

28 April, 2010

Dear Sir/Madam

Withdrawal Offer - HFA Diversified Investments Fund

HFA Asset Management Limited (HFAAM) is pleased to provide you with the following withdrawal offer.

Details of the Withdrawal Offer

The board of HFAAM has resolved to approve a withdrawal offer of \$63,750,000 to retail and wholesale unit holders (**Withdrawal Offer**) in the HFA Diversified Investments Fund (HFA DIF).

As a unit holder you are not obliged to take up this Withdrawal Offer or any subsequent withdrawal offer that may be made. The Withdrawal Offer is being made available to assist those unit holders who need access to capital.

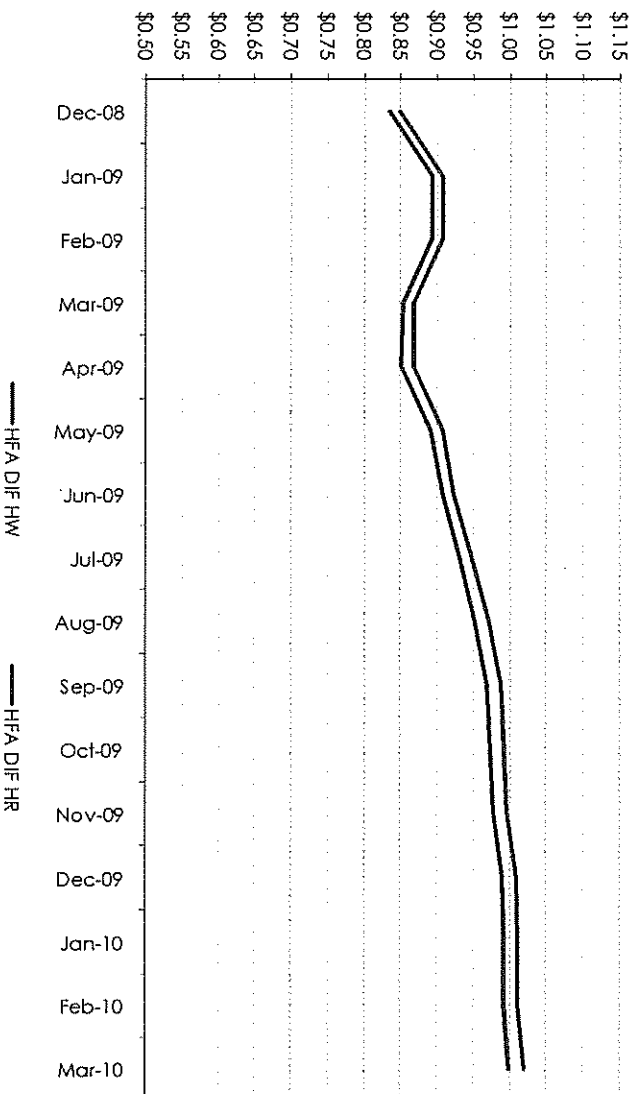
If you wish to redeem some or all of your investment please read the following information carefully and complete the **attached** Withdrawal Request Form. We recommend you seek advice from your financial adviser, accountant or tax adviser on the implications of redeeming your investment.

Fund Update

In addition to the current Withdrawal Offer, we are pleased to inform you that HFAAM is poised to re-open the HFA DIF to new investments and redemptions. The potential re-opening of HFA DIF for new investments is being assessed due to the significant improvements in the liquidity of the Fund's underlying investments. The Fund suspended applications and redemptions in December 2008 and hopes to be in a position to re-open for new investments and redemptions in July 2010. A final determination of the specific re-opening date depends on the continued improvement in the liquidity of the Fund's underlying investments. We will inform you as soon as the date can be determined.

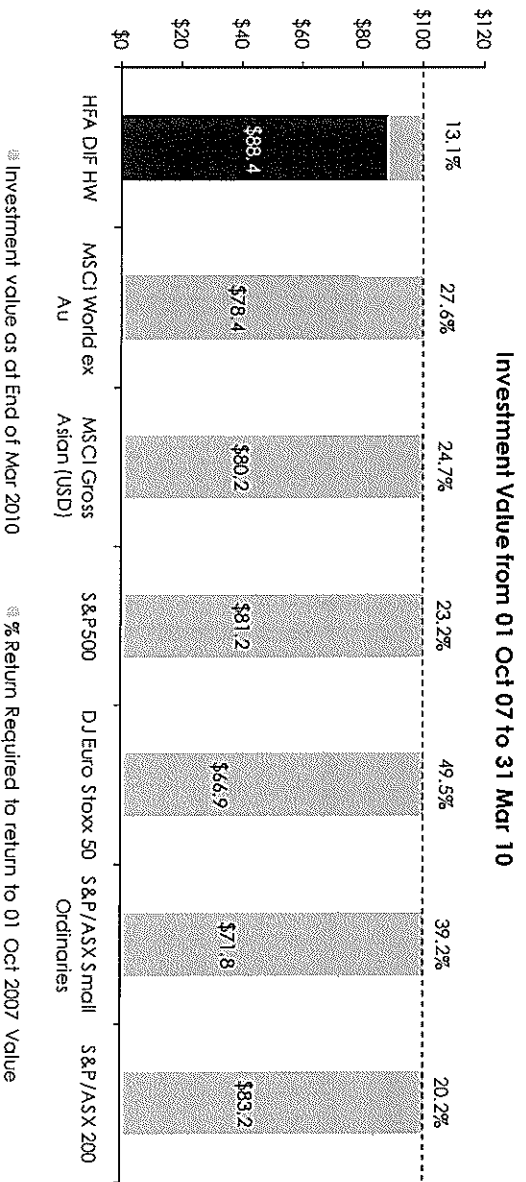
The performance and the increase in the value of the investments held by the HFA DIF FX hedge wholesale (HFA DIF HW) and retail investors (HFA DIF HR) since 31 December 2008 is outlined in the graph below.

HFA DIF Unit Prices December 2008 - March 2010



Source: HFA. Post performance is not indicative of future performance. Note: 31 March 2010 unit price is an estimate only.

For the 2009 calendar year the HFA DIF's net assets per unit appreciated in excess of 19% and since applications and redemptions were restricted the Fund's net assets per unit have appreciated more than 20%. Overall as at 31 March 2010, the HFA DIF needs to return approximately 13% to reach its October 2007 net asset value per unit compared to international share markets, which need to return more than 27% to recover losses since their 2007 peaks. This is demonstrated in the following graph.



Source: HFA, Bloomberg, Morningstar Note: 31 March 2010 performance is an estimate only.

The liquidity of the Fund's underlying investments continue to improve at a solid rate and combined with the strong positive investment performance, HFAMM is confident that the Fund will be back to its pre-global financial crisis terms much earlier than was originally anticipated.

Initially upon re-opening of the Fund, HFAMM anticipates that amended administrative terms will be applied on the redemption process for the remainder of 2010 to ensure any residual subscription to the withdrawal offers are managed for the benefit of all unitholders.

At present HFAMM is exploring appropriate options and expects to initially change from monthly redemption periods with 30 days notice to quarterly redemption windows with 30 days notice plus administrative terms on the redemption process. With the continued improvement in general market conditions HFAMM expects the Fund to return to its pre global financial crisis administrative terms in 2011.

We thank you for your patience and understanding through this difficult period. We look forward to your continued support of HFA and DIF.

Important Dates

The Withdrawal Offer will open on 1 May 2010 and close on 31 May 2010. Your Withdrawal Request Form must be received by **4 pm (AEST) on 31 May 2010**. Forms received after this time will **not** be accepted.

We must apply this deadline strictly to ensure payments are processed promptly. Should you wish to accept the Withdrawal Offer, we recommend completing and returning the form promptly. If we receive your Withdrawal Request Form after 4pm (AEST) on 31 May 2010 you will not be eligible to participate in this Withdrawal Offer.

Withdrawal Request Forms must be posted or faxed to:

Attention: Unit Registry
National Australia Bank Limited
Registry Services
PO Box 1406
Melbourne VIC 3001
Facsimile: 1 300 365 601

Members returning their form by mail should allow time for posting.

We will only process one Withdrawal Offer for each member. If you send multiple Withdrawal Request Forms we will process the last form we receive prior to the closing time. Any amendments or cancellations must be in writing and received by us by 4pm (AEST) on 31 May 2010.

How many units can you apply to redeem?

If you wish to participate in the Withdrawal Offer, you can apply to withdraw all or part of your investment by specifying on your Withdrawal Request Form whether you wish to redeem all of your units or a part of your investment by specifying a partial withdrawal dollar amount. However, if we receive withdrawal requests for an amount greater than the \$63,750,000 available, all withdrawal requests will be scaled back pro rata.

Your Withdrawal Request Form shows your current unit holding in HFA DIF as at 30 April 2010. Units will be redeemed at their Net Asset Value per Unit as at 30 April 2010. The Net Asset Value per Unit as at 28 February 2010 for each class of retail and wholesale units are set out below:

Unit Class	Net Asset Value per Unit
Hedged retail	\$0.991484
Unhedged retail	\$0.776875
Hedged wholesale	\$1.011662
Unhedged wholesale	\$0.787049

The Net Asset Value per Unit as at 30 April 2010 will be calculated after the close of the offer and posted on our website, www.hfaom.com.au, when available. This is expected to be on or around 11 June 2010.

If you intend to participate in the Withdrawal Offer, you may wish to consider the 28 February 2010 Net Asset Value per Unit to decide how many Units you will apply to redeem (and therefore the amount of redemption proceeds you will receive if your redemption request is satisfied in full).

The Net Asset Value per Unit amounts for 28 February 2010 are provided to give you an indication only of the price, in broad terms, at which units may be redeemed under the Withdrawal Offer, should you wish to participate in the Withdrawal Offer. You must appreciate that units will be redeemed under the Withdrawal Offer at the Net Asset Value per Unit calculated as at 30 April 2010 and this amount may be higher or lower than the Net Asset Value per Unit as at 28 February 2010.

Funding of the Withdrawal Offer

We have made up to \$63,750,000 available for this Withdrawal Offer. This represents approximately 13% of the estimated value of DIF's assets as at 31 March 2010, and is funded from available cash in DIF, including cash realised from the partial redemption of DIF's investments, including a partial redemption of DIF's investment in the Lighthouse Diversified Fund Limited.

Should we receive redemption requests in excess of \$63,750,000 from retail and wholesale unit holders, we will (as required for the Corporations Act 2001) scale back each member's request on a pro rata basis. In this scenario, DIF's proceeds available for redemption will be applied as follows:

Amount of money available X Amount member requested to withdraw
Total of all amount's members request to withdraw

For Example:

There is \$63,750,000 available to meet withdrawal requests.

Mr Smith lodges a withdrawal request for his entire holding of 20,000 units representing \$20,000, assuming a net asset value of \$1.00 per unit.

The total amount of valid withdrawal requests received from those investors participating in the Withdrawal Offer is \$100 million.

Mr Smith would therefore receive \$12,750 and 12,750 of his units would be redeemed and cancelled.

This is an example only. What a member (who participates in the Withdrawal Offer) receives will depend on the amount of their withdrawal request and the total amount of all withdrawal requests.

Payment of the Withdrawal Offer

Members participating in the redemption will receive the proceeds from the Withdrawal Offer within 21 days after the close of the Withdrawal Offer. All proceeds will be paid by electronic funds transfer to your nominated account. If you have not previously advised us of your nominated financial institution account details, or require proceeds to be transferred to a different account to that previously advised, please ensure you insert your account details in the relevant part of the Withdrawal Request Form.

What if you have previously lodged a redemption request?

All previously lodged redemption requests will not be considered a withdrawal request under this offer. In order to be included in this Withdrawal Offer you must complete and return the Withdrawal Request Form attached to this letter so that we receive it by **no later than 4 pm (AEST) on 31 May 2010**.

Do you need to accept this Withdrawal Offer?

No. You are not obliged to take up this or any subsequent withdrawal offer that may be made. Whilst many investors wish to continue their investment, we understand that some investors need to access capital and this Withdrawal Offer is designed to enable those investors to realise their investment.

If you do not accept this Withdrawal Offer you will still be able to accept any subsequent Withdrawal Offer that might be made.

Confirmation of Withdrawal

On the conclusion of the Withdrawal Offer members who participate will be issued a new statement reflecting their revised holding. This will be posted to you. The redeemed units will be cancelled by us.

Summary

If you do not wish to redeem your investment, you do not need to do anything.

If you wish to participate in this Withdrawal Offer, please complete the attached Withdrawal Request Form and return it to:

Attention: Unit Registry
National Australia Bank Limited
Registry Services
PO Box 1406, Melbourne VIC 3001

OR Facsimile: 1300 365 601

We thank you for your ongoing support of the HFA Diversified Investments Fund. If you have any queries in relation to the Withdrawal Offer, this letter or the Withdrawal Request Form, please do not hesitate to contact HFAAM Investor Services on 1300 30 90 92.

Yours faithfully

HFA ASSET MANAGEMENT LIMITED



Oscar Martinis
Managing Director

HFA Asset Management Limited ABN 25 082 364 AFSL 246747 is the issuer of units in HFA Diversified Investments Fund ARSN 093 497 600 (‘the Fund’). The information contained in this announcement does not constitute an investment offer or financial product advice. It does not take into account the objectives, financial situation or needs of any particular person. Before making any decision to continue to invest in the Fund you should obtain and read the Product Disclosure Statement (‘PDS’) dated 28 February 2008 and consider, with or without the assistance of a financial or other professional adviser, whether an investment is appropriate in light of those matters. Neither HFA, nor its associates, the directors or officers of HFA and its associates, or any party named in the PDS guarantee the repayment of capital or the performance of the Fund. The information contained in this report has been taken from sources believed to be reliable. HFA may use unit price estimates for the Fund when compiling information contained in this report. HFA relies on various data sources when compiling this report and does not represent that the information is accurate or complete and it should not be relied upon as such. Past performance and asset allocation is not a reliable indicator of future performance.