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ANNUAL GENERAL MEETING

20 November 2015

ANNUAL GENERAL MEETING

Welcome to the Annual General Meeting of IMF Bentham Limited

Michael Kay - Non-Executive Chairman

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Managing Director's Presentation

November 2015

2015 OPERATIONAL HIGHLIGHTS

- New Chair, Michael Kay, and Managing Director, Andrew Saker, appointed to drive long term strategy prioritising growth, diversification (geography, case size and type), risk reduction and earnings consistency.
- In FY2015 we experienced a strong first half with growth across all metrics.
- 2H15 affected by case losses.
- New product launched in Australia focussed on small size insolvency claims - complementary to traditional large, complex, multi party actions.
- Reached critical mass in the US, opened third national office in San Francisco.
- Officially opened London office in October 2014, staff recruited, now sourcing investments. Conditionally funded the Tesco multi party claim. Disciplined approach to case selection.
- Building presence in Asia. Funded third case in Hong Kong market. Seeking cases in Singapore.
- Portfolio value growing at \$2.1bn (30 September 2015). More new cases being added with lower average case size.

FY2015 HIGHLIGHTS

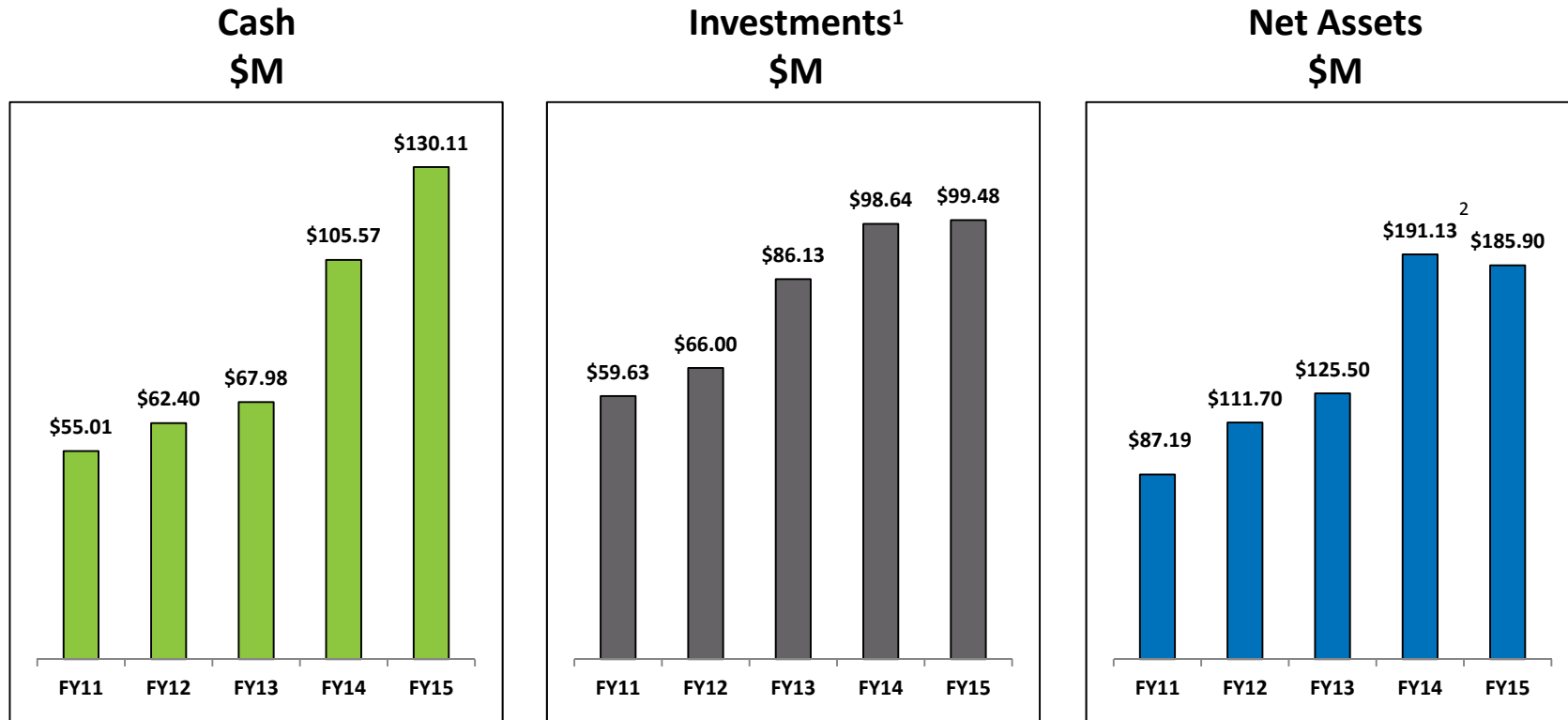
	FY2014	FY2015	%
Gross Income (from cases)	\$75.9M	\$92.3M	▲ 22%
Net Income (from cases)	\$25.3M	\$14.6M	▼ 42%
NPBT	\$15.6M	\$9.2M	▼ 41%
NPAT	\$9.9M	\$6.3M	▼ 36%
Dividends (cents per share)	10 cents	10 cents	-
EPS	6.56	3.78	▼ 42%
Net Asset Backing	\$1.16	\$1.11	▼ 4%
Net Cash	\$57.8M	\$81.9M	▲ 42%
Case Investment (Intangibles)	\$98.6M	\$99.5M	▲ 1%
Value of Investment Portfolio	\$2.07BN	\$2.03BN	▼ 2%

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FY2015 INCOME

MATTER		PORTFOLIO VALUE	GROSS INCOME	NET INCOME
USA Case 003	1H15	\$65M	\$17.3M	\$11.3M
Premium Income Fund	1H15	\$75M	\$18.3M	\$7.7M
USA Case 008	1H15	\$100M	\$16.1M	\$7.6M
ABC Learning (2 cases)	1H15	\$150M	\$16.7M	\$5.1M
Confidential Aust. Matter	1H15	\$25M	\$2.4M	\$1.7M
Peninsula Colour Graphics	1H15	\$5M	\$1.2M	\$1.0M
Others		\$5M	\$5.6M	(\$0.8M)
Total Matter Income 1H15		\$425M	\$77.6M	\$35.2M
USA Case 006	2H15	\$20M	\$3.4M	\$2.0M
ION	2H15	\$5M	\$1.5M	\$1.1M
Confidential Aust. Matter	2H15	\$50M	\$6.5M	\$5.3M
USA Case 011	2H15	-	\$1.0M	\$0.4M
Others		\$40M	\$2.3M	(\$29.4M)
Total Matter Income 2H15		\$115M	\$14.7M	(\$20.6M)
Total Matter Income FY2015		\$540M	\$92.3M	\$14.6M

BALANCE SHEET STRENGTH

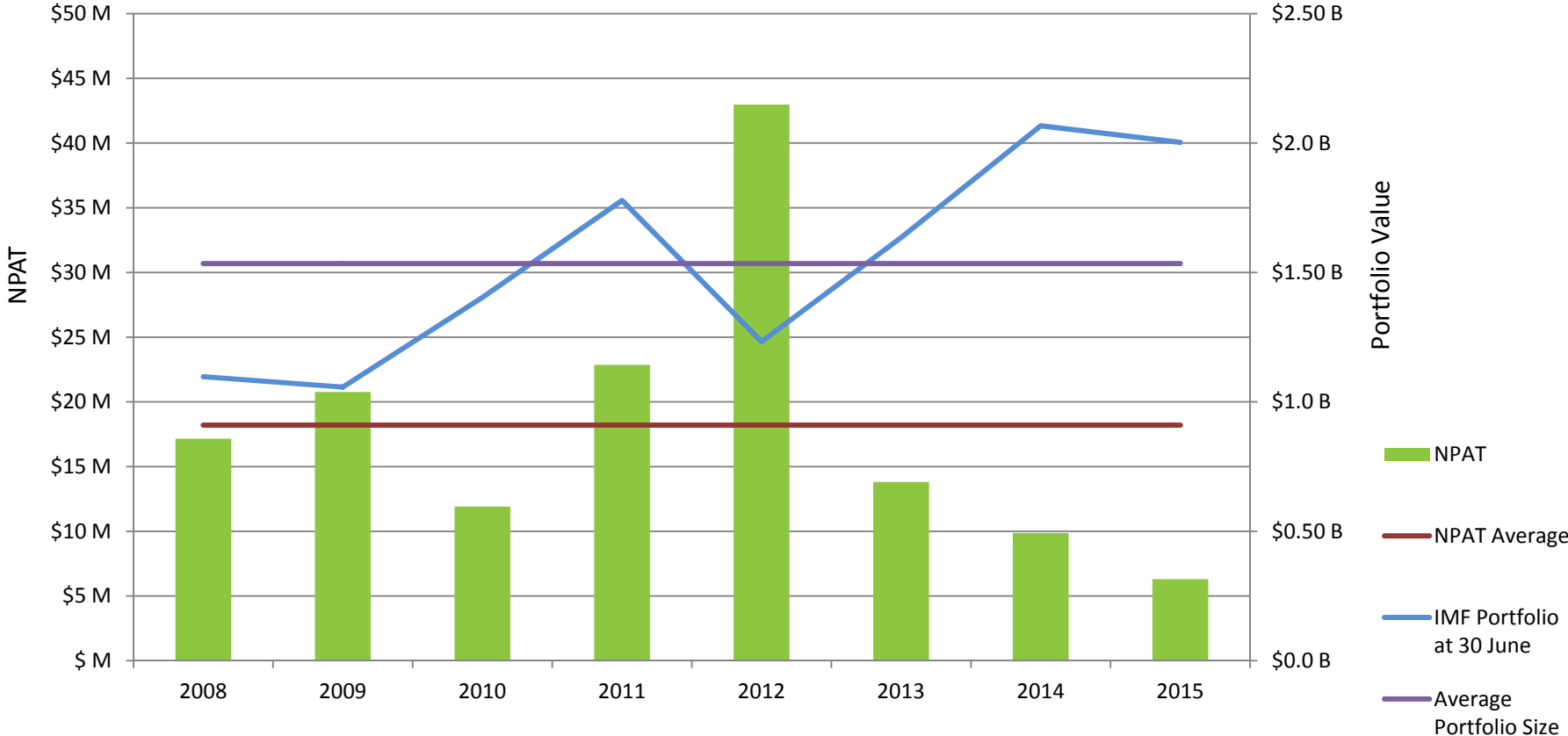


¹ Investments includes capitalised overheads relating to the litigation.

² IMF raised capital during FY2014 totalling \$42,031,791 through its institutional placement and share placement plan. A further \$27,631,244 in equity was raised through convertible noteholders converting into shares, and convertible note redemptions totalled \$11,180,756 as a result of the early redemption of the convertible notes. In addition, \$1,673,477 was raised from shareholders participating in the dividend reinvestment plan. IMF raised \$50M in debt through the issuance of the Bentham IMF Bonds.

HISTORICAL NPAT AND PORTFOLIO VALUE

IMF Bentham NPAT & Portfolio Value 2008 to 2015



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LOST CASES

IMF has only lost 10 cases since listing in 2001 (6%), as follows:

Name of Case:	Investment Decision	Initial Court Decision	Appeal Decision	P&L Impact Year	Time from ID to P&L Impact (Years)	Investment Loss (including adverse costs) \$
Essington	FY2004	N/A	FY2005	FY2005	2	\$0.1M
Marminta	FY2004	FY2005	FY2008	FY2007	3	\$0.6M
Allstate	FY2007	FY2008	N/A	FY2008	2	\$1.2M
Concept Equity	FY2005	FY2009	FY2010	FY2009	4	\$1.0M
Napier	FY2010	FY2011	N/A	FY2011	2	\$0.3M
Bank of Queensland	FY2011	FY2014	FY2015	FY2014	4	\$13.7M
Bank Fees	FY2010	FY2015	Further appeal – FY2016	FY2015	6	\$5.5M
National Potato (“NPC”)	FY2009	FY2012	FY2015	FY2015	7	\$8.4M
Desalination	FY2014	FY2015	FY2015	FY2015	2	\$0.7M
USA Case	FY2013	FY2015	N/A	FY2015	3	\$1.0M

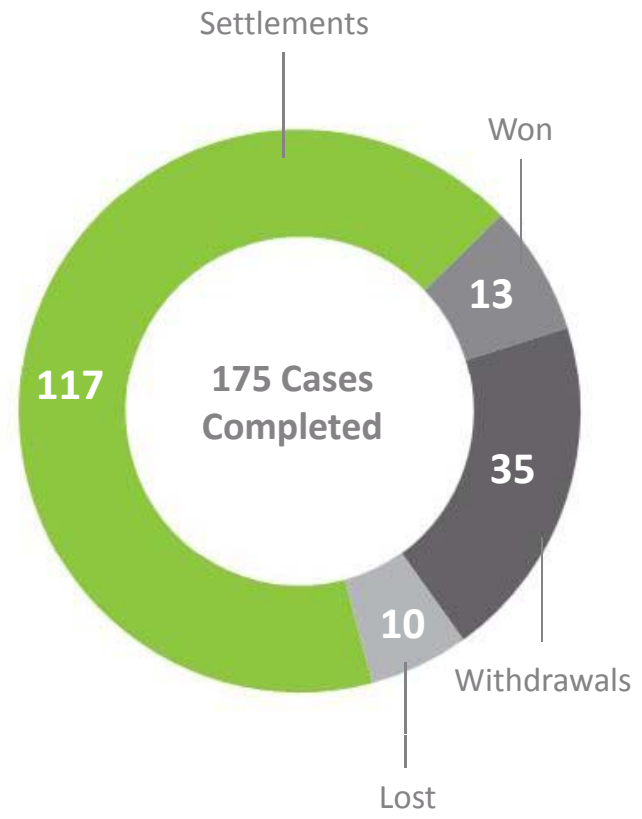
- Impact of lost cases arises several years after initial investment decision.
- Bank Fees and NPC were appeals lost from initial victories in lower courts.
- Bank Fees is being appealed to High Court and should be heard in FY2016.

CONSISTENT RISK MANAGEMENT

- Risk management process includes:
 - Case selection;
 - Investment Committee review; and
 - Case Management.
- Case selection must meet minimum legal, factual and commercial criteria before recommendation to the Investment Committee.
- Rigorous Investment Committee process to challenge legal and factual issues by an internal group comprising experienced litigators and commercial staff.
- Case management by experienced Investment Managers (former legal practitioners and Counsel).
- Nothing material has changed in the process since IMF's inception.
- Resulted in 94% success rate on a large number of cases (excluding withdrawals).

FUNDING TRACK RECORD

IMF's track record to 30 June 2015



Summary

- **175** cases commenced and completed since listing.
- ROI of 158%.
- Average investment period of 2.4 years.
- Generated revenue of \$1.63B:
 - \$1037M to Clients (64%);
 - \$591M to IMF comprising:
 - \$206M reimbursement of costs (13%); and
 - \$385M net revenue to IMF (excluding overheads) (24%);
- Lost cases cost \$36M including adverse costs paid and provisions raised.
- Withdrawals cost \$5M.
- Losses and withdrawals cost 7% of IMF revenue.

INVESTMENT PORTFOLIO AT 30 SEPTEMBER 2015

IMF expects to generate average gross revenue of 15% of the portfolio value over 3 years.

Claim Value Range	Est. Claim Value ¹	No of Cases	% of Total Value	Possible Completion FY2016 ²	Possible Completion FY2017 ²	Possible Completion FY2018 ²
<\$10M	\$35.5M	8	2%	\$17M	\$18.5M	-
\$10M - \$50M	\$448M	17	21%	\$152M	\$91M	\$205M
>\$50M	\$1,598M	12	77%	\$319M	\$535M	\$744M
Total Portfolio¹	\$2,081.5M	37	100%	\$488M	\$644.5M	\$949M
Australian Matters	\$1,459.5M	18	70%	\$336M	\$488.5M	\$635M
Asian Matters	\$106M	3	5%	-	-	\$106M
US Matters	\$516M	16	25%	\$152M	\$156M	\$208M
Total Portfolio¹	\$2,081.5M	37	100%	\$488M	\$644.5M	\$949M

1. This is the Company's current best estimate of the claims recoverable amount (or remaining recoverable amount if there has been a partial recovery). It considers, where appropriate, the perceived capacity of the defendant to pay the amount claimed. It is not necessarily the same as the amount being claimed by the Company's client/s in the matter. It is also not the estimated return to the Company from the matter if it is successful. No estimated claim value has been included for any contingently funded matters until all conditions are fulfilled.
2. The possible completion period is the Company's current best estimate of the period in which the case may be finalised. The case may finalise earlier or later than in this period. Completion means finalisation of the litigation by either settlement or judgement for or against the funded client. It may not follow that the financial result will be accounted for in the year of finalisation. Completion estimates are prepared and announced on a quarterly basis
 - Cases which have settled subject to a condition or to Court approval remain in the portfolio at their original value until the condition is fulfilled or approval is given.
 - The High Court hearing in the ANZ Bank Fees appeal has been scheduled to be heard on 4 and 5 February 2016. It is expected that the High Court decision will be received before 30 June 2016. However, as the bank fees case involves actions against a number of banks and not only ANZ, the majority of the portfolio value relating to the bank fees case is expected to complete in FY2017.
 - The trial date in the Wivenhoe matter has been vacated and no new trial date has been set by the Court at this stage. Therefore this matter has also been moved and is now expected to complete in FY2018.

INVESTMENT PORTFOLIO AT 30 SEPTEMBER 2015

During the September quarter the Group has continued to implement its growth and portfolio diversification strategy. The portfolio includes three new funded matters.

- The Investment Committee has approved 10 matters for funding, which have not yet resulted in funding agreements being executed. Due to a number of varying and unpredictable factors, there is no certainty that funding agreements will be signed. Where appropriate, announcements will be made if and when funding agreements for these matters are signed.
- If all of these approved matters result in signed funding agreements, it is estimated the US portfolio could increase by \$420M and the Australian portfolio could increase by \$160M.
- In addition, the group has offered to provide seed funding for 6 small claims.
- The European Joint Venture is pursuing three larger matters which, if funded, could result in an increase in the portfolio claim value (to the Group) of around \$200M.
- No value has been included in the portfolio as at 30 September 2015 for any of the matters referred in points above.

POSSIBLE COMPLETIONS IN FY2016

Below is a list of matters that may complete in FY2016. Other matters may also complete in that period.

Matter	Description
Bank Fees	<ul style="list-style-type: none"> ▪ On 4 February 2014 Justice Gordon delivered judgment in the ANZ Bank Fees matter. ▪ The findings in favour of IMF's clients were that late payment fees were penalties at law and that certain inter-account exception fees had been charged by the Bank in breach of contract. ▪ That judgment was overturned by the Full Court of the Federal Court. ▪ IMF's clients have made an application for special leave to appeal to the High Court. This application is scheduled to be heard in February 2016. ▪ The litigation against all other banks is stayed awaiting the outcome of the claims against the ANZ Bank.
USA Cases 003,008, 014,021	A number of US funded cases could complete in FY2016. IMF has taken the policy position not to disclose specific details about US investments other than to describe them in a general manner until after the resolution of each case. The total value of US cases expected to complete is \$100M.
Westgem	The Court has ordered a mediation between the parties in December 2015.
S&P Lehman	The trial in this matter was scheduled to commence in October 2015, but has been rescheduled to August 2016.
Others	A number of other matters could complete.
Total	\$488M (claim value in portfolio as at 30 September 2015)

GROWTH STRATEGY AND COMPETITIVE STRENGTHS

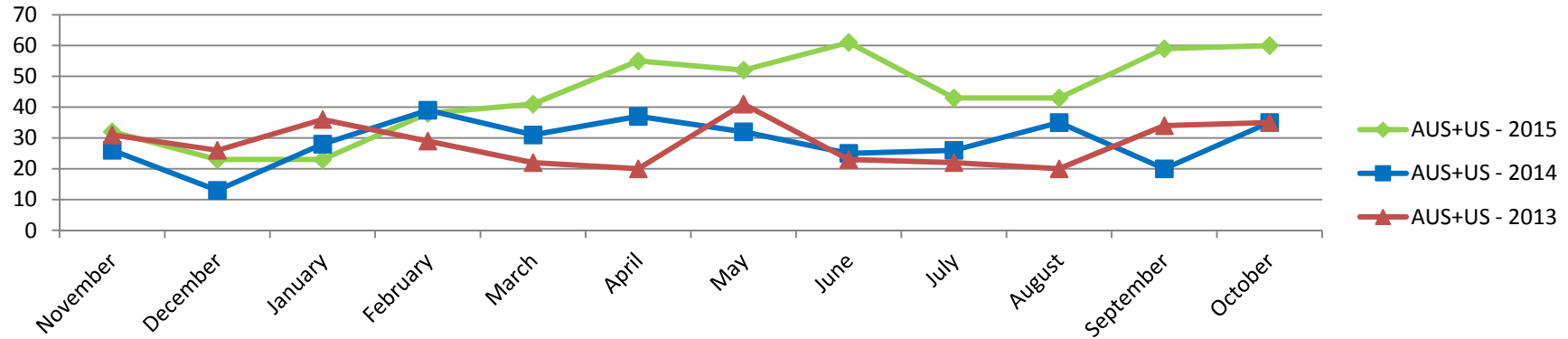
IMF has identified significant opportunities for growth and diversification.

Item	Opportunity
Major growth opportunities onshore	<ul style="list-style-type: none"> Renewed focus on the insolvency market with new products. Additional products being developed to be launched in FY2016. Leverage IMF's case selection and risk management expertise to build a larger and more diversified domestic business.
Major growth opportunities offshore	<ul style="list-style-type: none"> Focus on similar markets with strong rule of law, long established and respected court system, clear set of statutory laws, operating on the precedent system and with a strong legal fraternity. Third party litigation funding has moved ahead quickly in both the US and the UK/Netherlands over the past five years and has been accepted as a funding alternative in these countries. IMF has a permanent presence in New York, Los Angeles and San Francisco and is experiencing significant growth in the US. Joint venture arrangement to fund European litigation, with a focus on UK and Netherlands markets established over 12 months ago. Now funding three cases in Hong Kong and expect further growth in Asia. Canada office to be opened January 2016.
Growth and diversification	<ul style="list-style-type: none"> Operations across these three major common law litigation centres will provide opportunities for growth (and thereby increased potential for income) and also diversification. Group targets have now been set, with marketing initiatives implemented to achieve these targets.
Limited global competitors	<ul style="list-style-type: none"> Only two other litigation funds vying for multi-national leadership. IMF has the most experienced litigation funding team, creating a competitive advantage.

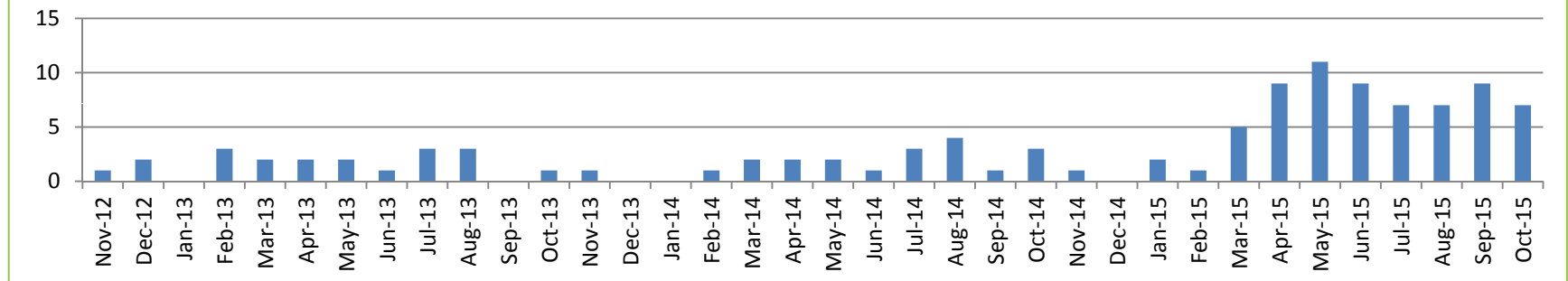
IMPLEMENTATION OF NEW STRATEGY

- Significant growth in aggregate referrals for the 12 month period to 31 October 2015 (over 50%)
- Significant uplift in referrals relating to insolvency matters from March 2015 (launch of new offering in Australia)

**Referrals by month
(12mths to end of Oct)**



Insolvency Referrals by month



TARGET FOR FUNDING NEW CASES

Target set for 2016 to 2018 as follows:

DESCRIPTION	2014	2015	2016	2017	2018
Cases funded	8	21	37	54	61
Funds committed (A\$M)	\$42M	\$54M	\$86M	\$107M	\$123M

- 21 new cases were funded in FY2015 which committed funds of \$54M.
- Diversification achieved in 2015 from a larger number of funded cases and geographic spread.
- Will take two to three years to execute on new strategy to diversify risk.
- The Company is undertaking a strategic review of its capital.

OUTLOOK

- IMF has significant earnings power and has delivered 158% ROI since listing.
- New strategic phase of growth, international expansion, diversification and capital management.
- The Company is undertaking a strategic review of its capital and is considering its short and medium term financing options including a possible further issue of Bentham IMF Bonds.
- Further development of international funding platform:
 - Expansion in the US (new staff, more cases)
 - Expansion in the UK and Europe (joint venture)
 - Funding in Hong Kong (focus on insolvency cases)
 - Opening of Canada office in January 2016.
- Growth in cases approved by IC and potential new cases from referrals may require additional capital sooner than expected.
- No change in Risk Assessment Process. Continued disciplined risk management around case selection and litigation process. Focus on diversification of risk:
 - Geographic
 - Case type
 - Case size.
- Maintaining and growing the investment portfolio above \$2B claim size.

KEY RISKS

Item	Description
Choosing, and remaining in, a funded case that is ultimately lost	<ul style="list-style-type: none"> If a funded case is lost, IMF will lose not only its investment but may also have to pay the defendant's costs.
Reliance on key management	<ul style="list-style-type: none"> IMF depends substantially on its executive directors, senior management and key personnel to oversee the day-to-day operations and the strategic management of IMF. There can be no assurance given that there will be no detrimental impact on IMF if one or more of these directors or employees cease their employment.
Government regulation	<ul style="list-style-type: none"> No assurance can be given that regulation in Australia and overseas will not change in the future and adversely affect IMF's business and financial performance. However, there is presently no such legislation proposed in the markets in which IMF operates of which it is aware.
Judicial decisions	<ul style="list-style-type: none"> To date, the courts have generally found in favour of litigation funding arrangements in Australia but the courts, in Australia or overseas, will continue to oversee the development of the litigation funding industry and adverse decisions may impact on the business of IMF.
Multiple defendants	<ul style="list-style-type: none"> In some cases defendants may add third parties to the funded litigation or more defendants may be joined, potentially increasing adverse costs if the litigation is unsuccessful (in certain markets).
Technology	<ul style="list-style-type: none"> IMF is dependent on technological systems for its Case Management System. These systems may fail or may not operate properly. IMF may fail to keep its technology up to date with the resultant loss of business opportunities.
Competition	<ul style="list-style-type: none"> IMF currently has a handful of competitors in the Australian litigation funding market, including overseas based competitors, who are becoming more active. There are also two other litigation funders vying for a multinational litigation funding business. As time passes and litigation funding becomes more widespread, competition will develop, and such competition may impact on the performance of IMF.

RESOLUTION 1

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 2

"That, pursuant to and in accordance with Listing Rule 14.4, with article 6.3 of the Constitution and for all other purposes, Mr Michael Kay, Director, who was appointed as a casual vacancy on 1 July 2015, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 3

"That, pursuant to and in accordance with article 6.3 of the Constitution and for all other purposes, Mr Hugh McLernon, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 4

"That, pursuant to and in accordance with article 6.3 of the Constitution and for all other purposes, Mr Alden Halse, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 5

"That, pursuant to and in accordance with article 6.3 of the Constitution and for all other purposes, Ms Wendy McCarthy, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 6

"That pursuant to and in accordance with clause 6.5 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration that may be paid to the non-executive Directors in any year be set at \$700,000, to be divided among the non-executive Directors in the manner determined by the Board from time to time."

RESOLUTION 7

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and Chapter 2D of the Corporations Act and for all other purposes, approval is given for the Company to adopt a long term incentive plan, being the IMF Bentham Limited Long Term Incentive Plan, and for the issue of securities under the IMF Bentham Limited Long Term Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 8

"That, subject to the passing of Resolution 7 and pursuant to and in accordance with Listing Rule 10.14 and Chapter 2D of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Mr Andrew Saker (and/or his nominee), under the IMF Bentham Limited Long Term Incentive Plan on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 9

"That, subject to the passing of Resolution 7 and pursuant to and in accordance with Listing Rule 10.14 and Chapter 2D of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Mr Hugh McLernon (and/or his nominee), under the IMF Bentham Limited Long Term Incentive Plan on the terms and conditions in the Explanatory Memorandum."

RESOLUTION 10

“That, pursuant to and in accordance with Chapters 2D and 2E of the Corporations Act and for all other purposes approval be given to the Company to:

- (a) indemnify each Officer, during their Office and after the cessation of that Office, in respect of certain claims made against that Officer in relation to the period of their Office;*
- (b) use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates for each Officer in respect of certain claims made against each such Officer in relation to the period of their Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);*
- (c) use its reasonable endeavours to ensure that each such Officer is at all times covered under an insurance policy for the period of seven years from the date that the Officer ceases to hold Office (‘Insurance Run-Off Period’), which will be on terms not materially less favourable to the Officer than the terms of insurance applicable at the date of termination of their Office, and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and*
- (d) provide each Officer with access, upon the termination of their Office, for a period of not less than seven years following that termination, to any Group Company records which are either prepared by or provided to him/her during the Retention Period,*

on the terms and conditions in the Explanatory Memorandum.”

RESOLUTION 11

“That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolution 10.”

ANNUAL GENERAL MEETING

Questions

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