



INVESTOR PRESENTATION

FEBRUARY 2014

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HY2014 HIGHLIGHTS

	HY2013	HY2014	%
Gross Income (from cases)	\$20.6M	\$33.6M	▲ 63%
Net Income (from cases)	\$10.5M	\$16.9M	▲ 61%
NPBT	\$8.7M	\$13.6M	▲ 56%
NPAT	\$5.6M	\$9.1M	▲ 63%
Interim Dividend (cents per share)	Nil	5 cents	▲ 5 cents
EPS	4.55	6.70	▲ 47%
Net Asset Backing (cents per share)	95.20	119.81	▲ 26%
Case Investment (Intangibles)	\$74.2M	\$98.5M	▲ 33%
Value of Investment Portfolio	\$1.5BN	\$1.94BN	▲ 29%

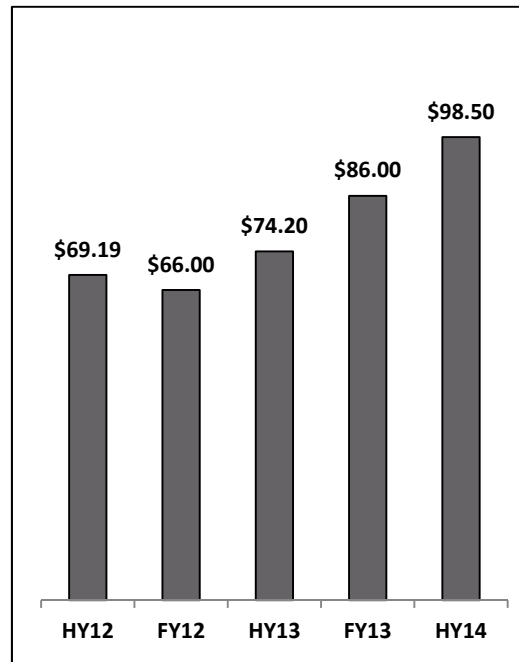


BALANCE SHEET STRENGTH

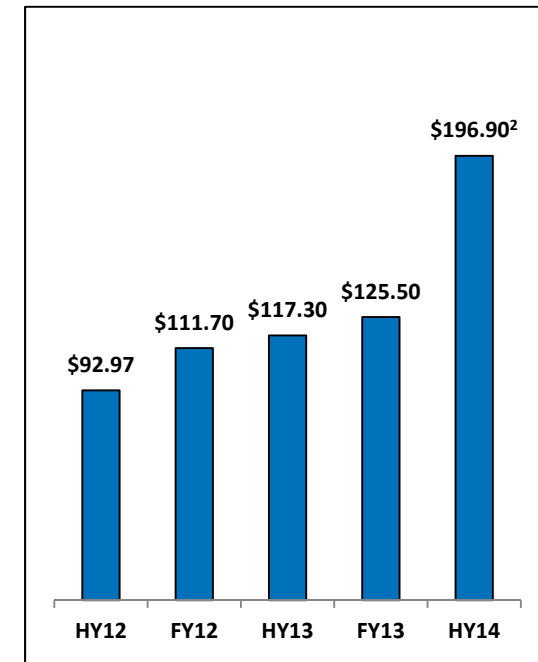
Cash
\$M



Investments¹
\$M



Net Assets
\$M



¹ Investments includes capitalised overheads relating to the litigation.

² IMF raised capital during the period totalling \$42,031,791. 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.



INVESTMENT PORTFOLIO

Claim Value Range	Est. Claim Value ²	No of Cases	% of Total Value	Possible Completion FY2014 ³	Possible Completion FY2015 ³	Possible Completion FY2016 ³
<\$10M	\$27M	5	1%	\$5M	\$22M	-
\$10M - \$50M	\$410M	15	21%	\$155M	\$160M	\$95M
>\$50M	\$1,505M	10	78%	\$280M	\$725M	\$500M
Total Portfolio¹	\$1,942M	30	100%	\$440M	\$907M	\$595M

- 1 The Case Investment Portfolio was in excess of \$2B on 27 November 2013 when IMF announced unconditional funding for Brisbane Flood victims (the Wivenhoe Dam case). As at 31 December 2013 the Lehman matter has been settled and the majority of the estimated claim value relating to the Lehman matter has been removed from the Investment Portfolio.
- 2 This is IMF'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 IMF's client/s in the matter. It is also not the estimated return to IMF from the matter if it is successful. No estimated claim value has been included for any contingently funded matters until all conditions are fulfilled.
- 3 Given the nature of litigation, allocation of the portfolio between years may change. The possible completion period is IMF'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 judgment 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. If any matter proceeds to trial and is lost then IMF is likely to become liable to pay adverse costs to each successful defendant.



POSSIBLE COMPLETIONS IN 2H14

Given the nature of litigation, allocation of the portfolio between years may change. This occurred in the September assessment as Court dates for two large cases moved into FY2015.

Below is a list of matters that may possibly complete in 2H14. Other matters may also complete in that period.

Matter	Description
Lehman Australia	Settlement approved by the Federal Court on 9 December 2013. Total revenue of \$38.2M has now been recorded based upon Liquidators' conservative estimates (FY2013 - \$11.6M and 1H14 \$26.6M). IMF expects to generate further revenue in 2H14 of between \$3M and \$9M once the final dividend to IMF clients is known.
Bank of Queensland	The case against Bank of Queensland franchisees in New South Wales for alleged misleading and deceptive conduct, primarily concerning business that could or would be generated by the franchisees, is now complete, with judgment reserved.
Great Southern	The actions by Great Southern unitholders, funded by IMF, continue to advance through the courts. During 2013 IMF funded a separate action on whether section 6 of the <i>Law Reform (Miscellaneous Provisions) Act (1946)</i> (NSW) applies to give our clients a charge over insurance proceeds. The judgment is to the effect that our clients do not have a charge. Special leave to appeal is to be sought from the High Court. There is no hearing date set for the main cases.



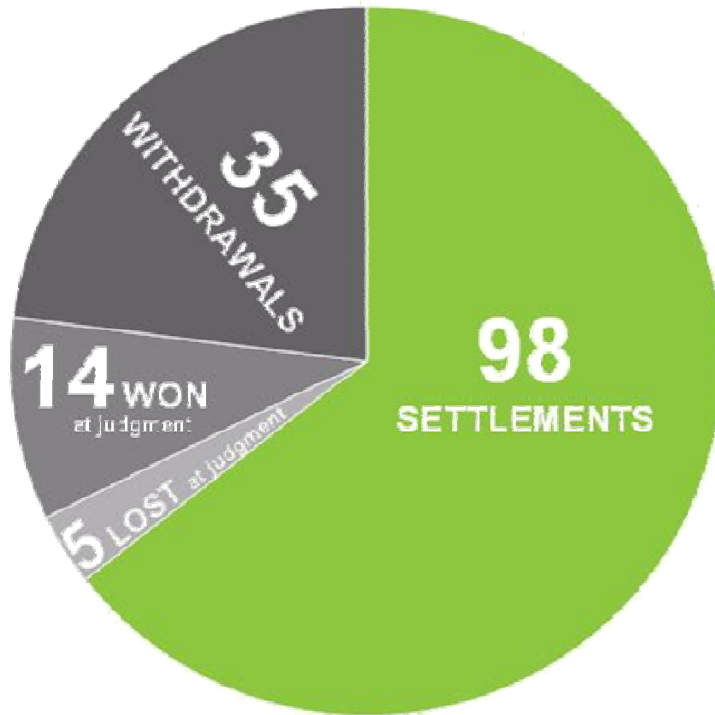
POSSIBLE COMPLETIONS IN 2H14

Matter	Description
Bank Fees	<ul style="list-style-type: none"> ▪ On 4 February 2014 Justice Gordon delivered judgment in the 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. ▪ Late payment fees are subject to an expanded limitation period which commenced in 2010. ▪ The clients were not successful in relation to their claims concerning honour fees, dishonour fees and over limit fees charged by the Bank. ▪ The judgment and its impact on the cases being funded by IMF against other banks is still being assessed. ▪ It is currently estimated that the successful part of the action against ANZ represents about 25% of the total claim being made in that action. ▪ IMF is presently not able to reliably measure the impact, if any, on its revenue or profit for the year ending 30 June 2014.
Others	A number of other matters are expected to complete.
Total	\$440M if Bank Fees is included.



TRACK RECORD

IMF's track record to 31 December 2013



Summary

- **152** cases commenced and completed since listing.
- Average investment period of 2.3 years.
- Generated revenue of \$1.36B:
 - \$849M to Clients (65%);
 - \$474M to IMF comprising:
 - \$159M reimbursement of costs (12%); and
 - \$315M net revenue to IMF (excluding overheads) (23%);
 - Gross ROI of 298%.
- Lost cases cost \$3.2M including adverse costs.
- Withdrawals cost \$4.1M.
- Losses and withdrawals cost 1.6% of IMF revenue.



WIVENHOE DAM CLAIM

- Feb 2012:
- IMF announced an investigation into:
 - i. whether the Dam was negligently operated in January 2011 and, if so;
 - ii. whether funded parties suffered sufficient unnecessary loss to make proceedings against the State of Queensland viable.
- Jan 2013:
- IMF confirmed investigation findings that:
 - i. the Dam was not operated to the standard expected of a reasonably competent dam operator in the circumstances; and
 - ii. material flooding down river would not have occurred had the Dam been operated during the flood event to the standard expected.
- Nov 2013:
- IMF has now concluded that funded parties' unnecessary loss and damage is sufficient to make proceedings viable and, accordingly, its funding of the claim is unconditional and the class action will now proceed.
- Current:
- IMF is now finalising the process to make flood victims in the area around the Brisbane River aware of their rights which is likely to conclude around March 2014 and for the claim to be filed shortly thereafter.



STRUCTURED FINANCE RATINGS CLAIMS

Sep 2012	Judgment against distributor – Lehman Brothers Australia.
Nov 2012	Judgment against ratings agency S&P, ABN and Local Government Financial Services (LGFS).
Nov 2012	Filed further claim against S&P and ABN Amro in Australia.
Dec 2012	Created Dutch Foundation (Ratings Redress) to prosecute claims against S&P and ABN Amro.
Mar 2013	Orders against S&P, ABN Amro and LGFS. Judgment appealed.
Apr 2013	Filed further claim against S&P in respect of balance of Lehman CDO losses.
Dec 2013	Filed claim in the Netherlands against S&P in European CPDO. NB. first European claim against rating agency following the global financial crisis.
Dec 2013	Settlement approved – Lehman Brothers Australia.
Present	Ongoing research into European claims against S&P and Moody's.
Present	Ongoing research into European CDOs and RMBS claims.
Mar 2014	Appeal in LGFS to be heard.



NEW CASES

Matter	Description
Treasury Wine Estates	IMF is now satisfied that the claim value is sufficient to proceed. The matter has now been treated as unconditional and was included in the Investment Portfolio as at 31 December 2013. Proceedings will be issued shortly.
Brisconnections	This matter is still in the bookbuild phase. IMF expects to receive sufficient claim size for this matter to become unconditionally funded in the short term.
Bradken Resources	IMF has agreed to fund the claims of Lynx Engineering Consultants Pty Ltd relating to the alleged infringement of its patent.
Bentham US Matter	This matter involves the funding of a case involving a claim for multiple breaches of a state False Claims Act, a state Insurance Fraud Prevention Act and related claims.



FUTURE OUTLOOK

Australia

- Building the investment portfolio >\$2B.
- Competition.
- Regulation.

Taking funding international

- Expansion in the United States
 - Bentham US 7 funded cases to date.
- Assessment of expansion into the United Kingdom.
- Funding of international arbitration.
- CPDO/CDO cases.

