Navigator Global Investments Limited (ASX:NGI)

ASX Appendix 4E

For the year ended 30 June 2022

Results for announcement to the market

Amounts in USD'000

Results in brief (all comparisons to the year ended 30 June 2021)				**30 June 2022**
Revenue from ordinary activities	Up	20%	to	**129,372**
Earnings before interest, tax, depreciation and amortisation	Up	35%	to	**51,220**
Adjusted Earnings before interest, tax, depreciation and amortisation[1]	Up	68%	to	**46,528**
Profit from ordinary activities after tax attributable to members	Up	45%	to	**38,701**
Net profit for the period attributable to members	Up	45%	to	**38,701**
		30 June 2022		**cents**
Basic earnings per share (cents) – statutory basis (based on the weighted average number of shares on issue over the period)	Up	39%	to	**20.86**

[1] Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) is non-IFRS financial information and is not subject to audit procedures, and does not represent profit in accordance with Australian Accounting Standards. This measure is intended to show the Group's performance before the impact of non-operating items such as unrealised changes in fair value of financial assets and liabilities and non-recurring items. Refer to table on page 2 for reconciliation of EBITDA to adjusted EBITDA results.

Dividends	**Amount per ordinary share**	**Franked %**	**Conduit foreign income %**
Final 2021 dividend per share (paid 10 September 2021)	US 6.0 cents	0%	100%
Interim 2022 dividend per share (paid 11 March 2022)	US 5.5 cents	0%	100%

The directors have determined an unfranked interim dividend of US 3 cents per share (with 100% conduit foreign income credits).
The dividend dates are:

Ex-dividend date:	31 August 2022
Record date:	1 September 2022
Payment date:	16 September 2022

NGI dividends are determined in US dollars. However, shareholders will receive their dividend in Australian dollars. Currency conversion will be based on the closing foreign exchange rate on the record date of 1 September 2022.

Dividend Policy

On 4 August 2022, the Company announced that it had revised its dividend policy to result in a payout range of 50-60% of the full 2022 financial year adjusted earnings before interest, depreciation, amortisation, impairment expense and tax [1]. The Board has determined that from the 2023 financial year the Company will pay a final dividend of US 3 - 4 cents per share. This policy allows the NGI Group to direct a significant portion of cash generated from operating activities towards supporting the continued growth of the business which is outlined in the Directors' Report in the 30 June 2022 Annual Report. Dividends will be unfranked and will have conduit foreign income credits attached.

The payment of dividends will be subject to corporate, legal and regulatory considerations.

A dividend reinvestment plan does not operate in respect to dividends of the Company.

Net tangible assets	**30 June 2022**	30 June 2021
Per ordinary share	USD 120.94 cents	USD 116.23 cents

Net tangible assets include the Group's $18.1 million right-of-use asset recognised under AASB 16 Leases. The comparative has been restated to include $13.7 million of leased assets.

Results for announcement to the market (continued)

Details of joint ventures and associates	30 June 2022	30 June 2021
Investments in joint ventures		
Longreach Alternatives Ltd	34.06%	-

On 30 September 2021, the Group acquired a 34.06% interest in Longreach Alternatives Limited, an Australian based diversified asset management firm with six underlying boutiques for USD $9.3 million. This investment will allow NGI to broaden business in Australia in a meaningful way and execute on our mission of providing differentiated investment solutions to a broad market.

Investments in associates		
GROW Investment Group	6.67%	-

On 20 September 2021, the Group acquired a 6.67% shareholding in GROW Investment Group, a newly formed entity which will capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets, further expanding the Group's international presence.

Reconciliation to Adjusted EBITDA [1]	30 June 2022	30 June 2021
	Amounts in USD'000	
Earnings before interest, tax, depreciation and amortisation	**51,220**	**37,803**
Additional cash payments made for office leases (net)	(3,347)	(3,290)
Unrealised changes in fair value of assets and liabilities	(2,397)	(11,903) [2]
Non-recurring expenses	1,052	5,101
Adjusted Earnings before interest, tax, depreciation and amortisation[1]	**46,528**	**27,711**

[1] Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) is non-IFRS financial information and is not subject to audit procedures, and does not represent profit in accordance with Australian Accounting Standards. This measure is intended to show the Group's performance before the impact of non-operating items such as unrealised changes in fair value of financial assets and liabilities and non-recurring items.

[2] In 2021 this adjustment referred only to the Strategic Portfolio. Going forward this adjustment will include unrealised changes in fair value of all financial assets and liabilities across the group. 2021 comparative figure has been restated accordingly from ($8 million).

Additional Appendix 4E requirements can be found in the Directors' Report and the 30 June 2022 Annual Report and accompanying notes.

This report is based on the 30 June 2022 Annual Report (which includes consolidated financial statements reviewed by Ernst & Young).

Navigator
GLOBAL INVESTMENTS

2022 ANNUAL REPORT

Navigator Global Investments Limited
and its controlled entities
ABN 47 101 585 737

Securities Exchange Listing

Navigator Global Investments Limited
shares are listed on the Australian Securities Exchange
(ASX Code: NGI)

Website

www.navigatorglobal.com.au

Directors

Michael Shepherd

Nicola Meaden Grenham

Suvan de Soysa (appointed 22 September 2021)

Cathy Hales (appointed 22 March 2022)

Andy Bluhm

Sean McGould

Fernando (Andy) Esteban (retired 28 January 2022)

Company Secretary

Amber Stoney

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Auditor

Ernst & Young

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Unless otherwise indicated, the numbers in this annual report have been presented in US Dollars (USD)

2022 SNAPSHOT

Adjusted EBITDA[1]

USD 46.5 million

▲ 68% pcp

Group AUM

USD 22.9 billion

▲ 9% pcp

Operating Revenue[2]

USD 158.2 million

▲ 42% pcp

FY22 Dividends

USD 8.5 cps

▼ 11% pcp

[1] This is a non-IFRS measure and is intended to show the Group's core operating performance. Refer to page 14 for further details.

[2] This is a non-IFRS measure and comprises of total revenue and other income. Refer to page 14 for further details.

FROM THE

CHAIRMAN & CEO

Continuing our path of growth

Navigator Global Investments Limited ('Navigator' or the 'Company') together with its subsidiary entities ('the Navigator Group' or the 'Group') continued to pursue a growth and diversification strategy throughout 2022 with the acquisition of minority stakes in high quality alternative asset managers.

These investments have diversified Navigator and broadened its exposure to a wide range of alternative asset managers.

A particularly strong year of distributions for the NGI Strategic Portfolio of manager stakes acquired in February 2021 has underpinned a 68% growth in Adjusted EBITDA, to be **$46.5 million** for the 2022 financial year.

Four strategic acquisitions completed over the past 18 months

Navigator has been very active in the past 18 months in acquiring quality strategic stakes in alternative asset management business, with total acquisition value and consideration of more than $400 million:

			Total Consideration (USD millions)	Equity interest	Investment sectors
FY 2021	February 2021	NGI Strategic Portfolio	219	Range between 8-25% Preferred Minimum Distribution to Navigator until FY2025	Diversified portfolio of alternative asset managers specialising in quantitative strategies, global commodities, discretionary global macro, derivatives, public and private credit and asset backed strategies
FY 2022	September 2021	GROW Investment Group	4	Up to 10%	China based multi-strategy asset management
FY 2022		LONGREACH ALTERNATIVES	10	34.1%	Australian based alternative asset manager specialising across a diverse range of strategies, including private credit
FY 2022	May 2022	MARBLE CAPITAL	85 over 2 years	16.8%	US based asset manager specialising in closed-ended private equity style funds which provide capital solutions for high quality multifamily developers and operators in growth market.
FY 2023	August 2022	INVICTUS CAPITAL PARTNERS	100 over 3 years	18.2% *9.1% carried interest participation*	US based asset manager specialising in opportunistic credit strategies across the spectrum of real estate debt investments, including high-yielding and distressed bonds and loans.

Navigator completed two smaller transactions in September 2021. A $4 million investment was made into a new start up manager, Grow Investment Group ('Grow'). Grow is a China based multi-strategy asset management business, founded by highly experienced Chief Investment Officer, William Ma. Grow's goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets. Despite having a small ownership stake, Navigator has a seat on the Grow board and will be a strategic partner in this early stage.

Later the same month, Navigator completed a $10 million investment in Longreach Alternatives ('Longreach'), an Australian based investment management firm that provides support and infrastructure to a stable of leading alternative investment managers. Longreach identifies, builds and invests into growing world-class alternative investment management teams in strategies such as private credit, energy, market-neutral equity and sustainable seafood.

In May 2022, Navigator announced a $85 million investment into Marble Capital, adding an 16.8% minority equity stake in the US based private equity manager to the NGI Strategic Investments portfolio. Established in 2016, Marble Capital currently manages a series of closed-end private equity funds. Marble Capital is managed by a group of accomplished real estate professionals with 150 years of combined experience in real estate finance, capital markets, development and operations. More information about our investment in Marble Capital is outlined on page 24.

Subsequent to year end, Navigator also announced the acquisition of an 18.2% stake in US based Invictus Capital Partners ('Invictus') for total consideration of $100 million, payable over 3 years. Invictus is a real estate credit focused alternative asset manager of private funds and separately managed accounts. They seek attractive risk-adjusted returns by sourcing undervalued high-quality mortgage loans and financing them efficiently through term credit facilities and the securitisation market.

The investments in Grow and Longreach are small and we expect they will have a modest impact on Navigator's Group earnings in short-term. However, the investments in Marble Capital and Invictus are meaningful in both size and expected contribution to Navigator's earnings in the 2023 and 2024 financial year.

Institutional placement and share purchase plan

To support Navigator's growth in strategic investments, and more specifically for acquiring an interest in Marble Capital, Navigator conducted an institutional placement in April 2022 ('Placement') and a Share Purchase Plan ('SPP') in May 2022.

A fully underwritten A$47 million placement was successfully completed on 8 April 2022 (USD 35 million). The Placement received strong support from existing and new investors. The Placement resulted in the issue of 30.4 million new Navigator shares at an issue price of A$1.55/USD 1.15 per share, which represented an 11.4% discount to Navigator's last closing price of A$1.75/USD 1.30 per share on the day immediately prior to the announcement of the Placement.

To ensure that our smaller shareholders were also able to participate, Navigator also conducted a SPP alongside the Placement. The SPP was available to existing Australian and New Zealand shareholders and provided them the opportunity to acquire up to A$30,000 (approximately USD 21,102) worth of new fully paid ordinary shares in NGI. Navigator raised A$3.9 million (USD 2.7 million) at an issue price of A$1.48/USD 1.04, which represented a 2% discount to the 5-day volume weighted average price up to and including 11 May 2022.

FY2022 operating performance

The Operating and Financial Review on pages 10 to 27 sets out detailed information on the Navigator Group's activities for FY2022. We take this opportunity to highlight a few key points:

- Ownership adjusted Group AUM of $22.9 billion comprising of $14.4 billon from Lighthouse and $8.5 billion from NGI Strategic Investments which is an increase of $ 2 billion.
- Navigator delivered Adjusted EBITDA of $46.5 million a 68% increase on the prior year (with statutory EBITDA of $51.2 million).
- Management fee revenue was $73.5 million for the year, a decrease of 3% on the prior year.
- Performance fee revenue for the year was $10.6 million, a decrease of $2.9 million on the previous financial year. The prior financial year delivered particularly strong investment performance, resulting in the higher performance fee revenue.
- Net contribution from NGI Strategic Investments was $28.0 million. This was driven by significantly higher than expected gross distributions from the NGI Strategic Portfolio assets, which totalled $70.8 million for the 2022 financial year (2021: $28.9 million).
- Operating expenses after adjustments for net of revenue from fund expense reimbursements and provision of office space, and adding back cash lease payments now recognised as a financing cost, decreased by $1.1 million on the prior year. Increased staff costs, primarily due to higher variable compensation, were off-set by cost reductions in professional and consulting, information technology and occupancy expenses due to the on-going implementation of a 'pass through' cost model across parts of the Lighthouse business (see page 20 for additional information).

5-year historical performance

The Board considers EBITDA to be the most relevant measure of the Company's overall financial performance. With significant acquisition of new investments held at fair value in the Income Statement, in the few years the Board has shifted its focus to an Adjusted EBITDA measure, which seeks to adjust for cash and non-cash items which are components of the statutory EBITDA determined in accordance with applicable accounting standards.

Statutory EBITDA for 2022 increased by 35% on the prior year, driven by a full year of income from the NGI Strategic Portfolio which was above expectations:

	2018	2019	2020	2021	2022
Statutory EBITDA (USD millions)	34.212	37.652	30.518	37.803	51.220
Cash flows from operating activities (USD millions)	32.921	22.565	32.562	22.199	89.738
Dividends per share for the financial year (US cents)	16.0	17.0	14.0	9.5	8.5
Dividend amount for the financial year (USD millions)	26.058	27.281	22.885	25.619	24.116
Dividend payout as a % of EBITDA	76%	72%	75%	80%[1]	52%[2]
Closing share price (dollars)	AUD 5.34	AUD 3.94	AUD 1.19	AUD 1.78	AUD 1.24
Change in share price (dollars)	▲ AUD 2.94	▼ AUD 1.40	▼ AUD 2.75	▲ AUD 0.59	▼ AUD 0.54

1 2021 payout ratio calculated on Adjusted EBITDA of $31.587 million as calculated in the prior year before comparatives were restated to align with current year methodology. Refer to page 15 for further details.

2 2022 payout ratio calculated on Adjusted EBITDA of $46.528 million. Refer to page 14 for a reconciliation of Statutory EBITDA to Adjusted EBITDA for each period.

NGI Strategic Portfolio

The NGI Strategic Portfolio is the aggregation of the six manager stakes acquired by Navigator in February 2021. 2022 is the first full year of contribution of this portfolio of assets, and it significantly exceeded our expectations in terms of distributions received.

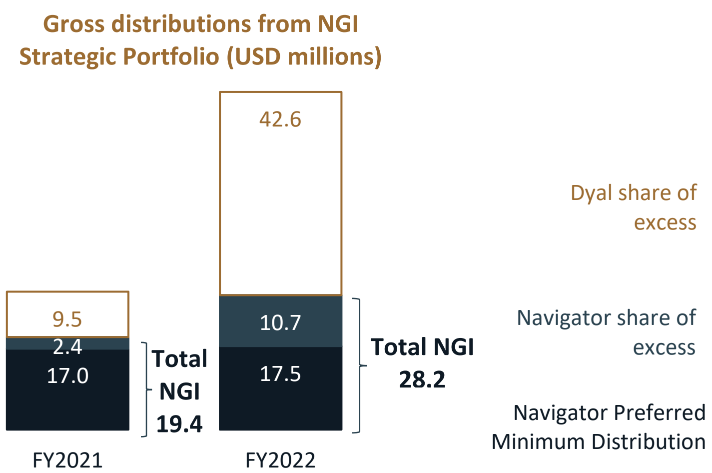
Recap of the key transaction terms regarding distribution entitlements

The transaction was structured so that Navigator acquired up front, a five year entitlement to a Preferred Minimum Distribution Amount, plus 20% of any distributions received in excess of that amount. The Preferred Minimum Distribution Amount is indexed at 3.0%pa. If the Preferred Minimum Distribution Amount is not met there is a catch-up mechanism for it to be added to the following year's Preferred Minimum Distribution Amount.

The five year arrangement is from 2021 to 2025, after which time Navigator will make an additional payment (referred to as the redemption liability) for the right to receive all distributions thereafter.

Historical distributed earnings of the Portfolio between calendar years 2015 and 2020 ranged between $27 million and $41 million.

Distribution income



This was an exceptionally strong year for the NGI Strategic Portfolio, with significantly higher than historical performance fees generated across the managers.

Gross distributions received (before deduction of certain agreed operating expenses) from the NGI Strategic Portfolio for the 2022 financial year were $70.8 million (2021: $28.9 million). After applying the Preferred Minimum Distribution Amount and 20% excess, Navigator's share of the gross distributions is **$28.2 million**. This comprised of $17.5 million from the Preferred Minimum Distribution Amount, and $10.7 million from the distributions in excess of this amount.

The managers in the NGI Strategic Portfolio have generally continued to perform well over calendar year 2022 to date. However, we highlight that the performance fees earned by these managers are variable in nature and it is not possible to predict with any certainty what Navigator's share of distributions for the 2023 financial year will be. We are confident however, that our Preferred Minimum Distribution Amount is well covered, and there is upside for additional revenue above that.

Lighthouse

Lighthouse continues to make progress in growing its Platform Hedge Funds business. This area of the business was the key driver of Lighthouse's AUM growth over the 2022 financial year, achieving $830 million of net inflows for the 12 months to 30 June 2022.

The Platform Hedge Funds offering continues to evolve, and now has three key products, each at various stages of maturity:

NORTH ROCK

North Rock fund manages an absolute return strategy with a low correlation to public equity markets. The North Rock fund houses multiple investment teams, representing independent investment specialists operating under North Rock's platform.

MissionCrest

Mission Crest is a multi-portfolio manager global macro hedge fund. Like North Rock, Mission Crest houses multiple portfolio managers in both discretionary and systemic strategies.

Lighthouse has also rebranded its Managed Accounts Services business as Luminae Partners.

LUMINAE™

Luminae Partners provides managed account services globally to institutional investors with turnkey solutions customised to their needs. The Luminae platform drives scale and mitigates the costs associated with alternative investing, and provides significant benefits to clients in relation to risk and notional funding models which provide a structure to control funding and liquidity.

Investment Performance

The global investment markets were particularly challenging in the six months to 30 June 2022, with major declines in global market indices impacting many investment managers around the globe over that period.

We were pleased with the performance of key Lighthouse portfolios over that period, as they delivered on a core objective of maintaining capital over volatile market periods. For the 6 months to 30 June 2022, the Mission Crest Macro Fund, LP (Class A) had an investment return of 8.5% for the period, whilst the North Rock, LP (Series A) returned 2.8%. This compares favourably to both the S&P 500 TR Index and the MSCI AC World Daily TR Gross USD Index, which both had negative 20% returns for the same period.

Dividends

The Directors determined an unfranked dividend of **3 US cents per share** (with 100% conduit foreign income credits) payable 16 September 2022. Added to the interim dividend of 5.5 cents per share, this brings the total for the year to 8.5 US cents per share.

The FY2022 combined interim and final dividends equates to a payout ratio of **52% of Adjusted EBITDA**. This is consistent with the announcement made on 4 August 2022 that the final dividend would result in a payout range of 50-60% of the full 2022 financial year Adjusted EBITDA.

FY2022 dividends of

8.5

cents per share

The Board has determined that from the 2023 financial year the Company will pay a final dividend of US 3 - 4 cents per share. Dividends will be unfranked, however may have conduit foreign income credits attached. The payment of dividends will be subject to corporate, legal and regulatory considerations. This policy allows the NGI Group to direct a significant portion of cash generated from operating activities towards supporting the continued growth of the business.

Corporate governance

Strong governance and a culture which values ethics and integrity are a key priority for the Navigator board.

Our core values

We are very aware that people are the heart of everything we do. Our Lighthouse business has operated with the guiding force of values centred around Ethics & Integrity, Client Loyalty, Teamwork, Continuous Improvement & Excellence and Professionalism.

As the Navigator Group has evolved to include an increasingly large strategic investment component, we have reviewed our core values to ensure that they fit our broader business. While keeping the essence of our previous core values, we have distilled them into the below four core values which underpin the Navigator Group's culture and behaviour.

Integrity

Hold ourselves and others to the highest standards of ethical and responsible behavior.

Partnership

Collaborate and work as a team for the success of both internal and external stakeholders. Treat everyone with respect and professionalism.

Excellence

Be committed to delivering excellence. Go the extra mile and own the results of what you do.

Evolution

Adapt, change and grow. Be responsive, open-minded and act on opportunities to improve.

Board composition

The Company continued renewal of its Board membership over the 2022 financial year.

Mr Andy Esteban retired at the Annual General Meeting on 28 January 2022 after almost 14 years of service to Navigator. Over that time he saw the Company through many changes, among the most memorable being the Global Financial Crisis, significant capital restructures and most recently the transformative acquisition of the NGI Strategic Portfolio from Dyal Capital Partners. We particularly thank Andy for his service as Chair of the Audit and Risk Committee.

Andy's knowledge and professionalism have been invaluable to the success of Navigator, and he will be greatly missed by the Board and staff alike. Whilst we are sorry that his time with the Company has ended, we wish him the very best in any new endeavours, and hope that he can enjoy extra time with family, friends and pursuing his personal interests. Thank you again for your many years of service Andy.

In anticipation of Andy's retirement, we welcomed Mr Suvan de Soysa as an independent non-executive director in September 2021. Suvan has a had long and well-rounded career in the Australian wealth management industry, including a number of senior executive roles. Suvan's experience covers a broad range of business areas within the wealth management arena, having headed various departments including financial planning, business development, strategic alliances and acquisitions. These responsibilities have given him a breadth of experience, including with multi-jurisdictional transactions and business partnerships. Suvan was appointed Chair of the Audit and Risk Committee in January 2022.

Ms Cathy Hales also joined the Board on 22 March 2022. Cathy joins us as an experienced company director, with over 25 years experience in leading and developing investment management businesses. She was previously Global Head of Fidante Partners (the multi-boutique asset management arm of the Challenger Group), following senior roles with Deutsche Asset Management, Colonial First State and BT Funds Management. Cathy comes to Navigator with demonstrated experience in a broad range of investment management specialties across listed and private asset classes. Her deep understanding of mergers and acquisitions in the investment management space, as well as the evolution of these businesses through the start-up, growth and maturity phases, will be of great benefit to the Company as it continues to execute on both its organic and inorganic growth plans.

The NGI Strategic Portfolio transaction terms also include a right for Dyal to nominate a director for appointment to the board, however this right has yet to be exercised.

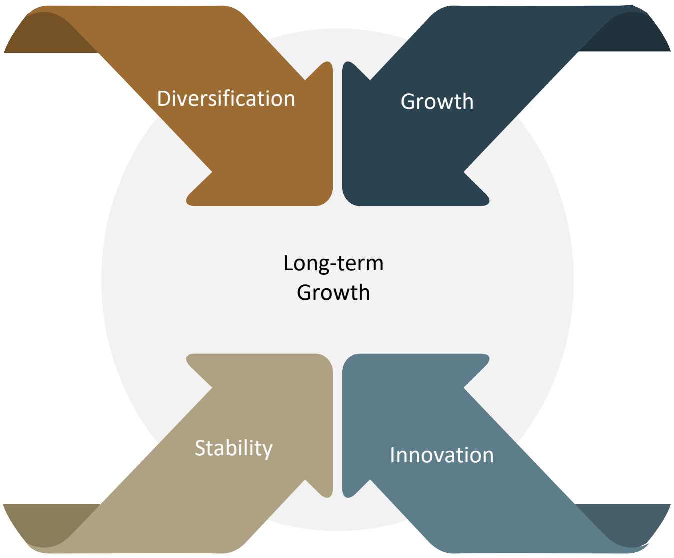
Outlook

FY2022 was another significant step in the expansion and diversification of the Navigator Group. We completed four transactions throughout the year which has resulted in the Navigator Group being more diversified across alternative asset management sectors than ever before. This diversification creates high quality earnings across a wider range product, client type and geography.

Navigator's earnings profile is now highly diversified over 11 quality stakes in alternative asset managers

Multi-year outlook for stable, well-covered preferred earnings stream from the NGI Strategic Portfolio, and the addition of high-quality earnings and visible revenue generated from closed-end funds

Lighthouse generates management fee concentrated earnings from a diverse product set and client base



Our partners are demonstrating solid AUM growth, driven by both performance and inflows

The Lighthouse business is well positioned for growth across multiple products and continues to invest in additional product innovation

NGI Strategic managers continue to innovate by leveraging their core competencies and tactically launching new products and strategies

The Board extends our appreciation to all of our staff who have worked hard to make this another memorable year in the Navigator growth story. Across our business they have focused on delivering quality investment and client service, in evolving our exisiting business and adding meaningful future earnings through a number of significant transactions in high quality managers. We also thank our new and existing shareholders for supporting us during what has been an expectional year in our growth.

Michael Shepherd, AO
Chairman

Sean McGould
Chief Executive Officer

OPERATING AND FINANCIAL REVIEW

Navigator Global Investments Limited is a diversified alternative asset management company dedicated to partnering with leading management teams who operate institutional quality businesses globally. The company is comprised of partnerships with well-established, scaled alternative asset managers who operate businesses which are diversified across investment style, product type and client base. Each represents a highly specialised business in their respective strategies. These partnerships are structured with various provisions focused on alignment of interests and minority protections.

Our approach is to leverage our investing and operating expertise to identify and partner with leading alternative investment managers globally who meet our key criteria:

Established

Scaled operations which have been tested over market cycles

Diversified

Uncorrelated strategies and multi-product businesses

Global

Investing and operating presence across the globe

Aligned

Shared philosophy and operating autonomy

Navigator operates a business which is broader and more diversified than ever before. Our performance is driven by high quality earnings diversified across product, client type, geography and positioned with the financial resources and capabilities to drive strong long-term growth. Our focus is on sectors of the asset management industry experiencing strong growth and high barriers to entry.

We look for opportunities which provide exposure to asset management businesses for our shareholders and look to achieve this with flexible ownership and operating structures. After two very active years of making minority stake investments in alternative asset managers, Navigator provides access to the earnings of a range of high quality managers:

Bardin Hill is a leading investment firm with core competencies in public and private credit, collateralised loan obligations, and event-driven equities.

Capstone is a global, alternative investment management firm operating across a broad range of derivatives-based strategies with a deep understanding of volatility

CFM is a global quantitative and systematic asset management firm applying a scientific approach to finance.

Grow is a China based multi-strategy multi-asset management company whose goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets

Invictus Capital Partners, through its affiliates, acquires and manages investment portfolios primarily comprised of real estate debt securities, loans and related instruments.

This investment was acquired in August 2022.

Navigator's only wholly-owned operating business, Lighthous is a global diversified alternative asset management firm with more than two decades delivering competitive risk-adjusted returns and innovative solutions to investors

Longreach Alternatives is an Australian based investment management firm, which provides investors with access to considered and differentiated alternative investment opportunities across market segments including alternative income, private credit, quantitative equity and real assets.

Marble Capital is a fully discretionary fund manager providing capital solutions throughout all parts of the capital stack for multifamily developers and operators nationwide.

MKP is a discretionary global macro strategy that uses a top-down fundamental approach to identify and exploit economic and financial imbalances in asset markets to produce strong risk adjusted returns

Pinnacle is a global commodities specialist platform with exposure to energy, metals, and agriculture sectors.

Waterfall is a specialist credit manager with a relative value approach focused on high-yield asset backed securities and loan investments

Through our partners, we continue to expand our global footprint, meaning we offer our shareholders access to diversified alternative asset managers who operate and invest around the world.

Navigator Group results

2022 Adjusted EBITDA of $46.5m

	Statutory USD millions	Adjustments (unaudited) USD millions: Netting of off-setting revenue & expenses (1)	Cash lease payments not in operating expenses (2)	Unrealised changes in fair value of financial assets and liabilities (3)	Transaction costs (4)	Adjusted (unaudited, non-IFRS measure) USD millions
Management fees	73.5					73.5
Performance fees	10.6					10.6
Reimbursement of fund operating expenses	42.6	(42.6)				-
Revenue from provision of serviced office space	2.6	(2.6)				-
Net distributions from NGI Strategic Investments	28.8					28.8
Share of profits from joint ventures and associate entities	0.1					0.1
Total revenue & other income	**158.2**	**(45.2)**				**113.0**
Less: Operating expenses	(106.3)	45.2	(3.4)			(64.5)
Result from operating activities	**51.9**	**-**	**(3.4)**		**-**	**48.5**
Net finance income/(costs) excl. interest	0.4			(2.4)		(2.0)
Non-operating expenses	(1.1)				1.1	-
EBITDA	**51.2**	**-**	**(3.4)**	**(2.4)**	**1.1**	**46.5**

1. These revenues are a direct reimbursement of expenses incurred and on-charged to other parties at no mark-up. Refer to page 20 for further discussion.
2. Following the adoption of AASB 16 *Leases,* the office lease component of occupancy expense is recognised below the EBITDA line as a financing activity. The net cash lease payments made during the year are adjusted against EBITDA so that it represents a closer measure of the annual cash operating cost associated with the Group's various office premises leases.
3. Gains and losses associated with financial assets and liabilities measured at fair value through profit and loss primarily relate to NGI Strategic Portfolio investments and the associated redemption liability. These fair value movements are adjusted as they are unrealised.
4. Includes net transaction costs associated with the Marble Capital transaction completed during the period which were expensed to the profit and loss, as well as non-recurring expenses associated with exploring sources of debt and securing an increase in the Line of Credit facility.

2022 Adjusted EBITDA up 68%

The presentation of the Group's results is a non-IFRS measure and is intended to show the Group's core operating performance. That is before the impact of items such as depreciation and amortisation, non-operating items such as net interest income/costs and non-recurring items. Net profit before and after income tax reconciles to the income statement on page 50.

Consolidated USD million

	2022	2021	Increase / (decrease)
Management fee revenue	73.5	75.6	(3%)
Performance fee revenue	10.6	13.5	(21%)
Revenue from reimbursement of fund operating expenses	42.6	17.0	151%
Revenue from provision of office space and services	2.6	1.8	44%
Net distributions from strategic investments	28.8	3.7	678%
Share of profits from joint ventures and associate entities	0.1	-	100%
Total revenue & income	**158.2**	**111.6**	**42%**
Employee expense	(50.7)	(47.9)	6%
Reimbursable fund operating expenses	(42.6)	(17.0)	151%
Professional and consulting expenses	(3.5)	(5.0)	(30%)
Information and technology expense	(2.2)	(3.4)	(35%)
Distribution expense	(1.9)	(1.8)	6%
Other operating expenses[1]	(5.4)	(3.9)	38%
Total operating expenses[1]	**(106.3)**	**(79.0)**	**35%**
Result from operating activities[1]	51.9	32.6	59%
Net finance income/(costs) excluding interest	0.4	10.8	(96%)
Non-operating expenses	(1.1)	(5.6)	(80%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**51.2**	**37.8**	**35%**
Net interest expense	(0.7)	(0.8)	(13%)
Depreciation and amortisation	(4.8)	(4.5)	7%
Profit before income tax	45.7	32.5	41%
Income tax expense	(7.0)	(5.7)	23%
Net profit after income tax	38.7	26.8	44%
Diluted EPS (cents per share)	15.25	10.86	40%
Adjustments (unaudited)			
Earnings before interest, tax, depreciation and amortisation (EBITDA)	51.2	37.8	35%
Additional cash payments made for office leases (net)	(3.4)	(3.3)	3%
Unrealised changes in fair value of assets and liabilities[2]	(2.4)	(11.9)[2]	(80%)
Non-recurring transaction costs and debt restructuring expenses & advice	1.1	5.1	(78%)
Adjusted EBITDA (unaudited, non-IFRS measure)	**46.5**	**27.7[2]**	**68%**

1 Excludes net finance income / (costs) including interest, depreciation of fixed assets and amortisation. These items have been excluded so as to present the expenses and result arising from the Group's core operating activities.

2 In 2021 this adjustment referred only to the Strategic Portfolio. Going forward this adjustment will include unrealised changes in fair value of all financial assets and liabilities across the group. 2021 comparative figure has been restated accordingly from ($8 million).

Lighthouse Investment Partners, LLC ('Lighthouse') is a USD14.4 billion global diversified alternative asset management firm with more than two decades of delivering competitive risk-adjusted returns and innovative solutions to investors.

The firm has three distinct businesses:

- proprietary platform hedge fund business, which include North Rock and Mission Crest;
- hedge fund solutions, which manages portfolios that strategically allocate capital to unaffiliated investment managers and Lighthouse's platform hedge fund strategies; and
- managed account services, which provides comprehensive structuring and administrative expertise to institutional investors.

Lighthouse's collaborative, transparent, and entrepreneurial approach has enabled it to continually improve, innovate, and evolve the hedge fund experience. The firm's efforts have produced a culture that attracts top-notch talent who share its vision and appreciate a focus on exceptional client service. Lighthouse and its affiliates employ over 150 professionals across offices in New York, London, Chicago, Hong Kong, and Palm Beach Gardens. Its global investor base includes pension plans, sovereign wealth funds, corporations, insurance companies, endowments, foundations, family offices, and individual investors.

USD14.4bn Assets under management

25+ year track record

188 employees

68 investment professionals

1000+ investors

Lighthouse is a global investment firm with a diversified mix of business

USD 2.6 bn

Platform Hedge Funds

A growing focus of the Lighthouse business is its **Platform Hedge Fund** offering. These products are structured as multi-portfolio manager hedge fund products.

- The largest Hedge Fund product is **North Rock,** which specialises in absolute return strategies with a low correlation to public equity markets. The North Rock fund houses multiple investment teams.
- **Mission Crest** is a relatively new offering now accessible by direct investors, and is a multi-portfolio manager global macro hedge fund.

Additional products using the multi-portfolio manager structure are in development and Lighthouse sees this as a key area for additional growth.

USD 6.2 bn

Hedge Fund Solutions

Lighthouse offers a broad range of **hedge fund solutions**, including strategic partnerships, custom managed portfolios and commingled funds.

In its **strategic partnerships**, Lighthouse works closely with large strategic investors to customise their alternative investment exposure and meet specific needs across investment advisory, risk monitoring and operational services. Strategic partners may utilise a variety of Lighthouse's services, ranging from investments in its Hedge Funds or Commingled Funds, Customised Funds or utilisation of its Managed Account Services (discussed further below).

Customised Solutions offers investors who are able to commit to a significant investment size the ability to access the benefits of the managed account structure in their own customised portfolio while still receiving portfolio construction, manager selection and due diligence services from the Lighthouse investment team.

Lighthouse also offers a number of hedge fund solutions through its **commingled funds,** the largest strategies of which are:

- Global Long/Short – a global long/short equity fund seeking equity-like returns with lower volatility than traditional global equity investments.
- Diversified – a multi-strategy approach, absolute return focused with low correlation and beta to traditional markets.

USD 5.6 bn

Managed Account Services

Lighthouse offers dedicated **Managed Account Services** for large institutions who have significant allocations to hedge fund assets. It has recently rebranded as **Luminae** to further differentiate it as a unique service offering.

Managed Account Services provides these clients with access to the benefits of a managed account structure, allowing them to maintain control of manager selection and allocation decisions.

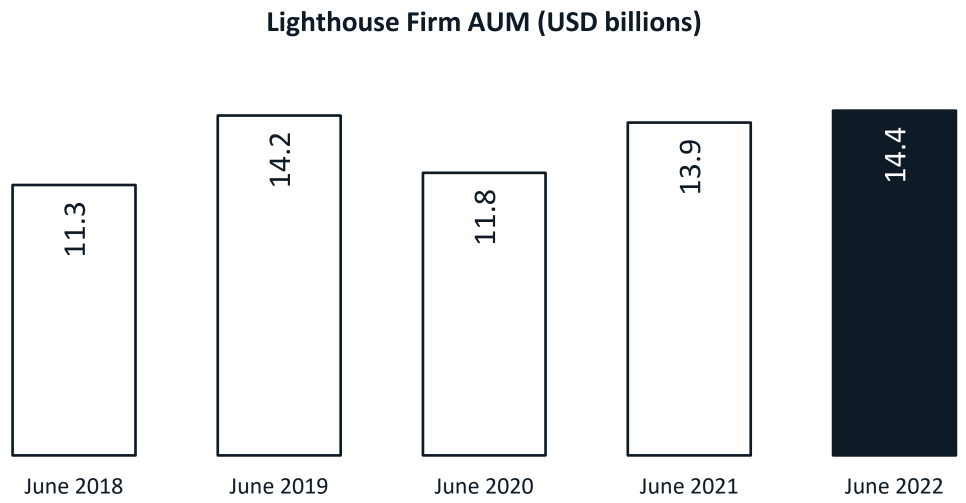
Luminae offers clients a unique skill set and knowledge which allows us to provide efficient onboarding, specialised legal structuring and compliance services, counterparty management and robust operational oversight. Internally built expertise also means a high level of customisation, and support purpose-built tools for advanced portfolio analytics, risk management and treasury functionality.

Lighthouse has built its infrastructure over time to handle the complexity of operating a large account program in terms of number of managers strategies and assets under management.

Assets under management (AUM)

Lighthouse finished the year with USD 14.4 billion of AUM, an increase of USD 0.5 billion or 4% over the prior year.

Platform Hedge Funds continues to be a key area for growth, with its products performing well despite difficult markets in the second half of the financial year.



The following table summarises the AUM movements over the 2022 financial year by product:

	30 June 2021	Net Flows[1]	Performance[2]	30 June 2022[3]
Platform Hedge Funds	USD 1.68 bn	▲ USD 0.83 bn	▲ USD 0.08 bn	USD 2.59 bn
Hedge Fund Solutions				
Commingled Funds	USD 2.94 bn	▼ USD 0.51 bn	▲ USD 0.01 bn	USD 2.44 bn
Customised Solutions	USD 4.16 bn	▼ USD 0.48 bn	▲ USD 0.06 bn	USD 3.74 bn
Managed Account Services	USD 5.15 bn	▲ USD 0.20 bn	▲ USD 0.29 bn	USD 5.64 bn
Combined total	**USD 13.93 bn**	**▲ USD 0.04 bn**	**▲ USD 0.44 bn**	**USD 14.41 bn**

The above AUM figures have been determined on the following basis:

1. Net flows include monies received by Lighthouse for applications and any redemptions effective 1 July 2022. This convention in relation to the reporting of net flows and AUM has been consistently applied by the NGI Group since January 2008.

2. Performance includes investment performance, market movements, the impacts of foreign exchange on non-USD denominated AUM and distributions (if any).

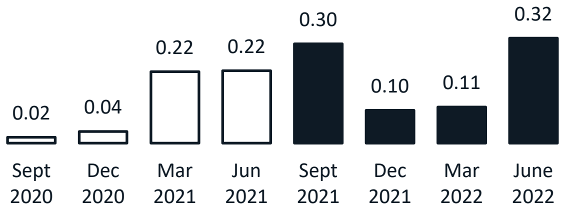
3. 30 June 2022 AUM is estimated and is based on performance estimates which may be subject to revision near the 20th business day of the month and upon final audit. AUM may include transfers from other Lighthouse Funds that occurred on the first day of the following month.

Platform
Hedge Funds

Lighthouse's Platform Hedge Fund business continues to be a strong performer, with AUM as at 30 June 2022 of USD 2.59 billion. This represents a 54% increase since June 2021 and is primarily due to net inflows of USD 830 million.

The Hedge Fund products continue to be of significant interest to both our existing clients and potential new clients. We expect these products to continue to drive AUM growth in for the foreseeable future.

**Platform Hedge Funds
Quarterly Net Inflows (USD billions)**



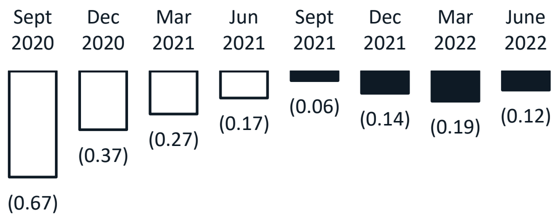
Hedge Fund
Solutions

Commingled Funds

With relatively flat investment performance across the range of funds and USD 510 million of net outflows, Commingled Funds finished down 17% to USD 2.44 billion.

Whilst outflows were negative, they have stabilised to be at more normalised historical levels after a significant increase in the prior financial year as a result of challenged performance in March 2020 at the start of the global pandemic.

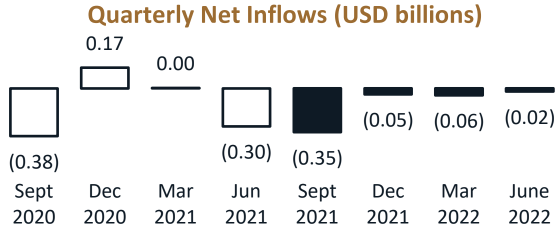
**Commingled Hedge Fund Solutions
Quarterly Net Inflows (USD billions)**



Customised Solutions

Customised Solutions AUM reduced by 10% to USD 3.74 billion over the financial year. The reduction was driven by approximately USD 480 million of net outflows, most of which occurred in the September 2021 quarter. We are encouraged with relatively low net outflows over the remainder of the year.

**Customised Hedge Fund Solutions
Quarterly Net Inflows (USD billions)**

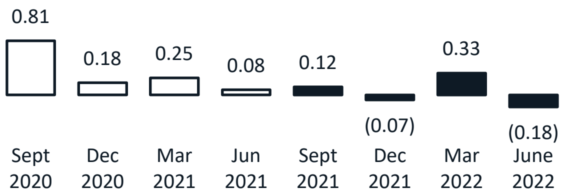


Managed
Account
Services

After having exceptionally good growth over the 2021 financial year, AUM in Managed Account Services has grown by 10% to be USD 5.64 billion as at 30 June 2022. The growth was due to a combination of both net inflows and performance growth.

Managed Account Services clients are by nature small in number but with large potential AUM, and the sales cycle on these clients can take longer than a typical fund investment.

**Managed Account Services
Quarterly Net Inflows (USD billions)**



Financial results

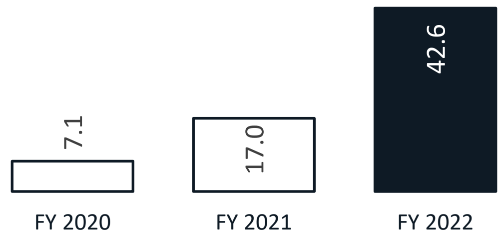
Since 1 January 2021, Lighthouse has been rolling out the implementation of a pass through expense model across relevant funds. This pass through model fee structure is now common as compared to legacy fee structures which traditionally charged a 1.5-2.0% management fee plus a 15-20% performance fee.

As the relevant products obtain sufficient scale, Lighthouse is able to establish fund share classes which have a low or nil management fee, a performance fee and which can receive pass through fund operating expenses. These fund operating costs can include the compensation cost of dedicated staff (such as portfolio managers) as well as external services and consulting expenses. In practice, these costs are paid by Lighthouse and are then reimbursed by the funds.

In the 18 months since implementation of this pass through model across select Platform Hedge Funds, there has been a significant increase in the "fund reimbursable" revenue and expense being recognised in the Income Statement on a gross basis. There continues to be a net nil impact overall.

Some of these changes have also contributed to the reduction in average management fee rates over the 2022 financial year, however they have also resulted in a significant reduction to non-employee related operating expenses such as professional and consulting fees, information technology costs and occupancy expenses.

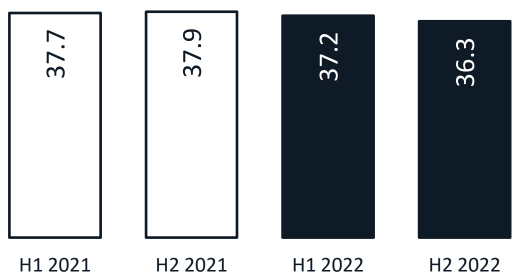
Reimburseable fund expenses (USD millions)



Management fees — $73.5 million (▼ 3% pcp)

Management fees for the 2022 financial year were $73.5 million, down 3% on the prior year. The following shows total management fees by half year period for the 2021 and 2022 financial years:

Management fees (USD millions)



The average management fee rate represents the blended net management fee rate across all AUM. While there are a number of factors which impact the average management fee rate across periods, the main driver is the relative proportion of AUM invested across Commingled Funds, Customised Solutions funds and Managed Account Services clients. The reduction of the average fee rate this half reflects the more recent trend.

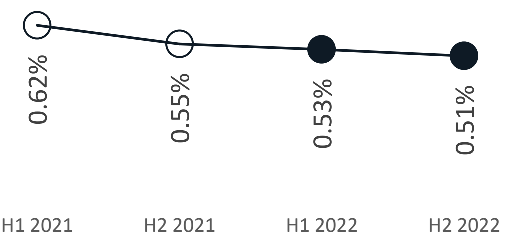
In addition, new product offerings with performance fee arrangements are being launched, giving clients more flexibility over selecting fee structures which best suit their needs. These products generally have lower management fees, consequently further reducing the overall average management fee rate.

Lighthouse revenue from clients is largely generated by management fees, although it has a number of portfolios across both Platform Hedge Funds and Hedge Fund Solutions which may generate a performance fee.

The 3% decrease in management fees on the prior year has been driven by two off-setting factors:

- Average AUM for the 2022 financial year, calculated on monthly data, was USD14.1 billion (FY21: 13.0 billion), an 8% increase on the prior corresponding period.
- The average management fee rate has decreased to 0.52%pa (FY21: 0.58%pa), a 10% reduction to the prior corresponding period.

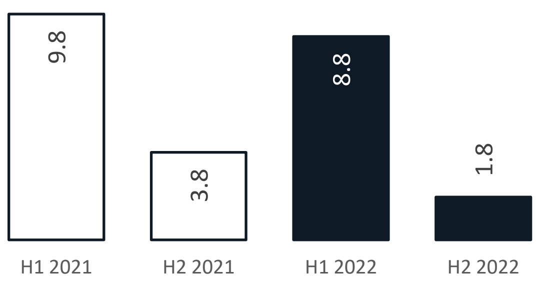
Average management fee rate %



Performance fees $10.6 million (▼ 21% pcp)

The financial year delivered solid performance fees of $10.6 million (FY2021: $13.5 million). Whilst investment performance in FY2022 was not as strong as the in the prior year, the performance fees earned reflects a growing set of investment options offered by Lighthouse which are able to earn a performance fee.

Performance fees USD millions



The Group earns performance fees on select portfolios. The fees represent an agreed share of investment outperformance of a fund or portfolio over a defined benchmark and/or high watermark and may be subject to hurdles. Performance fee rates range from 10%-20% depending on the fund.

The growing Platform Hedge Funds products which have a nil/low management fee plus a performance fee are expected to attract the highest proportion of fund flows in future years. As such, Lighthouse has the potential to earn higher performance fees in the future. However, performance fees are variable in nature, and it is difficult to forecast how much, if any, performance fee revenue will be earned in future periods.

Lighthouse operating expenses $60.3 million (▼ 1% pcp)

(Adjusted to off-set fund reimbursement revenue, sundry income from provision of desk space and cash lease payments)

Employee expenses

$48.0 million (▲ 5% pcp)

The overall Lighthouse employee compensation increased by 5% on the prior comparative period.

- Fixed compensation was 3% higher than in the prior, reflecting some additional staff hires during the financial year, as well as some increases to base salaries for back and middle office employees.
- Variable compensation increased by 8% on the prior year. The increase is due to the highly competitive labour market that currently exists in the US alternative investment management sector. An increase in discretionary bonuses was approved in order to ensure retention of key staff.

Changes were implemented from 1 January 2021 to directly employ existing portfolio managers and related staff for certain Platform Hedge Fund products, whereas previously these staff had contracted their services directly to the Platform Hedge Fund products. This structural change has increased the total number of Lighthouse Group employees to 188, although most of the associated cost of the additional employees is passed through to the Platform Hedge Fund products and forms part of the Reimbursable fund operating revenue and expense lines in the profit and loss.

Professional, consulting and IT expenses

The Group utilises a number of expert consultants across its business, in particular to provide specialist assistance and support in technology, legal, managed account services and investment processes. These expenses and fees vary depending on the specific projects and operating needs in each period, and totalled $4.4 million for the 2022 financial year (FY2021: $7.6 million).

$4.4 million (▼ 42% pcp)

The significant reduction in professional and consulting fees marks the end of period of investment in creating new and evolving technology infrastructure, particularly for the Platform Hedge Fund products, with on-going costs relating to this infrastructure now passed through to the products themselves.

Distribution expense

Distribution expense relates to third party distribution arrangements, whereby ongoing payments are made to third parties in relation to clients they have introduced and who continue to be invested in Group portfolios. Distribution expense does not include rebates on management fees paid to clients, as these are off-set directly against management fee revenue.

$1.9 million (▲ 6% pcp)

For FY2022, distribution expense was $1.9 million (FY2021: $1.8 million) increasing slightly due to additional distribution arrangements in relation to Platform Hedge Fund products.

Other operating expenses

Other operating expenses, including occupancy, travel, insurance and other administrative costs, increased by $0.4 million compared to the prior year. A key driver of the increase was travel costs, as employees started to return to pre-pandemic levels of business travel over the course of the 2022 financial year.

Adjusted EBITDA on page 14 and 15 includes an additional $3.4 million of cash payments made for office leases (net of additional cash rent received from sub-leases) that is not included in other operating expenses per statutory accounting (FY2021: $3.3 million). We include this in other operating expenses so that it represents a closer measure of the cash operating cost associated with the Group's various office premises leases.

$6.1 million (▲ 6% pcp)

In addition, sundry income is netted against this amount as it represents charges for provision of desk space and related services at a nil mark-up.

NGI Strategic Investments

NGI Strategic Investments was established as a division of Navigator during the 2021 financial year to commence a new strategy for making investments in high quality alternative asset managers.

The first transaction completed for this strategic initiative was the acquisition of a portfolio of six minority interests in alternative asset managers in February 2021, which is referred to as the NGI Strategic Portfolio.

In May 2022, Navigator also acquired a 16.8% minority investment stake in Marble Capital, LLC ('Marble Capital').

As at 30 June 2022, the NGI Strategic Investments had USD 46.8 billion of aggregate AUM, representing USD 8.5 billion of AUM to the NGI Group on an ownership adjusted basis. The NGI Strategic Investments comprises minority interest stakes in the following nine alternative asset managers during the 2022 financial year:

NGI Strategic Investments	NGI Strategic Portfolio	BARDIN HILL INVESTMENT PARTNERS	**Investment Strategy:** Core competencies in public and private credit, collateralised loan obligations, and event-driven equities.
		capstone	**Investment Strategy:** A global, alternative investment management firm operating across a broad range of derivatives-based strategies with a deep understanding of volatility
		CFM INSIGHT.DATA.CLARITY.	**Investment Strategy:** Global quantitative and systematic strategies
		MKP CAPITAL MANAGEMENT	**Investment Strategy**: Global macro
		PINNACLE ASSET MANAGEMENT L.P.	**Investment Strategy:** Global commodities specialist platform with exposure to energy, metals and agricultural sectors
		WATERFALL Asset Management	**Investment Strategy:** Structured public and private credit strategies across high yield asset-based securities, commercial and residential credit
		MARBLE CAPITAL	**Investment Strategy**: US based asset manager specialising closed-ended private equity style funds which provide capital solutions For multifamily developers and operators.
		LONGREACH ALTERNATIVES	**Investment Strategy**: Australian based asset manager specialising in a variety of alternative asset classes such as private credit, energy, sustainable seafood and quantitative market neutral equities.
		GROW Investment Group	**Investment Strategy**: A China based multi strategy multi asset management company whose goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets

Investment in Marble Capital

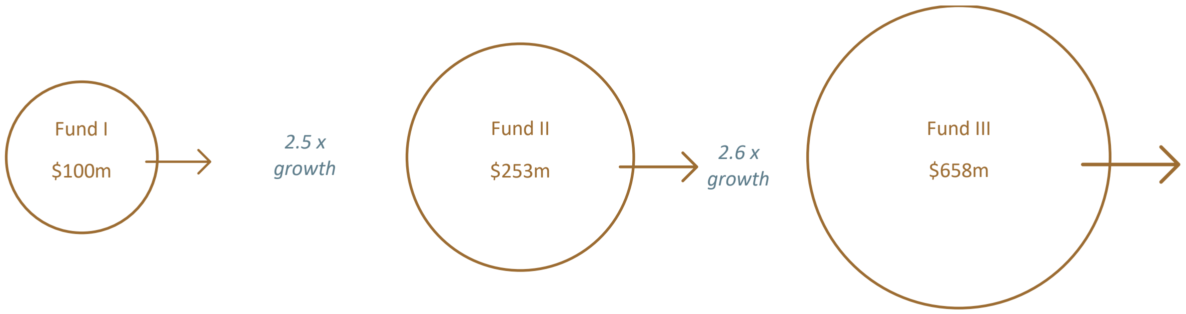
In May 2022, Navigator announced a $85 million investment into Marble Capital, adding a 16.8% minority equity stake in the US based private equity manager to the NGI Strategic Investments division.

Established in 2016, Marble Capital currently manages a series of closed-end private equity funds. Marble Capital is run by a group of accomplished real estate professionals with 150 years of combined experience in real estate finance, capital markets, development and operations.

Marble Capital provides flexible capital solutions for real estate developers who specialise in multifamily developments. Their investment vehicles offer financing solutions to multifamily developers and operators in the United States in the form of preferred equity and common equity investments. Since its inception, the company has invested in ~28,000 multifamily units equal to ~$5.8 billion in total capitalisation. Marble Capital's strategy focuses on making defensive investments generating equity-like returns while taking on debt-like risk in a historically low volatility asset class.

Marble Capital deploys a differentiated investment strategy targeting multifamily investments in geographically diversified, high-growth markets. The strategy benefits from compelling supply/demand imbalances and relies on unparalleled industry relationships that give unique access to proprietary deal flow to secure compelling investment opportunities. They seek to identify attractive opportunities in top-tier locations and markets where they partner with well-respected developers who have a track record of building quality multifamily communities at attractive cost basis. The strategy is primarily focused on downside protected, preferred equity investments up to 70-75% of the leverage to value ratio, leaving an equity cushion of 25-30% before losing a dollar of principal.

Marble Capital has successfully closed 3 primary closed-ended fund vehicles, as well as number of related side vehicles, with each primary fund building exponentially in size.



Closed 2017
Fully monetised

Closed 2019
Monetisation expected by 2023

Closed 2021
Monetisation expected by 2025

Marble Capital is currently investing out of their Fund IV, which has a targeted closing date of December 2022.

Marble Capital earns a number of revenue streams from operating its private equity vehicles:

- On-going management fees and one time transaction fees
- Carried interest, which is a share of the profits generated by the private equity vehicles over a defined return hurdle
- Realised gains from the company's own investments in the vehicles (often referred to as GP Commitments).

As Marble is fully scaled, we expect it to operate at strong operating margins above 50%.

The investment in Marble Capital is attractive to Navigator for a number of reasons:

- The closed-ended structures mean there is certainty of AUM over the life of the vehicle, providing a very stable management fee earnings stream
- Navigator has been able to acquire a share of the exiting carried interests which will be realised in relation to Funds II and III. There is strong visibility into the returns being earned on the various development interests held and preferred equity committed by these vehicles, which allows Navigator to have a high degree of confidence in the level of future earnings it will receive when these carried interests are monetised and paid out between now and 2025.
- Navigator expects Marble Capital to be able to continue to build on its existing deep relationships and network of opportunities to both raise new committed funds in future vehicles, as well as identity quality future investment opportunities which can generate strong risk adjusted returns.
- $64 million of the proceeds from Navigator's total $85 million investment will be used by Marble Capital to invest in new property developments to seed planned new funds and invest alongside clients in their flagship strategy.
- It adds diversification to Navigator's investment sector exposure by introducing a new asset class in our overall portfolio.

Navigator also made two smaller investments throughout the year.

Navigator acquired a 34.1% stake in Longreach Alternatives Ltd ('Longreach') on 30 September 2021. Founded in 2016, Longreach is an Australian based investment management firm, providing support and infrastructure to a stable of leading alternative investment managers.

Longreach identifies, builds and invests into growing world-class alternative investment management teams. Longreach provides investors with access to considered and differentiated alternative investment opportunities across market segments including alternative income, private credit, quantitative equity and real assets. Longreach Alternatives continues to work both locally and globally to develop innovative and fit for purpose alternative investment solutions to private and institutional investors alike.

The Longreach approach is to establish partnerships with investment management teams who can provide investors with access to a range of differentiated alternative investment opportunities. The current Longreach investment offerings cover a diversified range of investment classes:

Longreach Credit Investors was established in 2017 as a specialised private debt firm with expertise in providing Australian and international investors with access to high quality Australian private debt investment opportunities.

Longreach Energy was established in 2017 with a focus on investing in the US Energy space. The focus of Longreach Energy is investment in natural gas reserves as a part of the transition in a future global energy mix increasingly powered by renewable energy. Longreach Energy is also exploring investment opportunities in a wider mix of energy sources, including renewable energy.

Longreach CAI was established in 2017 as a quantitative investment management firm that specialises in systematic global equity strategies including market-neutral, long-only and benchmark aware variations through the application of a proprietary machine learning algorithm.

Longreach Maris is an Australian asset manager investing into and partnering with Australia's wild-caught seafood industry, in a way that supports both environmental sustainability and social resilience.

Longreach has shown impressive growth since it was first established, both through growth of its initial credit focused business as well as the successful addition of new partnerships in the US Energy and Australian sustainable seafood space. Navigator is looking to actively support Longreach's growth including administrative support.

Longreach revenue is a combination of management fees, performance fees and consulting fees from its various partnership interests. As a growing business, we expect the contribution to Navigator's financial result from Longreach to modest in the short-term, however are optimistic that it will be an important driver in earnings growth in the next few years.

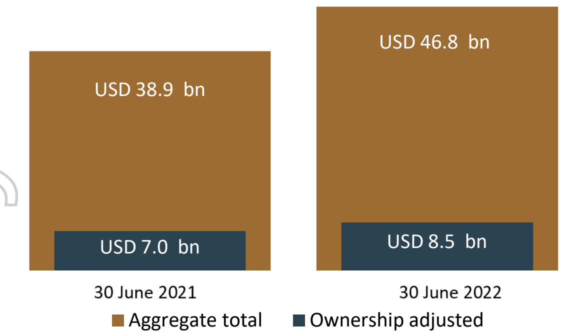
Navigator will recognise its share of Longreach's profit on a pro-rata basis and for the nine months the investment has been held, has contributed $0.3 million to Navigator's result.

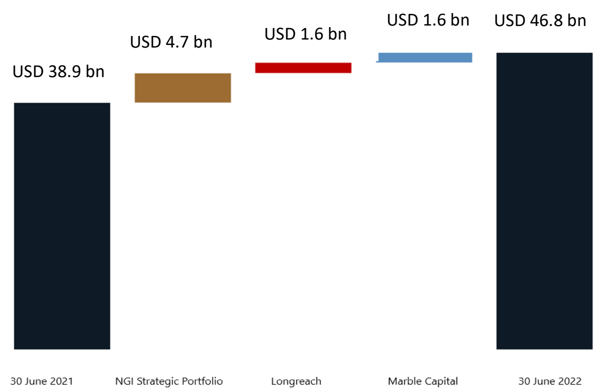
NGI acquired a less than 10% stake in new start up alternatives manager, Grow Investment Group, for $4 million in September 2021. Grow Investment Group is a China based multi strategy multi asset management company whose goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets. By bringing together a team with extensive experience, market presence, networks and track record, they are in an excellent position to take advantage of the immediate growth opportunities offered in the Chinese market.

Despite having a small ownership stake, Navigator has a seat on the Grow board and will be a strategic partner in this early stage. As such, Navigator will recognise its share of Grow's profit or loss on a pro-rata basis.

Assets under management (AUM)

NGI Strategic AUM





NGI Strategic Investments had aggregated total AUM of USD 46.8 billion as at 30 June 2022, with the Navigator's ownership adjusted AUM at USD 8.5 billion.

The 20% increase in aggregated AUM over the 2022 financial year was driven by a combination of organic growth of the NGI Strategic Portfolio managers, as well as through new equity stakes acquired in Longreach Alternative Investments and Marble Capital.

The USD 4.7 billion of growth in NGI Strategic Portfolio AUM reflects the exceptionally strong returns generated across the aggregated managers for the 2021 calendar year and continuing for the first half of the 2022 calendar year.

The remaining increase of USD 3.2 billion is through acquisitions of minority stakes in Longreach and Marble Capital. These acquisitions each added $1.6 billion of AUM respectively.

Financial results

Distribution income	$28.8 million ($3.7 million pcp)

The majority of income from NGI Strategic Investments was derived from the NGI Strategic Portfolio, which paid $70.8 million of gross distributions during the 2022 financial year (FY2021: $28.9 million).

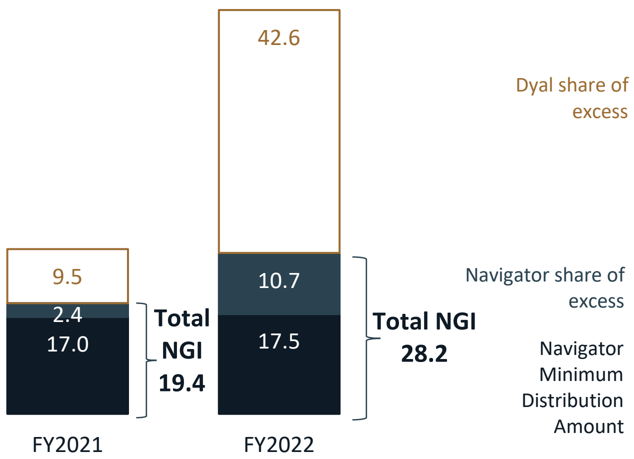
Under the terms of the acquisition of the NGI Strategic Portfolio, Navigator is entitled to the first $17.5 million of distributions received, and then 20% of any distributions received above that amount. Of the $70.8 million of gross distributions, Navigator retains $28.2 million and Dyal is entitled to $42.6 million (gross distributions are before the deduction of certain operating expenses).

This result was significantly higher than historical gross distributions made by the NGI Strategic Portfolio, which averaged $34 million for the six calendar years between 2015 and 2020.

The increase was driven by both an increase in management fee earnings and performance fee earnings across the Portfolio. As a large component of the earnings is driven by performance fees, it is difficult to estimate with any certainty what total distributions from the Portfolio may be in future years.

The remaining distribution income recorded relates to that received from Marble in the two months to 30 June 2022.

Gross distributions from NGI Strategic Portfolio (USD millions)



Expenses — $3.5 million ($5.4 million pcp)

Operating expenses

The expenses involved in operating the NGI Strategic Investments are:

- A small number of dedicated staff who are responsible for monitoring the existing investments as well as identifying and diligencing new investment opportunities
- External professional advice costs on legal and tax compliance
- External audit costs
- Nominal day to day administration expenses

These costs were $2.5 million for the 2022 financial year, the first full year of operations.

Non-operating expenses

This division may also incur non-recurring external diligence, financing and transaction costs. These costs for the 2022 financial year were $1.0 million (FY2021: $5 million).

Net unrealised changes in fair value — Gain $2.5 million (Gain $8.0 million pcp)

Unrealised changes in fair value comprise of reassessed estimates in financial assets and liabilities measured at fair value through profit and loss. For the current and prior financial year, these movements were solely related to the Strategic Portfolio. The NGI Strategic Portfolio transaction involved the acquisition of an approximately 70% share of the combined minority interest stakes in six alternative asset managers, as well as a future commitment to acquire the remaining 30% in 2026 (reflected as a redemption liability). Both the assets and liability are carried at fair value, with changes in each accounting period recognised in the profit and loss.

	NGI Strategic Portfolio	
Increase in fair value of investment assets	$51.2 million	
Increase in fair value of redemption liability	($48.7 million)	
Net unrealised change in fair value	**$2.5 million**	**Gain**

The increase in both the fair value of the investments and the liability for the future redemption payment are a result of higher calendar year 2021 earnings across the Portfolio than originally expected, which has led to an upward revision of expected future earnings of the Portfolio. The net change in fair value for the 2022 financial year is an unrealised gain of $2.5 million (FY2021: $8.0 million gain).

The fair value of investments is based on estimated discounted future cash flows. Whilst calendar year 2021 results are taken into account in determining the assumptions underlying these estimated cash flows, they do not directly contribute to the future cashflows estimated in determining the fair value of these assets.

Fair value of NGI Strategic Portfolio investments (USD millions)

The estimated fair value of the redemption liability reflects:

- Calendar year 2021 actual earnings which were considerably higher than expected
- Estimated future earnings for 2022-2025 which are forecasted to be higher following on from 2021, and
- The unwind of the discount applicable for the financial year.

This combination has created a relatively large change in fair value for the redemption liability. The increase in the current year has resulted in the estimated amount due at settlement being close to the capped amount of $200 million.

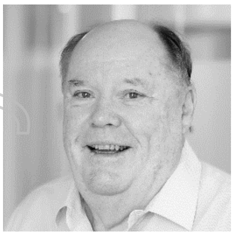
Fair value of Redemption Liability (USD millions)

DIRECTORS'

REPORT

The Directors present their report together with the financial statements of the Group comprising Navigator Global Investments Limited ('Navigator' or 'the Company') and its subsidiaries for the year ended 30 June 2022 and the auditor's report thereon.

The Directors of the Company at any time during or since the end of the financial year are:



Michael Shepherd, AO

Chairman and Independent non-executive director

Appointed 16 December 2009

Chairman of the Remuneration and Nominations Committee
Member of the Audit and Risk Committee

Michael has extensive experience in financial markets and the financial services industry having held a range of senior positions including Vice Chairman of ASX Limited, and directorships of several of ASX's subsidiaries including Australian Clearing House Pty Ltd.

Currently, Michael is Chairman of the Shepherd Foundation, an independent director of Investsmart Group Limited for the past 8 years, and is an independent Compliance Committee Member for UBS Global Asset Management (Australia) Limited.

Sean McGould

Executive Director & Chief Executive Officer

Appointed 3 January 2008

Sean is the co-founder of Lighthouse and has served as its Chief Executive Officer, President and Co-Chief Investment Officer since inception.

He supports the investment team in the manager search, selection and review process and is the Chairman of the Lighthouse Investment Committee. Sean has been overseeing all aspects of the portfolios since August 1996.

For more than 20 years, Sean has been investing in various alternative investment strategies. Prior to founding Lighthouse, Sean was the director of the Outside Trader Investment Program at Trout Trading Management Company and was responsible for the allocation of the fund's assets to external alternative asset strategies. Prior to Trout, Sean worked for Price Waterhouse and passed the Certified Public Accountant examination.

Andrew Blum

Non-executive director

Appointed 17 October 2012

Member of the Audit and Risk Committee

Andrew is the founder and principal of Chicago-based DSC Advisors, LP (DSC), which is the investment manager of Delaware Street Capital Master Fund, LP. Delaware Street Capital Master Fund, LP holds a substantial shareholding in Navigator.

DSC invests in a wide array of companies and industries seeking to identify and acquire undervalued securities and sell-short overvalued securities.

Prior to forming DSC, he was a founder and Principal of Walton Street Capital, LLC, and prior thereto worked as a Vice President at JMB Realty Corporation and as an Associate at Goldman Sachs.

Nicola Meaden Grenham

Non-executive director

Appointed 8 October 2020

Member of the Remuneration & Nominations Committee

Nicola is a specialist in alternative investments with significant knowledge and experience of strategic business development and investment management in hedge funds and private markets.

From 2008 to 2012, Nicola was CEO of Alpha Strategic Plc, a UK listed company which provided independent, owner-managed investment managers with access to passive minority equity capital. She currently runs Dumas Capital Ltd, a company she founded in 2004 which provides strategic advisory and research services in the alternative investment sector.

Suvan de Soysa

Independent non-executive director

Appointed 22 September 2021

Chairman of the Audit and Risk Committee

Suvan has an accounting and a legal background, holding a Bachelor of Science (Economic) Honours and a Bachelor of Law before he was admitted as a solicitor of the Supreme Court of New South Wales in July 1984. Suvan also holds a Graduate Diploma from the Securities Institute of Australia and a Diploma in Financial Planning from the Financial Planning Association. Suvan was a certified financial planner for 25 years and is also a fellow of both the Financial Services Institute of Australasia and the Australian Institute of Company Directors.

Suvan was a co-founder of ipac Securities Limited and ipac Asset Management and during his 25 years undertook a number of senior executive roles. His experience covers a broad range of business areas within the wealth management arena, having headed various departments including financial planning, business development, strategic alliances and acquisitions.

Currently, Suvan is a Non-executive Chairman of Chancellor Portfolio Services and for the past six years an independent non-executive director of Monash Absolute Investment Company where he continues to Chair its Audit and Risk Committee.

Cathy Hales

Independent non-executive director

Appointed 22 March 2022

Member of the Remuneration & Nominations Committee

Cathy joins NGI as an experienced company director, with over 25 years' experience in leading and developing investment management businesses. She was previously Global Head of Fidante Partners (the multi-boutique asset management arm of the Challenger Group), following senior roles with Deutsche Asset Management, Colonial First State and BT Funds Management.

Cathy is also a director of amicaa, an Australian corporate advisory and private debt investment business. Previous directorships include WaveStone Capital, Alphinity Investment Management, Greencape Capital, Kudu Investment Management and Ardea Investment Management among a range of specialist investment firms.

Cathy holds a Bachelor of Business (Economics) Honours, a Member of the Australian Institute of Company Directors and is a fellow of the Governance Institute of Australia.

Andy (Fernando) Esteban

Independent non-executive director

Appointed 3 January 2008, Retired 28 January 2022

Former chairman of the Audit and Risk Committee
Former member of the Remuneration and Nominations Committee

Andy holds a Bachelor of Business majoring in Accounting, is a CPA and a Member of the Australian Institute of Company Directors.

He has over 35 years' experience in the financial services industry, of which 21 years were with Perpetual Trustees Australia Ltd. In 1999 he established FP Esteban and Associates, a private business specialising in implementing and monitoring risk management and compliance frameworks in the financial services industry.

He has provided consulting services to a number of domestic and global organisations in Australia and South East Asia. From July 2005 until June 2008 he was an independent director of Credit Suisse Asset Management (Australia) Ltd.

Directors' interests

The relevant interest of each director in the shares issued by the Company at the date of this report is as follows:

Director	Ordinary shares	Notes
Michael Shepherd	145,270	Shares are held indirectly by Tidala Pty Ltd as Trustee for the Shepherd Provident Fund
Suvan de Soysa	150,000	Shares are held indirectly by De Soysa Super Pension Fund, a self-managed superannuation fund
Nicola Grenham	6,450	Shares are held directly
Cathy Hales	10,000	Shares are held indirectly by 89th & Amsterdam Pty Ltd as trustee for the Rocama Trust, a director related entity (family trust)
Andy Bluhm	10,101,982	Shares are held indirectly by Delaware Street Capital Master Fund, LP (DSC). Mr Bluhm is the founder and principal of DSC Advisors, LP, which is the investment manager of DSC
Sean McGould	19,438,083	Shares are held indirectly by SGM Holdings, LLC

Company secretary

Ms Amber Stoney BCom (Hons) CA holds the position of company secretary. Amber has held this position for most of her tenure at Navigator, specifically for the periods 15 March 2007 to 20 November 2008, 18 July 2011 to 9 May 2016 and from 27 June 2016. Amber also holds the position of Chief Financial Officer of Navigator. Prior to joining the Company in 2003, Amber was a senior manager at KPMG, specialising in the funds management industry.

Corporate governance

The Group recognises the value of good corporate governance. The board believes that effective governance processes and procedures add to the performance of the Group and engenders the confidence of the investment community.

The Company has adopted Listing Rule 4.10.3 which allows companies to publish their corporate governance statement on their website rather than in their annual report. The directors have reviewed the statement, and a copy of the statement, along with any related disclosures, is available at:

https://www.navigatorglobal.com.au/corporate-governance

Board and Committee meetings

The agenda for meetings is prepared by the Company Secretary in consultation with the Chairman and Chief Executive Officer, and is set to ensure adequate coverage of strategic, operational, financial and governance matters.

Board papers are circulated in advance of the meetings. Senior executives are invited to attend board meetings, however the directors may have closed sessions without executive involvement during meetings at their discretion.

Board meetings

The number of meetings of the Company's board of directors during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Held	Attended
Michael Shepherd	11	11
Fernando Esteban	6	6
Andy Bluhm	11	10
Nicola Grenham	11	10
Sean McGould	11	11
Suvan de Soysa	9	9
Cathy Hales	4	2[1]

[1] There were two Board meetings held shortly after Ms Hales appointment to the Board which she was unable to attend due to short-notice.

Audit and Risk Committee meetings

The number of meetings the Audit and Risk Committee held during the year ended 30 June 2022, and the number of meetings attended by each Committee Member were:

	Held	Attended
Michael Shepherd	3	3
Fernando Esteban	2	2
Andy Bluhm	3	3
Suvan de Soysa	1	1

Remuneration and Nominations Committee meetings

The number of meetings the Remuneration and Nomination Committee held during the year ended 30 June 2022, and the number of meetings attended by each Committee Member were:

	Held	Attended
Michael Shepherd	1	1
Nicola Grenham	1	1
Cathy Hales	1	1

Remuneration report - Audited

This Remuneration Report for the Company and its controlled entities for the year ended 30 June 2022 forms part of the Directors' Report and is audited in accordance with section 300A of the Corporations Act 2001.

Reporting in United States dollars

In this report the remuneration and benefits reported have been presented in US dollars ('USD'). This is consistent with the functional and presentation currency of the Group. Where compensation for Australian-based employees is paid in Australian dollars, it is converted to USD for reporting purposes based on either specific transaction exchange rates, or the average exchange rate for the payment period as appropriate. The Australian dollar based compensation paid during the year ended 30 June 2022 was converted to USD at an average exchange rate of:

- AUD/USD 0.7259 (2021: AUD/USD 0.7471).

Contents

Overview of remuneration policy and approach

The overall objectives of the Group's remuneration policies are to:

- embed a culture that promotes the Group's core values
- support the business strategy of the Group by attracting, retaining and rewarding quality staff
- encourage appropriate performance and results to uphold client and shareholder interests
- properly reflect each individual's duties and responsibilities

When setting the Group's approach to remuneration, the Board keeps the following factors front-of-mind:

1

Operations and employees are mainly based in the US

Navigator is an Australian company listed on the Australian Securities Exchange, however the Group's operations are predominantly based in the US. To be effective in attracting and retaining high quality staff, remuneration arrangements must therefore be aligned to the expectations of people who are employed in the United States alternative asset management industry.

These remuneration arrangements may diverge from arrangements which would be considered industry practice within Australia. The quantum and proportion of variable remuneration to total remuneration packages is one such area.

2

Variable remuneration is a key component of total compensation

The remuneration arrangements in place for the Group are generally structured around setting a lower fixed remuneration amount and having the opportunity to earn variable remuneration as a major component of overall remuneration. This is particularly true for our US based employees. The Board believes this provides a dynamic basis to be able to adjust the Group's total remuneration expense and is also consistent with US industry practice.

Over the past 12 months, new performance conditions in relation to variable remuneration have been implemented for a small number of senior management and investment staff in the US. These have been implemented to incentivise senior employees to achieve results which grow revenues for the Lighthouse business as it continues to transition away from its Legacy fund-of-fund business model and into a multi-portfolio manager hedge fund business.

The Board has maintained a level of discretion in setting the total amount of variable compensation, and the CEO exercises his discretion in allocating bonuses to individuals based on their performance and contribution.

The Board is satisfied that the current arrangements are consistent with alternative asset management industry practice in the US and allows employees to focus on achieving results for clients, which is ultimately in the long-term interests of shareholders.

Remuneration report – Audited (continued)

Overview of remuneration policy and approach (continued)

Remuneration structure

The remuneration of staff across the Group, including our senior executives, is comprised of two key components:

Fixed remuneration

Fixed remuneration may include:

- base salary;
- a minimum annual bonus amount; and
- employer contributions to superannuation and retirement plans and health care benefits.

Fixed base remuneration is generally determined by having regard to responsibilities, performance, qualifications and experience of the relevant staff member.

For most senior employees, fixed remuneration is also determined in accordance with the general principle that fixed remuneration is the smaller component of their overall compensation package.

Over the 2022 financial year, the Group has introduced a bonus structure which establishes specific performance conditions in relation to annual variable bonus remuneration for select senior management and investment roles. The specific performance conditions are set to incentivise those employees to achieve outcomes directly relevant to their roles and responsibilities, such as achievement of a defined level of net performance return for a particular fund or portfolio for which they are responsible.

As part of implementing these new performance conditions, a minimum and/or maximum bonus component may be incorporated into the revised bonus remuneration arrangements for these staff members.

The implementation of these arrangements has been limited to a small number of employees, hence most of employees do not have a fixed bonus component in their compensation structure.

Fixed remuneration is reviewed at least annually, or on promotion, to ensure that it is competitive and reasonable. There are no guaranteed increases to the minimum remuneration amount.

The amount of fixed remuneration is not dependent on the satisfaction of a performance condition, or the performance of the Group or business unit, the Company's share price, or dividends paid by the Company.

Variable remuneration

Variable remuneration is comprised of participation in a short-term cash bonus pool, and for certain senior eligible employees, participation in long-term incentive plans.

The majority of existing variable remuneration arrangements are short-term in nature, and are designed to motivate staff to create value for both:

- our clients, thorough investment returns and a high level of client service; and
- the Company's shareholders.

As noted, during the 2022 financial year, certain senior management and investment employees have had contractual performance conditions applied to their bonus arrangements. These arrangements may include a minimum (floor) and maximum (cap) applied to any amount calculated in accordance with the performance condition.

The performance of individual staff members, including senior executives, is reviewed at least annually, after which the award of variable remuneration is considered.

The Board:

- approves the overall size of the annual bonus pools,
- approves an award to the CEO, and
- delegates authority to the CEO to exercise his discretion to make variable remuneration allocations to individual staff.

Remuneration report – Audited (continued)

Overview of remuneration policy and approach (continued)

Long term incentive arrangements

The Group has not had equity incentive schemes or other long-term incentive arrangements in place since 2011.

Over the course of 2022, the Board has made steps towards implementing a long-term incentive plan for select senior executives who have responsibilities for actioning the Group's strategic growth plan. This long-term incentive plan will be for senior management who have responsibility for growing the overall NGI Strategic Investments part of the business, and will include performance measures related to EBITDA and Total Shareholder Return targets. It is expected that this long-term incentive plan will be implemented in the first half of the 2023 financial year.

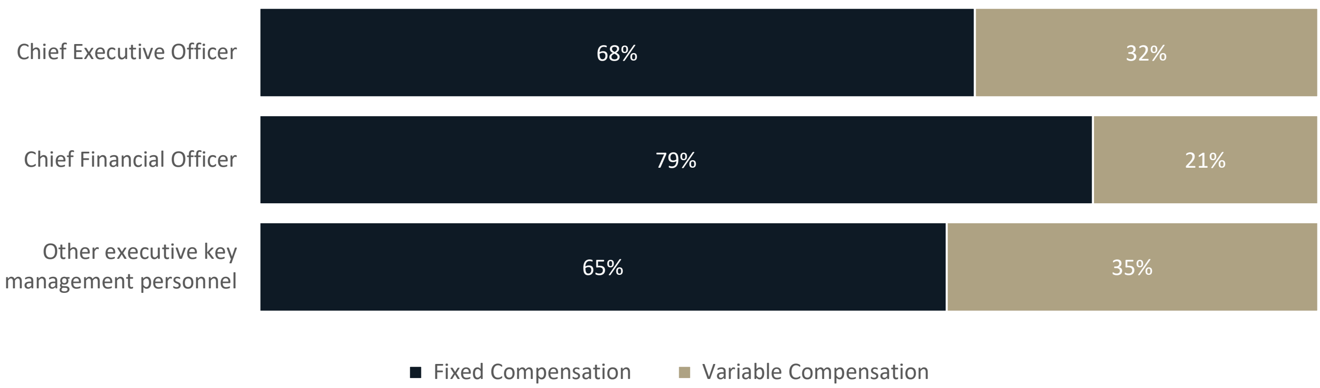
A small long-term incentive grant was made to the Managing Director of Strategic Corporate Development, NGI Strategic Holdings, which is designed to provide additional remuneration on the achievement of specific metrics in 2025 and 2026 related to the NGI Strategic Portfolio.

Other benefits

Employees are entitled to additional benefits that may include educational assistance, adoption assistance and health care benefits.

Employees are also able to make investments into Lighthouse managed funds without incurring any fees. There is no incremental cost incurred by the Group in providing fee-free investment management services via the Lighthouse funds to employees. Having employees invest their own assets into Lighthouse managed funds is viewed positively by clients and potential clients as it demonstrates an alignment of interest between the Lighthouse employee and future investment results for clients. Nil fee arrangements for employees is common practice in the US asset management industry.

For the 2022 financial year, the proportion of remuneration between fixed and variable components for KMPs is as follows:



Further detail regarding the methodology for determining the 2022 financial year annual bonus pools are contained on page 36.

Remuneration report – Audited (continued)

Relationship between remuneration policy and company performance

In implementing the remuneration policy and structure, the Board has had regard to what it considers to be the key measure of the profitability of the Company:

Adjusted EBITDA –

Earnings before interest, tax, depreciation, and amortisation from continuing operations, adjusted for:

- the reduction of occupancy costs recorded below the EBITDA line due to the implementation of AASB 16 Leases
- the unrealised change in fair value on financial assets and liabilities
- non-recurring transaction costs associated with investment acquisitions and financing activities.

The following table shows a summary of the Group's key performance measures over the past 5 years:

	US$'000				
	2022	**2021**	**2020**	**2019**	**2018**
Adjusted EBITDA	46,528	31,587[2]	30,518[1]	37,652[1]	34,212[1]
Net profit after tax	38,701	26,755	18,148	26,843	(13,052)
Dividends paid during the financial year	31,414	18,421	28,208	27,451	24,930
Closing share price (AUD dollars)	1.25	1.78	1.19	3.94	5.34
Change in share price (AUD dollars)	▼0.53	▲ 0.59	▼ 2.75	▼1.40	▲ 2.94

The Lighthouse general bonus pool is determined with reference to Lighthouse EBITDA (ex-bonuses and performance fees). The Board may exercise discretion to increase the bonus pool where it considers the circumstances warrant additional remuneration.

1 Adjusted EBITDA for FY2018-2020 is equal to statutory EBITDA

2 2021 Adjusted EBITDA is calculated as per the prior year before comparatives were restated to align with current year methodology. Refer to page 15 for further details.

Remuneration report – Audited (continued)

Variable compensation for the 2022 financial year

Lighthouse variable compensation arrangements

The board has set the following arrangements for determining the size of the Lighthouse short term cash bonus pools:

Lighthouse general pool

Company performance metric	Basis of variable remuneration
Lighthouse EBITDA (excluding performance fees, before bonuses and adjusted for other specified items)	30-35% allocated to Lighthouse general bonus pool

All Lighthouse staff are eligible to participate in the Lighthouse general bonus pool, the amount of which is calculated as 30-35% of Lighthouse's EBITDA (before the bonus pools and excluding performance fee revenue and adjusted for other specified items).

- Allocation of the Lighthouse general bonus pool to staff (other than as noted below) is determined by the CEO in accordance with remuneration structure and guidelines established by the Remuneration and Nominations Committee.
- A bonus for the CEO is determined and approved by the board based on an assessment of his performance. This bonus amount forms part of the overall Lighthouse general bonus pool.

Certain senior executives have specific short term compensation arrangements which are linked to specific metrics such as revenue and EBITDA of the business lines/products for which they are responsible. Details on these arrangements for KMPs are outlined on the following pages.

Lighthouse incentive fee pool

Company performance metric	Basis of variable remuneration
Performance fees	50% allocated to Lighthouse incentive fee bonus pool

Senior members of the Lighthouse investment team are eligible to participate in a bonus pool determined as 50% of performance fee revenue earned by the various funds managed by Lighthouse.

This pool is allocated at the discretion of the CEO based on his assessment of the contribution of each eligible staff member to the creation of the performance fee revenue.

The allocation of the pool occurs after determining the bonus amounts for the small number of senior investment employees who have performance conditions which apply to their annual bonuses. The specific performance conditions are set to incentivise those employees to achieve outcomes directly relevant to their roles and responsibilities, such as achievement of a defined level of net performance return for a particular fund or portfolio for which they are responsible. There is generally a minimum and a maximum applied to these bonuses.

Investment team staff members may still also receive an allocation from the general bonus pool.

The Board retains the discretion to vary the final amounts approved after calculation based on the above pools, to ensure that they can also factor in extenuating circumstances. The Board approved $3.7 million of additional discretionary bonuses for the FY22 year above the amounts calculated under the Lighthouse general bonus pool and Lighthouse incentive fee pool as outlined above. This approval was on the basis of ensuring retention of key staff in what is currently a very competitive environment in the US asset management sector.

NGI Strategic and Corporate variable compensation arrangements

Discretionary bonuses totalling $777,510 were awarded for staff who:

- directly contributed to the operation of the listed parent company, namely staff involved in finance and company secretarial functions in Australia; and/or
- were responsible for the successful completion of the NGI Strategic investment transactions completed during the 2022 financial year. These awards were based on the relevant individual's contribution in assessing, negotiating and implementing what are complex transactions.

The Chief Executive Officer determines the bonus amount for the Managing Director of Strategic Corporate Development, NGI Strategic Holdings. The Remuneration and Nominations Committee approves the bonus amount for the Chief Financial Officer.

Remuneration report – Audited (continued)

CEO remuneration arrangements

Mr McGould is based in the US and performs two key roles for the Group. He is both:

- Chief Executive Officer of the NGI Group;
- Chief Executive Officer of Lighthouse; and
- Chief Investment Officer of Lighthouse.
- The Board considers that Mr McGould's remuneration needs to encompass both of these roles, and that it should also be structured so that it is consistent with remuneration principles which operate in the United States alternative asset management industry. In previous years, this meant that Mr McGould's remuneration was substantially weighted towards variable remuneration.
- Mr McGould's base salary was increased to $1,000,000 effective from 1 July 2020, which is the first increase to his base salary of $250,000 since he joined the Group in 2008. Mr McGould's base salary was increased in acknowledgment of the increased scope of his role with the implementation of the new NGI Strategic Investment business during the 2021 financial year. Mr McGould is also entitled to receive health care benefits and retirement benefits.
- The Board has not set specific key performance indicators (KPIs) for the CEO. Instead, the Board awards Mr McGould a discretionary bonus amount, taking into account the following factors:
  - investment results achieved for clients;
  - achievement of board-approved budgets and targets, strategic goals, capital and business restructuring and development of new business opportunities;
  - growth in AUM, through both net investment flows and investment performance of Lighthouse portfolios; and
  - Group financial results and dividends paid to shareholders.
- The CEO's bonus is capped at a maximum of 10% of the Lighthouse general bonus pool. In practice, this means that Mr McGould's variable remuneration is constrained by the profitability of the Group's main operating business unit.
- Mr McGould received a bonus of $500,000 for the year ended 30 June 2022, which is $100,000 higher than in the prior year. This amount was set taking into account the increase in his base salary which came into effect from 1 July 2020, and his total fixed and variable compensation acknowledges his contribution to both the significant recovery of the Lighthouse business growth over the 2022 financial year, the strong performance of the NGI Strategic Portfolio since acquisition in February 2021, as well as his oversight of the completion of additional NGI Strategic Investment transactions achieved during the 2022 financial year.

Non-executive director remuneration

Non-executive directors may receive director fees. The Company's policy is to remunerate non-executive directors at market rates for comparable companies having regard to the time commitments and responsibilities assumed. The aggregate of non-executive director fees is capped at a maximum of $750,000 per annum (including superannuation), as approved by shareholders at the AGM held on 20 November 2014.

Fees paid to non-executive directors are USD, and for the 2022 financial year were as follows:

Chairman	USD 170,000 per annum (plus superannuation)
Non-executive directors	USD 100,000 per annum (plus superannuation)

- Australian based non-executive directors are also entitled to superannuation. For the financial year ended 30 June 2022 actual remuneration for non-executive directors was $466,835 (2021: $445,516). The increase compared to the prior year is due to two additional non-executive directors during the 2022 financial year, offset by the retirement of a non-executive director in January 2022.
- A Bluhm has elected not to receive remuneration from the Company for his role as a non-executive director.
- Non-executive directors' fees cover all main board activities and membership of any committee. Executive and non-executive directors may be reimbursed for reasonable expenses properly incurred in their role as a director. Non-executive directors are not entitled to participate in executive remuneration schemes, may not receive performance-linked equity or bonus payments, and are not provided with retirement benefits other than statutory superannuation entitlements. Non-executive directors are not entitled to any benefits or payments on retirement from office.

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures

Those appointed to key management personnel positions are outlined below:

Name	Position	Term
Non-Executive Directors		
Michael Shepherd	Chairman and Non-Executive Director	Full year
Andy Bluhm	Non-Executive Director	Full year
Nicola Grenham	Non-Executive Director	Full year
Suvan de Soysa	Non-Executive Director	Appointed 22 September 2021
Cathy Hales	Non-Executive Director	Appointed 22 March 2022
Fernando Esteban	Non-Executive Director	Retired 28 January 2022
Executive Director		
Sean McGould	Group Chief Executive Officer (CEO), Chief Executive Officer, Lighthouse Investment Partners, LLC, and Chief Investment Officer, Lighthouse Investment Partners, LLC	Full year
Executives		
Rob Swan	Chief Operating Officer (COO), Lighthouse Investment Partners, LLC	Full year
Amber Stoney	Chief Financial Officer (CFO) and Company Secretary, Navigator Global Investments Limited	Full year
Ben Browning	President, Lighthouse Investment Partners, LLC	Full year
Ross Zachary	Managing Director of Strategic Corporate Development, NGI Strategic Holdings	Full year

Contractual arrangements for senior executives

The Group has entered into service agreements with each member of key management personnel. These agreements specify the duties and obligations to be fulfilled.

US-based executives

Service Agreements

The CEO entered into a service agreement commencing on 7 March 2011. The agreement was for an initial term of four years and thereafter automatically extend for a one-year term unless either the Group or the employee gives not less than sixty days' notice of their intention not to extend the agreement.

The remaining US-based KMPs entered into revised service agreements effective from 1 July 2021. There is no defined term period under these service agreements, and their employment continues until terminated by either the employee or the Company in accordance with the terms of the agreement.

Termination

The Group may terminate the agreements of US-based executives at any time for Good Cause as defined under their service agreement. In these circumstances there is no entitlement to a termination payment.

The Group may terminate the agreement for any reason at any time by giving not less than sixty days' notice.

The employees may terminate their agreements at any time on 30 days' notice for Good Reason as defined under their service agreement, which may include circumstances where the Group fails to comply in any material respect with the terms of the agreement, or there is a material and unconsented change to responsibilities. For the CEO and Managing Director of Strategic Corporate Development, NGI Strategic Holdings, Good Reason includes where there is a material reduction in the compensation opportunities, there is a material change to the Group's strategy or there is a change of control of the Company.

The employees may terminate the agreement and their employment at any time for any reason other than those noted above by giving not less than sixty days' notice.

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures (continued)

Contractual arrangements for senior executives (continued)

Potential Termination Benefits

Shareholders approved potential termination benefit arrangements at the 2021 Annual General Meeting for US-based executives as follows:

- A severance payment of up to $1 million on cessation of employment, except where their employment has been terminated for Cause as defined by their employment contract. Any severance payment made is in lieu of any unpaid short-term incentive bonus which they would otherwise be entitled to receive for their performance during the relevant year in which they ceased employment. The amount of the severance payment will be pro-rated based on the number of days of service provided by the US Relevant Executive during a year prior to cessation of their employment.
- Restraint payments may be paid to enforce post-employment restraint clauses if considered necessary and/or appropriate to protect matters such as non-compete periods, non-solicit periods and confidential information or intellectual property. In some jurisdictions, restraint clauses may be legally unenforceable, or difficult to successfully enforce, without payment.

The amount of the restraint payment is determined based on the following circumstances:

- If employment ceases due to termination for Cause, their providing notice to the Company, or them not renewing their contract then:
  - they will be entitled to restraint payments for 6 months at their monthly base salary; and
  - the Board will have the option, but not the obligation, to extend the restraint period for up to an additional 6 months by paying the Relevant Executive a restraint payment of up to $166,667 per month.
- If employment ceases due to the Company providing the required contractual notice, the Board has the discretion, but not the obligation, to enforce the restraint clauses in the employment contract for up to 12 months by paying the Relevant Executive a restraint payment of up to $166,667 per month.
- These payments are capped at a maximum of $2 million.

Annual bonus arrangements and 2022 financial year awards

In addition to their base salary and benefits, each of the US-based KMPs are entitled to the following bonus compensation as follows:

Group Chief Executive Officer	Remuneration arrangements for the CEO are outlined on page 37.
Chief Operating Officer, *Lighthouse Investment Partners, LLC*	The performance conditions for components of the Chief Operating Officer's bonus have been set in acknowledgement of his role as a head of the Luminae Managed Account Services business, and are designed to incentive revenue growth in that business.

	Performance condition	Met for FY2022
Minimum annual bonus	Minimum amount of not less than $200,000, additional amount may be awarded at the discretion of the CEO (*Minimum amount classified as fixed remuneration*)	X Revenue Linked bonus resulted in higher amount than the minimum bonus amount
OR		
Revenue Linked amount	Calculated as 4.25% of Revenues of the Managed Account Services clients less any base salary received during the year.	✓ Additional discretionary amount awarded

The employee must satisfy the following Payment Requirements in order to receive the bonus:

- remain an employee as at the end of the financial year, or not have provided notice to terminate the service agreement as at that date; and
- all representations and warranties made by the employee as set out in the service agreement are still true and accurate.

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures (continued)

Contractual arrangements for senior executives (continued)

President,
Lighthouse Investment Partners, LLC

The performance conditions for components of the President's bonus have been set to incentivise revenue growth across the Lighthouse business through the Revenue Target bonus, as well as ensuring a focus on cost management through the EBITDA Target bonus.

	Performance condition	Met for FY2022
Minimum annual bonus	Minimum amount of not less than \$650,000, additional amount may be awarded at the discretion of the CEO *(Minimum amount classified as fixed remuneration)*	✓
Revenue Target		
50% of fixed remuneration	If Covered Business achieves minimum Top Line Revenue Growth targets	X
OR		
100% of fixed remuneration	If Covered Business achieves Top Line Revenue Growth stretch targets	X
EBITDA Target		
25% of fixed remuneration	If EBITDA margin target is achieved	X

To the extent that a Revenue Target or EBITDA Target is awarded for a financial year, 50% of such compensation will be paid in cash soon after period end, while the remaining 50% shall be deferred over a period of three years.

The employee must satisfy the following Payment Requirements in order to receive the bonus:

- remain an employee as at the end of the financial year, or not have provided notice to terminate the service agreement as at that date; and
- all representations and warranties made by the employee as set out in the service agreement are still true and accurate.

Managing Director of Strategic Corporate Development,
NGI Strategic Holdings

This Managing Director is responsible for a growing segment of Group operations, and annual bonus amounts are awarded at the discretion of the CEO after considering performance and achievements in relation to that business.

	Performance condition	Met for FY2022
Discretionary amount in the range of at least 100% to 300% of his base salary	No specified performance conditions *(The minimum end of the range is classified as fixed remuneration)*	✓ 270% of base salary awarded. Based on CEO's assessment of performance.

Participation in long-term incentive plans

The CEO and Managing Director of NGI Strategic Holdings are entitled to participate in the Performance Rights Plan, a long-term incentive plan. The Company received approval at the 2021 Annual General Meeting for a grant of up to 6,000,000 performance rights over three years under its Performance Rights Plan. This included a proposed grant to the CEO of 305,810 Performance Rights. No grants in relation to the shareholder approved Performance Rights Plan had been made as at 30 June 2022, however the Company intends to grant Performance Rights to eligible participants in the first half of the 2023 financial year.

The President of Lighthouse is eligible to participate in any long-term incentive plan that may be implemented by Lighthouse.

The Managing Director of NGI Strategic Holdings was awarded a one-time Alignment Grant, the details of which are outlined on page 43.

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures (continued)

Contractual arrangements for senior executives (continued)

Australian Based executives

Service Agreement

The Australian based CFO is engaged pursuant to an executive services agreement for 30 hours per week for a base salary of A$400,000 per annum (USD equivalent for the current year of $290,360) exclusive of superannuation, and a short-term incentive bonus of up to 50% of this amount.

Termination

The Group may terminate the CFO's executive services agreement at any time, without notice for a number of reasons including bankruptcy, gross negligence or wilful and serious misconduct. In these circumstances there is no entitlement to a termination payment. The CFO may terminate the agreement at any time by giving 6 months' notice and the Group may terminate the agreement at any time by giving 6 months' notice or payment in lieu.

Annual bonus arrangements and 2022 financial year award

The CFO is entitled to a short-term incentive bonus of up to 50% of her base salary. The Board may exercise its discretion to award an additional bonus amount. MS Stoney a was awarded a bonus of 30% of her base salary for the 2022 financial year based on the assessment of her performance by the Remunerations and Nominations Committee.

Participation in incentive plans

The CFO is eligible to participate in the Performance Rights Plan.

Remuneration arrangements for Non-executive directors

Service Agreement

Navigator enters into agreements with each non-executive director at the time of their appointment as a director. Each agreement sets out the rights and obligations of the director, including:

- Attendance at board meetings
- Prior approval for acceptance of additional roles outside Navigator
- Independence requirements and notification of interests
- Remuneration
- Provision of a Deed of Indemnity, Insurance and Access

Directors are also required to enter a Director's Interest Disclosure Agreement at the time of their appointment.

Termination

A director may resign at any time by providing notice to the Chairman.

Non-executive directors are required to be elected by shareholders at the next annual general meeting following their appointment. Directors do not have a fixed term, however they must be re-elected by shareholders at an annual general meeting at least every three years.

A director may be requested to retire from the Board should they fail to attend three consecutive board meetings without a leave of absence. In addition, a director may cease to hold office if they become a disqualified person under the *Corporations Act 2001*.

Non-executive directors are not entitled to any benefits or payments on retirement from office.

Annual bonus arrangements

Non-executive directors are not entitled to participate in executive remuneration schemes, may not receive performance-linked equity or bonus payments, and are not provided with retirement benefits other than statutory superannuation entitlements.

Participation in incentive plans

Non-executive directors are not entitled to participate in any incentive plans.

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures (continued)

Directors' and executive officers' remuneration

The following remuneration was paid to key management personnel during the financial year:

Benefit Category		Short-term			Post-employment	Other long-term		Total
		Salary & fees	Bonus	Other[1]	Pension & Super-annuation	Share based payments	Long service leave	
Non-Executive Directors								
Michael Shepherd	2022	170,000	-	-	16,962	-	-	**186,962**
	2021	170,000	-	-	15,830	-	-	**185,830**
Fernando Esteban[2]	2022	58,333	-	-	5,833	-	-	**64,166**
	2021	100,000	-	-	9,500	-	-	**109,500**
Nicola Grenham	2022	100,000	-	-	-	-	-	**100,000**
	2021	73,242	-	-	-	-	-	**73,242**
Suvan de Soysa[3]	2022	77,500	-	-	7,750	-	-	**85,250**
Cathy Hales[4]	2022	27,688	-	-	2,769	-	-	**30,457**
Executive Director								
Sean McGould	2022	1,000,000	500,000	23,771	18,300	-	-	**1,542,071**
	2021	1,000,000	400,000	22,671	17,400	-	-	**1,440,071**
Executives								
Rob Swan	2022	300,000	800,000	23,771	18,300	-	-	**1,142,071**
	2021	250,000	870,000	22,671	17,400	-	-	**1,160,071**
Ben Browning	2022	350,000	716,849	23,771	-	-	-	**1,090,620**
	2021	52,083	300,000	4,834	2,500	-	-	**359,417**
Ross Zachary	2022	250,000	675,000	23,771	19,087	48,088	-	**1,015,946**
	2021	226,484	550,000	20,735	20,780	-	-	**817,999**
Amber Stoney	2022	291,644	86,244	-	17,252	-	10,422	**405,562**
	2021	236,329	242,807	-	16,031	-	3,661	**498,828**
Total	**2022**	**2,625,165**	**2,778,093**	**95,084**	**106,253**	**48,088**	**10,422**	**5,663,105**
	2021	2,108,139	2,362,807	70,912	99,440	-	3,661	**4,644,959**

1. Other short-term fixed remuneration amounts relate to health care benefits paid on behalf of US based staff.
2. Retired as a director on 28 January 2022
3. Appointed as a director 22 September 2021
4. Appointed as a director 22 March 2022

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures (continued)

Analysis of bonuses included in remuneration

Details of the vesting profile of the short-term and long-term incentive bonuses awarded as remuneration to key management personnel of the Group in the current reporting period are detailed below:

	Included in remuneration	Proportion of remuneration which is performance based	% Vested in year	% Forfeited in year
Sean McGould	$500,000	32%	100% [1]	0%
Rob Swan	$800,000	53%	100% [1]	0%
Ben Browning	$716,849	6%	100%[1]	64%
Ross Zachary	$723,088	47%	93%[1,2]	0%
Amber Stoney	$86,244	21%	100%[1]	0%

1 Short-term bonus is paid annually on a financial year basis. No amounts vest in future financial years in respect of the financial year ended 30 June 2022.

2 Long-term incentive share based payment arrangements with Ross Zachary are subject to service and performance hurdles measured at the end of financial year 30 June 2025 and 30 June 2026.

Analysis of equity instruments granted as remuneration

No grants in relation to the shareholder approved Performance Rights Plan had been made as at 30 June 2022, however the Company intends to issue grants to eligible participants in the first half of the 2023 financial year.

An Alignment Grant was made to the Managing Director of Strategic Corporate Development, NGI Strategic Holdings. The key terms of the grant are below. There have been no alterations to the terms or conditions of the grant since grant date.

Grant date:	3 June 2021	
Nature	The Alignment Grant is a long-term incentive award directly linked to long-term successful outcomes related to the acquisition of the NGI Strategic Portfolio. It is a grant of Navigator shares which can be settled through the issue of shares or cash at the Company's election following vesting. The grant is divided into two tranches.	
Grant size and vesting	**Tranche 1:**	▪ Equity grant of 120,976 Navigator shares. ▪ Performance period of four years from 1 July 2021 to 30 June 2025 ▪ Vesting date of 30 June 2025. ▪ If all service and performance conditions are met this grant will be settled in the 2026 financial year.
	Tranche 2:	▪ Equity grant of 120,976 Navigator shares. ▪ Performance period of five years from 1 July 2021 to 30 June 2026 ▪ Vesting date of 30 June 2026. ▪ If all service and performance conditions are met this grant will be settled in the 2027 financial year.
Service & performance criteria	**Tranche 1:**	▪ Must remain an employee at vesting date or have not provided notice to terminate their employment; and ▪ Navigator must have been paid at least the Preferred Minimum Distribution Amount for each of the 2021 to 2024 financial years in accordance with the terms of the acquisition of the NGI Strategic Portfolio.
	Tranche 2:	▪ Must remain an employee at vesting date or have not provided notice to terminate their employment; and ▪ Tranche 1 vesting requirements were met; and ▪ total earnings to Navigator from the NGI Strategic Portfolio equals or exceeds $35 million; and ▪ Aggregate assets of the NGI Strategic Portfolio (non-ownership adjusted) equals or exceeds $40 billion.
Estimate of value	At the date of grant, the instrument was estimated to have a value of $212,918 based on a Black-Scholes option valuation model applied to the two tranches and assuming a 100% probability of the service and performance criteria being achieved. This estimated value of each tranche will be recognised in the Income Statement over the performance period of the relevant tranche on a straight-line basis. The total value of the grant to the employee will depend on whether the service and performance criteria are met, and what the Navigator share price is at the Vesting Date of each tranche. It is not possible to reliably estimate a minimum and maximum value of the grant given this is dependent on the future price of Navigator shares.	

Remuneration report – Audited (continued)

Key management personnel remuneration disclosures (continued)

Additional information

Movement in shares

The movement during the reporting period in the number of shares in the Company held, directly, indirectly or beneficially, by key management personnel, including their related parties, is as follows:

	Balance 1 July 2021	Purchases	Sales	Balance 30 June 2022
Directors[1]				
Michael Shepherd	125,000	20,270	-	145,270
Sean McGould	19,438,083	-	-	19,438,083
Andy Bluhm	10,101,982	-	-	10,101,982
Nicola Grenham	6,450	-	-	6,450
Suvan de Soysa	-	150,000	-	150,000
Cathy Hales	-	10,000	-	10,000
Fernando Esteban	27,000	-	-	27,000
Executives				
Rob Swan	2,936,512	-	-	2,936,512
Ross Zachary	20,000	-	-	20,000
Amber Stoney	180,374	-	-	180,374

[1] Refer to page 31 for details on direct and indirect shareholdings by Directors.

Other transactions with key management personnel

There were no other transactions with key management personnel during the year.

This marks the end of the remuneration report.

Principal activities

The principal activities of the Group during the course of the financial year were:

- the provision of investment management products and services to investors globally through wholly-owned subsidiary Lighthouse Investment Partners, LLC; and
- investment in a range of minority interests in alternative asset management companies.

Significant changes in state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial period not otherwise disclosed in this financial report.

Outlook

The Group had a strong result for the 2022 financial year, with Adjusted EBITDA increasing by 68% on the prior year. A key driver of this improvement was a full year of higher than anticipated contribution from the NGI Strategic Portfolio.

The NGI Strategic Investments performed exceptionally well for calendar year 2021 and have continued to show good returns for the six months to 30 June 2022. This has been an excellent start to our long-term strategic holding of this Portfolio and gives us confidence that it will add enormous value to our shareholders over the long-term. We are excited about the outlook for the Marble Capital business and expect their capital raising and portfolio realisation activities to continue in FY2023. We believe the deep market experience of our managers across NGI Strategic Investments to result in strong performance through continued developing market conditions.

In terms of our Lighthouse business, we are pleased with indications of demand for our Platform Hedge Fund portfolios and Managed Account Services and see both of these areas as key growth areas for the Lighthouse business.

We see the next year as being a period of consolidating the investments we have made in the past 18 months and seeing them delivering diversified earnings which will support long-term growth.

Events subsequent to end of financial period

On 4 August 2022, the Group announced the acquisition of a 18.2% stake in Invictus Capital Partners ('Invictus') for total consideration of $100 million, payable over 3 years. Invictus is a real estate credit focused alternative asset manager of private funds and separately managed accounts.

This passive investment meaningfully diversifies the Group's strategic investment portfolio into a new investment strategy. The Group has no control or significant influence over the core business operations of the entity. Due to the proximity of the transaction to lodgement date, it is not practical to have completed acquisition accounting impacts.

Other than the above, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Dividends

The directors have determined an unfranked dividend of US 3.0 cents per share (with 100% conduit foreign income credits). The dividend will be paid on 16 September 2022.

Declared and paid during the year ended 30 June 2022	Cents per share	Total amount US$'000	Date of payment
Final 2021	6	16,416	10 September 2021
Interim 2022	5.5	14,998	11 March 2022
Total amount		**31,414**	

Together with the unfranked interim dividend of US 5.5 cents per share paid to shareholders on 11 March 2022, the total dividend to be paid in relation to the financial year ended 30 June 2022 will be US 8.5 cents per share which equates to a payout ratio of **52**% **of Adjusted EBITDA.** This is consistent with the announcement made on 4 August 2022 that the final dividend would result in a payout range of 50-60% of the full 2022 financial year Adjusted EBITDA.

The Board has determined that from the 2023 financial year the Company will pay a final dividend of US 3 - 4 cents per share. Dividends will be unfranked, however may have conduit foreign income credits attached. The payment of dividends will be subject to corporate, legal and regulatory considerations. This policy allows the NGI Group to direct a significant portion of cash generated from operating activities towards supporting the continued growth of the business.

The Board will continue to review the dividend policy in respect of the Group's future cash flow commitments and requirements.

Covid-19 impact

The Group is in a fortunate position in that while our business and operations have certainly been impacted by the pandemic, we have not experienced some of the acute issues that have arisen in relation to revenue reduction and cash flows in industries that have been more directly affected.

The Group's response and management plans for the pandemic as reported in the Annual Report for 30 June 2021 remain in place and are expected to continue to apply for the foreseeable future.

Environmental regulation

The Group is not subject to any particular or significant environmental regulation under any Australian Commonwealth, State or Territory legislation.

Indemnification and insurance

The Company has a Deed of Indemnity, Insurance and Access in place with each of the Directors ('the Deeds'). Pursuant to the Deeds, the Company indemnifies each Director to the extent permitted by law for losses and liabilities incurred by the Director as an officer of the Company or of a subsidiary. This indemnity remains in force for a period of 7 years from the date the Director ceases to hold office as a director of the Company.

In addition, the Company will advance reasonable costs incurred or expected to be incurred by the Director in defending relevant proceedings on terms determined by the Board. No such advances were made during the financial period.

During the period, the Group paid insurance premiums to insure the Directors and Officers of the Company. The terms of the contract prohibit the disclosure of the premiums paid.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor

Ernst & Young is the auditor of the Group in accordance with section 327 of the *Corporations Act 2001*. Details of remuneration paid to auditors is presented in Note 27 of the financial statements.

Non-audit services

There was $38,214 relating to non-audit services provided by the entity's auditors during the financial year to advise in development of the Group's long-term incentive plan to be implemented in FY2023.

The directors are satisfied the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature of the work performed has not compromised independence.

Indemnification

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young Australia during or since the end of the financial year.

Auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 47 and forms part of the directors' report for the financial year ended 30 June 2022.

This report is made in accordance with a resolution of directors:

Michael Shepherd, AO

Chairman and Non-Executive Director

Suvan de Soysa

Non-Executive Director

Sydney, 25 August 2022

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Auditor's Independence Declaration to the Directors of Navigator Global Investments Limited

As lead auditor for the audit of Navigator Global Investments Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Navigator Global Investments Limited and the entities it controlled during the financial year.

Ernst & Young

Rebecca Burrows
Partner
25 August 2022

FINANCIAL STATEMENTS

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INCOME STATEMENT

For the year ended 30 June 2022

	Note	Consolidated USD'000 2022	Consolidated USD'000 2021
Management fee revenue	2(a)	73,515	75,571
Performance fee revenue	2(a)	10,632	13,532
Revenue from reimbursement of fund operating expenses	2(a)	42,589	17,027
Revenue from provision of office space and services	2(a)	2,636	1,828
Total revenue		**129,372**	**107,958**
Other income	2(b)	28,775	3,661
Expenses	3	(112,144)	(89,144)
Share of profits / (loss) from joint ventures and associates		58	-
Results from operating activities		**46,061**	**22,475**
Finance income	4(a)	51,326	22,692
Finance costs	4(a)	(51,664)	(12,685)
Profit before income tax		**45,723**	**32,482**
Income tax expense	6(a)	(7,022)	(5,727)
Profit for the period		**38,701**	**26,755**
Attributable to equity holders of the parent		**38,701**	**26,755**

Earnings per share		Consolidated US cents 2022	Consolidated US cents 2021
Basic earnings per share	8	20.86	14.97
Diluted earnings per share	8	15.25	10.86

The accompanying notes form part of these consolidated financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Consolidated USD'000 2022	2021
Profit attributable to equity holders of the parent		**38,701**	**26,755**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:			
Exchange differences on translation of foreign operations	4(b)	(436)	-
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Change in fair value of financial assets at fair value through other comprehensive income	4(b)	22	(1,237)
Income tax on financial assets at fair value through other comprehensive income	4(b)	3	302
Other comprehensive income for the year		**(411)**	**(935)**
Total comprehensive income for the year, net of tax		**38,290**	**25,820**
Attributable to equity holders of the parent		**38,290**	**25,820**

The accompanying notes form part of these consolidated financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	Consolidated USD'000 2022	Consolidated USD'000 2021
Assets			
Cash	5	94,041	52,097
Trade receivables and other assets	10	18,704	21,144
Current tax assets	6(b)	183	53
Total current assets		**112,928**	**73,294**
Investments at fair value	11	386,946	252,151
Investment in joint ventures and associates	12	13,498	-
Plant and equipment	13	6,721	6,255
Right-of-use assets	14	18,101	13,700
Deferred tax assets	6(c)	34,157	40,620
Intangible assets	15	94,323	94,418
Other non-current assets	10	6,704	6,331
Total non-current assets		**560,450**	**413,475**
Total assets		**673,378**	**486,769**
Liabilities			
Trade and other payables	16	45,865	11,681
Lease liabilities	14	2,466	3,260
Employee benefits	17	3,745	917
Current tax liabilities	6(b)	576	-
Other financial liabilities	18	48,344	-
Total current liabilities		**100,996**	**15,858**
Trade and other payables	16	302	243
Lease liabilities	14	22,080	18,802
Employee benefits	17	4	1
Deferred tax liabilities	6(c)	107	-
Other financial liabilities	18	136,372	81,264
Total non-current liabilities		**158,865**	**100,310**
Total liabilities		**259,861**	**116,168**
Net assets		**413,517**	**370,601**
Equity			
Share capital	20(a)	356,186	320,146
Non-share capital	20(b)	99,818	99,818
Reserves	20(c)	41,879	33,006
Accumulated losses		(84,366)	(82,369)
Total equity attributable to equity holders of the parent		**413,517**	**370,601**

The accompanying notes form part of these consolidated financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Consolidated USD'000

Amounts attributable to equity holders of the parent

	Note	Share Capital	Non-share Capital	Share Based Payments Reserve	Fair Value Reserve	Translation Reserve	Parent Entity Profits Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2021		**320,146**	**99,818**	**13,326**	**(1,783)**	**850**	**20,613**	**(82,369)**	**370,601**
Net profit for the period		-	-	-	-	-	-	38,701	**38,701**
Transfer to parent entity profits reserve[1]		-	-	-	-	-	40,698	(40,698)	**-**
Other comprehensive income									
Foreign Currency translation differences, net of tax		-	-	-	-	(436)	-	-	**(436)**
Net change in fair value of financial assets at fair value through other comprehensive income		-	-	-	22	-	-	-	**22**
Income tax on other comprehensive income		-	-	-	3	-	-	-	**3**
Total other comprehensive loss, net of tax		-	-	-	25	(436)	-	-	**(411)**
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**25**	**(436)**	**40,698**	**(1,997)**	**38,290**
Issue of share capital	20(a)	37,752	-	-	-	-	-	-	**37,752**
Transaction costs	20(a)	(1,712)	-	-	-	-	-	-	**(1,712)**
Dividends to equity holders	7	-	-	-	-	-	(31,414)	-	**(31,414)**
Total transactions with owners		**36,040**	**-**	**-**	**-**	**-**	**(31,414)**	**-**	**4,626**
Balance at 30 June 2022		**356,186**	**99,818**	**13,326**	**(1,758)**	**414**	**29,897**	**(84,366)**	**413,517**

[1] Relates to the net profit of the parent entity (Navigator Global Investments Limited).

The accompanying notes form part of these consolidated financial statements

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 30 June 2022

		Consolidated USD'000							
		Amounts attributable to equity holders of the parent							
	Note	Share Capital	Non-share Capital	Share Based Payments Reserve	Fair Value Reserve	Translation Reserve	Parent Entity Profits Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2020		**257,355**	**-**	**13,326**	**(848)**	**850**	**354**	**(70,445)**	**200,592**
Net profit for the period		-	-	-	-	-	-	26,755	26,755
Transfer to parent entity profits reserve[1]		-	-	-	-	-	29,463	(29,463)	-
Other comprehensive income									
Net change in fair value of financial assets at fair value through other comprehensive income					(1,237)	-	-	-	(1,237)
Income tax on other comprehensive income		-	-	-	302	-	-	1	303
Total other comprehensive loss, net of tax		-	-	-	(935)	-	-	1	(934)
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**(935)**	**-**	**29,463**	**(2,707)**	**25,821**
Issue of share capital		63,821	-	-	-	-	-	-	63,821
Issue of convertible notes		-	100,743	-	-	-	-	-	100,743
Transaction costs		(1,030)	(925)	-	-	-	-	-	(1,955)
Dividends to equity holders	7	-	-	-	-	-	(9,204)	(9,217)	(18,421)
Total transactions with owners		**62,791**	**99,818**	**-**	**-**	**-**	**(9,204)**	**(9,217)**	**144,188**
Balance at 30 June 2021		**320,146**	**99,818**	**13,326**	**(1,783)**	**850**	**20,613**	**(82,369)**	**370,601**

[1] Relates to the net profit of the parent entity (Navigator Global Investments Limited).

The accompanying notes form part of these consolidated financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	Consolidated USD'000 2022	2021
Cash flows from operating activities			
Cash receipts from operating activities		130,730	103,613
Cash paid to suppliers and employees		(102,006)	(80,408)
Cash generated from operations		28,724	23,205
Distributions received from investments		71,281	13,357
Profit share payment to non-controlling interests		(9,444)	-
Bank interest received		10	4
Lease interest received		241	9
Lease interest paid		(867)	(912)
Income taxes paid		(207)	(107)
Net cash from operating activities	**5(b)**	**89,738**	**35,556**
Cash flows from investing activities			
Acquisition of plant and equipment		(2,816)	(1,499)
Net proceeds from disposing/(purchase to acquire product investments)		(88)	3,250
Acquisition of equity investments	9(a)	(29,750)	(210)
Net cash acquired through business combination	9	-	16,028
Investments in joint ventures and associates	9(b)&(c)	(13,312)	-
Transaction cost associated with acquisitions	9	(1,130)	(5,101)
Acquisition of other non-current assets		-	(32)
Proceeds from security deposit returns		47	-
Net cash (used in)/from investing activities		**(47,049)**	**12,436**
Cash flows from financing activities			
Proceeds from issuing shares	20(a)	37,752	-
Transaction costs associated with the issue of shares	20(a)	(1,712)	(1,969)
Lease payments received from finance leases		487	112
Payment of principal portion of lease liabilities		(3,207)	(2,498)
Dividends paid to equity holders	7	(31,414)	(18,421)
Net cash from/(used in) financing activities		**1,906**	**(22,776)**
Net increase in cash		**44,595**	**25,216**
Cash balance at 1 July		52,097	27,032
Effect of exchange rate fluctuations on cash balances held in foreign currencies		(2,651)	(151)
Cash balance as at 30 June	**5(a)**	**94,041**	**52,097**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Results for the year

This section of the notes to the financial statements focuses on the results and performance of the Navigator Global Investments Limited Group. On the following pages you will find disclosures explaining the Group's results for the year, segment information, taxation and earnings per share.

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

1. Operating segments

As at 30 June 2022, the Group had two reportable segments:

- Lighthouse Group, which operates as a global absolute return funds manager for investment vehicles; and
- NGI Strategic Group, holds several strategic investments on a minority basis. Including the strategic portfolio and the recent investment in Marble entities outlined in Note 9.

No operating segments have been aggregated to form the above reportable operating segments.

The 'All other segments' category includes the parent entity Navigator Global Investments Limited, investments in joint ventures & associates and adjustments to eliminate on consolidation. Individually these are not considered a reporting segment.

The CEO is responsible for day-to-day operations and the implementation of the Group's business strategy. Internal management reports are provided to the CEO on a monthly basis including separate analysis for the Lighthouse, NGI Strategic & NGI Parent divisions to monitor the operating results of its business for the purpose of making decisions about resource allocation and performance assessment.

Divisional performance is evaluated based on the financial information as set out below, as well as other key metrics such as Assets under Management and the average management fee rate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Operating segments (continued)

USD'000	Reportable Segments Lighthouse		NGI Strategic		Total reportable segments		All other segments		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	83,772	88,762	-	-	**83,772**	**88,762**	375	341	**84,147**	89,103
Other revenue	45,181	18,855	-	-	**45,181**	**18,855**	44	-	**45,225**	18,855
Total revenue from contracts with customers	**128,953**	**107,617**	**-**	**-**	**128,953**	**107,617**	**419**	**341**	**129,372**	**107,958**
Other income	-	-	28,775	3,661	**28,775**	**3,661**	-	-	**28,775**	3,661
Share of profit from associates & joint ventures	-	-	-	-	**-**	**-**	58	-	**58**	-
Operating expenses (excluding depreciation and amortisation)	(102,166)	(75,166)	(2,549)	(397)	**(104,715)**	**(75,563)**	(1,557)	(3,408)	**(106,272)**	(78,971)
Result from operating activities	**26,787**	**32,451**	**26,226**	**3,264**	**53,013**	**35,715**	**(1,080)**	**(3,067)**	**51,933**	**32,648**
Net finance income / (costs) (excluding interest)	(727)	2,928	2,469	8,026	**1,742**	**10,954**	(1,404)	(151)	**338**	10,803
Other non-operating expenses	(80)	(548)	(972)	(5,005)	**(1,052)**	**(5,553)**	-	(95)	**(1,052)**	(5,648)
Earnings before interest, tax, depreciation and amortisation	**25,980**	**34,831**	**27,723**	**6,285**	**53,703**	**41,116**	**(2,484)**	**(3,313)**	**51,219**	**37,803**
Interest revenue	264	142	-	1	**264**	**143**	10	-	**274**	143
Interest expense	(871)	(914)	(22)	-	**(893)**	**(914)**	(56)	(25)	**(949)**	(939)
Depreciation and amortisation	(4,782)	(4,489)	-	-	**(4,782)**	**(4,489)**	(39)	(36)	**(4,821)**	(4,525)
Reportable segment profit / (loss) before income tax	**20,591**	**29,570**	**27,701**	**6,286**	**48,292**	**35,856**	**(2,569)**	**(3,374)**	**45,723**	**32,482**
Income tax (expense) / benefit	(5,787)	(6,525)	(1,235)	798	**(7,022)**	**(5,727)**	-	-	**(7,022)**	(5,727)
Reportable segment profit / (loss) after income tax	**14,804**	**23,045**	**26,466**	**7,084**	**41,270**	**30,129**	**(2,569)**	**(3,374)**	**38,701**	**26,755**
Segment assets	210,149	206,403	428,385	267,679	**638,534**	**474,083**	34,844	12,687	**673,378**	486,769
Segment liabilities	(31,524)	(22,098)	(227,190)	(90,815)	**(258,714)**	**(112,913)**	(1,147)	(3,255)	**(259,861)**	(116,168)
Net assets	**178,625**	**184,305**	**201,195**	**176,864**	**379,820**	**361,169**	**33,697**	**9,432**	**413,517**	**370,601**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. Revenue

a) Revenue from contracts with customers

	Consolidated USD'000	
	2022	**2021**
Operating revenue		
Management fees from commingled funds	44,432	43,731
Management fees from customised solutions clients	19,791	22,914
Management fees from managed account services clients	9,292	8,926
Performance fees	10,632	13,532
Total operating revenue	**84,147**	**89,103**
Other revenue		
Revenue from reimbursement of fund operating expenses	42,589	17,027
Revenue from provision of office space and services	2,636	1,828
Total other revenue	**45,225**	**18,855**
Total revenue from contracts with customers	**129,372**	**107,958**

Management fees

Management fees are received from customers for providing:

- investment management / advice and related services to commingled funds;
- investment management / advice to customised solutions clients; and
- managed account services to clients.

Management fee revenue is based on a percentage of the customer's portfolio value and is calculated in accordance with the applicable document or agreement which creates the contractual relationship with the customer. The management fee is a single fee which covers all of the individual components which make up the management service. Management fee revenue is variable in nature as it is based on a percentage of the customer's portfolio value.

The Group's obligation to provide management services to customers is satisfied as and when the customer receives and consumes the services on a continuous basis. The Group recognises revenue for the services performed at the end of each month.

Performance fees

Performance fees may be earned on certain fund share classes and client accounts, other than for managed account services clients.

The amount of the performance fee is calculated in accordance with the terms of the applicable contract with the customer. The entitlement to performance fees for any given performance period is dependent on the customer's portfolio achieving a positive performance, and in some cases in outperforming an agreed hurdle. Performance fees are generally also subject to a high watermark arrangement which ensures that fees are not earned more than once on the same performance.

The Group satisfies its obligations to provide services in exchange for the performance fee revenue on a continuous basis, however the right to receive the revenue is constrained by achieving the required performance hurdles and/or high watermark. As such, performance fee revenue is only recognised to the extent that it is probable that a significant reversal of the revenue will not occur. Due to the uncertainty associated with the estimate of performance fees prior to the end of the performance period, this revenue is not recognised in the income statement until the entitlement to receive the fee becomes certain, which is at the end of the relevant performance period. At all times prior to this, there is a high probability of any revenue recognised being reversed. Performance periods for performance fee arrangements range from between 1 month to 1 year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. Revenue (continued)

Revenue from reimbursement of fund operating expenses

The Group is entitled to reimbursement for fund expenses that it has paid on behalf of the funds. While the funds generally pay their own operating expenses directly, there are some expenses, such as financial data services, software and technology expenses, where it is more practical for the Group to incur and pay the expense and then be reimbursed by the funds.

The Group enters into contracts for the relevant good or service directly with the third party service providers, and hence the Group controls the good or service until it subsequently directs the good or service to be transferred to the fund.

As the Group controls the good or service before it is transferred, the Group is not acting in a capacity as agent for the fund. The Group is required to recognise both:

- the expense incurred under the contract with the third-party service providers (see note 4) to receive the good or service; and
- the revenue to which it expects to be entitled from the fund in exchange for transferring the good or service.

The revenue and expense in relation to these reimbursed costs directly off-set as the Group does not add a margin to the original cost of the good or service transferred to the fund.

Revenue from the provision of office space and services

The Group has a number of agreements with external parties to license office space at its New York and London offices. As part of these agreements, licensees are charged license fees and service charges on a monthly basis.

The Group's obligation to provide office space services and its obligation to provide business services to licensees are satisfied as and when the customer receives and consumes the services on a continuous basis. The Group recognises revenue as the amount to which it has a right to invoice for the period.

The Group is entitled to:

- a license fee and an occupancy-related service charge as per the terms of the applicable contract with each licensee as it satisfies its obligations to provide office space and related services; and
- a service charge as per the terms of the applicable contract with each licensee as it satisfies its obligations to provide business services.

Major revenue source

11% (2021: 11%) of the Group's operating revenue relates to management fees and performance fees earned on the Lighthouse Diversified commingled funds.

13% (2021: 18%) of the Group's operating revenue relates to management fees and performance fees earned on the Lighthouse Global Long/Short commingled funds.

28% (2021: 18%) of the Groups operating revenue relates to management fees and performance fees earned on the North Rock funds.

The Group's largest individual client represents 8% of operating revenue (2021: 10%).

The Group's three largest individual clients combined represent 22% of operating revenue (2021: 22%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. Revenue (continued)

b) Other income

	Consolidated USD'000	
	2022	2021
Distribution income	71,258	13,105
Share of profits to non-controlling interest holders	(42,483)	(9,444)
Net investment income	**28,775**	**3,661**

Distribution income

Distributions are received from investments the Group holds in unquoted securities in externally managed entities. Income is recognised on the date that the Group's right to receive payment is established.

Share of profits to non-controlling interest holders

Non-controlling interest holders associated with the Strategic Portfolio are entitled to a share of profits above a minimum level of distributions received from the six investments within the portfolio. This share of profits is recorded through the profit and loss as the redemption payment to acquire non-controlling interests and is recorded as a liability (refer Note 18(a)).

3. Expenses

	Consolidated USD'000	
	2022	2021
Operating expenses		
Employee expense	(50,732)	(47,916)
Professional and consulting expenses	(3,461)	(5,036)
Information and technology expense	(2,237)	(3,372)
Reimbursable fund operating expenses	(42,589)	(17,027)
Occupancy expense	(1,295)	(1,180)
Distribution expense	(1,892)	(1,788)
Insurance	(686)	(629)
Travel expense	(583)	(48)
Other expenses	(2,797)	(1,975)
Total operating expenses	**(106,272)**	**(78,971)**
Non-operating expenses		
Depreciation of plant and equipment	(2,350)	(2,084)
Lease depreciation	(2,375)	(2,345)
Amortisation of intangible assets	(95)	(95)
Transaction costs associated with acquisitions & debt restructuring	(1,052)	(5,101)
Loss on disposal of plant and equipment	-	(548)
Total non-operating expenses	**(5,872)**	**(10,173)**
Total expenses	**(112,144)**	**(89,144)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

3. Expenses (continued)

Employee expense

The largest operating expense is employee expense which includes salaries and wages, together with the cost of other benefits provided to employees such as contributions to superannuation and retirement plans, health care benefits, educational assistance and cash bonuses. It also includes associated payroll costs such as payroll tax and payroll processing fees.

Employee expense for the year ended 30 June 2022 includes contributions to defined contribution superannuation and pension plans of $1.7 million (2021: $1.2 million).

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit and loss in the periods during which services are rendered by employees.

Reimbursable fund operating expenses

The Group is entitled to reimbursement for fund expenses that it has paid on behalf of the funds. While the funds generally pay their own operating expenses directly, there are some expenses, such as financial data services, software and technology expenses, where it is more practical for the Group to incur and pay the expense and then be reimbursed by the funds.

From January 2021 new cost sharing arrangements were negotiated with funds whereby additional operating expenses such as employee costs including salaries, wages and cash bonuses are passed through for reimbursement.

A corresponding amount of revenue from reimbursement of fund operating expenses has also been recognised for the year (refer Note 2).

Distribution expense

Distribution expenses are paid to external intermediaries for marketing and investor servicing, largely in relation to commingled funds. Distribution expenses are variable in line with AUM and the associated management fee revenue. This expense is recognised on an accrual basis.

Occupancy expense

Under AASB 16 *Leases*, occupancy expense relates to short-term leases, common area maintenance costs and low value leases.

Lease depreciation

Lease depreciation has been recognised in accordance with AASB 16 *Leases*. The Group's right-of-use assets are depreciated using the straight-line method over the term of each lease

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Finance income and costs

a) Recognised directly in profit and loss

	Consolidated USD'000	
	2022	**2021**
Finance income		
Unrealised fair value changes in financial assets	51,053	22,549
Finance income on net investment in finance lease	263	142
Interest income on bank deposits	10	1
Total finance income	**51,326**	**22,692**
Finance costs		
Unrealised fair value changes in financial liabilities	(48,656)	(10,646)
Lease interest expense	(867)	(912)
Net foreign exchange loss	(1,826)	(955)
Bank charges	(233)	(145)
Other interest expense	(82)	(27)
Total finance costs	**(51,664)**	**(12,685)**
Net finance (loss) / income recognised in profit and loss	**(338)**	**10,007**

Fair value movements through profit and loss

Financial assets (Note 11) and financial liabilities (Note 18 (a)) at fair value through profit and loss are remeasured at each reporting date. Fair value movements (unrealised) are reported in the profit and loss on as either finance income or finance costs depending on whether the fair value movements result in a net gain or net loss position for the reporting period.

Finance income

Finance income on net investment in finance lease is recognised over the term of the lease based on a pattern reflecting a constant rate of return on the lessor's net investment in the lease. Refer to Note 14 for additional detail.

Interest income is recognised in profit and loss as it accrues.

Realised and unrealised foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements result in a net gain or net loss position for the reporting period.

Finance costs

Lease interest expense relates to the Group's lease liabilities and is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Refer to Note 14 for additional detail.

Other interest expense reflects the current period finance cost associated with unwinding the discount recognised on the Group's office lease make good provision and financial liabilities recorded at amortised cost at Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Finance income and costs (continued)

b) Recognised directly in comprehensive income

	Consolidated USD'000	
	2022	**2021**
Foreign currency translation differences	(436)	-
Unrealised fair value changes in financial assets	22	(1,237)
Income tax expense recognised directly in equity	3	302
Total finance loss	**(411)**	**(935)**
Recognised in:		
Fair value reserve	25	(935)
Translation reserve	(436)	-

Fair value movements through comprehensive income

Financial assets at fair value through other comprehensive income are carried in the statement of financial position at fair value, with changes in fair value reported in other comprehensive income and presented in the fair value reserve in equity (refer Note 11).

Upon sale or derecognition of these investments, any gain or loss will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

5. Cash

a) Cash and cash equivalents

	Consolidated USD'000	
	2022	2021
Cash at bank	**94,041**	**52,097**

At balance date, AUD cash accounts earn interest of 0.65% (2021: 0.01%); USD cash accounts earn 0.75% (2021: 0%).

The carrying amount of these assets is a reasonable approximation of fair value. The Group's exposure to interest rate and foreign currency risk on cash is disclosed in Note 21.

b) Reconciliation of cash flows from operation activities

	Consolidated USD'000	
	2022	2021
Cash flows from operating activities		
Profit for the period	**38,701**	**26,755**
Adjustments for:		
Income tax expense, less income tax paid	6,815	5,620
Depreciation of plant and equipment	2,350	2,084
Lease depreciation	2,375	2,345
Amortisation of intangible assets	95	95
Unrealised fair value changes in financial assets	(51,053)	(22,549)
Unrealised fair value changes in financial liabilities	48,656	10,646
Lease income & non-cash gain	(108)	(133)
Other interest expense (non-cash)	82	27
Net foreign exchange (gain) / loss	1,826	955
Share of (profit)/loss joint ventures and associates	(58)	-
Loss on disposal of plant and equipment	-	548
Transaction costs associated with acquisitions & business combinations	366	5,101
Operating cash flow before changes in working capital and provisions	**50,047**	**31,494**
(Increase) / decrease in receivables	2,125	(4,343)
(Increase) / decrease in other current assets	420	(446)
Increase / (decrease) in payables	34,283	8,554
Increase / (decrease) in employee benefits	2,863	297
Net cash from operating activities	**89,738**	**35,556**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

6. Income tax

The Group operates in various tax jurisdictions around the world including Australia, United States of America, and to smaller extent United Kingdom, Hong Kong and Ireland. The group has an Australian tax consolidated group and two separate US tax consolidated groups; one for the Lighthouse segment and one which includes US entities within the NGI Strategic segment. Several entities within the NGI Strategic segment are incorporated in the Cayman Islands including the partnership entities which receive distribution income from portfolio investments acquired in the current year.

Income tax expense comprises current and deferred tax and is recognised in profit and loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a) Reconciliation of effective tax rate

	Consolidated USD'000	
	2022	**2021**
Profit before income tax	**45,723**	**32,482**
Income tax using the Company's domestic tax rate of 30% (2021: 30%)	(13,717)	(9,745)
Effect of tax rates in foreign jurisdictions	2,382	4,404
Non-deductible / non-assessable amounts included in accounting profit	4,834	(220)
Amounts not included in accounting profit	(499)	359
Tax losses / (generated) for which no deferred tax asset is initially recognised	2	(325)
Changes in estimates relating to prior years	(24)	(200)
Total income tax expense reported in profit and loss	**(7,022)**	**(5,727)**

b) Current tax assets and liabilities

	Consolidated USD'000	
	2022	**2021**
Current tax assets	183	53
Current tax liabilities	(576)	-

Tax receivables & payables

Current tax assets and liabilities represent the amount of income taxes receivable or payable to the relevant tax authority, using rates current at reporting date. Income taxes payable are after the effects of applying any carried forward losses available and instalments paid during the period.

Current tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on a tax consolidated group of entities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

6. Income tax (continued)

c) Deferred tax

	Consolidated USD'000	
	2022	2021
Carried forward tax losses	37,259	36,251
Goodwill and intangible assets	(5,703)	3,074
Property, plant and equipment	492	273
Employee benefits	849	71
Financial assets at fair value through profit and loss	(1,632)	(1,329)
Investment in joint ventures and associates	(77)	-
Financial assets at fair value through other comprehensive income	597	581
Foreign tax credits	620	608
Other items	1,645	1,091
Net deferred tax assets	**34,050**	**40,620**
Reflected in the statement of financial position as follows:		
Deferred tax assets	34,157	40,620
Deferred tax liabilities	(107)	-
Net deferred tax	**34,050**	**40,620**

Deferred tax balances

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences related to investments in wholly-owned subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on a tax consolidated group of entities.

Uncertain tax positions

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve interpretations of tax law and judgements about future events. New information may become available that causes the Group to change its judgement regarding the calculation of tax balances, and such changes will impact the profit and loss in the period that such a determination is made.

Recognition of deferred tax assets

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. An assessment is made at each reporting date. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The carrying value of both recognised and unrecognised deferred tax assets are reassessed at each reporting date.

The Group has tax losses that arose in both US tax consolidated groups. As at 30 June 2022 it is considered more likely than not that both the Lighthouse & Strategic US tax consolidated groups' carried forward tax losses and deductible temporary differences will be fully recovered. This position is supported by the current profitability of each US Group, which is expected to continue into the future.

Carried forward tax losses relating to the US Group which existed prior to 1 January 2018 have a life of 20 years and will expire during the period from 2029 to 2038. Tax losses incurred after 1 January 2018 have an indefinite life.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

6. Income tax (continued)

c) Deferred tax (continued)

Deferred tax assets - unrecognised

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated USD'000	
	2022	2021
Deductible temporary differences	81,153	88,653
Tax losses	3,259	3,561
Total deferred tax assets - unrecognised	**84,412**	**92,214**

Unrecognised deferred tax assets relating to the Australian tax consolidated Group of AUD$122.5 million equivalent (2021: AUD$122.7 million) consist of carried forward operating tax losses and deductible temporary differences. Unrecognised deductible temporary differences relate to financial assets and impairment losses recognised in previous financial years.

As at 30 June 2022, it is not probable that the Australian Group will produce sufficient taxable profits or capital gains against which these deferred tax assets can be utilised and therefore the deferred tax assets remain unrecognised. Tax losses relating to the Australian Group and deductible temporary differences do not expire under current tax legislation.

7. Dividends

The following dividends were paid by the Company during the period:

	Consolidated USD'000	
	2022	2021
Interim ordinary dividend for the year ended 30 June 2022 of US 5.5 cents	14,998	-
Final ordinary dividend for the year ended 30 June 2021 of US 6.0 cents	16,416	-
Interim ordinary dividend for the year ended 30 June 2021 of US 3.5 cents	-	9,204
Final ordinary dividend for the year ended 30 June 2020 of US 5.5 cents	-	9,217
	31,414	18,421

The Directors have determined an final unfranked dividend of US 3 cents per share (with 100% conduit foreign income credits). The dividend will be paid on 16 September 2022.

The dividends were not determined or provided for as at 30 June 2022, and there are no income tax consequences.

Franking credits

	Consolidated USD'000	
	2022	2021
Amount of franking credits available to shareholders of Navigator Global Investments Limited for subsequent financial years	709	774

Dividends paid and declared during the 2022 financial year have been unfranked. The movement in the franking account balance relates to foreign currency only.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

8. Earnings per share

	Consolidated USD	
	2022	2021
Basic earnings per share	20.86	14.97
Diluted earnings per share	15.25	10.86

Reconciliation of earnings used in calculating earnings per share

Basic and diluted earnings per share (EPS)

	Consolidated USD'000	
	2022	2021
Profit attributable to ordinary equity holders of the Company used in calculating basic and diluted EPS	38,701	26,755

Weighted average number of shares used in calculating basic and diluted EPS

	'000 shares	
	2022	2021
Weighted average number of ordinary shares used in calculating basic EPS (i)	185,560	178,736
Adjustment for calculation of diluted EPS relating to Convertible notes (ii)	68,223	67,574
Weighted average number of ordinary shares used in calculating diluted EPS	253,783	246,310

(i) The weighted average number of shares takes into account the weighted average effect of shares issued as part of the institutional placement completed in April 2022 and shares issued under the share purchase plan completed in May 2022. In the prior period the weighted average effect of shares issued related to the business combination on 1 February 2021 (refer Note 9).

(ii) Diluted earnings per share includes potential shares associated with the convertible notes issued as part of the business combination on 1 February 2021 (refer Note 9). Shares are not weighted. Convertible notes were adjusted during the period as a consequence of the capital raising events in April and May 2022 noted above.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Acquisitions

Current year transactions

a) Investment in Marble Capital

The Group acquired passive investment interests from Marble Capital, LP (a Texas limited partnership), the investment manager for two entities; Marble Capital GP Holdings, L.P. and Marble Capital Manager Holdings, L.P (collectively 'Marble Capital'). Marble Capital operates in highly sought after segments of the US Real Estate sector, providing flexible capital solutions for multifamily developers and operators in the US. The acquisition further diversifies the Group's portfolio into Real Estate investments in entities with proven track records of attractive returns. On the effective acquisition date of 29 April 2022, the Group acquired 16.83% of both partnerships for a total consideration of $85 million all payable in cash with approximately 35% paid at completion and the remainder deferred for up to two years. Both the upfront and deferred consideration comprises of primary consideration used to invest in the funds Marble Capital operates, while the secondary consideration is paid to existing principals.

The Group has traditional protective rights over the investment held and with no voting rights or ability to significantly influence operations it has been determined the acquisition is of an investment in a financial asset which will be recorded at fair value through profit and loss. Refer to Note 18 and 21 for further details on fair value measurement. The following table summarises consideration paid & payable and purchase price accounting for the investment:

	Primary consideration	Secondary consideration	Total Consideration USD'000	Provisional Fair Value USD'000
At completion (cash):	22,313	7,437	**29,750**	**29,750**
Deferred consideration (cash):				
▪ By 1st Anniversary date	20,719[1]	6,906	**27,625**	**27,625**
▪ By 2nd Anniversary date	20,719[1]	6,906	**27,625**	**27,096**
Total consideration	**63,751**	**21,249**	**85,000**	**84,471**
Net cash outflow on acquisition				29,750

[1] Primary consideration that is deferred may be called upon by Marble Capital sooner should the capital be required by investment entities to which its use is for seed capital.

Fair value of the investment in Marble Capital at acquisition is $84.5 million. The differential to total consideration paid and payable of $0.5 million a result of discounting deferred components not callable for 12 months, to present value. Deferred consideration is not contingent upon future events or earnings and as such is not treated as contingent consideration and remeasured at each balance date. The balance is however classified into current and non-current liabilities refer to Note 18. Net transaction costs after partial reimbursement of $0.4 million are expensed to the profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Acquisitions (continued)

Current year transactions (continued)

b) Acquisition of Joint Venture interest in Longreach Alternatives Ltd

On 30 September 2021, the Group acquired a 34.06% shareholding in Longreach Alternatives Ltd ('Longreach'). Longreach is an Australian based diversified asset management firm that identifies, builds and invests into growing world class alternative investment management teams. Investment opportunities are across market segments in Australian and the US including alternative income, private credit, quantitative equity and real assets. The joint venture relationship provides the Group with collaboration opportunities in the alternative asset industry in Australia.

The Group has joint control with another major shareholder and both are responsible for the overall direction and supervision of Longreach. Refer to Note 12(a) for further details on equity accounting for interest in joint ventures. Cash consideration of AUD $12.9 million (USD$9.3 million) was paid to acquire the following assets recorded within the joint venture interest on acquisition date:

	Provisional USD'000
Investment in joint venture interest comprises of:	
▪ Share of the consolidated net assets of Longreach	997
▪ Goodwill	7,483
▪ Intangibles – Management rights	832
Total consideration & investment value at acquisition date	**9,312**
Net cash flow on acquisition	9,312

Identified intangibles of goodwill and management rights are recorded within the investments carrying value. Transaction costs of USD $0.7 million were also capitalised to the investment. Purchase price accounting for the transaction is subject to finalisation and therefore balances above are considered provisional as at 30 June 2022 and will be finalised prior to the next reporting date.

c) Acquisition of Investment in associate in GROW Investment Group

On 20 September 2021, the Group acquired a 6.67% shareholding in GROW Investment Group ('GROW') a newly formed entity which will own both Hong Kong and Shanghai based subsidiaries and capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets.

The Group paid cash consideration of $4 million to fund start up operations and includes negative contingent consideration for the Group's equity interest to increase to 10% for no further consideration if earnings targets are not met by an agreed timeframe. A contingent asset is recorded separate from the investment balance, within 'Other non-current assets' and has been assessed at a fair value of $0.2 million. The carrying value of the investment at acquisition date is $3.8 million, the residual cost of acquisition. Minimal transaction costs were also capitalised to the cost of the investment.

It has been determined that the Group has significant influence over GROW. The board of directors are ultimately responsible for the key operating and financial decisions of the company and the Group has a 25% representation on the Board. Refer to Note 12(b) for further details on equity accounting for interests in associates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Acquisitions (continued)

Prior year business combination

On 1 February 2021, the Group acquired six minority ownership interests in leading established alternative asset managers ('the strategic portfolio' or 'strategic portfolio investments'). The portfolio represents a well-diversified group of established firms with strong leadership and track records of delivering results to their clients through multiple market cycles.

As part of the transaction, the Group acquired controlling interest in two partnerships; 71% of NGI Strategic Holdings (A) LP and 56% of NGI Strategic Holdings (B) LP. These partnerships house five of the investments with the vendors retaining a minority interest which will be mandatorily redeemed in 5 years for an agreed redemption price (treated as deferred consideration). One of the investments is held through a newly formed Australian subsidiary; NGI Strategic Australia Pty Ltd. Minority interest holders are entitled to an ongoing profit share for distributions received over an agreed minimum level. For the five months ended 30 June 2021, the portfolio of investments contributed revenue of $13.1 million and profit of $20.7 million prior to profit share arrangements or $11.2 million after profit share arrangements. A portion of the $9.4 million profit share owing to minority interests included distributions relating to 2020 calendar year which the Group received as cash on acquisition.

If the acquisition had of occurred on 1 July 2020, management estimates that contributed revenue would have been $28.9 million and profit of $34.8 million prior to profit share arrangements or $25.4 million attributable to the Group.

Consideration transferred

The following summarises the acquisition date fair value of each class of consideration transferred:

	Note	US$'000 2021
Upfront consideration		
Equity instruments (40,524,306 ordinary shares) (i)	20(a)	63,821
Convertible notes (102,283 notes @ $1,000 face value) (ii)	18 & 20(b)	102,283
Deferred consideration		
Redemption payment for Class II shares (iii)	18(a)	69,071
Total consideration transferred		**235,175**

(i) The fair value of ordinary shares issued was based on the listed share price of the Company at 31 January 2021 of $1.57 per share (A$2.06 per share).

(ii) The fair value of convertible notes issued was based on a conversion price of $1.51 being the USD equivalent of the 20-day VWAP of Company shares. The convertible notes represent 67,574,292 shares.

(iii) Deferred consideration represents the fair value of the redemption payment the Group has agreed to pay in 2025 to acquire the non-controlling interest in the two partnerships acquired.

The expected payment is determined as the average relevant gross earnings of the six portfolio investments (ownership adjusted) over a minimum distribution threshold. The consideration is calculated over two discrete measurement periods; Calendar year 2021-2023 and calendar years 2024-2025, with the average relevant gross earnings multiplied by 2.25x up to a maximum undiscounted amount of $200 million.

The fair value of deferred consideration at acquisition date involves the estimation of future cash flows and align with earnings estimates utilised to determine the fair value of the corresponding fair value of investment assets acquired. Amounts are discounted by 12% to present value, comprising of the cost of debt plus a risk premium to reflect variability in earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Acquisitions (continued)

Prior year business combination (continued)

Assets acquired and liabilities assumed

The determined fair values of the identified assets and liabilities of the NGI Strategic Portfolio at the date of acquisition are as follows:

	Note	Fair value at acquisition US$'000 2021
Cash		13,234
Receivables		2,794
Investments	11	219,396
Payables		(249)
Fair value of net assets acquired		**235,175**

There were no changes to fair values between those provisionally reported at 30 June 2021 compared to the above final fair values above.

Analysis of cash flows at acquisition

	US$'000 2021
Transaction costs of the acquisition (included in cash flows from investing activities)	(5,101)
Net cash acquired at acquisition date including distributions owing (included in cash flows from investing activities)	16,028
Transaction cost directly attributable to the issue of shares and notes as consideration (included in cash flows from financing activities)	(1,969)
Net cash flows on acquisition	**8,958**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Acquisitions (continued)

Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Consideration transferred for the acquisition of an entity comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interest issued by the group
- fair value of asset or liabilities resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions measured at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

If the consideration transferred, amount of non-controlling interest (if any) and the fair value of any previously held equity interests in the acquired entity, exceeds the fair value of assets acquired, goodwill is recorded on the balance sheet. If consideration amounts are less than the fair value of the net identifiable assets of the business acquired, the bargain difference is recorded in profit and loss.

Where deferred consideration is agreed, the amounts payable in the future are discounted to their present value as at the date of exchange. Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the profit and loss.

For business combinations achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from a remeasurement is recognised in the profit and loss.

Transaction costs associated with the acquisition are expensed as incurred.

Non-controlling interests

When a business combination involves an agreement to purchase the non-controlling interest at a later date (referred to as a put arrangement), the Group will consider it as a discrete transaction. When the Group does not have a present ownership interest in the non-controlling interest shares, the Group has elected not to account for the non-controlling interest on initial acquisition. As a result, the redemption payment is recorded as a financial liability and the shares subject to the put are accounted for when acquired. Changes in the put liability is subsequently recognised in profit and loss, and if the option expires, is treated as a disposal of a portion of a business.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Operating assets and liabilities

This section of the notes to the financial statements provides information on the operating assets and liabilities of the Navigator Global Investments Limited Group, including explanations of the Group's key assets used to generate operating results and the corresponding liabilities. Information on other assets and liabilities can be found in the following sections:

- Results for the year *starting from page 56*
- Capital and risk *starting from page 87*

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

10. Trade receivables and other assets

	Note	Consolidated USD'000 2022	2021
Current			
Trade receivables from contracts with customers		15,867	18,074
Prepayments		1,654	2,079
Finance lease receivable	14(b)	503	464
Other receivables		680	527
		18,704	**21,144**
Non-current			
Guarantees and deposits		2,247	2,371
Contingent consideration asset		1,000	-
Finance lease receivable	14(b)	3,457	3,960
		6,704	**6,331**

Trade receivables from contracts with customers

Trade receivables due from contracts with customers comprise management service fees, performance fees, recoverable costs, licence fees, outgoings and other operating expenses on-charged under agreements with external parties to licence office space. Related party receivables at balance date are negligible.

Trade receivables are non-interest bearing and are generally on 30 to 90 day terms. Trade receivables are initially recognised at fair value, being the amount to which the Group has the right to invoice for the period for the services or recoverable costs provided.

Due to the short-term nature of the Group's trade receivables and the historically low default rate on payment by customers, there is no credit allowance against trade receivables as at 30 June 2022 or 30 June 2021. In determining this credit allowance, the Group has considered forward looking factors specific to the receivables and the economic environment and determined that any allowance would be insignificant.

Other receivables and prepayments

Other receivables and prepayments relate to items such as prepaid expenses (principally in relation to software licences and insurance policies), short-term deposits, interest receivable on cash deposits, pending redemptions from investments in Group managed products, and the current portion of finance leases receivable. Further details are provided for finance lease receivables at Note 14.

Contingent consideration asset

As part of the GROW investment acquired during the period (Refer Note 9(c)), the Group's shareholding will increase by 3.33% for no further consideration if earnings targets are not met by an agreed timeframe. The fair value of this asset was $0.2 million at acquisition date and remeasured at balance date based on the probability of contingent events occurring.

The carrying amount of these assets is a reasonable approximation of fair value. The Group's exposure to credit risk, currency risk and impairment losses related to trade and other receivables is disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

11. Investments at fair value

	Consolidated USD'000 2022	Consolidated USD'000 2021
Financial assets at fair value through other comprehensive income		
Investments in unquoted securities of externally managed entities	84,471	-
Financial assets at fair value through profit and loss		
Investments in unquoted securities of externally managed entities	289,246	238,068
Investments in unquoted securities of Group managed entities	13,229	14,083
	386,946	**252,151**

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise non-controlling equity holdings in unquoted securities of US based entities over which the Group does not have significant influence.

The Group has elected to account for these investments at fair value with changes to fair value recognised through other comprehensive income in the fair value reserve. Upon sale or derecognition of these investments, any gain or loss will be transferred to retained earnings.

Financial assets at fair value through profit and loss

These assets have been classified as fair value through profit and loss upon initial recognition with changes in fair value recognised in profit and loss. These investments comprise of:

- Investments in unquoted securities of Group managed entities; and
- Investments in unquoted securities of externally managed entities which comprise of the six investments in the NGI Strategic Portfolio. Fair value movements are recorded through the profit and loss to better align with the fair value movements expected in the corresponding redemption payment liability to acquire non-controlling interests in the acquired partnerships (see Note 18).

Note 21 provides details on the methods used to determine fair value for measurement and disclosure purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

12. Investment in joint ventures and associates

a) Interest in joint venture

	Consolidated USD'000	
	2022	**2021**
Opening balance	-	-
Acquisition of shareholding inclusive of transaction costs	10,008	-
Share of profit from joint venture net of intangibles amortisation	268	-
Foreign exchange translation difference	(436)	-
Balance at 30 June	**9,840**	**-**

Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Investments in joint ventures are accounted for using the equity method.

The Group has a 34.06% interest in Longreach Alternatives Ltd ('Longreach'), a joint venture in an Australian based diversified asset management firm. Longreach investments are across market segments in Australian and the US including alternative income, private credit, quantitative equity and real assets

The Group jointly controls Longreach with another major shareholder, both are responsible for the overall direction and supervision of Longreach. The Shareholders Agreement is contractually structured so that both major shareholders are responsible for the overall direction and supervision of Longreach. Decisions over relevant activities require both major shareholders to agree.

Consideration paid exceeded the Group's share of consolidated net assets in Longreach of which the majority, $7.5 million relates to goodwill given the growth potential in this business. A provisional value of $0.8 million was allocated at acquisition of management rights over several investment mandates in place. These rights are estimated to have an eight year life and are amortised over this period, reducing the share of profits recognised in the profit and loss each period by $0.8 million. Intangibles associated with interests in joint ventures are incorporated within the investment balance on the Group's balance sheet. Refer to Note 9(b) for further details on acquisition accounting for this investment which is provisional as at 30 June 2022.

The Group receives a small fee from Longreach for providing financial and accounting support to the maintain the books and records of the consolidated group. There are no other fees received, purchases made or commitments to the joint venture entity.

Longreach is expected to pay dividends in relation to its profits subject to ensuring ongoing compliance with the financial requirements under its Australian Financial Services License.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

12. Interest in joint ventures and associates (continued)

b) Interest in associates

	Consolidated USD'000	
	2022	**2021**
Opening balance	-	-
Acquisition of shareholding inclusive of transaction costs	3,868	-
Share of loss from associate	(210)	-
Closing balance	**3,658**	-

Associates

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Significant influence may exist for shareholdings less than 20% if through voting power, significant influence can be demonstrated. Investments in associates are accounted for using the equity method.

The Group has significant influence over GROW Investment Group ('GROW') a newly formed entity capitalising on opportunities in the Chinese asset management industry and the continued evolution of China's markets. The Group holds a 6.67% shareholding in GROW and has 25% representation on the board of directors. The board is ultimately responsible for the key operating and financial decisions of the company to which the Group has influence over.

Consideration paid exceeded the Group's share of net assets in GROW as operations are establishing. As such Goodwill of $3.8 million is incorporated within this investment balance. Refer to Note 9(c) for further details on final acquisition accounting for this investment.

The GROW Investment group has a 31 December financial year end and therefore the Group utilises management accounts to equity account for this investment. There are no fees received, purchases made or commitments to the associate entity. There are no restrictions on the ability for GROW pay dividends from distributable profits.

None of the Group's joint ventures or associates are listed on any public exchange.

Equity method

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

Identifiable intangibles relating to the associate or joint venture are also included in the carrying amount of the investment with the Group's share of related amortisation adjusted against the share of profit and loss recorded at each balance date.

The aggregate of the Group's share of profit and loss from associates and joint ventures is shown on the face of the profit and loss statement and represents profit and loss after tax and non-controlling interests in the subsidiaries of associates or joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit and loss of joint ventures and associates' in the profit and loss statement.

Upon loss of significant influence over an associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

13. Plant and equipment

	Consolidated US$'000			
	Furniture & equipment	Computer equipment & software	Leasehold improvements	Total
Cost				
Balance at 1 July 2020	3,062	6,469	4,628	**14,159**
Additions	190	1,272	37	**1,499**
Disposals	(685)	(3)	(3)	**(691)**
Balance at 30 June and 1 July 2021	**2,567**	**7,738**	**4,662**	**14,967**
Additions	345	2,175	296	**2,816**
Disposals	-	-	-	**-**
Balance at 30 June 2022	**2,912**	**9,913**	**4,958**	**17,783**
Depreciation				
Balance at 1 July 2020	(1,406)	(4,251)	(1,113)	**(6,770)**
Depreciation for the year	(195)	(1,442)	(447)	**(2,084)**
Disposals	136	3	3	**142**
Balance at 30 June and 1 July 2021	**(1,465)**	**(5,690)**	**(1,557)**	**(8,712)**
Depreciation for the year	(199)	(1,636)	(515)	**(2,350)**
Disposals	-	-	-	**-**
Balance at 30 June 2022	**(1,664)**	**(7,326)**	**(2,072)**	**(11,062)**
Carrying amounts				
At 1 July 2020	**1,656**	**2,218**	**3,515**	**7,389**
At 30 June and 1 July 2021	**1,102**	**2,048**	**3,105**	**6,255**
As at 30 June 2022	**1,248**	**2,587**	**2,886**	**6,721**

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Ongoing repairs and maintenance is expensed as incurred.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount, and are recognised in profit and loss.

Depreciation

Depreciation is recognised in the profit and loss on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold improvements:	Lease term
Computer software and equipment:	2-3 years
Furniture and equipment:	5-20 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually. The carrying value of plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

14. Leases

a) Group as lessee

Amounts recognised in the balance sheet

Right-of-use assets

	Consolidated US$'000	
	Office premises	Total
Balance at 1 July 2020	**19,280**	**19,280**
Additions	620	620
Sub-leased during the period	(3,855)	(3,855)
Depreciation for the period	(2,345)	(2,345)
Balance at 30 June 2021	**13,700**	**13,700**
Additions	1,887	1,887
Modification adjustment	4,889	4,889
Depreciation for the period	(2,375)	(2,375)
Balance at 30 June 2022	**18,101**	**18,101**

Lease liabilities

	Consolidated US$'000						
	Balance at 30 June 2021	Cash flows	Foreign exchange	Modification adjustment	New leases	Transfer to current	Balance at 30 June 2022
Lease liabilities - current	**3,260**	(3,207)	-	-	-	2,413	**2,466**
Lease liabilities – non-current	**18,802**	-	(918)	4,805	1,804	(2,413)	**22,080**
	22,062	**(3,207)**	**(918)**	**4,805**	**1,804**	-	**24,546**

The Group discounts lease payments using each leases incremental borrowing rate and are determined for each lease based on its maturity profile.

Lease payments have been discounted using incremental borrowing rates of 3.00% to 4.90% (2021: 3.00% to 4.36%).

The Group classifies interest paid as cash flows from operating activities.

The lease for Lighthouse's head office location was modified during the period to accommodate the evolution of their business. The group will relocate within the same building and extend the lease term for a further 9 years. A minor gain was recorded in Other income as a result of a partial termination of the previous lease arrangement.

Amounts recognised in the statement of profit and loss

	Consolidated US$'000	
	2022	2021
Lease interest expense (included in finance costs)	867	912
Expense relating to short-term leases (included in occupancy expense)	128	253
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in occupancy expense)	3	19
Income from subleasing right-of-use assets (included in finance income)	263	142

Total cash outflow for leases in 2022 was $3.2 million (2021: $3.6million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

14. Leases (continued)

a) Group as lessee (continued)

Contractual cash flows

	Consolidated US$'000						
	2022 Total	2021 Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
30 June 2021 Lease liabilities – undiscounted	-	25,429	1,951	2,125	3,649	9,022	8,682
30 June 2022 Lease liabilities – undiscounted	29,189	-	1,863	1,587	3,962	14,387	7,390
Future finance charges	(4,643)	(3,367)					
Lease liabilities in the statement of financial position	**24,546**	**22,062**					
Current	2,466	3,260					
Non-current	22,080	18,802					

Lessee accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred or restoration obligations, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method over the term of the lease. An impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment, and an impairment loss is recognised against any right-of-use lease asset that is impaired.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less, and leases of low-value assets comprising certain equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease liabilities include the net present value of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments (linked to an index or a rate), and any expected residual value guarantee payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Possible future cash outflows amounting to $13.9 million (2021: $14.1 million) were not included in the lease liability because it is not reasonably certain that the leases will be extended.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

14. Leases (continued)

b) Group as sublessor

Amounts recognised in the balance sheet

	Note	2022 Total	2021 Total	6 months or less	6-12 months	1-2 years	2-3 years	More than 3 years
		Consolidated US$'000						
30 June 2021 Finance lease receivable – undiscounted		-	5,548	333	395	735	709	3,376
30 June 2022 Finance lease receivable – undiscounted		**4,820**	-	**388**	**347**	**709**	**734**	**2,642**
Unearned finance income		(860)	(1,124)					
Finance lease receivable in the statement of financial position		**3,960**	**4,424**					
Current	10	503	464					
Non-current	10	3,457	3,960					

Amounts recognised in the statement of profit and loss

	Consolidated US$'000	
	2022	2021
Finance income on net investment in the lease	263	142

Current period cash inflows for subleases was $727 thousand (2021: $121 thousand).

The Group currently subleases two of its office premises and in both cases for the whole of the remaining term of the head lease. These leases are classified as a finance lease.

Lessor accounting policies

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. At inception of each sublease, the Group determines whether it is a finance lease or an operating lease. It assesses the lease classification with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

Finance income is recognised over the term of the sublease based on a pattern reflecting a constant rate of return on the lessor's net investment in the lease. For purposes of calculating finance income on the sublease, the Group has used the incremental borrowing rate on the head lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

15. Intangible assets

	Consolidated US$'000				
	Goodwill	**Trademarks**	**Software**	**Client relationships**	**Total**
Cost					
Balance at 1 July 2020	**499,519**	**1,900**	**2,050**	**1,077**	**504,546**
Additions	-	-	-	-	-
Balance at 30 June and 1 July 2021	**499,519**	**1,900**	**2,050**	**1,077**	**504,546**
Additions	-	-	-	-	-
Balance at 30 June 2022	**499,519**	**1,900**	**2,050**	**1,077**	**504,546**
Amortisation and impairment losses					
Balance at 1 July 2020	**(405,718)**	**(1,188)**	**(2,050)**	**(1,077)**	**(410,033)**
Amortisation for the year	-	(95)	-	-	(95)
Impairment losses	-	-	-	-	-
Balance at 30 June and 1 July 2021	**(405,718)**	**(1,283)**	**(2,050)**	**(1,077)**	**(410,128)**
Amortisation for the year	-	(95)	-	-	(95)
Impairment losses	-	-	-	-	-
Balance at 30 June 2022	**(405,718)**	**(1,378)**	**(2,050)**	**(1,077)**	**(410,223)**
Carrying amounts					
At 1 July 2020	**93,801**	**712**	**-**	**-**	**94,513**
At 30 June and 1 July 2021	**93,801**	**617**	**-**	**-**	**94,418**
At 30 June 2022	**93,801**	**522**	**-**	**-**	**94,323**

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the Group's accounting policy relating to the measurement of goodwill at initial recognition through a business combination, refer Note 9.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Other intangible assets

Other intangible assets acquired by the Group, which have finite lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit and loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Trademarks	20 years
Capitalised software development costs	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

15. Intangible assets (continued)

Impairment testing of intangible assets

The carrying amounts of the Group's intangible assets which have an indefinite life are reviewed at least annually, or when an impairment indicator exists. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit and loss. An impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Cash Generating Units

The Group has two CGU's which is unchanged from the prior year; the US Lighthouse Group (US CGU) and NGI Strategic Group (Strategic CGU). Corporate costs, assets and liabilities associated with the Australian corporate business are allocated accordingly between each CGU.

Impairment testing as at 30 June

Intangible assets subject to impairment testing, remain within the US based funds management cash generating unit (US CGU). Nil intangibles are associated with the NGI Strategic CGU, and assets are measured at fair value at each balance date, hence an impairment assessment is not required.

All of the Group's intangibles are associated with the US CGU totalling $94.3 million (2021: $94.4 million). The carrying value of the US CGU tested at 30 June 2022 includes $6.7 million (2021: $6.2 million) of directly attributable plant and equipment.

Impairment testing carried out on the US CGU as at 30 June 2022 and 30 June 2021 did not result in the recognition of any impairment losses.

Recoverable amount

The recoverable amount of the CGU was determined based on a value-in-use calculation. The calculation utilises five years of cash flow projections. The first three years of these projections are based on financial forecasts approved by the board of directors, which are then extrapolated over an additional two years.

Revenue for the additional two years is extrapolated using an independently sourced industry long term growth rate. Investment management costs and operating expenses are extrapolated based on ratios consistent with the third year of the approved financial forecasts.

Key assumptions used in the calculation are discount rates and terminal value growth rates:

Key assumption	2022	2021
Discount rate	13.1%	12.1%
Long term & terminal value growth rate	2.1%	2.2%

The discount rate is a post-tax measure calculated based on US risk factors as well as other risk factors specific to the industry and operational nature of the business, including assumed debt leveraging of 14% (2021: 10%) at a market interest rate of 4.1% (2021: 3.6%). The terminal growth rate is based on the forecast long-term growth rate for Open-End Investment Funds in the United States.

A reasonably possible change in these assumptions would not result in an implied impairment of this CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

16. Trade and other payables

	Consolidated USD'000	
	2022	**2021**
Current		
Trade creditors	539	288
Distribution costs payable	505	472
Accruals	1,868	1,122
Profit share payable to non-controlling interest	42,483	9,444
Other payables	470	355
	45,865	**11,681**
Non-current		
Other long-term liabilities	302	243
	302	**243**

Trade creditors, accruals & other payables

Trade creditors are non-interest bearing and normally settle on 30 to 90 day terms. The carrying amount of these liabilities is a reasonable approximation of fair value.

Profit share to non-controlling interests

Profit share arrangements with non-controlling interests and related party Blue Owl (formerly Dyal Capital Partners) relate to the Strategic portfolio's FY22 earnings. The Group settled the prior year profit share arrangement in cash during the period.

17. Employee benefits

	Consolidated US$'000	
	2022	**2021**
Current		
Short-term incentives	3,394	696
Liability for annual leave entitlements	251	129
Liability for long service leave entitlements	100	92
	3,745	**917**
Non-current		
Liability for long service leave entitlements	**4**	**1**

Short-term benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be measured reliably. These liabilities are not discounted.

Long-term benefits

The Group's obligation in relation to long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate used is the relevant corporate bond rate at reporting date.

Once benefits become entitled they are transferred to short-term benefits on the basis they can be taken at the employee's request. Amounts are not discounted once reclassified.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

18. Other financial liabilities

		Note	Consolidated USD'000 2022	2021
Current				
Deferred consideration payable		9(a)	48,344	-
			48,344	-
Non-current				
Deferred consideration payable		9(a)	6,399	-
Financial liabilities at amortised cost – Convertible notes			1,600	1,547
Financial liabilities at fair value – Redemption payment liability	(a)		128,373	79,717
			136,372	**81,264**

Deferred consideration

Consideration payable associated with business combinations and investment acquisitions that are not contingent upon future events is considered deferred consideration. This financial liability is recorded at fair value at acquisition date based on discounted cash flows. Interest accretion is recognised as a finance expense.

The Marble Capital acquisition entered into during the current year, included contractual terms to defer a portion of consideration for up to two years. Some amounts can be called upon by Marble Capital sellers with 30 days notice to prior to the scheduled payment date. Refer to Note 9(a) for further details of the Marble transaction and Note 21 for contractual maturity profile for deferred consideration arrangements.

Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. A liability is current when it is:

- It is expected to be settled in the normal operating cycle
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Convertible notes

Navigator Global Investments Limited issued 102,283 convertible notes with a face value of $1,000 each for $102.3 million. These notes were issued as part consideration to acquire minority interests in six asset managers (refer Note 9 prior year business combination) on 1 February 2021. Each note is convertible into fully paid ordinary shares of the parent of the Group.

Total notes on issue at balance date are 68,222,761 shares (2021: 67,574,292 shares), the increase from an adjustment to the notes as the noteholders were not able to participate in the capital raise undertaken by the Group during the period. The notes are converted at the option of the holder at any time and at the option of the issuer after two years (subject to maximum ownership limits). Nil notes have been converted since issuance.

The notes are required to be converted on their 10 year maturity date. To the extent regulatory requirements prohibit conversion into Navigator Global Investment securities by maturity date, alternative options are available to both parties to allow conversion. In the remote instance this cannot occur by the 10 year maturity date a provision is available for unconverted notes to be redeemed for cash at the prevailing share price. The convertible notes are considered a compound instrument with the presentation of the equity portion included in Note 20.

The convertible notes are non-interest bearing and entitled to participate in discretionary dividends declared by the company. No voting rights are associated with the convertible notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

18. Other financial liabilities (continued)

a) Redemption payment liability

	Consolidated USD'000	
	2022	**2021**
Opening fair value / as at acquisition date	79,717	69,071
Unrealised fair value changes recognised in profit and loss	48,656	10,646
Closing fair value	**128,373**	**79,717**

The Group has a written put arrangement over the non-controlling interest in acquired partnerships; NGI Strategic Holdings (A) Limited Partnership and NGI Strategic Holdings (B) Limited Partnership. The deferred consideration payable represents the fair value of non-controlling interest held by the vendor which the Group has an obligation to acquire in 2025. Once this redemption payment is made, the two acquired partnerships will be wholly owned entities of the Group.

The fair value of estimated consideration is calculated over two discrete measurement periods; Calendar year 2021-2023 and calendar years 2024-2025, and payable in financial year ending 2026. The amount is determined as the average relevant gross earnings of the six portfolio investments (ownership adjusted) over a minimum distribution threshold with the average relevant gross earnings multiplied by 2.25x up to a maximum undiscounted amount of $200 million.

The fair value at balance date estimates future cash flows based on earnings of the portfolio investments that align with estimates utilised to determine the fair value of the corresponding fair value investment assets. Amounts are discounted by 11.6% (June 2021: 12%) to present value, comprising of the cost of debt plus a risk premium to reflect variability in earnings.

As the redemption payment is considered contingent consideration, fair value movements are recorded through profit and loss and discounted to determine its present value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Capital and risk

This section of the notes to the financial statements provides information on how Navigator Global Investments Limited manages its capital and financial risk. The following pages entail disclosures explaining the Group's:

- capital management, including structure, policies, and related accounts balances; and
- exposure to financial risks, including market risks, credit risk, liquidity risk, and the risk arising from financial instruments.

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

19. Capital management

Capital management of the Group focuses on aiming to ensure:

- that the Group continues as a going concern;
- there is sufficient cash flow to meet operating requirements;
- flexibility is maintained for future business expansion; and
- that the payment of dividends is supported in accordance with the Group's dividend policy.

The Company's capital comprises ordinary shares and convertible notes on issue.

Regulatory Capital Requirements

The following capital requirements were complied with throughout the year:

- LHP Ireland Fund Management Limited, a wholly owned subsidiary, is required by Central Bank of Ireland to maintain a prescribed capital amount, determined as:
  - a base requirement of 125 thousand Euros
  - plus .02% of excess over 250 million Euros in assets under management,
  - plus an additional .01% of the assets under management for potential liability risk.
- LH NR UK (Management) LLP, a wholly owned partnership is required by Financial Conduct Authority to have capital requirements in three forms:
  - Permanent minimum capital requirement;
  - Fixed overhead requirement of 25% of fixed overheads; and
  - Risk responsive computation for potential liability risk.

Line of Credit

On 30 June 2022 the Group entered into a new credit agreement with its current lender, BMO Harris Bank N.A. ('BMO'), for a new senior, secured credit facility in the aggregate principal amount of an immediate $50 million of capacity. This has the potential to be increased to $75 million with the funding sourced from an additional lender administered by BMO.

This facility replaced the existing undrawn Line of Credit Facility of $15 million and is secured by a charge over certain Group assets.

The increased borrowing capacity provides the Group with flexible financing to maximise shareholder returns and to fund certain deferred consideration related to the Marble Capital transaction (refer Note 9(a)) and investment in Invictus Capital Partners announced subsequent to year (refer Note 28). The facility matures on 30 June 2025.

This Line of Credit has not been drawn during the year ended 30 June 2022 and remains undrawn at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

20. Capital & Reserves

a) Share capital

	Note	Shares '000		US$'000	
Ordinary shares		**2022**	**2021**	**2022**	**2021**
Opening balance 1 July		202,672	162,148	320,146	257,355
Issued 1 February 2021 through a business combination	9	-	40,524	-	63,821
Issued 13 April 2022 through an institutional placement		30,400	-	35,024	-
Issued 18 May 2022 through a share purchase plan		2,620	-	2,728	-
Less: Transaction costs arising on share issue		-	-	(1,712)	(1,030)
Total share capital at 30 June		**235,692**	**202,672**	**356,186**	**320,146**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The Company does not have authorised capital or par value in respect of issued shares. All ordinary shares rank equally with regard to the Company's residual assets. Ordinary shares have the right to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

The Group successfully raised equity during the period from the following activities:

- Fully underwritten Institutional Placement representing approximately 15% of pre-existing capital. Shares successfully placed were issued at a fixed price of A$1.55/share.
- Share Purchase Plan following the completion of the Placement to eligible retail shareholders in Australia and New Zealand. Shares successfully placed were issued at A$1.48/share being the lower of placement price and a 2% discount to the 5-day VWAP up to closing date.

b) Non-share capital

Non-share capital of $99.8 million (June 2021: $99.8 million) represents the equity component of 102,283 convertible notes issued as part consideration for a business combination in the prior year. As this is a compound instrument, the liability component is included in Other financial liabilities at Note 18.

c) Reserves

	Consolidated US$'000	
	2022	**2021**
Parent entity profits reserve	29,897	20,613
Translation reserve	414	850
Fair value reserve	(1,758)	(1,783)
Share-based payments reserve	13,326	13,326
	41,879	**33,006**

The parent entity profits reserve comprises the balance of accumulated profit for the Company not yet distributed as dividends and available as dividends in future years.

The translation reserve records foreign currency differences arising from the translation of operations which have a functional currency that is different to the Group's presentation currency. In particular the foreign operations of Longreach that has a functional and reporting currency of AUD.

The fair value reserve comprises the movement in fair value of financial assets through other comprehensive income above or below their original purchase value. Cumulative fair value adjustments are transferred to retained earnings upon derecognition, $nil were transferred in the current period (2021: $nil).

Share-based payments reserve records fair value movements associated with historical performance rights and share options.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management

Classes of financial instruments

The Group held the following non-derivative financial assets and liabilities:

Classification	Description	Note
Assets		
Financial assets at amortised cost	The carrying amount of these assets is a reasonable approximation of fair value	
	▪ Cash	5
	▪ Trade and other receivables	10
Financial assets at fair value through profit and loss (FVTPL)	▪ Contingent consideration asset	10
	▪ Non-controlling investments in unquoted securities of Group managed entities	11
	▪ Non-controlling investments in unquoted securities of externally managed entities include the Strategic Portfolio of investments. Fair value movements in these assets through profit and loss align with the corresponding movements in financial liability (see below).	11
	The Group does not have significant influence over any of the entities associated with these investments.	
Financial assets at fair value through other comprehensive income (FVOCI)	▪ Non-controlling equity holdings in US based entities over which the Group does not have significant influence. These investments include the Marble Capital investment acquired during the period.	11
	Fair value movements in these assets are recognised through other comprehensive income.	
Liabilities		
Financial liabilities at amortised cost	The carrying amount of these assets is a reasonable approximation of fair value	
	▪ Trade and other payables	16
	▪ Lease liabilities	14
	▪ Convertible note liability	18
	▪ Deferred consideration	18
Financial liability at fair value through profit and loss (FVTPL)	▪ Redemption payment liability which represents the obligation to acquire the remaining partnership interests in NGI Strategic Holdings (A) LP and NGI Strategic Holdings (B) LP. These partnerships hold the interest in the Strategic Portfolio investments.	18
	Fair value movements including the unwinding of discounts are recognised through profit and loss.	

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which control, or substantially all the risks and rewards of ownership are transferred. The Group derecognises a financial liability when its obligations under the liability is discharged or cancelled or expire.

Offset of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset and there is an intention to either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The different levels of fair value hierarchy are:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management (continued)

Fair value measurements

The following table shows the fair values of financial assets and liabilities and their levels in the fair value hierarchy.

	Note	Level 1	Level 2	Level 3	Total
		Consolidated USD'000			
		2021			
Financial assets at fair value through profit and loss					
Investment in unquoted securities of externally managed entities	11	-	-	238,068	**238,068**
Investments in unquoted securities of Group managed entities	11	-	14,083	-	**14,083**
Financial liabilities					
Redemption payment liability	18	-	-	79,717	**79,717**
		2022			
Financial assets at fair value through other comprehensive income					
Investments in unquoted securities of externally managed entities	11	-	-	84,471	**84,471**
Financial assets at fair value through profit and loss					
Contingent consideration asset	10	-	-	1,000	**1,000**
Investment in unquoted securities of externally managed entities	11	-	-	289,246	**289,246**
Investments in unquoted securities of Group managed entities	11	-	13,229	-	**13,229**
Financial liabilities					
Redemption payment liability	18	-	-	128,373	**128,373**

There were no transfers between levels during the financial years ended 30 June 2022 or 30 June 2021.

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If the significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3, as is the case for unlisted equity securities.

Specific valuation techniques used to value level 2 and level 3 financial assets are outlined below. Valuation techniques used to value level 3 financial liabilities as well as detailed movements in fair value is detailed in Note 18(a).

Contingent consideration asset

A contingent consideration asset is recognised in 'Other non-current assets' relating to an investment in associate made during the period. The Group has determined that it is classified as Level 3 under the AASB 13 Fair value measurement hierarchy as the main valuation inputs are unobservable. The potential amount of the asset is based on an expectation of whether the associate entity will meet EBITDA targets by a specified timeframe. The Group's shareholding increases from 6.67% to 10% in the associate for nil additional consideration if earnings targets are not reached.

Share in unquoted securities of Group managed entities

The Group holds investments in Group managed entities. Each investment entity has an external administrator who is responsible for determining the fair value of the underlying investments of each entity and using this to calculate the net asset value per share at which any investor in the entity can redeem their investment holding ('the exit price'). The fair value of these investments as at 30 June 2022 and 30 June 2021 is the exit price as calculated and provided by the external administrator of the investment entities. All significant inputs required to fair value the investments are therefore observable

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management (continued)

Valuation techniques used to derive level 2 and level 3 fair value (continued)

Unquoted securities of externally managed entities

Equity holdings in other externally managed entities are unquoted and are considered level 3 as the inputs to the fair value are not based on observable market prices. Further details and sensitivities for significant unobservable inputs are outlined in the next section.

Alternative asset managers

A portfolio of six investments in alternative asset managers, each operating within their own niche market. Fair values as at acquisition date and balance date have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs including forecasted cash flows, growth rates and the discount rate on management and performance fee income streams. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these investments where movements are recorded in profit and loss.

Real estate sector

US based asset managers specialising in strategies associated with the real estate sector. The valuation at balance date was in reference to the most recent transaction price undertaken on market and at arm's length with no material movement noted. Any fair value movements are recorded in other comprehensive income through the fair value reserve.

Other externally managed entities:

The Group has small investments in the following externally managed entities:

- An operator of an online marketplace for alternative investments
- A boutique asset manager
- A text analytics platform provider

Due to significant uncertainty as to the on-going viability of these investments, the carrying value continues to be $nil following write downs in prior periods. Any fair value movements are recorded in other comprehensive income through the fair value reserve.

Movement in Level 3 financial instruments

		Contingent consideration asset	Investments in unquoted securities	
	Note	Through profit and loss	Through profit and loss	Through other comprehensive income
Opening balance 1 July 2020		-	-	**1,489**
Acquisition through business combination at fair value		-	219,396	-
Increase/(Decrease) in fair value		-	18,672	(1,489)
Closing balance 30 June 2021		**-**	**238,068**	**-**
Acquisitions	9 (a) & (c)	200	-	84,471
Increase/(Decrease) in fair value		800	51,178	-
Closing balance 30 June 2022		**1,000**	**289,246**	**84,471**

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For the year ended 30 June 2022

21. Financial risk management (continued)

Significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair valuation measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis are shown below:

Description	Valuation technique	Fair value at		Unobservable inputs	Sensitivity of the input to fair value
		2022	2021		
Unlisted equity securities in externally managed entities, recorded at FVTPL	DCF	289,246	238,068	Growth rate for cash flows for subsequent years ranged from 4.5 -8.5% (2021: 5-7.5%)	A 1% (2021: 1%) increase/(decrease) in the growth rate would result in a $25.1 million (2021: $20.1 million) increase/ ($23.6 million) decrease in fair value
– Alternative asset managers				WACC applied to management fee income stream ranged from 13 – 15% (2021: 13 – 15%) depending on the perceived entity specific risk applicable to each investment	A 0.5% (2021: 0.5%) increase/(decrease) in the WACC would result in a ($8.5 million) (2021: $7.1 million) decrease / $9.4 million increase in fair value
				Discount rate of 24.92% (2021: of 24.92%) applied to performance fee income stream which considered significant variability in earnings	A 0.5% (2021: 0.5%) increase/(decrease) in the discount rate would result in a ($2.3 million) (2021: $1.5 million) decrease / $2.4 million increase in fair value
				A discount of 30% (2021: 30%) was applied to account for the lack of marketability on the small ownership percentages held in these entities	A 5% (2021: 5%) increase/(decrease) in the lack of marketability discount would result in a $20.7 million (2021: $17.0 million) (decrease)/increase in fair value
Unlisted equity securities in externally managed entities, recorded at FVOCI – Real estate sector	Market approach	84,471	-	Transaction prices associated with actual market transactions for similar investments.	A 0.5x increase/(decrease) in the median transaction multiple would result in a $7 million increase/(decrease) in fair value
Unlisted equity securities in externally managed entities recorded at FVOCI	Market approach	-	-	A share price from a historical capital raise was utilised as an indicative fair value price for equity held	Any increase in the price per share would result in an increase in the fair value from nil.
Redemption payment liability recorded at fair value FVTPL	DCF	(128,373)	(79,717)	Growth rate for cash flows for subsequent years ranged from 4.5 -8.5% (2021: 5-7.5%)	A 1% (2021: 1%) increase/(decrease) in the growth rate would result in a $0.1 million (2021: $4.9 million) increase / ($3.0 million) decrease in the fair value
				Discount rate of 11.6% (2021: 12%) was applied incorporating a risk premium for variability in future cashflows (4 of 5 year period) which determine the redemption payment owing capped at $200 million.	A 0.5% (2021: 1%) increase/(decrease) in the discount rate would result in a $2.4 million (2021: $3.7 million) (decrease)/ increase in the fair value of the liability
Contingent consideration asset	Market approach	1,000	-	A share price from a recent capital raise was utilised as an indicative fair value for potential increment in equity held.	A 10% increase/(decrease) in the price per share would result in a $0.1 million increase/(decrease) in fair value.
				A probability scenario is applied based on expected achievement of earnings target by a specific timeframe.	A 10% increase/(decrease) in the probability factor would result in a $0.2 million increase/(decrease) in fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management (continued)

Risk Management

The Group has direct and indirect exposure to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and equity price risk) arising from its activities.

These risks can impact the Group's net profit and total equity value through:

- fluctuations in the value of the Group's investments and other financial assets and liabilities;
- the effect of market risks on the Group's Assets Under Management (AUM), which can impact management and performance fees; and
- the amount of interest earned on the Group's cash balances.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash deposits and receivables. The carrying amount of these financial assets represents the Group's maximum credit risk exposure.

Cash and lease guarantee deposits

Cash and lease guarantee deposits held in Australia are held with bank counterparties which are rated A-1+ (Standard & Poor's).

Cash and lease guarantee deposits held in the United States are held in deposit accounts which are rated A / A-1 (Standard & Poor's).

Trade and other receivables

At reporting date, 69% of the Group's trade and other receivables related to amounts receivable from products managed by the Group (2021: 60%).

As at reporting date, the Group did not have any receivables which were past due. Due to the short-term nature of the Group's trade receivables, the fact that the majority relate to Group managed products, and the historically low default rates, the application of the expected credit loss model has not resulted in the recording of a material credit allowance as at 30 June 2022 or 30 June 2021. In determining this credit allowance, the Group has considered forward looking factors specific to the receivables and the economic environment.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

As at 30 June 2022, the Group's exposure to interest rate risk relates primarily to the Group's cash and term deposits which mature in less than 90 days.

A change in interest rates at reporting date would not have impacted the carrying value of the Group's variable rate deposits, and would therefore not have impacted the Group's equity or profit and loss.

The redemption payment liability is also exposed to interest rate risk in the form of the cost of debt included within the discount rate. Refer to sensitivities for level 3 unobservable inputs performed above for impact on the Group's profit and loss.

Price risk

The Group is exposed to price risk in relation to the value of its investments, and indirectly through the impacts on management and performance fees earned from the fluctuations in the value of the AUM in the investment products it manages due to market price movements.

Management fees

The Group earns management fees as a percentage of the assets it manages on behalf of its funds and clients. Management fees will be impacted by changes in the value of these assets from movements in the individual prices of the underlying securities held as well as the fluctuations in exchange rates for assets which are not denominated in USD. The following table summarises the sensitivity of management fees to a change in AUM due to movements in market prices:

	Consolidated US$'000	
	2022	**2021**
Profit and loss (decrease) / increase		
Fair value + 5%, net of tax	2,756	2,834
Fair value - 5%, net of tax	(2,756)	(2,834)

The impact of any change to management fees due to changes in AUM from inflows and outflows of assets by clients due to changes in market prices has not been estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management (continued)

Risk Management (continued)

Performance fees

The Group earns performance fees from some of its funds and clients. The Group's entitlement to performance fees varies between the relevant funds and clients, and generally is dependent on the relevant fund or client portfolio outperforming a high watermark and in some cases a benchmark hurdle over a performance period. Given the nature of performance fees, the Group is subject to the risk that in any given financial year it may earn no performance fees.

Investments

The Group's investments comprise:

- Unquoted securities of US based companies externally managed which have been designated as fair value through other comprehensive income. Refer above for level 3 significant unobservable inputs into fair values and sensitivities for each.
- Unquoted securities of externally managed entities designated as fair value through profit and loss. Refer above for level 3 significant unobservable inputs into fair values and sensitivities for each.
- Unquoted securities of investment funds managed by the Group. Fair value movements for these level 2 investments are recorded through profit and loss. The following table summarises the sensitivity of the fair value (after tax) of these assets to movements in market prices:

	Consolidated US$'000	
	2022	**2021**
Financial assets at fair value through profit and loss Level 2 investments		
Profit and loss (decrease) / increase		
Fair value + 5%, net of tax	496	528
Fair value - 5%, net of tax	(496)	(528)

Currency risk

The Group is exposed to currency risk on revenue, distribution income, expenses, receivables, and payables that are denominated in a currency other than the respective functional currencies of the Group entities.

In addition, currency risk on the investment held in an Australian joint venture and the share of profits recognised.

The following significant exchange rates applied during the year:

	2022	**2021**
AUD/USD: Average rate	0.7259	0.7471
AUD/USD: 30 June spot rate	0.6889	0.7518
GBP/USD: Average rate	1.3314	1.3462
GBP/USD: 30 June spot rate	1.2132	1.3819
EUR/USD: Average rate	1.1280	1.1929
EUR/USD: 30 June spot rate	1.0447	1.1902

At reporting date, the Group's direct exposure to currency risk relates to:

- AUD denominated balances recognised by Navigator Global Investments Limited which has a functional currency of USD. Due to Navigator Global Investments Limited's position as the parent entity of the Australian listed group, it retains a number of working capital balances denominated in AUD which include cash, current receivables, current trade and other payables and employee benefits.
- Translation of an AUD denominated investment associated with the joint venture interests acquired during the period. The Group's carrying value is translated at period end with changes reflected in the foreign currency translation reserve.
- AUD & GBP denominated balances recognised by the Lighthouse Group which has a functional currency of USD. These balances comprise of trade receivables due from a third party for management and performance fees on funds for which Lighthouse performs investment services.
- EURO denominated cash on hand at balance sheet associated with distributions from a French investment. As the investment held is a non-monetary asset, sensitivity on the currency impact on recorded fair values is not required.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management (continued)

Financial Risk Management (continued)

Currency risk (continued)

The following table summarises the sensitivity of these balances held at reporting date to movement in these currencies against the USD, with all other variables held constant

	Consolidated US$'000	
	2022	**2021**
AUD/USD: appreciation of 10%, net of tax	2,008	217
AUD/USD: depreciation of 10%, net of tax	(2,008)	(217)
GBP/USD: appreciation of 10%, net of tax	221	221
GBP/USD: depreciation of 10%, net of tax	(221)	(221)
EURO/USD appreciation of 10%, net of tax	377	-
EURO/USD depreciation of 10%, net of tax	(377)	-

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient resources available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains 12 month rolling forecasts and 5 year cash projections, which assist it in monitoring cash flow requirements. The Group ensures that it has sufficient cash on demand to meet operational requirements in the short term and has appropriate strategies in place to satisfy long term obligations.

The Group also has access to a Line of Credit of $15 million at the beginning of the period and on 30 June 2022 entered into a replacement facility with the same financier to increase funding to $50 million (refer Note 19). The facility has the potential to increase a further $25 million with funding sourced from an additional lender through the Group's existing lender. To date no line of credit has been required and it remains undrawn. This approach excludes the potential impact of extreme circumstances which cannot be predicted.

The following are the contractual maturities of non-derivative financial liabilities as at balance date:

		Consolidated US$'000						
	Note	**Carrying value**	**Cont-ractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
30 June 2021								
Trade and other payables – current	16	11,492	(11,492)	(11,492)	-	-	-	-
Trade and other payables – non-current	16	50	(50)	-	-	(50)	-	-
Convertible note	18	1,547	(2,143)	-	-	-	-	(2,143)
Redemption payment liability	18(a)	79,717	(141,967)	-	-	-	(141,967)	-
		92,806	**(155,652)**	**(11,492)**	**-**	**(50)**	**(141,967)**	**(2,143)**
30 June 2022								
Trade and other payables – current	16	45,865	(45,865)	(45,865)	-	-	-	-
Trade and other payables – non-current	16	50	(50)	-	-	(50)	-	-
Convertible note	18	1,600	(2,143)	-	-	-	-	(2,143)
Deferred consideration	18	54,743	(55,250)	(41,438)	(6,906)	(6,906)	-	-
Redemption payment liability	18(a)	128,373	(199,830)	-	-	-	(199,830)	-
		230,631	**(303,138)**	**(87,303)**	**(6,906)**	**(6,956)**	**(199,830)**	**(2,143)**

Refer to Note 14 for contractual maturities of the Group's lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Financial risk management (continued)

Financial Risk Management (continued)

Liquidity risk (continued)

Trade and other payables

It is not expected that the cash flows included in the maturity analysis for these liabilities could occur significantly earlier, or at significantly different amounts.

Convertible note

The undiscounted cash flows included in the maturity analysis for the convertible note is management's estimate of the conversion option that will be settled by the exchanged of cash for those notes unable to be converted to Navigator Global Investment securities by the maturity date. The timing of these cash flows would not occur earlier, however may be for a differing amount depending on the volume of unconverted notes as at maturity date.

Redemption payment liability

The undiscounted cash flows associated with the redemption payment liability is an estimate of the contingent consideration payable based on unobservable inputs into the fair value calculation as at balance date. The future payment to redeem non-controlling interests in acquired partnerships may be significantly higher or lower based on revised estimates. The timing of such payments is not expected to occur significantly earlier than indicated.

Deferred consideration

Deferred consideration related to the acquisition of Marble Capital investment discussed at Note 9(a) and is not variable in nature. Primary consideration is payable $20.7 million by the first anniversary date of the transaction and another $20.7 million by the second anniversary date. Marble Capital sellers are able to call on these amounts with 30 days notice for an appropriate purpose and hence these amounts are included in the 6-12 month maturity category.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Group structure

This section of the notes to the financial statements outlines how the Navigator Global Investments Limited's group structure affects the financial position and performance of the Group as a whole. On the following pages you will find disclosures explaining the Group's composition and key parent entity disclosures.

Where an accounting policy or key estimate is specific to a single note, the policy or estimate is described in the note to which it relates.

22. Group entities

The Group's consolidated financial statements include the financial statements of Navigator Global Investments Limited and its subsidiaries:

Name	Country of incorporation	% Equity interest	
		2022	2021
HFA Lighthouse Holdings Corp	United States	100	100
HFA Lighthouse Corp	United States	100	100
LHP Investments, LLC	United States	100	100
Lighthouse Investment Partners, LLC	United States	100	100
Lighthouse Partners UK, LLC	United States	100	100
North Rock Capital Management LLC	United States	100	100
NR Technology Group, LLC	United States	100	100
NGI Strategic Holdings I, Inc	United States	100	100
NGI Strategic Holdings II, Inc	United States	100	100
Mission Crest Capital Management, LLC	United States	100	-
Pier61 Partners, LLC	United States	100	-
Luminae Partners LLC	United States	100	-
NGI Strategic Australia Pty Ltd	Australia	100	100
NGI Strategic Holdings Ltd	Cayman Islands	100	100
NGI Strategic Holdings (A) LP	Cayman Islands	71	71
NGI Strategic Holdings (B) LP	Cayman Islands	56	56
Lighthouse Partners Limited (HK)	Hong Kong	100	100
LHP Ireland Fund Management Limited	Ireland	100	100
LH NR UK (Management) LLP	United Kingdom	100	100
LH NR UK Limited	United Kingdom	100	100

Basis of consolidation

The consolidated financial statements are those of the Group, comprising Navigator Global Investments Limited and all entities that Navigator Global Investments Limited controlled during the period and at reporting date.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement in the investee and has the power to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control, until the date the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

23. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2022, the parent company of the Group was Navigator Global Investments Limited.

	Company US$'000	
	2022	**2021**
Result of the parent entity		
Profit for the year	40,698	29,463
Total comprehensive income for the year	**40,698**	**29,463**
Financial position of the parent at year end		
Current assets	21,439	20,926
Total assets	397,365	353,369
Current liabilities	(575)	(1,499)
Total liabilities	(2,363)	(3,255)
Net assets	**395,002**	**350,114**
Total equity of the parent comprising of		
Share capital	356,186	320,146
Non-share capital	99,818	99,818
Accumulated losses	(99,342)	(99,341)
Parent entity profits reserve	29,897	20,613
Translation reserve	4,635	5,070
Share based payments reserve	3,808	3,808
Total equity	**395,002**	**350,114**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Other disclosures

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Group, but must be disclosed to comply with the Accounting Standards, the Corporations Act 2001 or the Corporations Regulations.

24. Related parties

Key management personnel remuneration

The key management personnel remuneration included in 'employee expense' (see Note 3) is as follows:

	Consolidated US$	
	2022	2021
Short-term employee benefits	5,498,342	5,434,556
Long-term employee benefits	58,510	3,661
Post-employment benefits	106,253	104,440
	5,663,105	**5,542,657**

Detailed remuneration disclosures are provided in the remuneration report on pages 32 to 44.

Individual directors' and executives' remuneration disclosure

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Other related party transactions

Revenue from group managed products

During the financial year Group entities recognised management fees, performance fees and fund reimbursement revenue received or receivable of $116,877,834 (2021: $98,558,533) from investment products for which group entities act as general partner, investment manager or managed account service provider. Amounts receivable from these products at 30 June 2022 were $8,785,812 (2021: $14,504,363).

Investment in products

As at 30 June 2022, Group entities hold $13,228,740 of investments in products for which they act as investment manager or managed account service provider (2021: $14,082,887). Refer note 11 for additional detail.

During the financial year, the Group recognised distributions from its investments in these products of $nil (2021: nil).

For the years ended 30 June 2022 and 30 June 2021, the Group has not recorded a credit allowance relating to amounts owed by related parties. Additional information regarding the Group's assessment of credit risk in relation to related party receivables and investments is disclosed in Note 21.

Other

There have been no guarantees provided or received for any related party receivables.

25. Contingent liabilities

Investment fund related obligations

The Company's subsidiary Lighthouse Investment Partners, LLC acts as the Investment Manager for certain private investment funds under Delaware Law, Cayman Islands Law and Irish Law. Due to its role as Investment Manager the subsidiary may be subject to contingent liabilities as a result of its obligations to the funds. The directors of Lighthouse Investment Partners, LLC consider that all obligations have been met to 30 June 2022.

Guarantees

During the period, the Group provided a guarantee to one of the externally managed entities for its share in a banking facility. In the event of default this guarantee may be called upon which would be incurred jointly with other investors. At 30 June 2022 the facility for which the guarantee is provided is undrawn.

26. Commitments

At 30 June 2022 the Group had commitments of $592 thousand (2021: $249 thousand) relating to the completion of lease fit outs for a new leased premises in Chicago.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

27. Auditors Remuneration

	Consolidated US$	
	2022	**2021**
Fees to Ernst & Young		
EY (Australia):		
Audit and review of financial reports for the Group and controlled entities	400,756	258,617
Other non-audit services (advisory)	38,214	59,308
Overseas member firms of EY (Australia):		
Audit and review of financial reports for the Group and controlled entities	233,870	232,094
Total fees to Ernst & Young	**672,840**	**550,019**
Audit fees to other audit firms		
Other audit firms (Australia):		
Other non-audit services (taxation)	76,344	58,833
Other non-audit services (advisory)	10,450	5,004
Total fees to other audit firms (Australia)	86,794	63,837
Overseas member firms of other auditors:		
Audit and review of financial reports for controlled entities	35,891	17,017
Other non-audit services (taxation)	333,166	185,979
Other non-audit services (advisory)	466,208	275,290
Total fees to overseas member firms of other auditors	835,265	478,286
Total fees to other audit firms	**922,059**	**542,123**
Total auditor's remuneration	**1,594,899**	**1,092,142**

28. Subsequent events

Events occurring after reporting period

On 4 August 2022, the Group announced the acquisition of a 18.2% stake in Invictus Capital Partners ('Invictus') for total consideration of $100 million, payable over 3 years. Invictus is a real estate credit focused alternative asset manager of private funds and separately managed accounts.

This passive investment meaningfully diversifies the Group's strategic investment portfolio into a new investment strategy. The Group has no control or significant influence over the core business operations of the entity. Due to the proximity of the transaction to lodgement date, it is not practical to have completed acquisition accounting impacts.

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Basis of preparation

This section sets out the basis upon which the Group's financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective for the current or later years. We explain how these changes are expected to impact the financial position and performance of the Group.

29. Corporate information

The financial report of Navigator Global Investments Limited (the 'Company') for the year ended 30 June 2022 was approved by the board of directors on the 25th day of August 2022.

The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (the 'Group') (see Note 22).

The Company is a for profit company limited by shares incorporated in Australia and is listed on the Australian Securities Exchange. The registered office of the Company is Level 21, 10 Eagle Street, Brisbane QLD 4000.

30. Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AASB) and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

During the period, disclosures reflect changes to the comparative period to conform to the current period's presentation. Details of the Group's accounting policies, including changes during the year, are included in Note 33 as well as within the individual notes to the financial statements.

31. Basis of measurement

The consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements have been prepared on a historical cost basis except for the following items:

Items	Measurement basis
Financial assets and liabilities at fair value through profit and loss	Fair value -
Contingent consideration asset	Fair value
Financial assets at fair value through other comprehensive income	Fair value

The methods used to measure fair value are discussed further in Note 21.

32. Functional and presentation currency

The consolidated financial statements are presented in US dollars ('USD'), which is the Company's functional currency.

The amounts contained in this financial report have been rounded to the nearest thousand dollars in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Translation of foreign currency

Transactions in foreign currencies are translated to the respective functional currency of Group entities at rates of exchange ruling on the date of those transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are recognised in profit and loss.

33. Other accounting policies

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 - recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used;
- Note 10 – contingent consideration asset; assessment of probable outcomes;
- Note 11 - fair value measurement of investments;
- Note 12 – classification of joint arrangements and assessment of significant influence in associates.
- Note 15 - impairment test: key assumptions underlying recoverable amounts of intangible assets; and
- Note 18 – other liabilities which includes a redemption payment estimated on future forecasted earnings of underlying investments held.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

33. Other accounting policies (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value. The methods used to determine fair values for measurement and / or disclosure purposes are included in the following notes:

- notes 10 and 21 – contingent consideration asset;
- notes 11 and 21 - investments in financial assets at fair value through profit and loss;
- notes 11 and 21 - investment in financial assets at fair value through other comprehensive income; and
- notes 18 and 21 – financial liabilities measured at fair value with changes recorded through profit and loss.

Changes in accounting policies

New and amended standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period:

- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions
- AASB 2020-8 Amendments to Accounting standards – Interest Rate Benchmark Reform – phase 2
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions beyond 30 June 2021

The amendments listed above did not have any impact on the Group's financial statements.

Accounting standards and interpretations issued but not yet effective

The following Australian accounting standards and interpretations that are relevant to the Group's operations have been issued but are not yet effective and have not been adopted by the Group for the year ended 30 June 2022. These standards are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- AASB 2020-3 Reference to the conceptual framework amending the following standards:
  - AASB 3 Business Combinations – referencing the conceptual framework
  - AASB 16 Property, Plant and Equipment relating to the proceeds before intended use
  - AASB 137 Provisions, Contingent liabilities and Contingent Assets relating to costs associated with onerous contracts
  - AASB 9 Financial Instruments relating to fees included in assessing a modified liability.
- AASB 2020-1 Amendments to AASB 101 regarding the classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Disclosure of Accounting Policies and definition of Accounting Estimates
- AASB 2021-5 Amendments to Deferred Tax related Assets and Liabilities arising from a single transaction

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Navigator Global Investments Limited (the 'Company') we state that:

1. In the opinion of directors:

   (a) the consolidated financial statements and notes that are set out on pages 48 to 102, and the Remuneration report on pages 32 to 44 of the Directors' report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2022.

3. The directors draw attention to note 30 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Michael Shepherd, AO
Chairman and Non-Executive Director

Suvan de Soysa
Non-Executive Director

Sydney, 25 August 2022

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Independent Auditor's Report to the Members of Navigator Global Investments Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Navigator Global Investment Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 June 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Investment Valuation

Refer to Notes 11 and Note 21 of the financial report

Why significant	How our audit addressed the key audit matter
The Group has a significant investment portfolio comprising primarily of six minority interests in unlisted investment managers including Bardin Hill Investment Partners, LP, Waterfall Asset Management, LLC, Capital Fund Management S.A., Capstone Investments Advisors, LLC, Pinnacle Asset Management, LP, and MKP Capital Management, LLC. As at 30 June 2022, the value of these unlisted investments was US$289.2 million which equates to 43% of total assets. As disclosed in the Group's accounting policy described in Note 11, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards. Key assumption such as the growth rates and discount rates applied to the management fee and performance fee income streams can have a significant impact on the fair value of these financial assets and amounts recorded in the financial statements. Note 11 to the financial statements provides a summary of the Group's accounting policy relating to the investments and Note 21 includes the disclosures relating to the significant unobservable inputs to the valuation.	Our audit procedures relating to the valuation of the investments included the following: • Obtained an understanding of the key processes adopted by management to determine the fair value of the investments at balance date; • Confirmed the ownership interest with the respective investee fund managers at 30 June 2022; • Obtained the most recent audited financial statements of the underlying investment managers reviewing the nature of the underlying investments held and the recorded fair values of the investments including the accounting basis adopted for such valuations; • Reviewed the independence, competence and objectivity of the auditing firms of the managers and the content of their audit opinions; • Obtained from management their assessment of the most recent unaudited financial information of the asset managers and evaluated the reasonableness of any material fair value movements (or the lack thereof) within the discounted cash flow models supporting the fair value; • We involved our valuation specialists in the assessment of the valuation methodologies and assumptions used by the Group; • Obtained the assurance report on the internal controls of the investment manager's administrators in relation to fund administration services for the year ended 30 June 2022 and assessed the auditor's qualifications and objectivity and the results of their procedures; and • Assessed the adequacy of the Group's disclosures in Note 11 and 21 to the financial statements.

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Recoverability of the US cash generating unit

Refer to Note 15 of the financial report

Why significant	How our audit addressed the key audit matter
Significant judgement is involved in determining the value-in-use ("VIU") of the recoverability of the US cash generating unit ("CGU"), due to the value of goodwill allocated to the CGU relative to total assets. The model used by the Group to measure the VIU of the CGU is complex due to the assumptions and estimations used in forecasting the future cash flows of the CGU.	Our audit procedures included the following: • Tested the mathematical accuracy of the CGU's VIU model; • Evaluated the Group's assumptions and estimates in relation to the forecast cash flows based on most recent Board approved forecasts by performing sensitivity analysis and evaluating and testing the key assumptions used to determine the VIU; • Considered the accuracy of the Group's cash flow forecasts by comparing historic forecasts to actual performance; • Involved our valuation specialists in assessing growth rate and discount rate used in the VIU model. Where applicable, we corroborated key assumptions with external information; • Tested whether the forecast cash flows in the VIU model were consistent with those used to test recoverability of the CGU's deferred tax assets; • Performed sensitivity analysis by varying key assumptions and assessing the impact on the recoverability of goodwill; and • Assessed the adequacy of the related disclosures in Note 15 to the financial statements.

Acquisitions

Refer to Note 9 of the financial report

Why significant	How our audit addressed the key audit matter
There were a number of acquisitions, which resulted in investments in a joint venture, investments in an associate and investments in financial assets during the year. Notes 9 to the financial statements discloses a summary of the acquisitions and the Group's accounting policies relating to the acquisitions.	Our audit procedures for each of the acquisitions included the following: • Assessed whether the transaction was accounted for in accordance with the relevant Australian Accounting Standard; • Assessed the Group's determination of any deferred or contingent consideration; and • Assessed the adequacy of the Group's disclosures in Note 9 to the financial statements.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Navigator Global Investments Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

RBurrows

Rebecca Burrows
Partner
Brisbane
25 August 2022

SHAREHOLDER

INFORMATION

ASX additional information

As at 19 August 2022

Additional information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in this document is set out below.

Number of security holders and securities on issue

Navigator has issued the following securities:

- 235,692,011 Ordinary Shares held by 3,965 shareholders; and
- 102,283 Convertible Notes held by 1 noteholder.

Substantial shareholdings

The following parties have a substantial relevant interest in ordinary shares of Navigator Global Investments Limited:

Category	Number of ordinary shares	%
Blue Owl Capital Inc. and its controlled entities	40,524,306	19.99%
Navigator Global Investments Limited[1]	40,524,306	19.99%
Perennial Value Management Limited	33,189,784	14.08%
Sean McGould, his controlled entities and associates	19,438,084	8.34%
Eley Griffiths Group	16,890,066	7.17%

[1] The Company lodged has a substantial relevant interest in its ordinary shares due to restrictions on disposal of the shares under a Shareholder Agreement with entities associated with Blue Owl Capital Inc. A substantial shareholder notice setting out details of the Shareholder Agreement was lodged with the ASX on 1 February 2021.

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
Citicorp Nominees Pty Limited	67,262,021	28.54%
J P Morgan Nominees Australia Pty Limited	50,095,282	21.25%
National Nominees Limited	34,971,663	14.84%
HSBC Custody Nominees (Australia) Limited	13,327,310	5.65%
BNP Paribas Nominees Pty Ltd	7,871,619	3.34%
HSBC Custody Nominees (Australia) Limited – NT-Comnwlth Super Corp	4,495,302	1.91%
UBS Nominees Pty Ltd	2,765,239	1.17%
BNP Paribas Nominees Pty Ltd – IB AU Noms RetailClient DRP	2,300,087	0.98%
Washington H Soul Pattinson and Company Limited	2,093,830	0.89%
Australian Executor Trustees Limited	1,368,769	0.58%
CS Fourth Nominees Pty Limited	993,919	0.42%
Warbont Nominees Pty Ltd	988,018	0.42%
Mr Shay Shimon Hazan-Shaked	950,000	0.40%
Brispot Nominees Pty Ltd	926,013	0.39%
Mr Mark Sheffield Hancock & Brig Ian Denis Westwood	744,465	0.32%
Winchester Global Trust Company Limited	655,158	0.28%
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	513,697	0.22%
Bond Street Custodians Limited	450,000	0.19%
Krumpet No 16 Pty Limited	448,250	0.19%
Mr James William Tonkin & Mrs Sharon Kathleen Tonkin	425,270	0.18%

ASX additional information (continued)

Distribution of shareholdings

Range	Number of holders of ordinary shares	% of holders	Number of ordinary shares	% of share
1-1,000	948	23.90%	489,551	0.21%
1,001-5,000	1,377	34.73%	3,829,420	1.62%
5,001-10,000	637	16.07%	4,816,334	2.04%
10,001-50,000	843	21.26%	18,004,257	7.64%
50,001 – 100,000	93	2.35%	6,550,912	2.78%
100,001 and over	67	1.69%	202,001,537	85.71%
Total	**3,965**	**100.00%**	**235,692,011**	**100.00%**

The number of shareholders holding less than a marketable parcel of ordinary shares is 315.

Voting rights

Ordinary Shares

The Company has 235,692,011 fully paid ordinary shares on issue.

The fully paid ordinary shareholders of the Company are entitled to vote at any meeting of the members of the Company and their voting rights are:

- on a show of hands – one vote per shareholder; and
- on a poll – one vote per fully paid ordinary shares.

Convertible Notes

Noteholders do not have any voting rights on the Convertible Notes held by them.

On-market buy-back

There is no current on-market buy-back.

Restricted securities and voluntary escrow

There are no securities in voluntary escrow.

Affiliates of Blue Owl Capital Inc. have entered into a Shareholder Agreement with the Company which contains restrictions related to their holding of Shares and Convertible Notes. Blue Owl Capital Inc and its affiliates may only dispose of Ordinary Shares and Convertible Notes representing in aggregate up to 8,400,000 Ordinary Shares in the first two years to 31 January 2023, and representing in aggregate up to 40,524,306 Ordinary Shares in the first five years to 31 January 2026, other than where Blue Owl Capital Inc or its affiliates make a change of control offer in connection with the Company receiving a third party change of control offer.

Stock exchange listings

The Company's securities are not listed on any other stock exchange.

Unquoted securities

Convertible Notes

The Company issued 102,283 Convertible Notes on 1 February 2021. Total notes on issue at balance date are 102,283 notes representing 68,222,761 shares (2021: 67,574,292 shares). The increase is due to an adjustment to the conversion price resulting from the issue of ordinary shares during the period in accordance with the Convertible Note Deed.

The notes are converted at the option of the holder at any time and at the option of the issuer after two years (subject to maximum ownership limits). Nil notes have been converted since issuance.

Name	Number of Convertible Notes held	Percentage held
J P Morgan Nominees Australia Pty Limited in its capacity as custodian for Blue Owl Capital Inc in its capacity as trustee for Dyal Trust I	102,283	100%

There is no price payable on conversion of the Convertible Notes.

The following sets out the key terms of the Convertible Notes:

Ordinary shares issued on conversion

Each Convertible Note will be convertible into Shares ranking equally with other existing fully paid ordinary shares in the Company.

The Company must procure official quotation of the Shares issued on conversion.

Convertible Noteholder conversion rights

A Convertible Noteholder may, at any time, require the conversion of all or some of its outstanding Convertible Notes, subject to the following regulatory restrictions:

(a) where such conversion is a notifiable action for the Convertible Noteholder under the FATA and that Convertible Noteholder has not received FIRB approval in respect of such conversion;

(b) where such conversion would contravene section 606 of the Corporations Act;

(c) such conversion is subject to the expiration of a waiting period under the HSR Act, until the expiration of such waiting period; or

(d) where such conversion is prohibited by any applicable law or regulation.

Company Conversion Rights

On an annual basis from the seventh anniversary of the issue date, the Company may require conversion of all or some of the Convertible Notes. Where the Company requires the conversion for some of the Convertible Notes:

(a) the aggregate face value of all Convertible Notes to be converted on that date must be at least US$1 million; and

(b) if there is more than one Convertible Noteholder, the conversion must be pro rata for each Convertible Noteholder based on the number of Convertible Notes held by that Convertible Noteholder as a proportion of all Convertible Notes on issue.

Maturity Date

The Convertible Notes will mature on 1 February 2031, subject to extension where a regulatory approval or consent in respect of the conversion of Convertible Notes is required.

On the Maturity Date the Convertible Notes will be converted or redeemed for cash in certain circumstances.

Restrictions on transfer

The Convertible Notes are transferrable:

(a) without the prior written consent of the Company, provided that if such transfer is a notifiable action under the FATA, that the Convertible Noteholder has received FIRB approval in respect of such transfer and such transfer is not or would not otherwise be prohibited or restricted pursuant to any applicable law or regulation; or

(b) otherwise, subject to the prior written consent of the Company (such consent may be given or withheld at the absolution discretion of the Company).

US law transfer restrictions also apply to the transfer of Convertible Notes.