

5 October 2018

By electronic lodgement

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

Pinnacle Investment Management Group Limited – Presentation

Pinnacle Investment Management Group Limited is pleased to attach a copy of a presentation that will be given to investors and analysts at a Rapid Insights conference to be hosted at Wilsons Advisory on 8 October 2018.

For further information, please contact 1300 651 577.

Yours faithfully

Calvin Kwok
Company Secretary



Pinnacle
INVESTMENT MANAGEMENT

Pinnacle Investment Management Group Limited (PNI)

Wilsons Advisory – Rapid Insights Conference – Auckland, NZ

8 October 2018

- Introduction to PNI
- Business Focus
- Metrics Credit Partners
- Longwave Capital Partners
- FY18 Financial Highlights
- FY18 Business Highlights
- FY18 Results Discussion
- Distribution Update
- Pinnacle Outlook
- Group Overview

- What we do
 - A 'pure play' investment management firm providing affiliated investment managers with the distribution, infrastructure and other support services they need
 - Founded in 2006, Pinnacle currently holds an equity interest in 12 specialist investment managers
 - Pinnacle's affiliated investment managers continue to deliver sustained, long term outperformance over their benchmarks
 - Pinnacle was recognised as the Zenith Distributor of the Year for 2018 (the third consecutive year)
 - Recently added to MSCI Australian Small Cap Index and the S&P/ASX 300 Index
- How we generate our profits
 - Our share of Affiliates' profits – equity accounted (FY18 NPAT \$24.9m of \$61.6m total)
 - 'Parent' revenues for our services, offset by costs of provision and 'Horizon 2' investment for future growth
- We Continue to Grow
 - Sources of future growth (3 Horizons)
 - FUM \$48.0* billion - up from \$26.5 billion at 1 July 2017 (incl \$6.8 billion 'acquired' in July 2018)
 - Net inflows of \$7.9 billion in FY18 (including \$2.2 billion retail net inflows)
 - See the two Wilsons Research Reports for information relating to expected future growth - 29 August 2018 and 1 October 2018

* as at 31 August 2018, at 100% of Affiliate FUM

Continuing to invest in a diversified platform to strengthen future growth



- 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

49.9%

46.6%

41.5%

38.3%

40.0%

23.5%

40.0%⁽⁴⁾

44.0%

24.4%⁽⁴⁾

HYPERION
ASSET MANAGEMENT

Plato
INVESTMENT MANAGEMENT

RESOLUTION
CAPITAL

PALISADE

SOLARIS
investment management

ANTIPODES
GLOBAL INVESTMENT PARTNERS

Spheria
ASSET MANAGEMENT

Two Trees
INVESTMENT MANAGEMENT

Firetrail
INVESTMENTS

Global & Australian
Growth equities
1998

Global & Australian
Quant equities
2006

Global REITs
2007

Unlisted
infrastructure
2007

Australian
Core equities
2008

Global & Asia L/S &
long only Equities
2015

Small/Microcaps
2016

Systematic
Global Macro
2017

High Conviction
equities
2018

FUM⁽¹⁾ \$6.5bn

\$4.9bn

\$8.0bn

\$1.8bn

\$8.3bn

\$7.5bn

\$0.7bn

\$0.1bn

\$0.1bn

35.0%

40.0%⁽⁴⁾

40.0%⁽⁴⁾

MCP
METRICS CREDIT PARTNERS

Longwave Capital
Partners

Omega GLOBAL INVESTORS

Private Debt
2018⁽²⁾

Multi-asset and
Australian equities
2018⁽⁵⁾

Smart Beta Plus
2018⁽³⁾

\$2.5bn

\$-

\$4.2bn

(1) Gross FUM as at 30 June 18

(2) Founded in 2011. Pinnacle acquired equity in July 2018

(3) Founded in 2008. Pinnacle acquired equity in July 2018

(4) The percentage represents Pinnacle's total shareholding in the Affiliate. Pinnacle currently holds less than 1% of the voting shares in the Affiliate. However, it has full economic rights in respect of its holding.

(5) Founded in September 2018

The formula for investment success involves **experienced, dedicated, passionate money-makers**, free from distractions, spending most of their time on investing

Equity ownership for key investment professionals **attracts a higher calibre investment professional** and helps to **build an enduring business/legacy**

Pinnacle provides **institutional-grade resourcing and backing**, but within a genuine 'boutique' environment

Our people are **exceptional individuals** who have chosen to work within our particular **business model and culture**

Australia's leading "multi-affiliate" investment firm

Distinguished from competitors by comprising the highest quality investment management firms

High quality, experienced, dedicated, passionate investment professionals – strongly focused on performance; with substantial equity in their own business and their interests thus aligned with clients

All the advantages, benefits and superior conditions of a 'boutique environment'

Plus high quality shared common 'infrastructure', including major distribution capability (the 'best of both worlds')

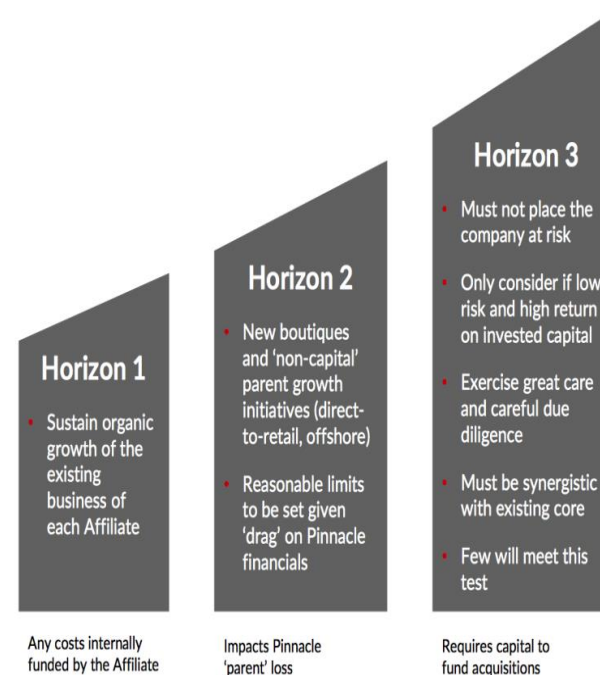
Importance of succession planning within Affiliates; long term sustainable businesses



Investors want their investment managers to be long term, enduring and sustainable.

- Three Horizons of Growth
- See subsequent Slides for Historical Growth
- Analyst Research – projections of 'Horizon 1' growth in FUM, profitability, Capacity, and Performance Fee Upside

- Continue to build Pinnacle by taking a measured approach to growth
 - Support the growth of our current affiliates with increased investment in distribution channels (e.g. international and listed markets)
 - Invest in / seed new affiliates where management teams have a strong track record and growth potential
 - Seeking to diversify into asset classes with substantial growth potential:
 - Global equities (developed & emerging markets)
 - Private capital (debt & equity)
 - Absolute return (single & multi-asset)
- M&A only considered after rigorous evaluation process



Metrics Credit Partners acquisition

- Building on Pinnacle's existing distribution partnership with MCP, Pinnacle acquired a 35% interest in MCP
 - Remaining MCP equity to be retained by management
- Investment of \$46m of equity capital
 - Post the transaction Pinnacle own 35% of MCP which has approximately \$40m cash on balance sheet to deploy in growth investments
- Conversion of existing revenue share agreement to 'evergreen' term (>\$1m p.a.)
- Shareholder agreement
 - Pinnacle has the right to appoint two Directors
 - Standard minority protections (matters which require Pinnacle approval) including issue of new equity securities, adoption or variation of budgets and business plans, amendment to dividend policy

High quality management

- Four partners with over 100 years of combined credit experience and 18 employees
- MCP has lent \$4.6bn across 172 transactions since June 2013
- All MCP strategies have exceeded their investment objectives since inception
- Pinnacle has worked extensively with the management team since 2013

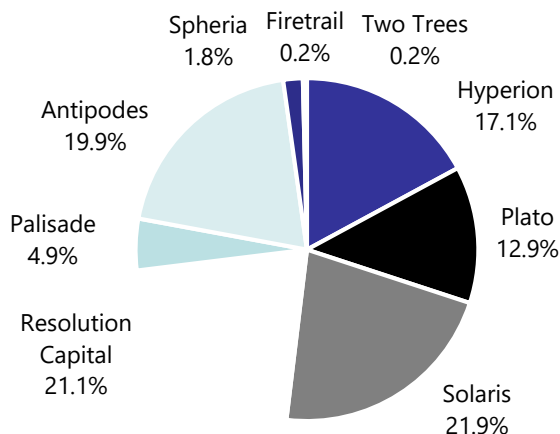
Diversification

- Diversification into a new 'alternative' asset class that has substantial structural growth potential
- Non equity market linked revenues

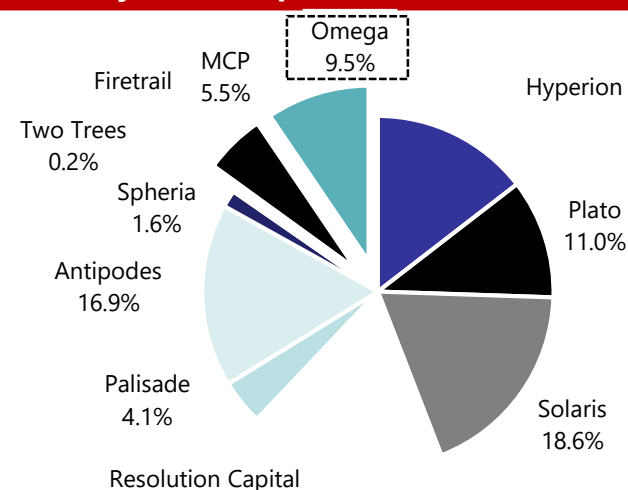
FUM & EPS growth

- Material increase in Pinnacle's gross FUM of ~6.5% (excluding Omega)
- Increase in Pinnacle's gross retail FUM of ~10.3% (excluding Omega)
- MCP acquisition is forecast to be EPS accretive in the first 12 months⁽²⁾

FUM by affiliate: pre-transaction (\$38.0bn)⁽¹⁾



FUM by affiliate: post-transactions (\$44.8bn)⁽¹⁾

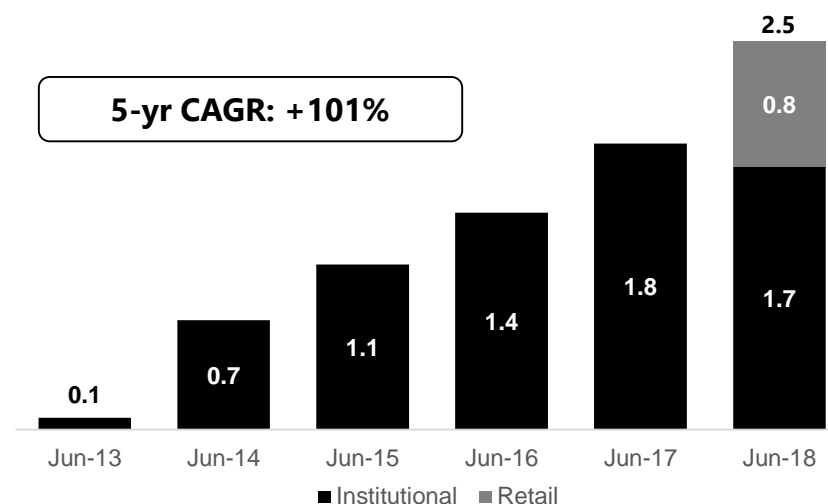


Refer to page 22 for details on Omega acquisition

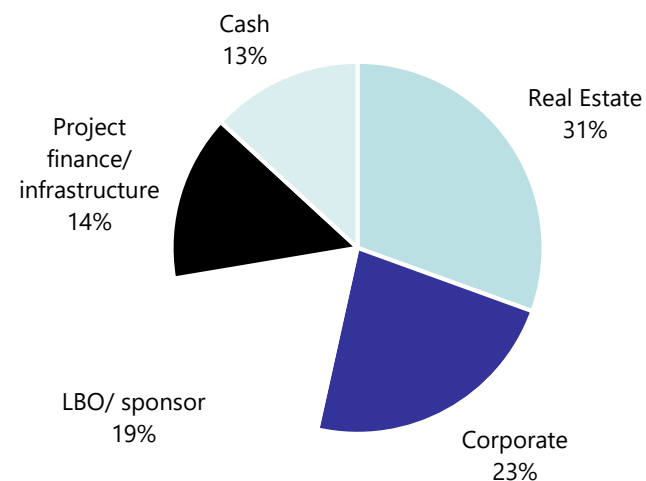
(1) Gross FUM as at 30-Jun-18
(2) Excluding transaction costs

- MCP is a Sydney-based alternative asset manager specialising in private debt, fixed income and capital markets
- Assets under management ("AUM") of \$3.0bn as at 30 June 2018 of which FUM is \$2.5bn⁽¹⁾
- FUM growth of 101% per annum over the last 5 years with strong growth outlook in FY19
- Retail FUM has grown to ~\$800m or 31% of total firm FUM in FY18
 - \$516m Listed Investment Trust IPO (ASX:MXT) in October 17 (led by Pinnacle)
 - \$212m entitlement offer in April 18
 - \$60m+ unlisted retail FUM
- AUM is diversified across all major bank loan product categories including project finance / infrastructure, real estate, LBO / sponsor and corporate loans

FUM growth (FY13–FY18)⁽¹⁾



MCP AUM Mix (\$3.0bn)⁽²⁾



(1) AUM includes \$550m bank facility which is excluded from total FUM figures
 (2) As at 30 June 18

Large Market

- Australian corporate loan market is large (+\$700bn)⁽¹⁾
- Large volume of annual issuance (+\$100bn)⁽¹⁾

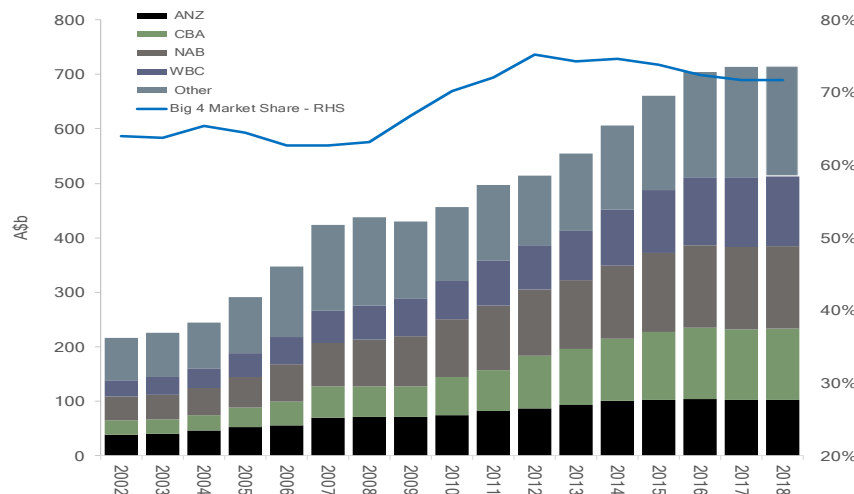
Regulatory Change

- Banks have historically funded corporate Australia on their own balance sheets
- Changes in the regulatory environment (Basel III) has created a funding gap and an opportunity for non bank lenders to fill the void

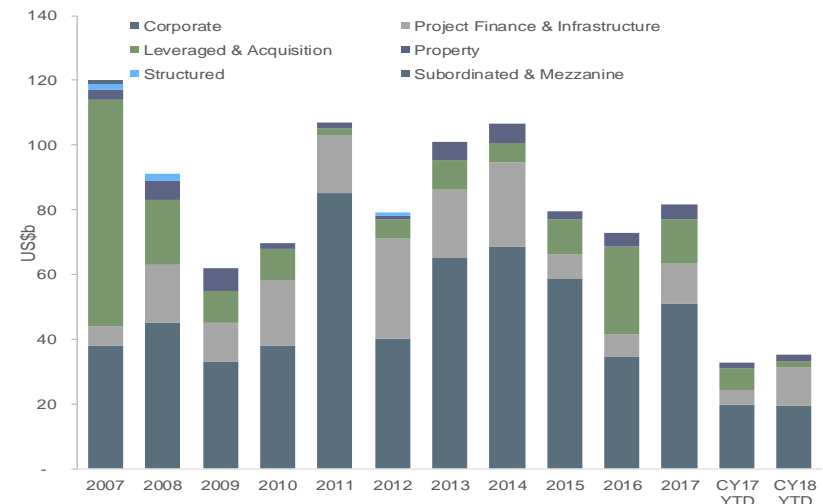
Emerging Asset Class

- Most domestic institutional and retail investors are in early stages of asset class adoption
- International institutional investors expressing strong interest in accessing Australia and Developed Asia exposure via local specialists

Bank balance sheets⁽¹⁾



Corporate debt issuance by loan product⁽²⁾



(1) RBA, Bloomberg and major bank APS330 reports (2) RBA and Bloomberg

- MCP continue to see significant opportunity for FUM growth in the private debt market
- MCP intends to continue to grow its FUM in its existing strategies (i.e. Australian senior loans, secured private debt and real estate debt) and to expand into adjacent offerings that will appeal to new cohorts of investors in Australia and offshore
- In particular MCP believes there is significant opportunity within the high yield debt market and is exploring opportunities within this sector
- Pinnacle is an ideal partner for MCP as it seeks to grow providing both distribution power and access to capital
- Following Pinnacle's investment, MCP will have ~\$40m of cash on balance sheet that could be used to invest in the existing platform, seed new strategies and co-invest alongside investors
- The strengthened balance sheet and ability to co-invest is seen as an important evolution of the MCP business in deepening relationships with borrowers (enhancing loan origination) and maximising returns for investors and MCP alike

- Business established in September 2018
- Multi-asset and Australian equities
- Led by David Wanis
- Expected launch Q1 2019
- Terms
 - Pinnacle will hold 40% of the total shareholding in Longwave and have full economic rights in respect of its holding. The holding will represent less than 1% of the voting shares in Longwave
 - Distribution revenue for Pinnacle

- How does 'Horizon 2' add value in the Medium Term?
 - Investment in growth initiatives that don't require additional capital to be raised - ETF initiative commenced
 - Reasonable limits to be set given short-term 'drag' on Pinnacle parent P&L
 - In addition to growing boutique revenue and profits, also creates additional revenue streams for Pinnacle parent – both, in the medium term
- This results in:
 - Adding new boutiques
 - Accessing new channels (e.g. direct-to-retail)
 - Adding expertise to support non-traditional AUM growth (e.g. LICs, LITs)
 - Geographic expansion of distribution platform (e.g. offshore, regional areas)
 - Establishing new "platforms" that can be leveraged by our boutiques (e.g. UCITS, Cayman)

Criteria

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

Status

- Metrics Credit and Omega acquisitions in July 2018
- We will continue to explore opportunities such as:
 - existing profitable investment management firms that we could help
 - distribution/retail businesses that may be synergistic

- Stable & diversified platform
 - Continuing investment excellence
 - Widespread industry recognition and support
 - 'Article of faith' reputation
- Further investment in distribution capability
 - Direct to retail
 - International
- 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

Pinnacle Full Year Results

	FY2018	FY2017	YoY change
Pinnacle Affiliates (100% aggregate basis)			
FUM (\$billion)	38.0	26.5	43.4%
Revenue (\$million)	168.4	128.3	31.3%
Net profit before tax	88.9	62.7	41.8%
Tax expense	(27.3)	(19.1)	42.9%
Net profit after tax	61.6	43.6	41.3%

	FY2018	FY2017	YoY change
Pinnacle			
Revenue	16.5	10.9	51.4%
Expenses	(18.3)	(16.4)	11.6%
Share of Pinnacle Affiliates net profit after tax	24.9	17.6	41.4%
Net profit before tax (NPBT) from continuing operations	23.1	12.1	90.9%
Minority interests	-	(0.1)	
NPBT from continuing operations attributable to shareholders	23.1	12.0	92.5%
Taxation	-	-	
NPAT from continuing operations attributable to shareholders	23.1	12.0	92.5%
Discontinued operations	0.3	1.1	(72.7%)
Total profit attributable to shareholders	23.4	13.1	78.6%
Basic earnings per share:			
From continuing operations	14.3	8.1	76.5%
Total attributable to shareholders	14.5	8.9	62.9%
Diluted earnings per share:			
From continuing operations	13.2	7.6	73.7%
Total attributable to shareholders	13.4	8.2	63.4%

2018 Financial Highlights

- NPAT from continuing operations attributable to shareholders of \$23.1 million, up 92.5% from \$12.0 million in the prior year
- Earnings per share from continuing operations of 14.3 cents, up 76.5% from 8.1 cents in the prior year
- NPAT attributable to shareholders of \$23.4 million, delivering earnings of 14.5 cents per share
- Share of NPAT from Pinnacle Affiliates of \$24.9 million, up 41.4% from \$17.6 million
- Fully franked final dividend of 7.0 cents per share payable on 5 October 2018
- Cash and Principal Investments of \$31.4 million as at 30 June 2018
- Significant increase in the share price (85%) from \$2.90 at the start of the financial year to \$5.37 at 30 June 2018

Group financial summary

	FY2018	FY2017	YoY change
Pinnacle			
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Diluted earnings per share:			
From continuing operations	13.2	7.6	73.7%
Total attributable to shareholders	13.4	8.2	63.4%

- Strong growth in Pinnacle earnings
- Significant growth in 'Pinnacle Parent' revenues and costs
- 92.5% increase in net profit after tax from continuing operations attributable to shareholders
- 76.5% increase in Earnings per share from continuing operations

Significant components of FY 2018 results

- Significant growth in 'Pinnacle Parent' revenues and costs
 - Strong growth in distribution revenue from Affiliates, including 'opening new channels'
 - Continuing 'P&L investment' in 'Horizon 2' activities (for example, Offshore distribution)
 - Net loss on 'principal investments' of \$705k (including hedging 'mismatch'); \$155k in the second half
- Significant growth in Pinnacle's share of Affiliate profits on the PCP
 - Impact of higher starting FUM each year
 - Still significant investment for future growth in some Affiliates (and significant capacity for future growth)
 - Cost of Two Trees and Firetrail included as negative NPAT; Spheria now profitable
 - Palisade NPAT significantly higher than 1H FY2018 – impact of annual performance fees 30 June
 - Relatively low total performance fees in this financial year

PNI balance sheet

	FY2018	FY2017	YoY change
Current Assets			
Cash and cash equivalents	9.3	10.9	(14.7%)
Financial assets	22.1	31.6	(30.1%)
Total cash and financial assets	31.4	42.5	(26.1%)
Other current assets	12.6	6.2	103.2%
Total current assets	44.0	48.7	(9.7%)
Non-current assets			
Investment in affiliates	55.6	32.6	70.6%
Other	5.3	0.6	783.3%
Total non-current assets	60.9	33.2	83.4%
Total assets	104.9	81.9	28.1%
Total liabilities	6.8	6.3	7.9%
Net assets	98.1	75.6	29.8%
Net shareholders' equity	98.1	75.6	29.8%
No. of shares issued (at 30 June)	163.9m	160.7m	
Institutional Placement	10.9m		
SPP	1.8m		
Shares issued (27 Aug. 2018)	176.6m		

- Cash and Principal Investments of \$31.4 million
- Includes \$21.1 million in strategies managed by Pinnacle Affiliates
- Excludes post balance date impact of final dividend of 7.0 cents per share, \$60m capital raising (10.9m shares), \$10m Share Purchase Plan proceeds (1.8m shares), and investment into both Metrics Credit Partners and Omega Global Investors, as well as final dividends paid by Affiliates

Building balance sheet strength for future opportunities

- \$31.4m* of cash and principal investments
- Includes \$21.1m* invested in strategies managed by Pinnacle Affiliates
- Excludes nearly \$12m of cash applied for Affiliate equity recycling loans and Affiliate equity purchased
- Excludes post balance date impact of final dividend of 7.0 cents per share, \$60m capital raising, Share Purchase Plan proceeds, and investment into both Metrics Credit Partners and Omega Global Investors, as well as final dividends paid by Affiliates
- Investment into Firetrail part-cash, part-options over PNI shares (options valued at \$9.4m)
- Strategically valuable for Pinnacle to have capital available to seed new Affiliates, facilitate Affiliate equity recycling, and respond to very high quality 'Horizon 3' opportunities
- Franking credit balance (\$26.9m) at 30% company tax rate enables potential fully franked dividends of \$62.8m

**Both approximately \$22m higher at the date of this presentation*

Pinnacle Affiliates financial highlights

	FY2018	FY2017	YoY change
Pinnacle Affiliates (100% aggregate basis)			
FUM (\$billion)	38.0	26.5	43.4%
Revenue (\$million)	168.4	128.3	31.3%
Net profit before tax	88.9	62.7	41.8%
Tax expense	(27.3)	(19.1)	42.9%
Net profit after tax	61.6	43.6	41.3%

Strong FUM and revenue growth in Pinnacle Affiliates:

- \$7.9 billion net inflows, \$2.2 billion of which were retail
- Total Affiliate Revenues of \$168.4m, including \$17.2m (or 10.2%) in performance fees (FY17: \$16.7m – 13.0% of \$128.3m in Performance Fees)
- 35.5% growth in Pinnacle Affiliates' base management fees

2016 Morningstar Fund Manager of the Year Awards:

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

2017 Lonsec/Money Management Fund Manager of the Year:

- 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

2017 Professional Planner | Zenith Fund Awards:

- Pinnacle – Distributor of the Year (second consecutive year)
- Resolution Capital – Global REIT Category Winner (fourth consecutive year)
- Antipodes Partners – International Equities – Alternative Strategies Category Winner (second consecutive year)
- Antipodes Partners – International Equities – Global Category Winner
- Antipodes Partners – Overall Fund Manager of the Year

2018 Professional Planner | Zenith Fund Awards:

- Pinnacle – Distributor of the Year (third consecutive year)
- Resolution Capital – Global REIT Category Winner (fifth consecutive year)
- Solaris Investment Management – Australian Equities – Alternative Strategies Category Winner
- Antipodes Partners – International Equities – Alternative Strategies Category Finalist
- Antipodes Partners – International Equities – Global Category Finalist
- Hyperion – International Equities – Global Category Finalist
- Spheria Asset Management – Australian Equities – Small Cap Category Finalist

Continuing strong investment performance of Affiliates

93% of Pinnacle Affiliated Investment Manager strategies and products (with a track record exceeding 5 years) **have outperformed** their benchmarks over the 5 years to 31 August 2018

	5Y	10Y	Inception	Inception date
Hyperion Asset Management - Gross Performance				
Hyperion Australian Growth Companies Fund	13.19%	12.20%	13.13%	1/10/2002
<i>Outperformance</i>	4.28%	5.54%	3.66%	
Hyperion Small Growth Companies Fund	15.56%	18.33%	18.24%	1/10/2002
<i>Outperformance</i>	6.37%	15.21%	18.24%	
Hyperion Australian Equities Composite	12.94%	12.14%	13.92%	1/11/1996
<i>Outperformance</i>	4.03%	5.48%	4.74%	
Plato Investment Management - Gross Performance				
Plato Australian Shares Core Fund	10.08%	7.20%	6.89%	30/10/2006
<i>Outperformance</i>	1.17%	0.54%	1.03%	
Plato Australian Shares Equity Income Fund - Class A	11.63%		14.31%	9/09/2011
<i>Outperformance</i>	1.00%		1.96%	
Solaris Investment Management - Gross Performance				
Solaris Core Australian Equity Fund	11.87%	8.66%	7.24%	9/01/2008
<i>Outperformance</i>	2.93%	1.89%	2.28%	
Solaris High Alpha Australian Equity Fund	12.27%	8.79%	8.09%	4/02/2008
<i>Outperformance</i>	3.33%	2.02%	2.73%	
Resolution Capital - Gross Performance				
Resolution Capital Core Plus Property Securities Fund	14.67%		9.30%	30/09/2008
<i>Outperformance</i>	1.53%		2.62%	
Resolution Capital Global Property Securities Fund	13.08%		12.03%	30/09/2008
<i>Outperformance</i>	2.45%		4.34%	
Palisade Investment Partners - Gross Performance				
Palisade Diversified Infrastructure Fund	13.43%		10.75%	1/08/2008
Palisade Australian Social Infrastructure Fund	15.19%		16.26%	31/05/2011
Omega Global Investors - Gross Performance				
Omega Global Corp Bonds Fund	4.96%		6.36%	11/03/2010
<i>Outperformance</i>	-0.55%		-0.69%	
Omega Australian Bonds Fund	4.72%		5.00%	12/09/2011
<i>Outperformance</i>	0.28%		0.23%	
Omega Global Listed Infrastructure Fund	11.32%		12.10%	3/08/2012
<i>Outperformance</i>	0.64%		0.75%	

Pinnacle Affiliates – FY18 review



- » Funds under management grew to \$7.5 billion from \$3.8 billion at 30 June 2018
- » Out-performance across all strategies since inception in 2015
- » Addition of the Global fund across most retail platforms



- » Long-term performance remains excellent – Hyperion's Australian and Global funds have out-performed their respective benchmarks over 3 years and more
- » Global Fund now has a four-year track record and has out-performed the index by 9.8% since inception in May 2014
- » Global strategy well-placed to drive future FUM and revenue growth



- » Funds under management and investor commitments of \$2.7 billion as at 30 June (2017: \$2.4 billion). Palisade's flagship fund, Palisade's Diversified Infrastructure Fund, generated a gross return of 14.5% for the year, including 7.5% yield.
- » Recent investments in Port of Portland, Ross River Solar Farm, Sunshine Coast Airport and Casey Hospital Expansion Project.



- » Funds under management increased to over \$4.9 billion (2017: 4.0 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
- » Global Fund continues to gain traction delivering 6% income since inception



- » Funds under management grew to \$8.0 billion.
- » Out-performance from their global strategies in the year to 30 June 2018, over the five years to 30 June 2018, and since inception
- » Accelerating offshore growth. Aiming to launch US pooled fund



- » Funds under management grew to \$8.3 billion as at 30 June 2018 (2017: \$5.1 billion)
- » All strategies outperformed their benchmarks during the year to 30 June 2018, over the five years to 30 June 2018, and since inception nine years ago
- » Successful launch of the long/short strategy



- » Microcap and Small Caps strategies continued to outperform their benchmarks since inception
- » Funds under management \$702 million at 30 June 2018 up from \$211 million at 30 June 2017
- » Additions of Olivier Coulon (Senior Analyst) & Al Doeke (Dealer) to take the team to 5 team members



- » Systematic Global Macro manager, commenced idea generation in May 2017
- » First strategy launched attracting \$71m in the first year. Cayman Fund also launched in FY18



- » Absolute Return Fund and High Conviction Australian Equities Manager commenced in March 2018
- » Strong demand from institutional and retail investors

Funds under management by Affiliate

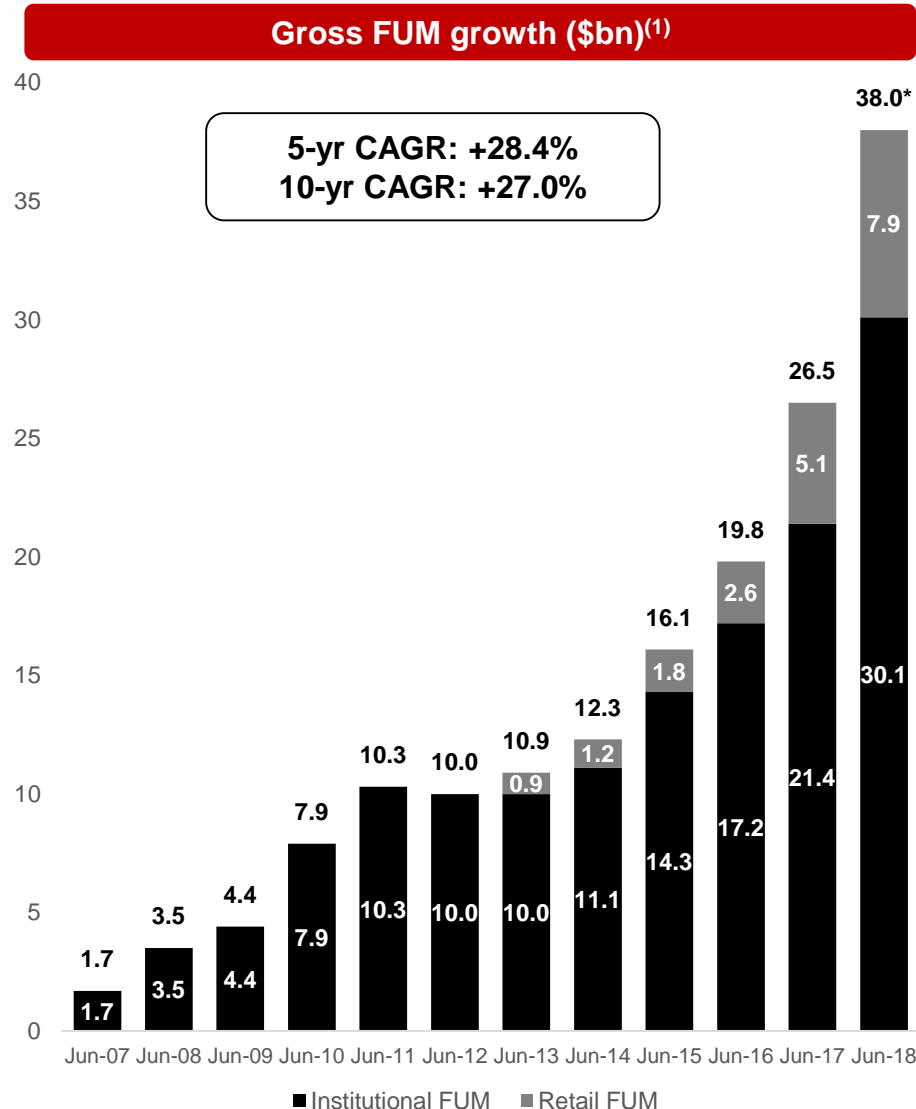
Gross FUM by affiliate (\$m)

Date	Pinnacle (total)	Hyperion	Plato	Solaris	Resolution Capital	Palisade	Antipodes	Spheria	Two Trees	Firetrail
30 Jun 18	38,032	6,507	4,918	8,319	8,038	1,847	7,554	702	71	74
31 Dec 17	32,338	6,056	4,644	6,618	6,552	1,585	6,261	596	26	-
30 Jun 17	26,526	5,877	4,003	5,135	5,956	1,514	3,830	211	-	-
31 Dec 16	23,339	5,664	3,536	5,032	5,274	1,456	2,191	186	-	-
30 Jun 16	19,756	5,633	3,067	4,595	4,576	1,436	449	-	-	-

Gross FUM by affiliate growth

Date	Pinnacle (total)	Hyperion	Plato	Solaris	Resolution Capital	Palisade	Antipodes	Spheria	Two Trees	Firetrail
30 Jun 17 - 30 Jun 18	43.4%	10.7%	22.9%	62.0%	35.0%	22.0%	97.2%	232.8%	n.a	n.a
31 Dec 17 - 30 Jun 18	17.6%	7.5%	5.9%	25.7%	22.7%	16.6%	20.7%	17.8%	172.6%	n.a
30 Jun 17 - 31 Dec 17	21.9%	3.0%	16.0%	28.9%	10.0%	4.7%	63.5%	182.5%	n.a	n.a
31 Dec 16 - 30 Jun 17	13.7%	3.8%	13.2%	2.0%	12.9%	4.0%	74.8%	13.4%	n.a	n.a
30 Jun 16 - 31 Dec 16	18.1%	0.6%	15.3%	9.5%	15.3%	1.4%	388.0%	n.a	n.a	n.a

FY18 funds under management

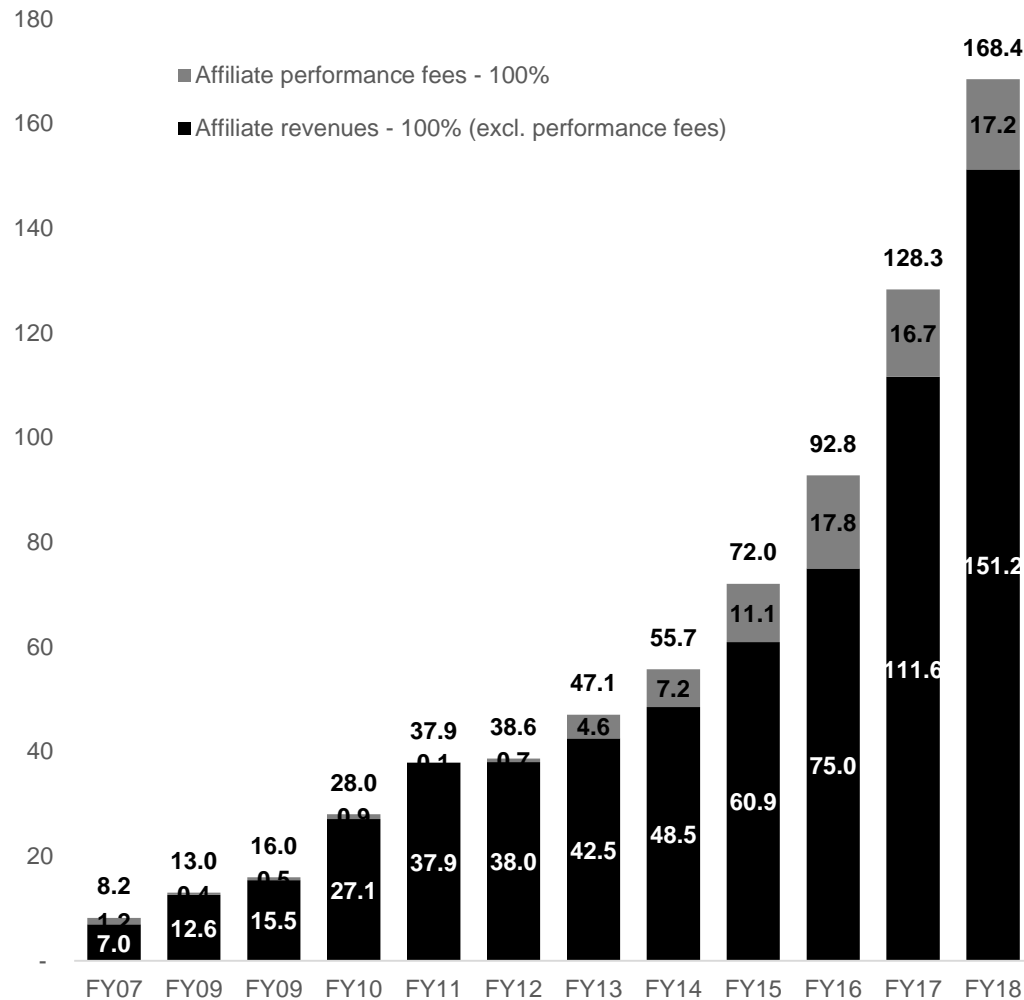


- FUM of \$38.0bn* as at 30 June 2018 (increased to \$48.0bn* at 31 August 2018 including Metrics Credit (\$2.5bn) and Omega (\$4.3bn))
- FUM has grown at a CAGR of 27.0% p.a. over the last ten years
- Increase in FUM of \$11.5bn in the year to 30 June 2018, driven by net inflows of \$7.9bn and market movements/investment performance of \$3.6bn
- Of the \$7.9bn of net inflows to 30 June 2018, \$2.2bn was retail
- Recently established affiliates have grown rapidly since inception: Antipodes (FUM: \$7.5bn; FY18 FUM growth: 97%) and Spheria (FUM: \$0.7bn; FY18 FUM growth: 233%)
- Firetrail established with substantial FUM growth expected over the next 12 months

(1) Pinnacle FUM is 100% of FUM managed by Pinnacle Affiliates.

FY18 revenues

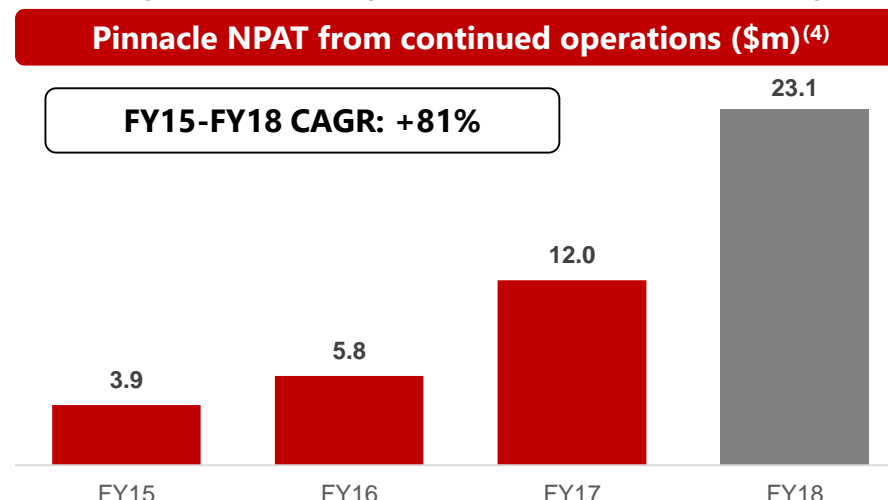
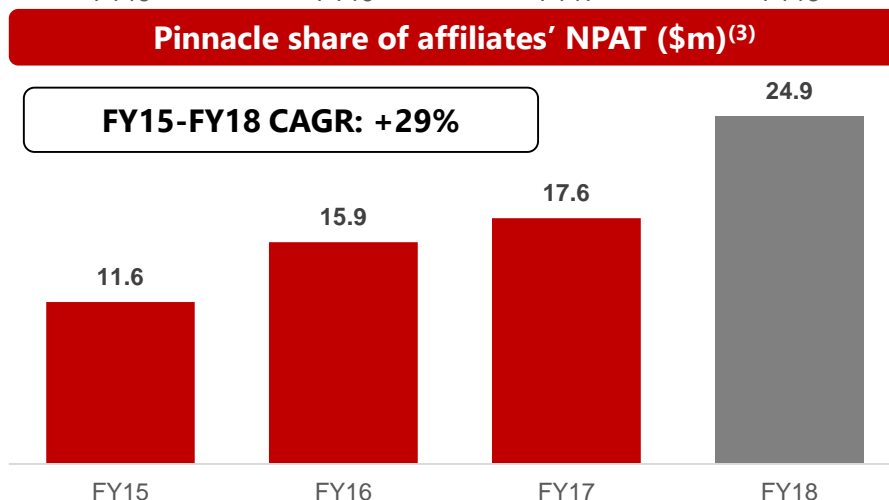
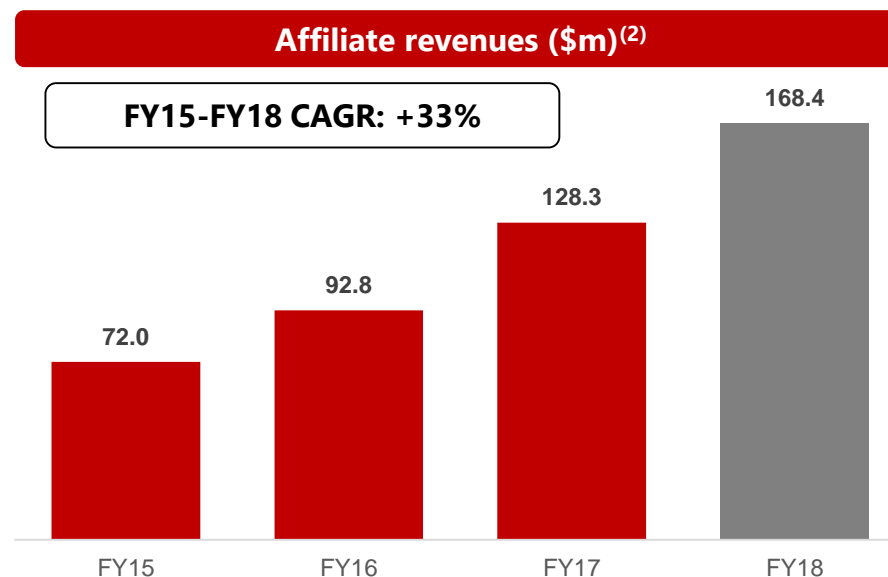
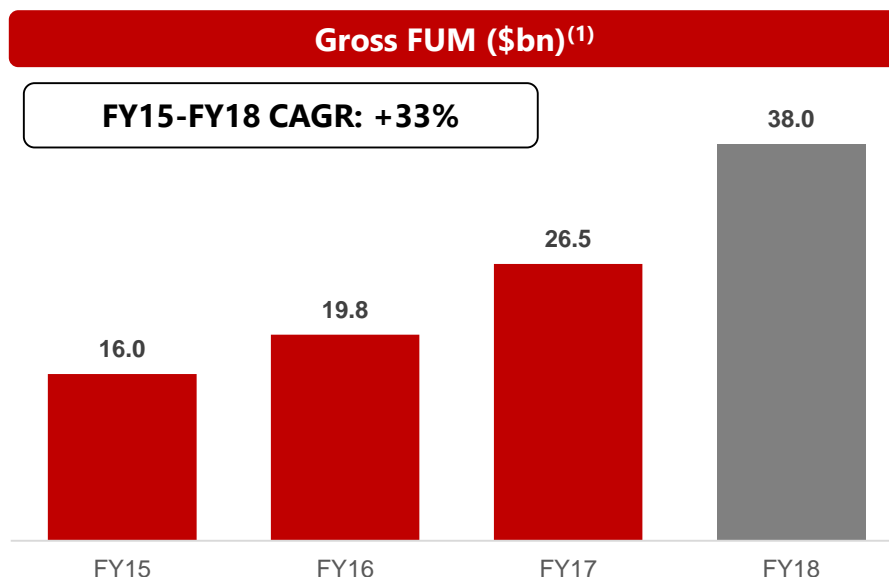
Aggregate affiliate revenues (\$m)⁽¹⁾



- Group NPAT from continuing operations of \$23.1m, compared to \$12m in FY17, an increase of 92.5%
- Revenue from affiliates of \$168.4m, compared to \$128.3m in FY17, an increase of 31.3%
- EPS from continuing operations of 14.3 cents per share, compared to FY17 EPS of 8.1 cents per share
- Fully franked final dividend of 7.0 cents per share declared, payable in October 2018
- Cash and principal investments of \$31.4m as at 30 June 2018

(1) Revenue shown is 100% of all Pinnacle Affiliates' revenue; fees not split between Performance and Base prior to FY2013

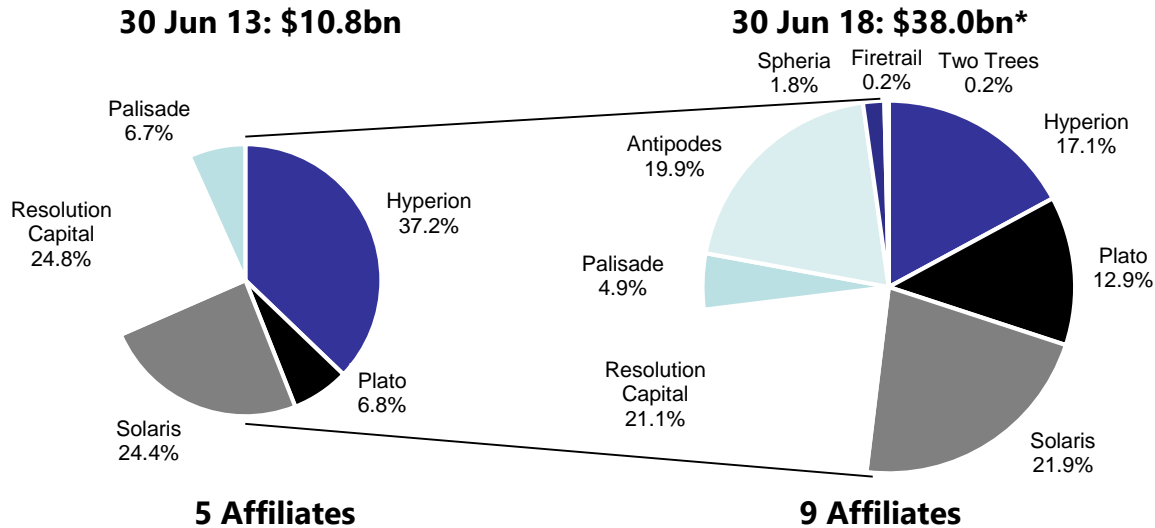
Demonstrated growth track record



- (1) Pinnacle Gross FUM is 100% of FUM managed by Pinnacle affiliates
 (2) Affiliate revenues on a gross 100% basis
 (3) Pinnacle's share of each affiliate's net profit after tax, based on Pinnacle's ownership interest of each fund
 (4) Pinnacle Investment Management Group Limited net profit after tax from continued operations

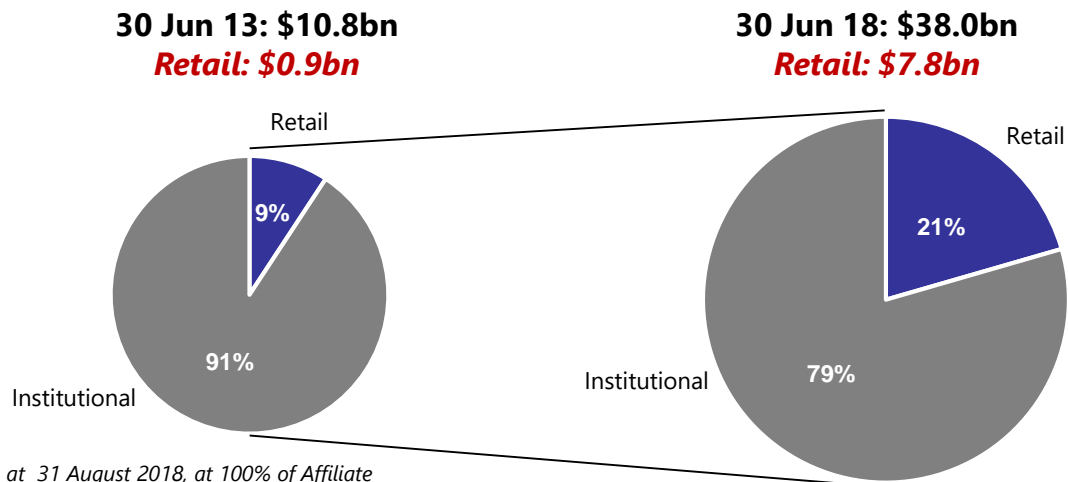
Demonstrated growth track record

Affiliate gross FUM evolution



- Addition of a number of new affiliates including Antipodes, Spheria, Two Trees and Firetrail
- A number of initiatives being pursued to continue the growth and evolution of Pinnacle including offshore and exchange traded funds
- Four additional affiliates since 30 June 13 account for 22.1% of gross FUM at 30 June 18

Retail FUM evolution



- Pinnacle has invested significantly in retail distribution and has generated substantial retail FUM in the last 5 years (~\$7bn of retail FUM growth)
- Initiatives include growth of internal and external sales teams, direct retail and exchange traded funds (open & closed ended)

2018 Business Highlights

- Record FUM, FUM inflows and Affiliate Revenues
- FUM \$38.0 billion* at 30 June 2018
 - up \$5.7 billion (17.6%) from 31 December 2017;
 - up \$11.5 billion (43.4%) from 30 June 2017
 - up \$14.7 billion (62.9%) from 31 December 2016; and
 - up \$18.2 billion (92.5%) from 30 June 2016
- Net inflows \$7.9 billion for the year, including \$2.2 billion retail
- Recently established affiliates have grown rapidly since inception: Antipodes (FUM: \$7.5bn; FY18 FUM growth: 97%) and Spheria (FUM: \$0.7bn; FY18 FUM growth: 233%)
- Firetrail established with substantial FUM growth expected over the next 12 months
- Two Trees has received a significant cornerstone commitment from a notable sovereign investor

*\$48.0 billion at 31 August 2018 including Metrics Credit (\$2.5 billion) and Omega (\$4.3 billion)

Talented Investors

- Proven track record of identifying and supporting world class investment teams and anticipating market demand
- All established affiliates have delivered strong long term outperformance
- CAGR 27.0% over the last ten years, supported by both organic growth and acquisitions

Distribution Powerhouse

- 'Unusually driven' sales culture ensures rapid market success or a slow grinding victory
- A distribution team of 29 focusing on institutional, retail and international investors
- 2017 Professional Planner | Zenith Fund Awards – Distributor of the Year (second consecutive year)

Positive Selection Bias

- Talented investors and a highly motivated salesforce attracts other talented managers to the firm
- Attracts new talented distribution executives who then drive sales growth further and harder

Institutional

- Industry consolidation, internalisation, margin pressure and higher ODD hurdles, however ...
- Demand for high quality boutique active managers remains strong, particularly where capacity is scarce
- Globalise investment solutions, distribution force and infrastructure to maximise medium term growth and mitigate domestic market risks

Retail

- Regulatory environment positive for investment managers
- Banks divesting wealth management
- Industry fragmentation = more buyers, better margin retention
- Distribution firepower remains central to success
- Market gravitating towards the exchange (closed-end and open-end) as the preferred medium for building portfolios

International

- Consolidation of global asset consultants
- Rapid growth of OCIO services (fiduciary outsourcing) globally
- Strong demand for unconstrained equity strategies, liquid alternatives, private capital (debt and equity)
- Demographic shift from accumulation to decumulation – from compounding to consuming returns

- Adapt
 - Grow ahead of our boutiques
 - Listen to clients and move quickly to meet their evolving needs
 - Do not become the market – be ahead of it
- Resource
 - Growing adviser engagement – 15+ in retail
 - Direct (non advised & off platform) investments rising quickly
- Engage
 - As many proactive conversations as possible
 - Clever use of social platforms to establish and develop relationships
- Deliver
 - Accountability
 - Results focused

- Traditional 'intermediated retail' distribution expertise expanded over time to include 'direct and exchange traded'
 - Intermediated (Financial Advisers)
 - Private managed funds – Platform & Direct
 - Exchange traded funds
 - Direct
 - Private managed funds – Self-Directed Individual Investors
 - Exchange traded funds – LICs/LITs
 - EQMFs/ETFs (coming)
- Distribution footprint and expertise progressively globalising
 - Whilst the Australian institutional market remains a ideal 'nursery' for seeding new boutiques, offshore markets provide a significantly better environment for expanding institutional sales margins
 - Strong opportunity in global private wealth channels for unconstrained global equities and liquid alternatives

- Our people have elected to work within our business model and culture which is fundamental to our recent growth. To sustain an environment that promotes the continuation of the success of the business, and attract and retain a consistently high quality management team, we have updated our long term incentive arrangements to provide refreshed incentives for long-standing staff as well as offering opportunities for both recent joiners and developing executives to earn equity:
 - Omnibus Incentive Plan provides for the ability to offer options, performance rights and loan funded Shares to staff
 - Aligns executives with external long term Shareholders through common long term equity ownership
 - Up to 5 million Shares can be issued
- First tranche of incentives (2,600,000 Shares acquired with loans provided by the Company) granted in September 2018 to 13 executives
- Additional loan funded acquisitions of Shares are proposed to be granted to three executive Directors, subject to approval at the AGM
- Non-Executive Directors will be able to sacrifice up to 100% of their fees in return for performance rights (with a minimum of 30% required)

- Lorraine Berends appointed to the PNI Board, with effect from 1st September 2018
- Long-serving Director Steve Wilson to retire from the Board at the upcoming AGM
- Takes the number of female directors to two, in line with our stated target
- **Increases the number of independent, Non-Executive Directors to four (a majority)**
- All directors own shares in the Company

- Pinnacle has a strong belief in corporate Australia's responsibility to give back to the communities which sustain and inspire businesses both large and small
- In partnership with Pinnacle and Pinnacle Affiliates, the Pinnacle Charitable Foundation has a longstanding mission to facilitate positive social change and help build its vision of an engaged and vibrant Australia
- Affiliates are committed to rebating management fees, and collaborate with the Foundation to partner with organisations which reflect their adherence to broad ESG (environmental, social and governance) principles
- During the 2018 financial year donations totaling \$261,000 were made, with the majority of funds directed towards prevention and early intervention programs and services which aim to reduce the high incidence of mental ill health across Australia
- During the 2018 financial year, Pinnacle and several Affiliates introduced employee payroll giving, with donations made through salary sacrifice being matched by employers. From the program's inception in October 2017 through to the end of June 2018, a total of \$35,000 was donated to 40 different charities – including the Pinnacle Charitable Foundation

- Strong momentum going into FY19
 - Acquisition of MCP equity interest, expected to grow strongly
 - Acquisition of Omega equity interest, ETF initiative being pursued
 - Launch of Longwave Capital Partners
 - Further LICs / LITs planned (Firetrail Absolute Return LIC under way)
- Existing Affiliates continuing to grow (including the launch of new strategies)
- Firetrail expecting net inflows in excess of \$2bn in Q1 (by 30 September 2018)
- Spheria and Two Trees gaining further traction
- Distribution and Funds Infrastructure Capabilities expanding to support ongoing growth
 - Including offshore (Two Trees and Antipodes offshore vehicles seeded)
 - Other global strategies to also be offered
- New LTI plan approved for issue 1H 2019

Pinnacle Group Overview



The diagram above shows the Pinnacle Affiliates and Pinnacle's effective ownership stake and economic rights in each as at the date of this presentation. In respect of Firetrail Investments, Omega Global Investors and Spheria, the percentage represents Pinnacle's total shareholding in the Affiliate. Pinnacle currently holds less than 1% of the voting shares in these Affiliates. However, it has full economic rights in respect of its holdings.

Longwave Capital not yet included in diagram.



- Antipodes Partners – a pragmatic value manager of global equities (long only and long-short)
 - Funds under management have grown to in excess of \$7.5bn in under 3 years



- Firetrail Investments – high conviction investment manager of Australian and Global equities
 - Absolute Return Fund and High Conviction Fund launched in March 2018



- Hyperion Asset Management – a specialist manager of Australian and Global equities following a growth style
 - Global Fund has a three-year track record and has out-performed the index by >9.8% pa since inception in May 2014



- MCP is a Sydney-based alternative asset manager specializing in private debt, fixed income and capital markets
 - Pinnacle acquired a 35% interest in July 2018



- Omega Global Investors – Offers smart beta, factor investing and client solutions (including ESG) capabilities – further supports Pinnacle's strategy to gain exposure to ETF market
 - Pinnacle acquired a 40% interest (voting interest <1%) in July 2018



- Palisade Investment Partners – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors
 - Renewable Energy Fund launched during the year



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

- Funds under management increased to over \$4.9bn



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

- Funds under management has grown to more than \$8.0bn



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

- Successful launch of the long/short strategy

- Funds under management over \$8.3bn



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

- FUM has grown to over \$700m



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

- Commenced managing money 1 November 2017

- Seeded offshore Cayman fund; UCITS to follow

Affiliates' investment performance – 31 August 2018

	1Y	3Y	5Y	10Y	Inception	Inception date
Hyperion Asset Management - Gross Performance						
Hyperion Australian Growth Companies Fund	30.87%	16.41%	13.19%	12.20%	13.13%	1/10/2002
Outperformance	15.42%	4.88%	4.28%	5.54%	3.66%	
Hyperion Small Growth Companies Fund	33.21%	17.47%	15.56%	18.33%	18.24%	1/10/2002
Outperformance	10.89%	0.57%	6.37%	15.21%	18.24%	
Hyperion Australian Equities Composite	29.89%	16.19%	12.94%	12.14%	13.92%	1/11/1996
Outperformance	14.44%	4.66%	4.03%	5.48%	4.74%	
Hyperion Global Growth Companies Fund (Class B Units)	45.48%	22.28%			23.91%	22/05/2014
Outperformance	21.53%	11.39%			9.85%	
Plato Investment Management - Gross Performance						
Plato Australian Shares Core Fund	16.38%	11.41%	10.08%	7.20%	6.89%	30/10/2006
Outperformance	0.93%	-0.12%	1.17%	0.54%	1.03%	
Plato Australian Shares Equity Income Fund - Class A	17.52%	12.83%	11.63%		14.31%	9/09/2011
Outperformance	0.36%	-0.33%	1.00%		1.96%	
Plato Global Shares Income Fund	19.59%				9.51%	30/11/2015
Outperformance	-4.70%				-2.24%	
Solaris Investment Management - Gross Performance						
Solaris Core Australian Equity Fund	19.40%	14.15%	11.87%	8.66%	7.24%	9/01/2008
Outperformance	3.99%	2.68%	2.93%	1.89%	2.28%	
Solaris High Alpha Australian Equity Fund	20.61%	14.92%	12.27%	8.79%	8.09%	4/02/2008
Outperformance	5.21%	3.45%	3.33%	2.02%	2.73%	
Solaris Total Return Fund (including franking credits)	20.97%	15.57%			12.57%	13/01/2014
Outperformance	3.90%	2.46%			2.28%	
Resolution Capital - Gross Performance						
Resolution Capital Core Plus Property Securities Fund	15.41%	13.07%	14.67%		9.30%	30/09/2008
Outperformance	-0.28%	2.31%	1.53%		2.62%	
Resolution Capital Global Property Securities Fund	8.79%	10.30%	13.08%		12.03%	30/09/2008
Outperformance	1.29%	2.06%	2.45%		4.34%	
Palisade Investment Partners - Gross Performance						
Palisade Diversified Infrastructure Fund	14.14%	13.99%	13.43%		10.75%	1/08/2008
Palisade Australian Social Infrastructure Fund	14.44%	14.35%	15.19%		16.26%	31/05/2011
Antipodes Partners - Gross Performance						
Global Fund	16.36%	13.92%			14.83%	1/07/2015
Outperformance	-5.83%	2.81%			3.69%	
Global Long Only	21.59%	16.78%			16.57%	1/07/2015
Outperformance	-0.59%	5.67%			5.43%	
Asia Fund	12.65%	13.92%			11.99%	1/07/2015
Outperformance	-0.05%	1.52%			3.35%	

Affiliates' investment performance – 31 August 2018

	1Y	3Y	5Y	10Y	Inception	Inception date
Spheria Asset Management - Gross Performance						
Microcap Fund	10.47%				19.19%	16/05/2016
<i>Outperformance</i>	-11.84%				5.26%	
Smaller Companies Fund	18.23%				15.40%	11/07/2016
<i>Outperformance</i>	-4.09%				3.02%	
Opportunities Fund	20.58%				17.02%	11/07/2016
<i>Outperformance</i>	-0.70%				2.23%	
Two Trees Investment Management - Gross Performance						
Global Macro Fund					-3.73%	1/11/2017
<i>Outperformance</i>					-5.29%	
Firetrail Investments - Gross Performance						
High Conviction Fund					4.03%	14/03/2018
<i>Outperformance</i>					-4.26%	
Absolute Return Fund					-0.08%	14/03/2018
<i>Outperformance</i>					-0.77%	
Omega Global Investors - Gross Performance						
Omega Global Corp Bonds Fund	-0.14%	3.84%	4.96%		6.36%	11/03/2010
<i>Outperformance</i>	-0.22%	-0.67%	-0.55%		-0.69%	
Omega Australian Bonds Fund	3.56%	3.43%	4.72%		5.00%	12/09/2011
<i>Outperformance</i>	0.00%	0.34%	0.28%		0.23%	
Omega Global Listed Infrastructure Fund	-2.09%	8.30%	11.32%		12.10%	3/08/2012
<i>Outperformance</i>	-0.54%	0.27%	0.64%		0.75%	
Metrics - Gross Performance						
DASLF	4.70%	4.43%			4.96%	4/06/2013
<i>Spread to RBA Cash Rate</i>	3.20%	2.84%			2.97%	
<i>Spread to Bank Bills</i>	2.83%	2.55%			2.75%	
SPDF	7.84%				7.77%	26/11/2015
<i>Spread to RBA Cash Rate</i>	6.34%				6.16%	
<i>Spread to Bank Bills</i>	5.97%				5.86%	
SPDF II					9.10%	9/10/2017
<i>Spread to RBA Cash Rate</i>					7.59%	
<i>Spread to Bank Bills</i>					7.20%	

- » Investment professionals need a distraction-free environment and 'all else catered'
- » Alignment of interests with clients
- » Sustainability / longevity is highly valued by the market
- » An expert 'link' between investment professionals and the various service and support providers – Pinnacle takes responsibility for this, seeking to make life much easier for the investment professionals

We are owners, not just employees; it is our business



'Operations' services provided

- 1 Legal, compliance, and risk
- 2 Group corporate services, including company secretarial
- 3 Portfolio administration and client reporting
- 4 Finance, including account payments, statutory and ASIC financial reporting, audit, GS007 etc.
- 5 IT (Information and communication services) including back-up, DRP etc.
- 6 Marketing support, including press, presentation materials, internet
- 7 Administration, including office accommodation, office equipment, supplies etc.
- 8 Human Resources, including payroll, statutory obligations, policies
- 9 Insurance – full range of relevant insurances, large insured amount
- 10 RE services (for unit trusts) – including external compliance committee

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