

29 August 2017

By Electronic Lodgement

The Manager
Company Announcements Office
ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Pinnacle Investment Management Group Limited (ASX:PNI) – FY2017 financial highlights

- > NPAT from continuing operations attributable to shareholders of \$12.0 million, up 108% from \$5.8 million in the prior year
- > Earnings per share from continuing operations of 8.1 cents, up 56% from 5.2 cents in the prior year
- > NPAT attributable to shareholders of \$13.1 million, delivering earnings of 8.9 cents per share
- > Share of NPAT from Pinnacle Affiliates of \$17.6 million, up 10.5% from \$15.9 million
- > FUM of \$26.5 billion at 30 June 2017, up 34% from \$19.8 billion at 30 June 2016 (\$27.0 billion at 31 July 2017)
- > Fully franked final dividend of 4.8 cents per share payable on 6 October 2017 and the Board has introduced a 0% discount dividend reinvestment plan, commencing with this final dividend
- > Cash and Principal Investments of \$42.5 million as at 30 June 2017

PNI's Chairman, Alan Watson, commented: *"The 2017 financial year marks the first year of the Pinnacle Group's operation as a pure listed funds management operation. Both Pinnacle itself and our Affiliates have had a successful year, which is evidenced by growth in Affiliates' FUM and revenues which has led to Pinnacle showing a 56% increase in earnings per share from continuing operations. This allowed shareholders to participate in 112% growth in ordinary dividends compared to 2016. At the end of the year we had a strong and flexible balance sheet, which together with a robust platform, allows us to believe that we are well positioned to continue to grow."*

PNI's Managing Director, Ian Macoun commented: *"Pinnacle's focus during the year was again on continuing to support each of our Affiliates and assisting them to grow their business and profitability. The quality of the Affiliates was affirmed and again demonstrated, including by the investment returns they produced and the strength of market interest and support for their investment offerings, resulting in record FUM and FUM inflows. Growth in retail FUM has been particularly significant. Our business has become further diversified with the strong early success of our two newest operating Affiliates, Antipodes and Spheria."*

Composition of Group's Results

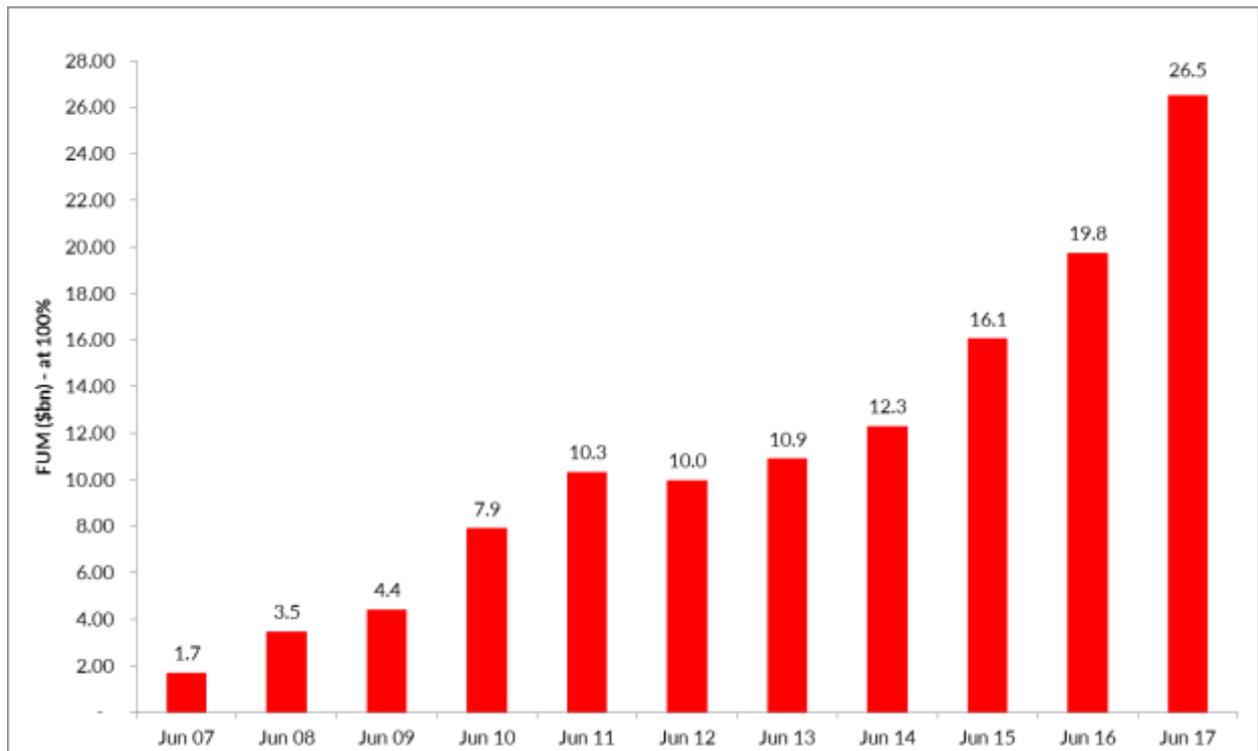
The profit after tax from continuing operations attributable to shareholders for the 2017 financial year was \$12.0 million, reflecting earnings per share of 8.1 cents compared with 5.2 cents per share in the previous corresponding period. Profit from discontinued operations for the 2017 financial year was \$1.1 million, primarily due to the payment received from Wilsons Advisory for use of the deferred tax asset transferred on separation, delivering an overall NPAT attributable to shareholders of \$13.1 million.

The 2017 financial year saw strong performance in Pinnacle's affiliated investment managers, with record FUM and FUM inflows achieved. Pinnacle's share of net profit after tax from its equity interests in Affiliates was \$17.6m, up 10.5% from the previous year. Revenues within Pinnacle itself continue to grow satisfactorily, and cost efficiencies were generated following the simplification of the business.

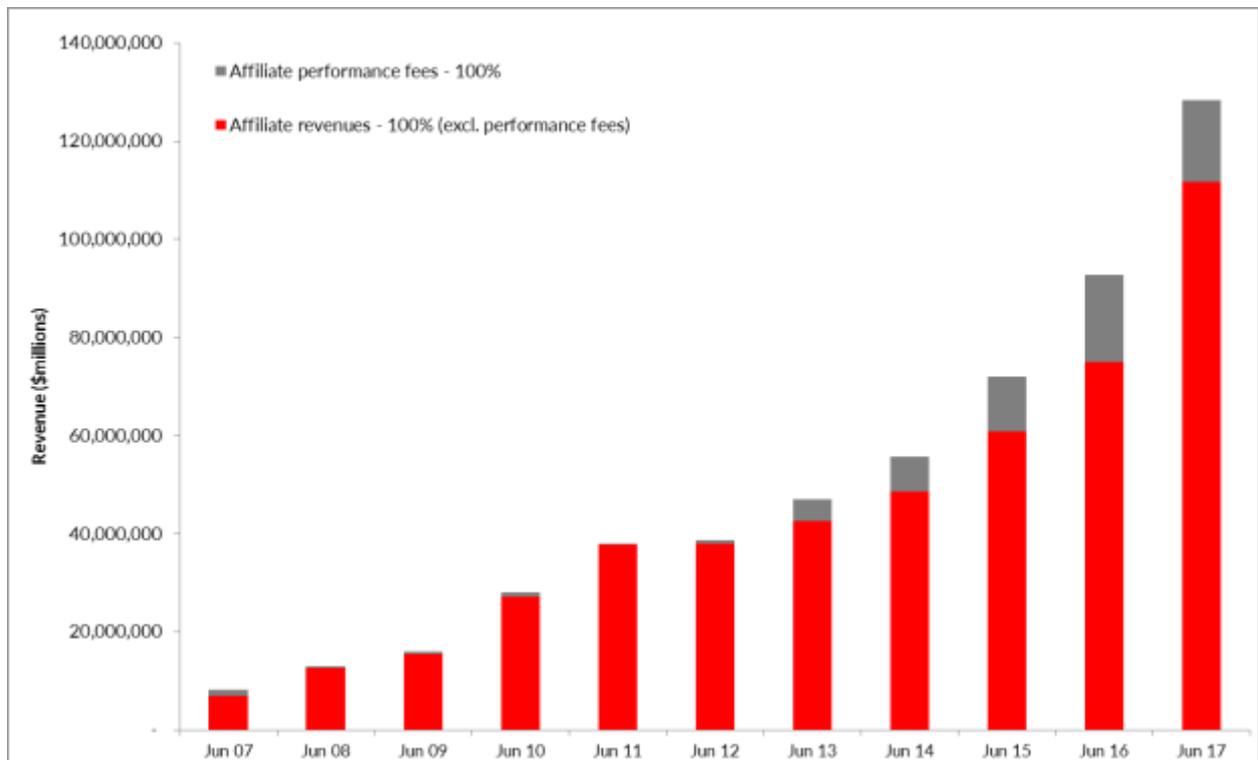
| | FY2017 | FY2016 |
|---|-------------|-------------|
| Pinnacle Affiliates (100% aggregate basis) | | |
| FUM (\$billion) | 26.5 | 19.8 |
| Revenue (\$million) | 128.3 | 92.8 |
| Net profit before tax | 62.7 | 51.5 |
| Tax expense | (19.1) | (14.9) |
| Net profit after tax | 43.6 | 36.7 |

| | FY2017 | FY2016 |
|---|-------------|------------|
| Pinnacle | | |
| Revenue | 10.9 | 8.4 |
| Expenses | (16.4) | (15.8) |
| Share of Pinnacle Affiliates net profit after tax | 17.6 | 15.9 |
| Net profit before tax (NPBT) from continuing operations | 12.1 | 8.5 |
| Minority interests | (0.1) | (2.6) |
| NPBT from continuing operations attributable to shareholders | 12.0 | 5.9 |
| Taxation | - | (0.1) |
| NPAT from continuing operations attributable to shareholders | 12.0 | 5.8 |
| Discontinued operations | 1.1 | (1.3) |
| Total profit attributable to shareholders | 13.1 | 4.5 |
| Earnings per share: | | |
| From continuing operations | 8.1 | 5.2 |
| Total attributable to shareholders | 8.9 | 4.1 |

Pinnacle Affiliates – FUM Growth¹



Pinnacle Affiliates – Revenue Growth²



¹ Pinnacle FUM includes 100% of FUM managed by Pinnacle's Affiliates.

² Revenue shown is 100% of all Pinnacle Affiliates' revenue. This is shown to indicate trend and excludes revenue derived by Pinnacle itself.

Capital Management and Principal Investments

On 30 January 2017 Pinnacle completed a placement of \$30 million (pre expenses) via an underwritten placement to institutional and sophisticated investors at \$2.40 per share, a discount of 2% on the then market price. Pinnacle intends to utilise the additional capital to support its strategy to grow FUM and profitability through organic growth from its existing investment affiliates, supporting the creation of new investment managers, and making acquisitions when attractive opportunities which satisfy its criteria arise. Until required, additional capital is being invested in order to maximize returns at appropriate levels of risk and support Pinnacle's existing Affiliates.

The Group holds investments in equity securities and unit trusts. At 30 June 2017, the Group had invested \$29.8 million in strategies managed by its affiliates. The Group has hedged approximately 65% of its total exposure to movements in the underlying indices. During the year to 30 June 2017, the Group earned a net \$1.2 million on its Principal Investments, on a 'marked to market' basis.

Net Tangible Assets increased to \$75.7 million, up from \$49.6m. The Group continues to have no corporate borrowings.

Legacy operations

Following the sale of the Group's formerly owned securities business (now Wilsons Advisory), Pinnacle may receive some modest additional value for deferred tax assets and/or a future profit share in relation to the 2017 and/or 2018 financial years. During the year, Pinnacle received a payment from Wilsons Advisory of \$1.2 million relating to the 2016 financial year. Pinnacle also, however, has a contingent liability relating to its historical ownership which is running off over time. Pinnacle has completed the payment of certain staff related costs, run off insurances and other items related to the securities business.

Dividend

The Board declared a fully franked interim dividend of 2.2 cents per share, paid to shareholders on 17 March 2017.

The Board has also declared a fully franked final dividend of 4.8 cents per share, payable on 6 October 2017 to those shareholders recorded on the register at 22 September 2017.

Priorities for the 2018 financial year

- > Maintain the current strong momentum
- > Our people are key – exceptional individuals who have chosen our business model and culture – will sustain the environment to continue success
- > Remain focused on delivering continued strong investment performance
- > Continued growth in FUM including retail FUM
- > Develop offshore distribution efforts
- > Organic Growth and new initiatives within Affiliates
- > Continue to assess selected new Affiliate opportunities
- > Continue to invest in activities that will deliver substantial long-term value

FY17 results teleconference

Investors and analysts are invited to attend a teleconference with Pinnacle's Chairman, Alan Watson, and Pinnacle's Managing Director, Ian Macoun, who will discuss the results and answer questions.

Please note that the Pinnacle FY17 results call on 29 August 2017 will be available via teleconference only. There will be no live audience.

Date: Tuesday, 29 August 2017

Time: 9.00 am (AEST)

If you would like to join via teleconference, please use the following dial-in numbers:

| | | |
|-------------------------|---------------|-----------------|
| Dial in numbers: | Australia | (02) 8373 3582 |
| | International | +61 2 8373 3610 |
| Conference ID | 58949770 | |

Please contact Ian Macoun on +61 2 8970 7700 if you require any further information.

Yours faithfully



Calvin Kwok

Company Secretary

+61 2 8970 7718



Pinnacle
INVESTMENT MANAGEMENT

Pinnacle Investment Management Group Limited

Annual Results Discussion
for the year ended 30 June 2017

29 August 2017

- 2017 Financial Highlights
- 2017 Business Highlights
- Group Overview
- Year in Review
 - Pinnacle Affiliates
 - Pinnacle
- Group Strategy and Priorities for FY2018

2017 Financial Highlights

- NPAT from continuing operations attributable to shareholders of \$12.0 million, up 108% from \$5.8 million in the prior year
- Earnings per share from continuing operations of 8.1 cents, up 56% from 5.2 cents in the prior year
- NPAT attributable to shareholders of \$13.1 million, delivering earnings of 8.9 cents per share
- Share of NPAT from Pinnacle Affiliates of \$17.6 million, up 10.5% from \$15.9 million
- Fully franked final dividend of 4.8 cents per share payable on 6 October 2017
- 0% discount dividend reinvestment plan introduced, commencing with this final dividend
- Cash and Principal Investments of \$42.5 million as at 30 June 2017
- Doubling in the share price from \$1.45 at the start of the financial year to \$2.90 at 30 June 2017 (TSR: 110%)

- Record FUM, FUM inflows and Affiliate Revenues
- FUM \$26.5 billion* at 30 June 2017
 - up \$1.5 billion (6.1%) from 31 March 2017;
 - up \$3.2 billion (13.7%) from 31 December 2016; and
 - up \$6.8 billion (34.3%) from 30 June 2016
- Net inflows \$4.9 billion for the year, including \$2.5 billion retail
- Two LICs raised in excess of \$300m each
- Pinnacle Affiliates continue to win Industry Awards

*\$27.0 billion at 31 July 2017

Morningstar Fund Manager of the Year Awards, 2016:

- Hyperion – Australian Fund Manager of the Year
- Hyperion – Domestic Equities Category Winner, Australia
- Hyperion – Domestic Equities Small Caps Category Winner, Australia

Zenith – Professional Planner Fund Manager of the Year Awards, September 2016:

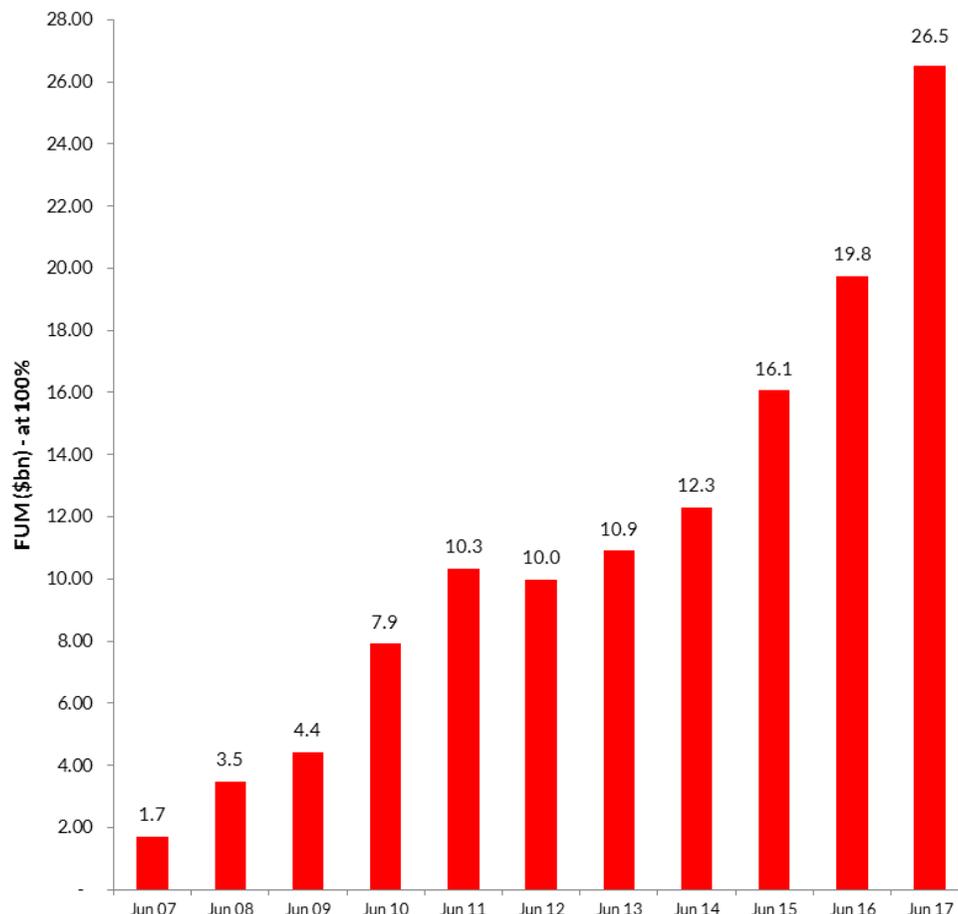
- Pinnacle – Fund Distributor of the Year
- Antipodes – International Equities – Alternative Strategies Fund Manager of the Year
- Resolution Capital – Global REIT Fund Manager of the Year

Money Management Fund Manager of the Year 2017:

- Antipodes Partners – Equities (Long Short) Category Winner
- Antipodes Partners – Global Equities (Broad Cap) Category Winner
- Antipodes Partners – Emerging Manager Category Winner
- Antipodes Partners – Overall Fund Manager of the Year Finalist
- Spheria Asset Management – Emerging Manager Finalist

Consistent growth in FUM

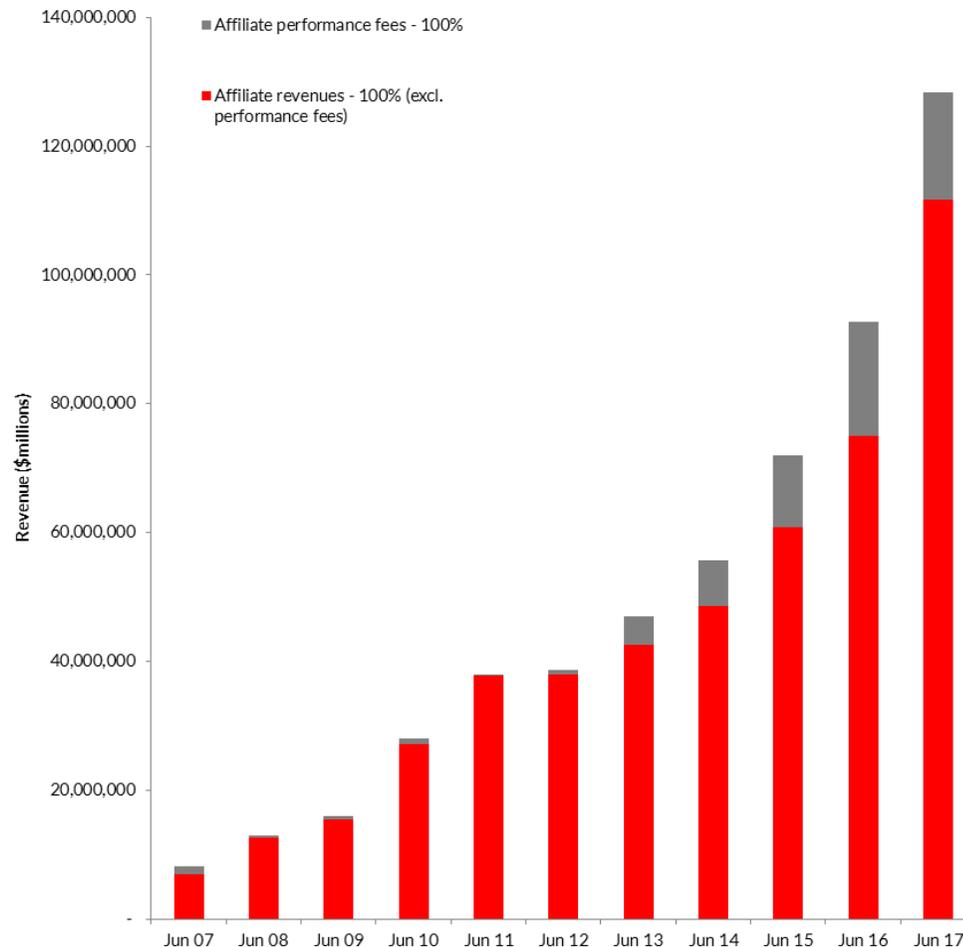
Pinnacle funds under management (\$bn)*



- FUM of \$26.5 billion at 30 June 2017[^]
- FUM has grown at a CAGR of 35.6% over the last ten years
- Increase of \$6.8 billion or 34.3%, from 30 June 2016
- Net fund inflows of \$4.9 billion and market movements/investment performance of \$1.9 billion
- \$2.5 billion of the \$4.9 billion net inflows was retail net inflows
- Retail net inflows includes the \$307 million raised in the Antipodes LIC, net of expenses, in October 2016 and the \$319 million raised in the Plato Income Maximiser LIC, net of expenses, in May 2017

[^]\$27.0 billion at 31 July 2017

Total Affiliate Revenues (\$m)*



- Total Affiliate Revenues of \$128.3m, including \$16.7m (or 13.0%) in performance fees, compared to total Affiliate Revenues of \$92.8m in FY16, including 17.8m (or 19.2%) in performance fees
- 49.1% growth in Pinnacle Affiliates' base management fees
- Total Affiliate Revenues have grown at a CAGR of 36.1% over the last ten years

*Revenue shown is 100% of all Pinnacle Affiliates' revenue. This is shown to indicate trend and excludes revenue derived by Pinnacle itself.

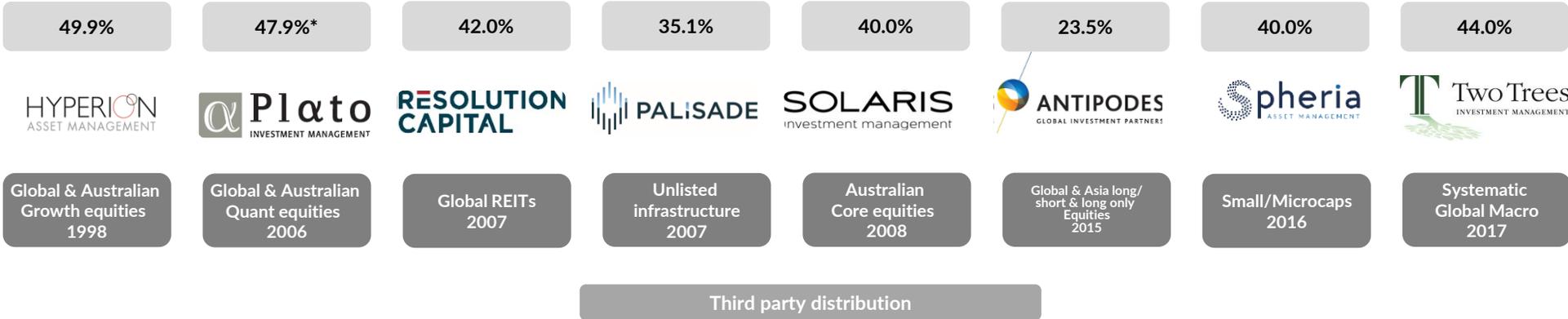
- A PLATFORM FOR GROWTH
 - Continuing investment excellence
 - Widespread industry recognition and support
 - ‘Article of faith’ reputation
- Increasing diversification
- Proven ability to build high quality investment managers, and facilitate substantial success, quickly
- Expanding distribution capability, at high quality
- Critical to maintain highest standards of service and support to Pinnacle Affiliates
- Strong and flexible balance sheet

Structure promotes independence, accountability, focus and longevity



- Executives of both Pinnacle and Pinnacle Affiliates have significant equity interests
 - Equity ownership enhances alignment with shareholders

| | |
|---------------------------------------|--|
| Seed FUM and working capital | RE, compliance, finance, legal |
| Distribution and client services | Technology and other firm 'infrastructure' |
| Middle office and fund administration | Interface for outsourced services |



*46.64% as at August 2017

Pinnacle Group Overview



Overview of Pinnacle Affiliates



» Antipodes Partners – a pragmatic value manager of global equities (long only and long-short).



» Hyperion Asset Management – a specialist manager of Australian and Global equities following a quality growth style.



» Palisade Investment Partners – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors.



» Plato Investment Management – a specialist manager of Australian and Global equities following a quantitative style.



» Resolution Capital – a specialist manager of Australian and Global listed real estate securities portfolios.



» Solaris Investment Management – a specialist manager of Australian equities following a style-neutral approach to investing.



» Spheria Asset Management – a fundamental-based investment manager with a bottom-up focus specialising in small and microcap companies.



» Two Trees Investment Management – a specialist Systematic Global Macro investment firm

Strong Investment Performance of Affiliates

100% of Pinnacle Affiliated Investment Manager strategies and products (with a track record exceeding 5 years) **have out performed** their benchmarks over the 5 years to 30 June 2017

| | 5Y | 10Y | Inception | Inception date |
|--|--------|--------|-----------|----------------|
| Pinnacle Investment Management | | | | |
| Hyperion Asset Management - Gross Performance | | | | |
| Hyperion Australian Growth Companies Fund | 17.15% | 7.36% | 12.50% | 1/10/2002 |
| <i>Outperformance</i> | 5.52% | 3.92% | 3.37% | |
| Hyperion Small Growth Companies Fund | 21.33% | 11.82% | 17.74% | 1/10/2002 |
| <i>Outperformance</i> | 15.67% | 13.70% | 11.01% | |
| Hyperion Australian Equities Composite | 16.89% | 7.28% | 13.65% | 1/11/1996 |
| <i>Outperformance</i> | 5.26% | 3.84% | 4.73% | |
| Plato Asset Management - Gross Performance | | | | |
| Plato Australian Shares Core Fund | 13.22% | 4.40% | 6.07% | 30/10/2006 |
| <i>Outperformance</i> | 1.60% | 0.97% | 1.05% | |
| Plato Australian Shares Equity Income Fund - Class A | 15.25% | | 14.29% | 9/09/2011 |
| <i>Outperformance</i> | 1.64% | | 2.47% | |
| Solaris Investment Management - Gross Performance | | | | |
| Solaris Core Australian Equity Fund | 14.20% | | 6.04% | 9/01/2008 |
| <i>Outperformance</i> | 2.39% | | 2.11% | |
| Solaris High Alpha Australian Equity Fund | 14.38% | | 6.89% | 4/02/2008 |
| <i>Outperformance</i> | 2.56% | | 2.52% | |
| Resolution Capital - Gross Performance | | | | |
| Resolution Capital Core Plus Property Securities Fund | 16.15% | | 8.64% | 30/09/2008 |
| <i>Outperformance</i> | 1.91% | | 2.97% | |
| Resolution Capital Global Property Securities Fund | 14.30% | | 12.41% | 30/09/2008 |
| <i>Outperformance</i> | 3.16% | | 4.69% | |
| Palisade Investment Partners - Gross Performance | | | | |
| Palisade Diversified Infrastructure Fund | 14.28% | | 10.51% | 1/08/2008 |
| Palisade Australian Social Infrastructure Fund | 15.57% | | 16.96% | 31/05/2011 |

Pinnacle Affiliates – FY17 performance



- » Funds under management grew to \$3.8 billion from \$449 million at 30 June 2017
- » Out-performance across all strategies for the year to 30 June 2017, and since inception in 2015
- » Antipodes LIC (ASX: APL) listed in October 2016, following a \$307 million raise



- » Long-term performance remains excellent – Hyperion’s Australian funds have out-performed their respective benchmarks by 5.5% and 15.6% over five years, and since inception over twenty years ago
- » Global Fund now has a three-year track record and has out-performed the index by 6.0% since inception in May 2014
- » Global strategy well-placed to drive future FUM and revenue growth



- » Funds under management and investor commitments of \$2.4 billion as at 30 June (2016: \$2.3 billion). Overall rates of return of between 9.5% and 15.6% from various funds and individual portfolios managed by Palisade
- » Renewable Energy Fund launched during the year



Plato
INVESTMENT MANAGEMENT

- » Funds under management increased to over \$4.0 billion (2016: \$3.0 billion)
- » All of Plato's domestic strategies have outperformed their benchmarks over five years and since inception, while income strategies have delivered on their strong income targets
- » Plato Income Maximiser LIC (ASX: PL8) listed in May 2017, following a \$319 million raise
- » Global Fund continues to gain traction delivering 6% income since inception



**RESOLUTION
CAPITAL**

- » Funds under management grew to \$6.0 billion, up 30.1% over the year.
- » Out-performance in both the domestic and global strategies in the year to 30 June 2017, over the five years to 30 June 2017, and since inception



SOLARIS
investment management

- » Funds under management grew to \$5.1 billion as at 30 June 2017 (2016: \$4.6 billion)
- » All strategies outperformed their benchmarks during the year to 30 June 2017, over the five years to 30 June 2017, and since inception nine years ago
- » Successful launch of the long/short strategy

Pinnacle Affiliates – FY17 performance



- » Microcap and Small Caps strategies outperformed their benchmarks for the year to 30 June 2017 and since inception
- » Funds under management \$211 million at 30 June 2017



- » Systematic Global Macro manager, commenced idea generation in May 2017
- » First strategy expected to fund during Q2 of FY 2018

| | 30 June 2017 (\$m) | 30 June 2016 (\$m) |
|---|--------------------|--------------------|
| Antipodes Partners | 3,830 | 449 |
| Hyperion Asset Management | 5,877 | 5,633 |
| Palisade Investment Partners | 1,514 | 1,436 |
| Plato Asset Management | 4,003 | 3,067 |
| Resolution Capital | 5,956 | 4,576 |
| Solaris Investment Management | 5,135 | 4,595 |
| Spheria Asset Management | 211 | - |
| Pinnacle Investment Management Group | 26,526 | 19,756 |

Pinnacle Affiliates investment performance (30 Jun 2017)



| | 1Y | 3Y | 5Y | 10Y | Inception | Inception date |
|--|--------|--------|--------|--------|-----------|----------------|
| Pinnacle Investment Management | | | | | | |
| Hyperion Asset Management - Gross Performance | | | | | | |
| Hyperion Australian Growth Companies Fund | 6.29% | 9.84% | 17.15% | 7.36% | 12.50% | 1/10/2002 |
| <i>Outperformance</i> | -7.53% | 3.20% | 5.52% | 3.92% | 3.37% | |
| Hyperion Small Growth Companies Fund | 7.02% | 14.29% | 21.33% | 11.82% | 17.74% | 1/10/2002 |
| <i>Outperformance</i> | 0.01% | 7.16% | 15.67% | 13.70% | 11.01% | |
| Hyperion Australian Equities Composite | 6.34% | 9.71% | 16.89% | 7.28% | 13.65% | 1/11/1996 |
| <i>Outperformance</i> | -7.48% | 3.07% | 5.26% | 3.84% | 4.73% | |
| Hyperion Global Growth Companies Fund (Class B Units) | 19.95% | | | | 19.22% | 22/05/2014 |
| <i>Outperformance</i> | 4.60% | | | | 6.06% | |
| Plato Asset Management - Gross Performance | | | | | | |
| Plato Australian Shares Core Fund | 14.98% | 7.57% | 13.22% | 4.40% | 6.07% | 30/10/2006 |
| <i>Outperformance</i> | 1.10% | 0.94% | 1.60% | 0.97% | 1.05% | |
| Plato Australian Shares Equity Income Fund - Class A | 15.63% | 9.50% | 15.25% | | 14.29% | 9/09/2011 |
| <i>Outperformance</i> | -0.03% | 1.20% | 1.64% | | 2.47% | |
| Plato Global Shares Income Fund | 12.04% | | | | 5.42% | 30/11/2015 |
| <i>Outperformance</i> | -2.69% | | | | -0.91% | |
| Solaris Investment Management - Gross Performance | | | | | | |
| Solaris Core Australian Equity Fund | 16.09% | 8.76% | 14.20% | | 6.04% | 9/01/2008 |
| <i>Outperformance</i> | 2.00% | 2.13% | 2.39% | | 2.11% | |
| Solaris High Alpha Australian Equity Fund | 17.00% | 8.70% | 14.38% | | 6.89% | 4/02/2008 |
| <i>Outperformance</i> | 2.91% | 2.07% | 2.56% | | 2.52% | |
| Solaris Total Return Fund (including franking credits) | 17.61% | 10.18% | | | 10.49% | 13/01/2014 |
| <i>Outperformance</i> | 1.91% | 1.95% | | | 1.89% | |

| | 1Y | 3Y | 5Y | 10Y | Inception | Inception date |
|---|--------|--------|--------|-----|-----------|----------------|
| Pinnacle Investment Management | | | | | | |
| Resolution Capital - Gross Performance | | | | | | |
| Resolution Capital Core Plus Property Securities Fund | -0.14% | 14.68% | 16.15% | | 8.64% | 30/09/2008 |
| <i>Outperformance</i> | 5.50% | 2.48% | 1.91% | | 2.97% | |
| Resolution Capital Global Property Securities Fund | 7.01% | 11.41% | 14.30% | | 12.41% | 30/09/2008 |
| <i>Outperformance</i> | 4.79% | 3.18% | 3.16% | | 4.69% | |
| Palisade Investment Partners - Gross Performance | | | | | | |
| Palisade Diversified Infrastructure Fund | 15.64% | 12.58% | 14.28% | | 10.51% | 1/08/2008 |
| Palisade Australian Social Infrastructure Fund | 9.58% | 15.03% | 15.57% | | 16.96% | 31/05/2011 |
| Antipodes Partners - Gross Performance | | | | | | |
| Global Fund | 22.12% | | | | 15.06% | 1/07/2015 |
| <i>Outperformance</i> | 6.81% | | | | 8.02% | |
| Global Long Only | 27.51% | | | | 14.86% | 1/07/2015 |
| <i>Outperformance</i> | 12.21% | | | | 7.83% | |
| Asia Fund | 27.33% | | | | 11.46% | 1/07/2015 |
| <i>Outperformance</i> | 4.31% | | | | 5.75% | |
| Spheria Asset Management - Gross Performance | | | | | | |
| Microcap Fund | 21.83% | | | | 20.57% | 16/05/2016 |
| <i>Outperformance</i> | 14.82% | | | | 14.38% | |
| Smaller Companies Fund | | | | | 7.12% | 11/07/2016 |
| <i>Outperformance</i> | | | | | 5.29% | |
| Opportunities Fund | | | | | 9.43% | 11/07/2016 |
| <i>Outperformance</i> | | | | | -0.39% | |

Pinnacle Affiliates financial highlights

| | FY2017 | FY2016 |
|---|--------|--------|
| Pinnacle Affiliates (100% aggregate basis) | | |
| FUM (\$billion) | 26.5 | 19.8 |
| Revenue (\$million) | 128.3 | 92.8 |
| Net profit before tax | 62.7 | 51.5 |
| Tax expense | (19.1) | (14.9) |
| Net profit after tax | 43.6 | 36.7 |

Strong FUM and revenue growth in Pinnacle Affiliates:

- \$4.9 billion net inflows, \$2.5 billion of which were retail
- Total Affiliate Revenues of \$128.3m, including \$16.7m (or 13.0%) in performance fees (FY16: \$17.8m – 19.2% of \$92.8m in Performance Fees)
- 49.1% growth in Pinnacle Affiliates' base management fees

| | FY2017 | FY2016 |
|---|-------------|-------------|
| Pinnacle | | |
| Revenue | 10.9 | 8.4 |
| Expenses | (16.4) | (15.8) |
| Share of Pinnacle Affiliates net profit after tax | 17.6 | 15.9 |
| Net profit before tax (NPBT) from continuing operations | 12.1 | 8.5 |
| Minority interests | (0.1) | (2.6) |
| NPBT from continuing operations attributable to shareholders | 12.0 | 5.9 |
| Taxation | - | (0.1) |
| NPAT from continuing operations attributable to shareholders | 12.0 | 5.8 |
| Discontinued operations | 1.1 | (1.3) |
| Total profit attributable to shareholders | 13.1 | 4.5 |
| Earnings per share: | | |
| From continuing operations | 8.1 | 5.2 |
| Total attributable to shareholders | 8.9 | 4.1 |

- Strong growth in Pinnacle earnings
- Reduction in net loss of “parent”
- 43% increase in net profit after tax from continuing operations
- 108% increase in NPAT from continuing operations attributable to shareholders
- Minority interests ceased from August 2017

| (A\$m) | 2017 | 2016 |
|--|-------------|-------------|
| Current assets | | |
| Cash and equivalents | 10.9 | 13.6 |
| Financial assets | 31.6 | 10.9 |
| Total cash and financial assets | 42.5 | 24.5 |
| Other current assets | 6.2 | 8.3 |
| Total current assets | 48.7 | 32.8 |
| Non-current assets | | |
| Investment in affiliates | 32.6 | 24.5 |
| Other | 0.6 | 1.1 |
| Total non-current assets | 33.2 | 25.6 |
| Total assets | 81.9 | 58.4 |
| Total liabilities | 6.3 | 8.8 |
| Net assets | 75.6 | 49.6 |
| Pinnacle minorities | - | 6.5 |
| Net shareholders' equity | 75.6 | 43.1 |

- Cash and Principal Investments of \$42.5 million
- Includes \$29.8 million in strategies managed by Pinnacle Affiliates
- Excludes post balance date impact of final dividend of \$7.7 million (4.8 cents per share), and strong Affiliate dividend inflows to PNI



Horizon 1

- Sustain organic growth of the existing business of each Affiliate

Any costs internally funded by the Affiliate

Horizon 2

- New boutiques and 'non-capital' parent growth initiatives (direct-to-retail, offshore)
- Reasonable limits to be set given 'drag' on Pinnacle financials

Impacts Pinnacle 'parent' loss

Horizon 3

- Must not place the company at risk
- Only consider if low risk and high return on invested capital
- Exercise great care and careful due diligence
- Must be synergistic with existing core
- Few will meet this test

Requires capital to fund acquisitions



- » Maintain the current strong momentum
- » Our people are key – exceptional individuals who have chosen our business model and culture – will sustain the environment to continue success
- » Remain focused on continued strong investment performance
- » Continued growth in FUM including retail FUM
- » Develop offshore distribution efforts
- » Organic Growth and new initiatives within Affiliates
- » Continue to assess selected new Affiliate opportunities
- » Continue to invest in activities that will deliver substantial long-term value

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