCP completed in November, creating a greater diversified portfolio and other strategic benefits

» Strong momentum at RARE and IML – material earnings contribution from Seizert and Aether

» Retail net inflows (aggregate) for RARE and IML of $760m for FY15

» Aggregate FUM of $49bn at 30 June 15 – down $1.1bn or 2.3% since 30 Sept 2014 primarily due to WHV, del Rey, Seizert and loss of Institutional FUM at RARE

» Very strong business momentum from smaller boutiques Blackcrane, Raven and EAM

» Sale of RARE scheduled for completion by end of November

» Focus on new investment opportunities

1. **Overview** – Operational Summary

Post-merger

- Portfolio of 19 boutiques across the group with improved diversification by strategy, clients and geography
- Strengthened access to investment and distribution capabilities
- Opportunity for merger-related synergies in 2016

Aurora now highly differentiated in market

- Powerful sourcing engine
- Strategic business insights
- Access to global distribution
- Deeper team than at any time in corporate history

1. Overview – Team Post-Merger

Experience and background of team

- Have founded, invested in, and built leading investment firms globally including, Russell, Hastings, Crescent Capital, Parametric and Envestnet
- Have invested in over 25 boutiques during past 15 years that now manage in excess of US$200bn in FUM
- Responsible for building distribution teams that have raised over US$50bn in FUM
- Pioneers of theory driven approach to investment manager evaluation
- Have reviewed thousands of investment managers over past two decades

2. TRG Results

Treasury Group underlying current year vs prior year results

P&L Highlights (A$m)	TRG Underlying FY15	TRG Underlying FY14	Variance %
Revenue	6.7	2.3	191.3%
Employee expenses	5.3	4.4	20.5%
Other expenses	1.9	3.3	-42.4%
Equity Share of Associates	9.2	19.8	-53.5%
Share of earnings from Aurora	6.6	-	n/a
Gain/(Loss) on sale of investments	0.3	0.8	-62.5%
Net Profit Before Tax	**15.6**	**15.2**	**2.6%**
Income tax expense/(benefit)	(3.1)	2.1	n/a
Net Profit After Tax	**18.7**	**13.1**	**42.7%**
Underlying Profit After Tax	**18.7**	**14.0**	**33.5%**
Underlying Earnings Per Share (cents)	72.8	60.8	19.7%
Dividend Per Share (cents)	52.0	50.0	4.0%

- TRG Statutory NPAT for FY15 $138.7m
- Actual FY15 figures include 7 months results post merger & 5 months TRG stand-alone. Pcp excludes NLCG
- Merger structure tax efficient – tax benefits for TRG
- Majority of staff and other expenses now incurred at Aurora level
- Equity share of associates down as it is reported through Aurora trust following merger. Excludes impairment charge attributed to WHV
- FY15 profit for Aurora Trust includes non-cash items:
  - Interest expense on unit holder debt $2.3m (fair value adjustment)
  - Amortisation of intangibles $1.4m

2. TRG Results

Significant non-recurring items in FY15

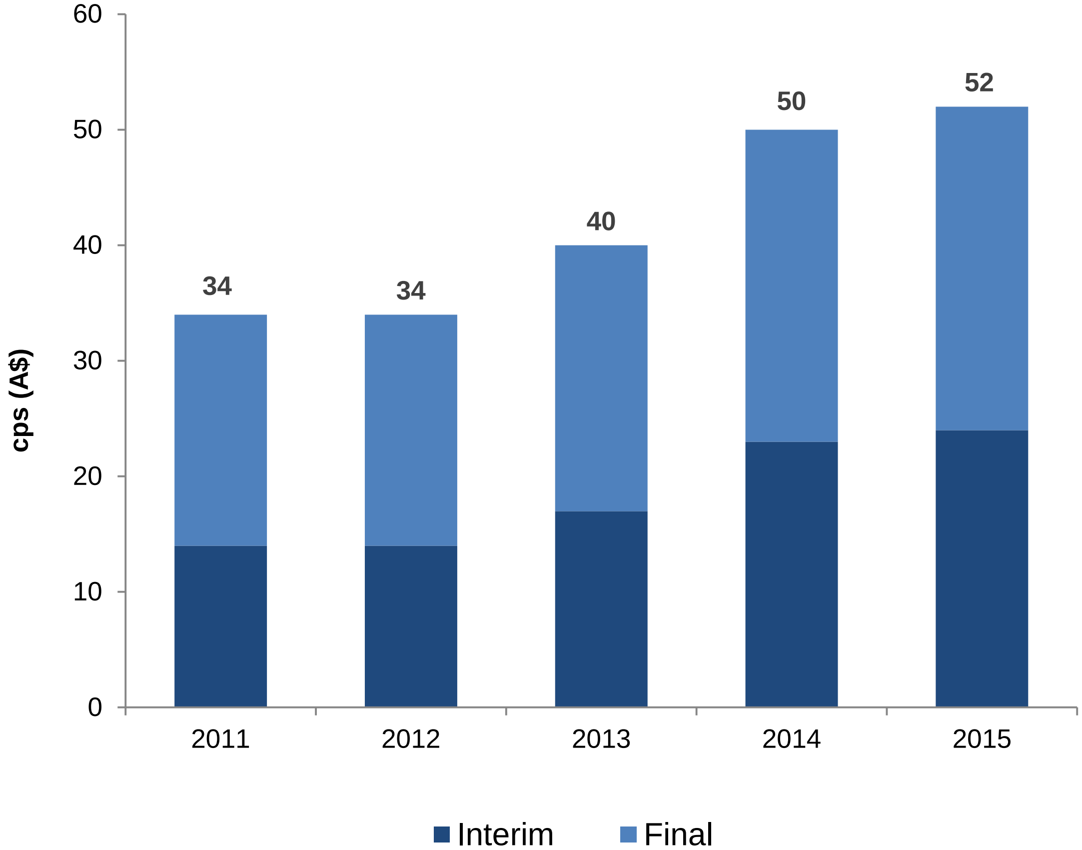
Treasury Group P&L (A$m)	FY15	FY14
Profit After Tax	**138.7**	**13.1**
Gain on sale net of transaction costs and income tax expense	(130.8)	
Impairment of WHV by Aurora (TRG share)	10.8	
Legal, consulting and restructuring costs		0.2
Impairment of goodwill		0.2
Write off of Deferred tax asset in subsidiary		0.5
Underlying Profit	**18.7**	**14.0**

» Gain on sale is mark to market adjustment of all assets and liabilities at the time of transfer to Aurora trust

» Total transactions costs incurred by TRG were $5.3m

2. TRG Results

Dividend increased



- Final dividend 28 cps, fully franked
- Payout ratio of 71% against underlying NPAT

3. Aurora Trust Results

Balance sheet

Balance Sheet – Aurora Trust (A$m)		**30 June 2015**
Current Assets		70.6
Non-Current Assets		
Investments in Associates	276.3	
Goodwill and other Intangibles	244.6	
Other NCA	20.6	541.5
Total Assets		**612.1**
Current Liabilities		31.2
Non-Current Liabilities		
Debt, Vendor Finance, Promissory Notes	107.4	
Contingent Liabilities	42.4	149.8
Total Liabilities		**181.0**
Net Assets		**431.1**

- TRG owned 64% of Aurora trust as at 30 June 2015
- Carrying values marked to market as at merger completion – will be subject to impairment testing in future
- Other Intangibles subject to amortisation going forward of $2.4m for FY16
- Contingent Liabilities are earn out arrangement related to merger consideration
- $39m of surplus cash available at 30 June 2015, providing balance sheet flexibility

3. Aurora Trust Results

Details of Non-Current Liabilities

Name	Amount (Face Value)	Maturity	Notes
Redeemable Preference Units	US$15m	May ’16	Unit holder debt
Redeemable Preference Units	US$42m	Nov ’16	Unit holder debt, contingent on value of certain NL boutiques achieving profit targets by 2021. Conditional refinance obligation in Nov ’16. Relevant boutiques include EAM, Blackcrane, Nereus, Raven and NLAA offset against the performance of ROC and Aubrey
Promissory Notes	US$17.5m	50% Nov ‘18 50% Nov ’19	Vendor finance related to Seizert acquisition
External Debt Facility	US$46m	Nov ’19	Held within Midco

3. Aurora Trust Results

Illustrative aggregation of portfolio P&L as if all boutiques were 100% owned

Aggregate P&L for Boutiques (A$m)	Pro-forma FY15
Year end FUM ($bn)*	34.8
Average Net Margin (%)*	47 bpts
Management Fees^	168.3
Other income	14.8
Gross Profit	183.1
Employee expenses	54.5
Other expenses	36.7
NPBT	91.9
Income Tax	10.1
NPAT	**81.8**
Aurora Share of After Tax Profit	**44.3**

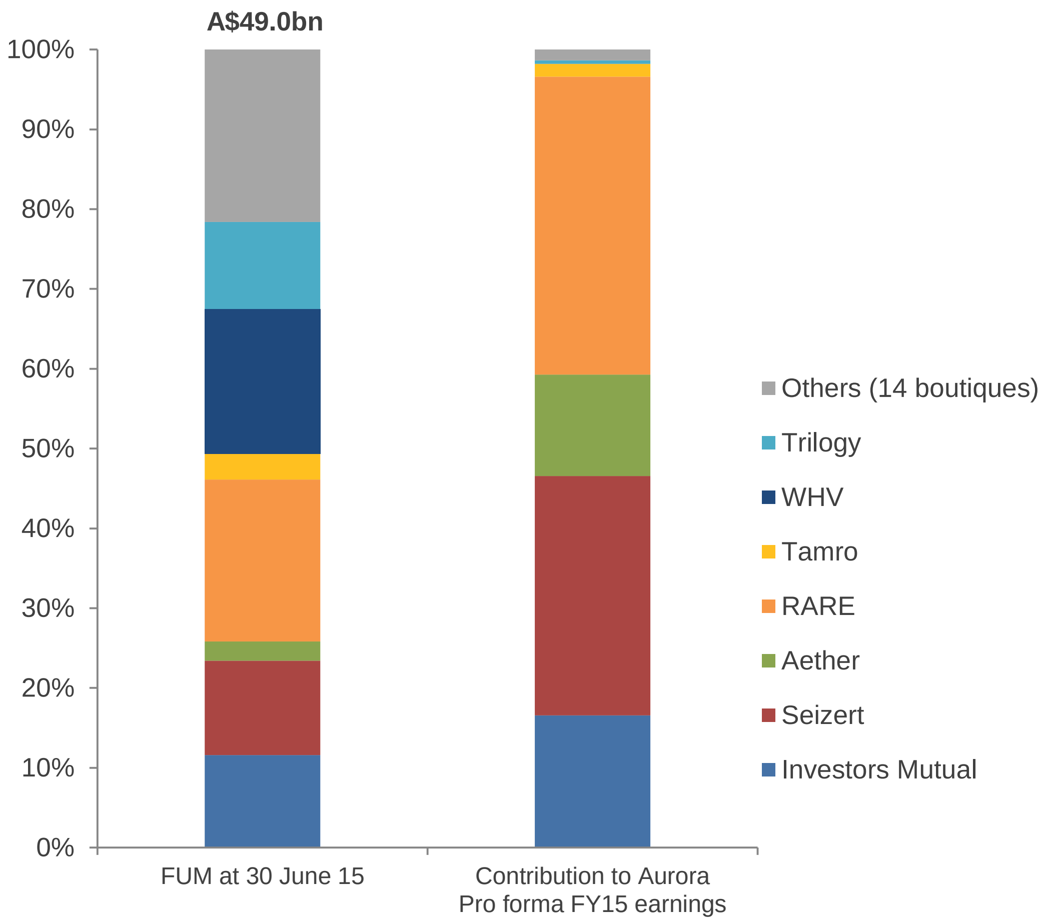
** Average net margin and year end FUM excludes Trilogy and WHV*

^ Management fees exclude Performance fees

- Total FUM of $49.0bn at 30 June 2015, excluding WHV & Trilogy FUM was $34.8bn
- Aggregated results include all the boutiques of TRG and NLCG (excludes WHV)
- Excludes Aurora management and operating costs and interest expense

3. Aurora Trust Results

Contribution by boutique – pro forma for 12 months



- Well diversified portfolio of Products and strategies
- Broad client diversification
- Broad geographic diversification
- Approximately 45% of portfolio earnings from boutiques denominated in USD (pro forma 30 June 2015)
- RARE, Seizert, Investors Mutual and Aether contribute the majority of earnings

4. **Strategy** – Capital Deployment

- Assuming consummation of RARE transaction, we will have
  - $126m of cash
  - $60m of external debt
  - $20m of RPU's payable this fiscal year

- Key corporate strategies will include
  - Reduce overall amount and cost of debt
  - Find strategic opportunities to add optionality to portfolio
  - Find merger related synergies

4. Strategy – Investment/Divestment Philosophy

- Generally ultra-long-term holders of assets (“permanent”)
- Seek to make two types of investments:
  - Core holdings in larger strategic partnerships
  - Smaller capital commitments to highly scalable opportunities
- Will from time-to-time divest:
  - If we see fundamental risks to business/portfolio that cannot be managed
  - Maintain alignment with management at all costs
- Should be judged on full cycle of ownership of these assets
  - If we can replicate what has happened with RARE, this is a very valuable business

4. Strategy – Targeted Opportunities

SUNRISE

- International /global/emerging markets equities
- Liquid alternatives
- Private Capital (equity, debt, real estate)
- Real assets
- Liability Driven Investing
- Smart / exotic betas
- Specialty fixed income
- Passive equity
- ESG
- Multi-Asset portfolios / Target Date funds
- ETFs, ETMFs & Managed ETFs

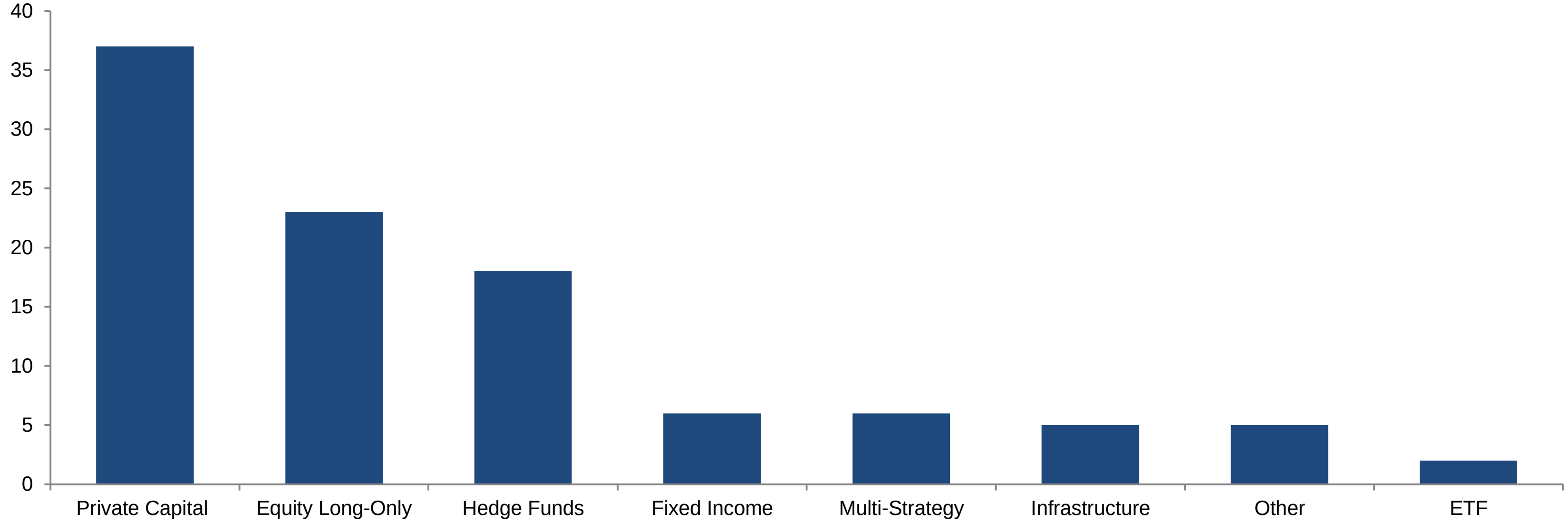
SUNSET

- Domestic equities, particularly large cap
- Defined benefit plans
- Traditional hedge fund of funds
- Traditional mutual funds (without 401(k) exposure)
- Style box asset allocation

4. **Strategy** – Deal Pipeline Post-Merger

- Sourced more than 110 opportunities, of which approximately:
  - 45 moved through to intensive due diligence;
  - 25 added to current prospect list;
  - 6 offered term sheets
- Robust existing deal pipeline with opportunities across a wide-range of geographic regions and asset classes

Asset Class of Post-Merger Investment Opportunities



4. Strategy – Partnership Proposition

» Enduring partnerships with asset managers to enhance growth and enterprise value

- Creating **flexible partnership structures** establishing **alignment** with boutiques
- **Long-term partners** with permanent capital
- **Actively growing boutiques** through various global distribution strategies
- **Boutiques remain investment centric** to sustain a long-term investment culture
- **Deep experience** in business building to provide strategic insights and guidance

» TRG/NLCG is institutionally well-regarded and continues to partner with specialised investment talent across multiple geographies and asset classes

» Poised for success with a proven leadership team focused on growing TRG/NLCG by diligently and strategically building our underlying boutiques

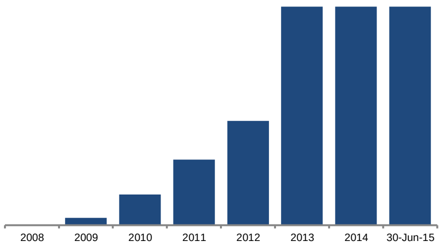
Strategy: Growing Boutiques

Strong track record of building asset management businesses through FUM growth

ASSET GROWTH*

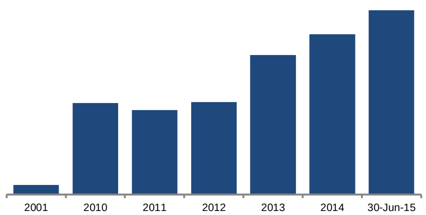
AETHER INVESTMENT PARTNERS, LLC

- Partnership established in 2008, zero FUM at inception
- 2010 closed on Fund I of US$127 million
- 2012 closed on Fund II of US$303 million
- 2013 closed on Fund III of US$303 million and additional US$169 million in a surplus fund
- 30 June 2015 FUM of US$902 million



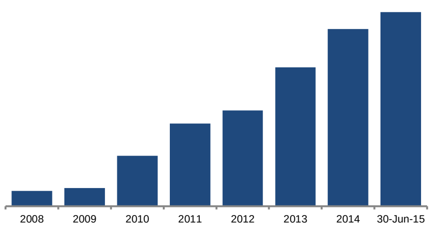
IML INVESTORS MUTUAL LTD

- Partnership established in 2001, FUM of A$300 million
- Distribution agreement in AUS supported asset growth
- 30 June 2015 FUM of A$5.67 billion



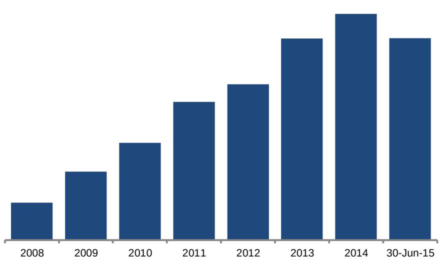
RARE

- Partnership established in 2006, zero FUM at inception
- Distribution agreements in AUS and UK / EU supported significant asset growth and new product launches
- 30 June 2015 FUM of A$9.9 billion



SEIZERT CAPITAL PARTNERS

- Partnership established in 2008, FUM of US$826 million
- 2011 distribution effort moved Seizert's Mid Cap strategy to top institutional asset gatherer (Callan Report)
- 30 June 2015 FUM of US$4.4 billion



**All charts shown since 2008, reflecting latest common date of partnership inception (Aether/Seizert). RARE and IML shown in A$; Seizert and Aether shown in US$.*

Strategy: Growing Boutiques

Accelerating momentum in newer boutiques

Blackcrane Capital

- Partnership established in 2014, FUM of approximately US$3 million
- Secured anchor investor (SEI) in 2014 and initiated global distribution effort
- 30 June 2015 FUM of US$159 million with active and robust pipeline

ROC Partners

- Partnership established in 2014, FUM of A$4 billion
- Currently in market with Secondaries Fund II (US$200 million target)
- In market with Co-investment Fund III (US$150 million target)

Raven Capital Management

- Partnership established in 2009, zero FUM and no fund structure
- Secured anchor investor and raised Fund I (US$153 million) and Fund II (US$84 million)
- Raven is currently in market with Fund III (target of US$350 million, US$173 million closed YTD)

EAM Global Investors

- Partnership established in 2014 to launch non-US strategies through EAM subsidiary
- Launched two US mutual funds in June 2014
- NLCG / TRG conducted over 300 meetings globally to raise assets
- 30 June 2015 FUM for non-US strategies of US$115 million with strong pipeline

4. Strategy – Key Geographies

Geography	Key focus
United States and Canada	» TRG has current and growing momentum in the largest market in the world (US$34T) » Significant growth opportunities with Aether, Seizert, Blackcrane, EAM, and RARE » Highly competitive, but significant demand for boutiques » Teams in place to drive growth
Australia	» Strong market recognition with TRG » 4th largest pension market globally and growing » Market opportunities for RARE, ROC, IML and EAM » Teams in place and sales momentum increasing » Potential to impact broader Asian markets
Europe	» Distribution foothold established » Potential to leverage BNPP relationship for distribution » EAM and Blackcrane global equity strategies offer new products

5. Outlook

Conditional sale of RARE in July, post year-end

- Sale of RARE Infrastructure delivering greater than 33x cash on cash return over 9 years of ownership
- Completion expected end of November
- Provides capital to repay external debt, fund TRG/NL's investment pipeline and provide flexibility for potential capital management
- Repayment of external debt will result in substantial interest savings
- For FY15, RARE's pro-forma contribution to TRG/NL portfolio level earnings was approximately 37%
- Ongoing ownership of 10% post-closing (down from 40%)

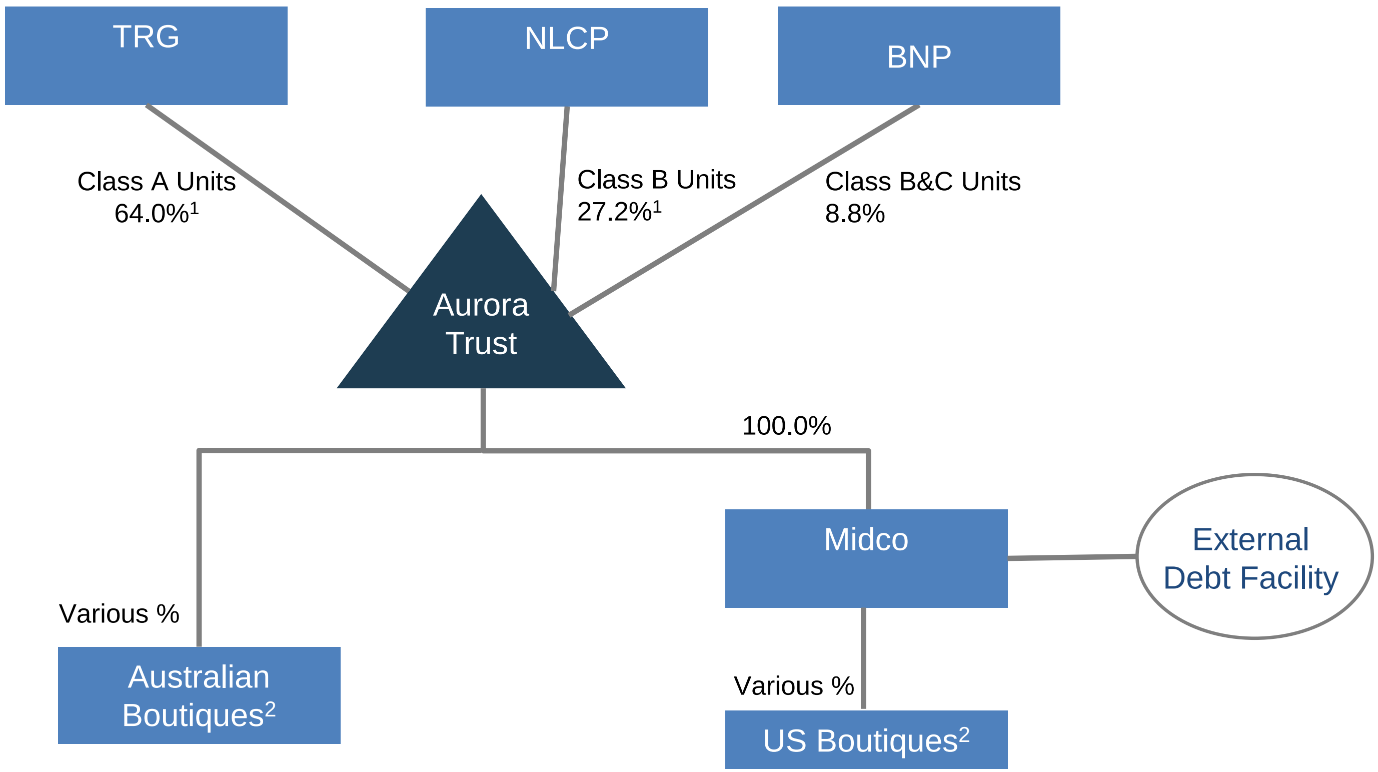
5. Outlook

TRG/NL is well positioned

- Merger with Northern Lights completed and has created a diversified fund portfolio
  - TRG now has exposure to 11 boutiques that it did not have last year
- Continuing strong business momentum from many areas in the portfolio
- Significantly improved access to global clients and deal flow
- Well positioned with a strong balance sheet

6. Appendix

Simplified Group Structure



1 Ownership percentage based on current expectation following completion of Aurora capital raising process

2 Excludes Celeste and Del Rey which are held directly by TRG and NLCP respectively

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