

Evans Dixon

Results briefing

Half year ended 31 December 2018

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Presenters



DAVID EVANS
Executive Chairman



ALAN DIXON
Chief Executive Officer



TRISTAN O'CONNELL
Chief Financial Officer

Agenda

01 1H19 overview

David Evans

02 Operating performance

Alan Dixon

03 Financial results

Tristan O'Connell

04 Outlook

David Evans

Company highlights

Financial highlights

Operational highlights

1H19 net revenue
\$110.2 million

1H19 underlying EBITDA³
\$23.3 million

Funds under advice
\$17.9 billion

Advised and executed on transactions⁶
+\$7.4 billion

Underlying EPS²
6.8 cents

Fully franked interim dividend
5.0 cents

Funds under management
\$5.9 billion

Combined corporate history
+30 years

Total net cash
\$52.5 million

Implied gross yield⁴
9.0%

Number of staff⁵
+600

Office locations
9 offices in **6** cities

Notes:

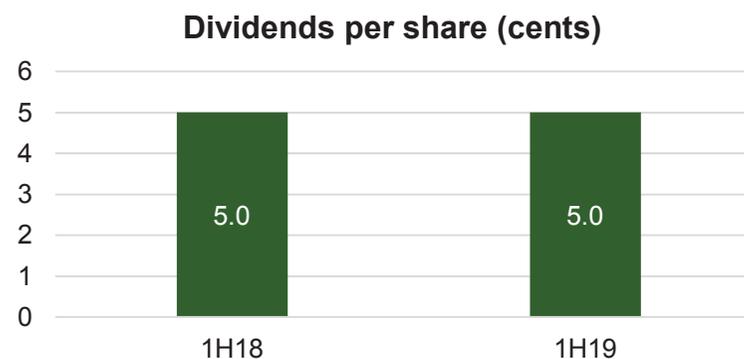
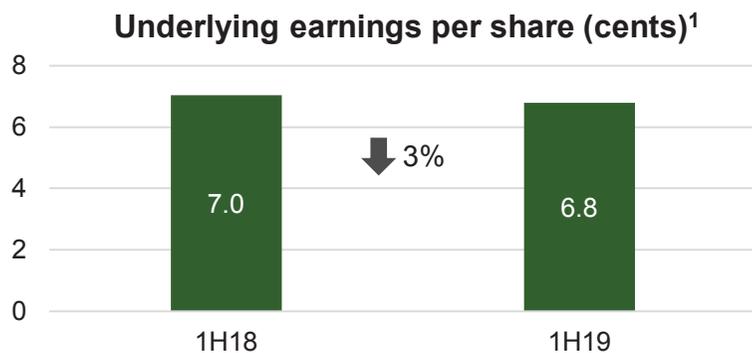
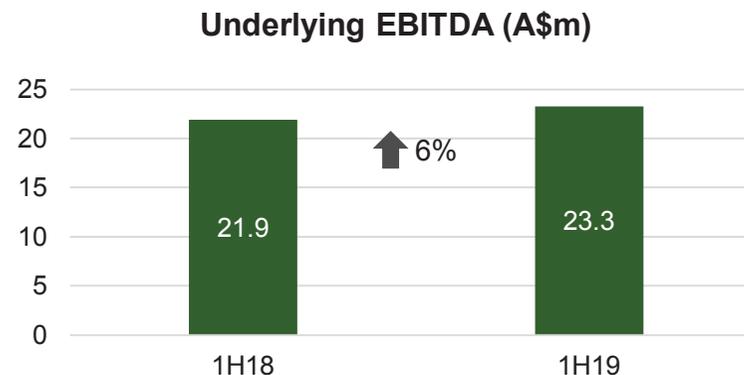
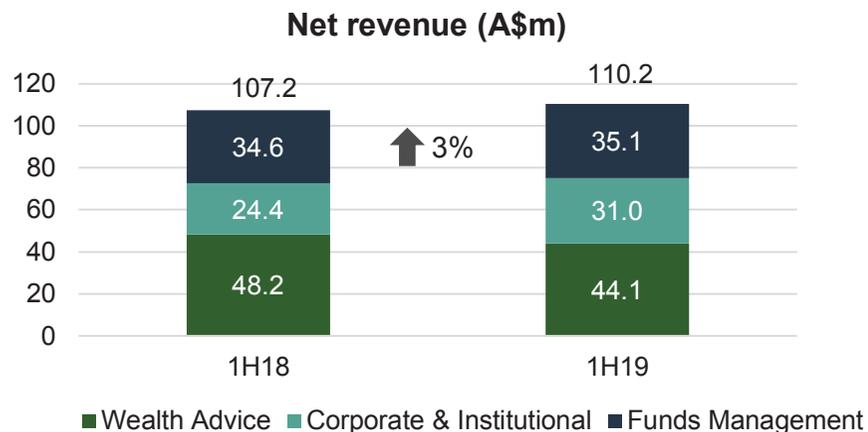
1. As at 31 December 2018 unless stated otherwise
2. Calculated using weighted shares outstanding of 221.3 million for the 6 month period to 31 December 2018 and 1H19 underlying NPATA of \$15.0 million
3. Non-IFRS measures such as underlying NPATA and underlying EBITDA are defined in the glossary. The adjustments to NPAT and EBITDA for 1H19 and 1H18 are outlined on slide 28
4. Based on trailing 12 months dividends of 11 cents and a share price of \$1.75 as at 22 February 2019
5. Full time and part time staff
6. Based on the gross values of deals advised on and executed where fees were received during the period, excludes transactions of undisclosed value

01 1H19 overview

David Evans – Executive Chairman

1H19 result

Solid result achieved during period of tougher market and industry conditions



Notes:

1. 1H19 underlying EPS calculated using weighted average shares outstanding for the period of 221.3 million. 1H18 underlying earnings adjusted for interest expenses associated with the Company's corporate debt facility extinguished with IPO proceeds. Accordingly underlying EPS calculated using 214.1 million shares on issue after IPO

1H19 highlights – executive summary

Solid result achieved in a period of tougher market and industry conditions

Business performance

- ◇ Strong performance in Corporate & Institutional, executing on M&A pipeline and continued growth in institutional equities
- ◇ Wealth Advice impacted by lower transactional revenue, partially offset by Advice & Service fee growth
- ◇ Funds Management delivered 14% growth in FUM and base fees. Prior period comparison impacted by large performance fee in 1H18.
- ◇ Underlying EPS impacted by an increase in effective tax rate to 29.5% (1H18: 23.6%) and share issuance related to the acquisition of Fort Street Advisers

Dividend & Balance sheet

- ◇ 1H19 dividend of 5.0 cents per share fully franked, in line with 1H18
- ◇ Committed to full year dividend payout ratio target of 75-85% of underlying NPATA. Delivering strong consistent yield for shareholders
- ◇ Strong net cash balance of \$52.5 million provides strategic flexibility
- ◇ Initial dividend reinvestment facility established for 1H19 dividend

Key achievement & initiatives

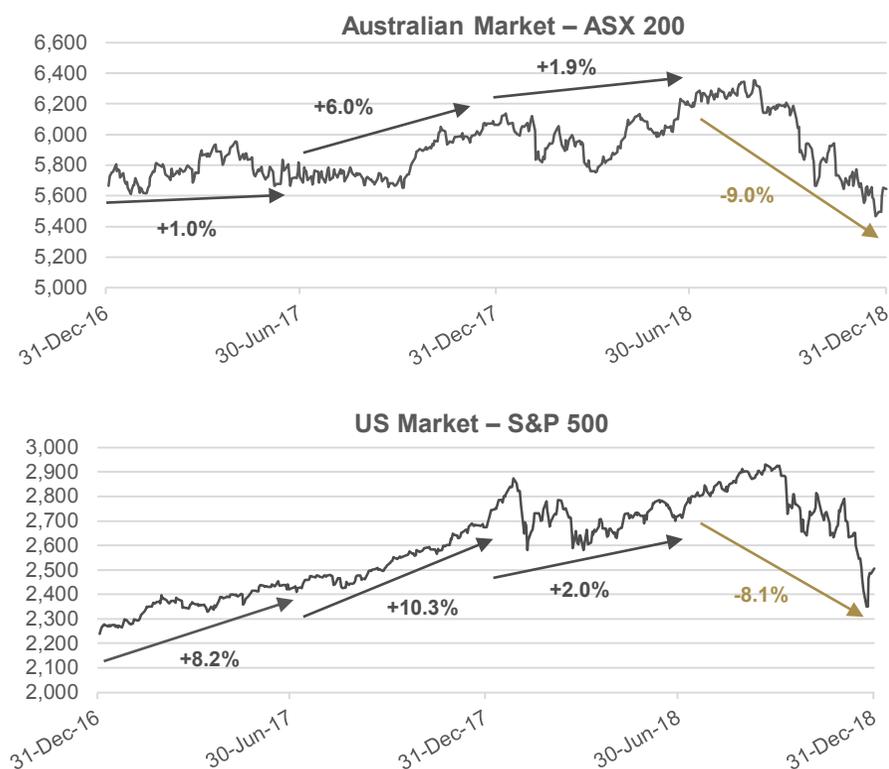
- ◇ Expansion and rebranding of Evans Dixon Corporate & Institutional business with successful integration of Fort Street Advisers. Broadening the range of corporate advisory, capital markets, institutional trading and equities research
- ◇ Building out firm wide focus on key sectors with positive long term growth thematics
 - Real Assets (including sustainable investments); Technology; Healthcare; Emerging Companies; Fixed income
- ◇ Repositioned investment team delivering top quartile performance in International & Australian equities
- ◇ Ongoing development of new fund opportunities providing exposure to differentiated investment themes
 - launched new Healthcare focused equity strategy in November

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Resilient result in tougher global markets

Despite global market weakness in 1H19 presenting a challenge for investment performance, equity and debt capital markets and corporate advisory activity, EBITDA growth achieved

Australian and US equity markets



Australian Capital Markets and Corporate Advisory activity

Number of transactions	ECM ¹	DCM ²	M&A ³
2H17	166	4	91
1H18	261	8	120
2H18	184	6	80
1H19	174	4	61
1H19 % change on pcp	-33%	-50%	-49%

Source: Evans Dixon, Bloomberg, Factset, Dealogic

Notes:

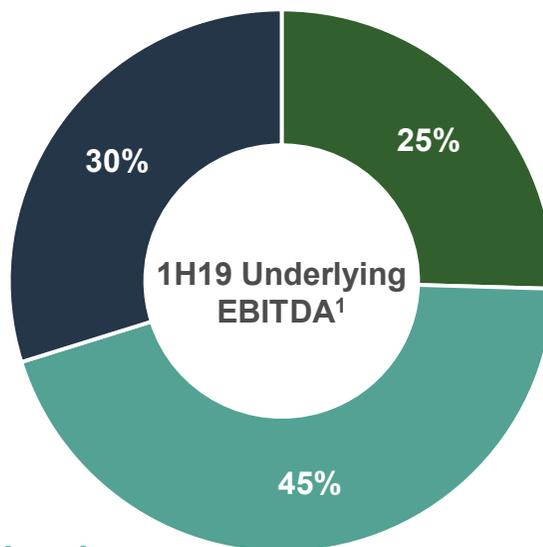
1. ECM excludes IPOs with deal size less than \$20 million and secondary raisings less than \$4 million
2. DCM deals excludes corporate bond issues. DCM also excludes convertible note and preference share issues less than \$10 million
3. M&A excludes transactions with deal size less than \$10 million and undisclosed considerations

Diversity of earnings across operating segments and markets

Increased 1H19 segment contribution from Corporate & Institutional

Funds Management

- ◇ Provides specialist global active investment management, responsible entity and administration services to Australian and international listed and unlisted investment vehicles, as well as professional services provided to listed investment vehicles and third party clients in the USA



Wealth Advice

- ◇ Provides wealth management, advisory and platform services to over 9,000 affluent retail SMSF trustees and individuals, wholesale investors including high net wealth individuals, independent financial advisors and not for profit organisations

Corporate & Institutional

- ◇ Corporate & Institutional consists of Corporate Advisory, Markets and Research, which advises more than 180 institutions and numerous corporates and has coverage of over 100 stocks in targeted sectors
- ◇ The acquisition of Fort Street Advisers and Fort Street Capital in September 2018 expands Evans Dixon's offering to include a broad range of corporate advisory, capital markets and institutional trading and research services while increasing earnings diversification across markets and service offering, however also increasing sensitivity to timing of corporate advisory and capital markets activity

Notes:

1. Underlying EBITDA before corporate unallocated expenses

02 Operating performance

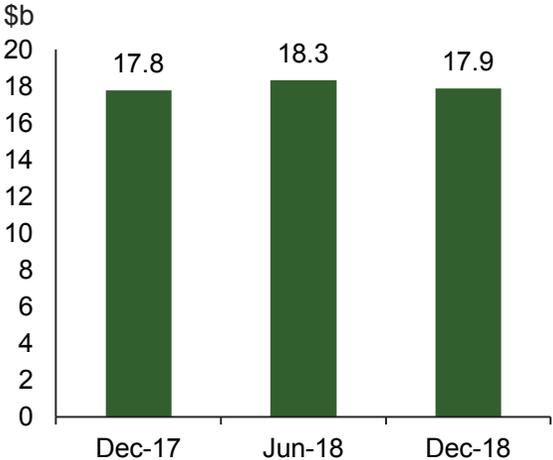
Alan Dixon – Chief Executive Officer

Key business drivers solid over 1H19

Wealth Advice

Funds under advice (A\$b)

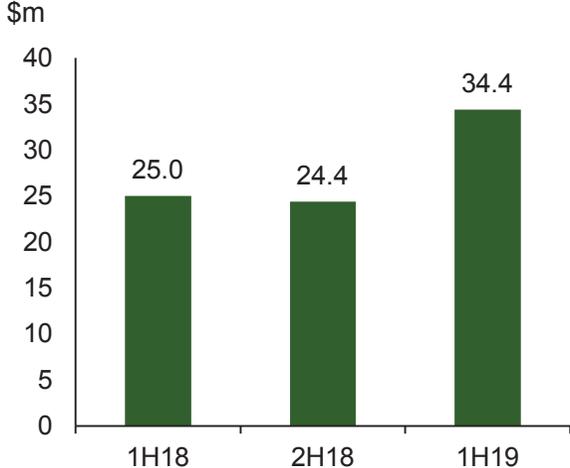
\$17.9b  1% on pcp



Corporate & Institutional

Revenue (A\$m)

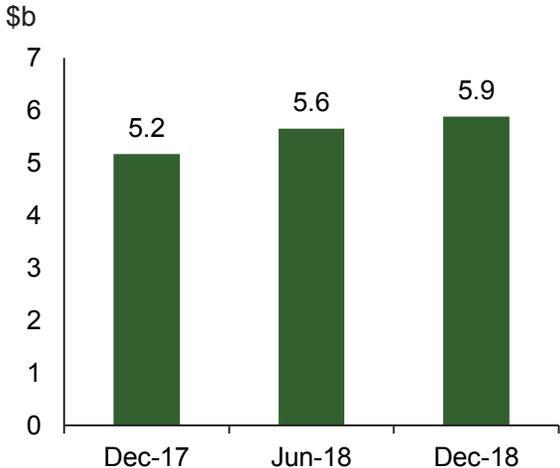
\$34.4m  37% on pcp



Funds Management

Gross funds under management (A\$b)

\$5.9b  14% on pcp



Wealth Advice

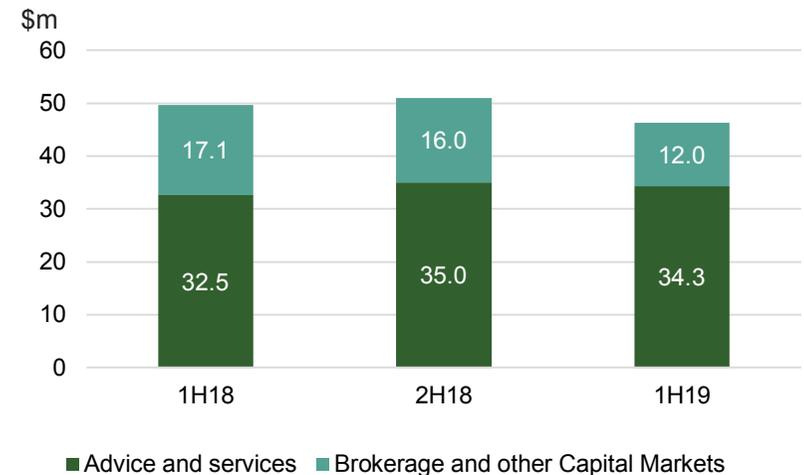
1H19 highlights

- ◇ Funds under advice (FUA) supported by resilient FUA flows in light of global market weakness in 1H19
- ◇ \$17.9 billion in FUA at 31 December 2018, down 2% on 30 June 2018 (vs ASX200 -9% and S&P500 -8%), average FUA up 5% on pcp
- ◇ Wealth Advice benefits from continued high quality client relationships. Over 70% of funds under advice on an annual service fee
- ◇ Wealth Advice revenue (excl. brokerage & other capital markets) relatively stable given significant exposure to flat fees and asset based fee caps
- ◇ 'Fee for service' approach assisting affluent retail SMSF trustees and personalised HNW wholesale client service is key to focus of the dual wealth advice offering
- ◇ Continuing to invest in referral opportunities and commercial partnership channels to grow the reach of our brand and drive net client growth
- ◇ Continued changes to superannuation and growth in personal wealth will see significant increase in complexity of affairs, leading to even greater benefits for clients seeking quality advice
- ◇ Business recognising demand from clients for a non-SMSF services (personal accounting advice, trust & company investment management)
- ◇ Well placed to address recommendations arising from the Financial Services Royal Commission, pending final legislative outcomes

Funds under advice by service type



Revenue mix



Well positioned advice model

Wealth Advice positioned to take advantage of structural industry change

Compliance culture

- ◇ Strong investment in client focused advice technologies (advice and workflow delivery system) which drive greater customer engagement, adviser productivity and compliance and allow the business to effectively implement regulatory changes
- ◇ Multi layered risk and compliance oversight of advice process
- ◇ Robust upfront and ongoing disclosures where there is any conflict of interest
- ◇ Actively reviewing business practices and processes to ensure Evans Dixon is ahead of any potential industry changes

Professional Adviser force

- ◇ Fee for service model – over 70% of FUA on annual service fee¹
- ◇ Educated / professional adviser force – over 90% of advisers Bachelor degree qualified
- ◇ Key focus on internal staff training, development and a significant consideration on adviser recruitment in light of FASEA new education standards
- ◇ Increasing complexity in superannuation and tax regimes to grow need for advice in affluent retail SMSF trustees and high net worth client segments
- ◇ Potential to take advantage of significant structural changes in advice market
- ◇ Key focus on high level of client engagement through direct adviser to client contact, education seminars and conferences

Notes:

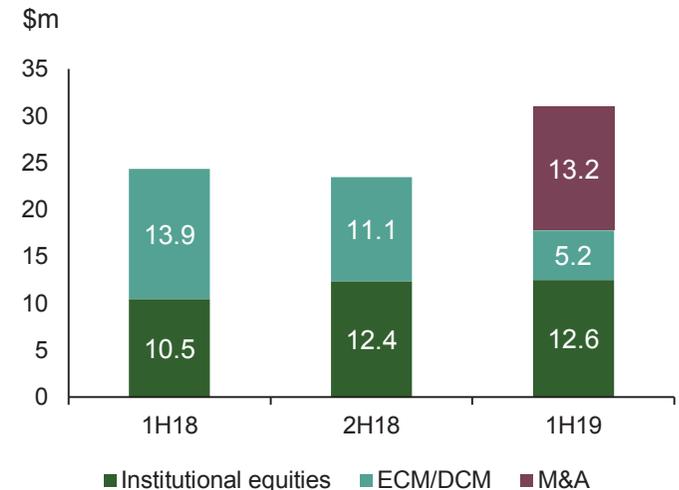
1. FUA on annual service fee comprised of Dixon Advisory and Evans & Partners Comprehensive Investment and Administration. Remainder is Evans & Partners Transaction Advisory which is largely brokerage based

Corporate & Institutional

1H19 highlights

- ◆ Successful integration of Fort Street Advisers, already delivering ahead of expectations
- ◆ Execution on strong M&A pipeline during the period, weighted to first half
- ◆ Continued strong momentum across the institutional equities platform being realised in growth of client share of wallet
- ◆ Ongoing revenue growth from institutional business despite challenging market conditions
- ◆ Subdued capital markets activity resulted in softer ECM / DCM transactions
- ◆ In 1H19 advised and executed on equity and debt capital markets and M&A mandates with gross value in excess of \$7.4 billion where fees were recognised during the period
- ◆ Continued market recognition of specialised research capabilities, driving improvement in ongoing small-cap penetration and deal flow for broader Corporate & Institutional business
- ◆ Recognising opportunities to provide Wealth Advice private clients with corporate advisory solutions

Corporate & Institutional net revenue mix



Selected 1H19 corporate advisory and capital markets transactions

 December 2018 Adviser to a Consortium comprising Adamantem Capital and Liverpool Partners in relation to a proposed Scheme of Arrangement	 November 2018 Adviser to ProTen in relation to the proposed acquisition by First State Super	 October 2018 Adviser to Gateway Lifestyle in relation to control proposals from Brookfield and Hometown	 October 2018 Adviser to Wiggins Island Coal Export Terminal in relation to debt restructuring	 September 2018 IPO Deal Value: A\$413m Arranger & Joint Lead Manager	 November 2018 IPO Deal Value: A\$230m Arranger & Lead Manager	 December 2018 Convertible Notes Deal value: A\$1,590m Co-Manager	 December 2018 Convertible Notes Deal value: A\$1,420m Co-Manager
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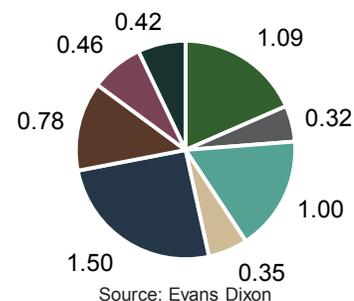
Notes:
Segment previously named Capital Markets

Funds Management

1H19 highlights

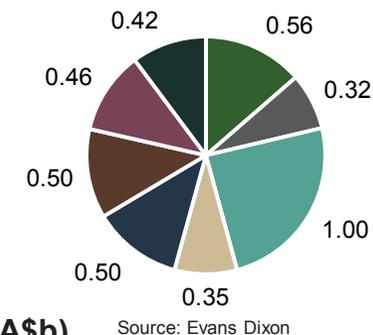
- ◇ \$5.9 billion assets under management up \$744 million (14%) from pcp
- ◇ Business' thematic driven investment philosophy leverages extensive expertise from across the Group
- ◇ Proven capabilities across a range of asset classes and differentiated strategies such as global disruption and solar infrastructure
- ◇ Investment strategies can be accessed through a combination of ASX listed investments, managed accounts and unit trusts
- ◇ Launched new Global Healthcare equity strategy in November 2018
- ◇ Expanding distribution channel via institutional and IFA networks
- ◇ Strong expertise in repositioned investment management team delivering top quartile performance
 - Evans & Partners international strategy #7 over 1 and 3 years²
 - Evans & Partners Australian Equities Growth strategy #1 over 1 year²
- ◇ Continued success of innovative investment strategies
 - Evans & Partners Global Disruption Fund NTA performance of 12.9% p.a. since inception
 - New Energy Solar continuing to execute on business plan – scaled to 22 solar plants across the US and Australia with enterprise value of \$1.1 billion, delivered 13.1% NTA return over 12 months³

Gross FUM (A\$b) – \$5.9b

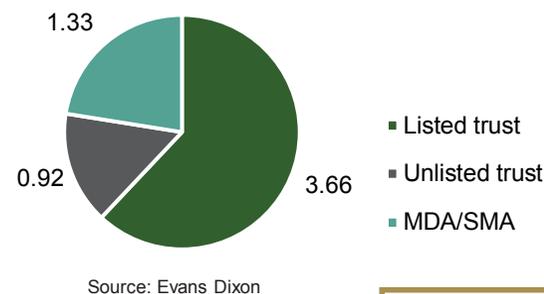


- Infrastructure
- Australian listed equity
- Global listed equity
- Global disruption
- US residential property
- Australian commercial property
- US private equity
- Fixed interest

Net FUM (A\$b) – \$4.1b



Gross FUM by structure (A\$b)



Notes:

1. Funds under management as at 31 December 2018
2. Zenith Performance Survey December quarter 2018
3. As at 31 December 2018 New Energy Solar is the world's 5th largest pure play listed solar asset manager

Funds Management delivering strong asset growth based on differentiated thematic

Selected funds management products

FUND	THEMATIC FOCUS	31 DECEMBER 2018 FUM	STRATEGY	NTA PERFORMANCE ¹	
				1 YEAR	SINCE INCEPTION (P.A.)
New Energy Solar [NEW.ASX]	Sustainable infrastructure	\$1,089 million	<ul style="list-style-type: none"> ◇ Provide attractive risk adjusted returns and exposure to renewable energy ◇ Benefiting from shift towards renewables and increased competitiveness of solar 	13.1%	3.9%
Evans & Partners Global Disruption Fund [EGD.ASX]	Disruption	\$346 million ²	<ul style="list-style-type: none"> ◇ Provide exposure to technology stocks and companies that benefit from disruptive innovation ◇ Provide opportunity to invest in internationally domiciled disruptive companies 	7.9%	12.9%
Evans & Partners International Fund [ETL0390AU]	Concentrated value	\$679 million ³	<ul style="list-style-type: none"> ◇ Exposure to securities with high levels of business, balance sheet and management qualities ◇ Attractive valuations 	7.6%	11.1%
US Masters Residential Property Fund [URF.ASX]	Real estate	\$1,500 million	<ul style="list-style-type: none"> ◇ Exposure to New York metro residential housing ◇ Established in 2011 benefiting from recovering US housing market and strengthening USD 	7.7%	6.6%
Cordish Dixon Private Equity Fund II [CD2.ASX]	US private equity	\$125 million	<ul style="list-style-type: none"> ◇ Access to US mid market PE funds ◇ Unique access to assets, experience and networks through Cordish relationship 	28.0%	12.6%

Notes:

1. Performance figures are inclusive of distributions reinvested where possible. All performance figures are net of fees
2. Includes funds under management through ASX listed trust and managed accounts
3. Includes funds under management for hedged and unhedged strategies across managed account and unit trust structures

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03 Financial results

Tristan O'Connell – Chief Financial Officer

Financial highlights

Solid first half result amidst a volatile market backdrop

Financial result vs pcp

- ◇ Net revenue of \$110.2 million up 3% on pcp
- ◇ New M&A revenue plus growth in Advice & Service fees, funds management base fees and institutional equities offset lower transactional Advice revenues, ECM/DCM and performance fees
- ◇ Underlying EBITDA \$23.3 million up 6% on pcp
- ◇ Underlying EBITDA margin of 21% up 70bps on pcp
- ◇ Underlying NPATA of \$15.0 million in line with pcp, EPS of 6.8 cents

Balance sheet

- ◇ Net cash of \$52.5 million as at 31 December 2018
- ◇ Strong balance sheet with flexibility to pursue strategic opportunities

Dividend

- ◇ Interim dividend declared of 5 cents per share fully franked
- ◇ Interim dividend record date 2 April 2019, payment date 11 April 2019
- ◇ Dividend payout ratio target of 75–85% of underlying NPATA

Updates to prior comparable period

1H18 revenue restated for change in certain contractual arrangements

FOR THE PERIOD A\$m	1H19	1H18 PREVIOUS	RESTATED AMOUNT	1H18 RESTATED
Total revenue ¹	124.9	147.8	-33.6	114.2
Cost of sales	-14.7	-40.6	33.6	-7.0
Net revenue	110.2	107.2	-	107.2
Underlying EBITDA	23.3	21.9	-	21.9

Key changes to contractual arrangements

- ◇ As previously disclosed, from 1 July 2018 the Group restructured certain contractual arrangements with a subsidiary of Dixon USA Inc. relating to services provided to the ASX listed US Masters Residential Property Fund (URF). The effect is an equal lowering of ED1's Gross Revenues and related Cost of Sales, hence the restatement above in 1H18. The expenses were those which Dixon USA incurred as principal in respect of 3rd party building contractors and general operating expenses of URF¹. The Gross Revenue represented recharge to URF inclusive of a service fee. Notwithstanding the prior clear explanation of the historical treatment, this change in contractual arrangement further clarifies the Group's direct earnings-related sources of revenues and expenses
- ◇ 1H18 revenue and cost of sales restated for comparability with 1H19
- ◇ No impact to 1H18 net revenue

Notes:

1. Excludes interest income
2. Prior to 1 July 2018 these expenses were presented in Evans Dixon's consolidated statement of profit and loss and primarily comprised of property design, renovation and maintenance expense, employee benefits expense, administrative expenses and occupancy expenses

Consolidated financial result

Underlying EBITDA up 6%, underlying NPAT flat compared to pcp

FOR THE PERIOD A\$m	1H19	1H18	VARIANCE TO 1H18	VARIANCE TO 1H18 %
Total revenue ¹	124.9	114.2 ²	10.7	9.4%
Net revenue	110.2	107.2	3.0	2.8%
EBITDA	22.1	22.3	-0.2	-0.9%
Underlying EBITDA	23.3	21.9	1.4	6.4%
D&A	-3.1	-2.4	-0.7	29%
Amortisation of acquired intangibles	-2.0	-0.5	-1.5	300%
Net interest income	0.6	-1.6	2.2	-138%
Income tax expense	-5.2	-4.2	-1.0	24%
Statutory NPAT	12.4	13.6	-1.2	-8.8%
Underlying NPATA	15.0	15.0	0.0	0.0%
Underlying EPS	6.8	7.0	-0.2	-0.3%
Effective tax rate (%)	29.5	23.6	5.9	25.0%
Underlying EBITDA margin (%)	21.1	20.4	0.7	3.4%
Underlying NPATA margin (%)	13.6	14.0	-0.4	-2.9%

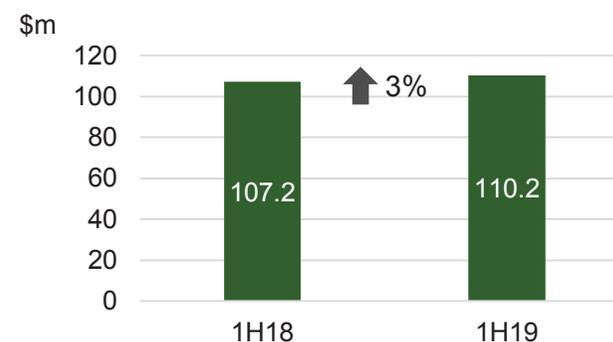
- ◇ 1H18 tax rate benefited from receipt of fully franked dividend from FSREC JV arising from a performance fee realised in FSREC Fund I
- ◇ 1H19 effective tax rate higher due to greater non-deductible expenses relating to executive restraint covenants, acquisition of FSA and employee share scheme

Notes:

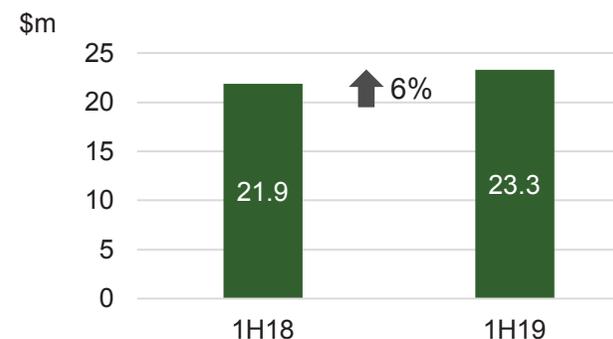
1. Excludes interest income
2. Represents restated amount. 1H18 total revenue before adjustment of \$147.9 million
3. In 1H19 the Group rolled out the first tranches of its employee loan funded share plan and used \$7.1 million cash to acquire shares for the plan
4. A \$2.0 million write back of 30 June 2018 bonus provision was recognised based on total cash bonuses paid in 1H19

21

Net revenue



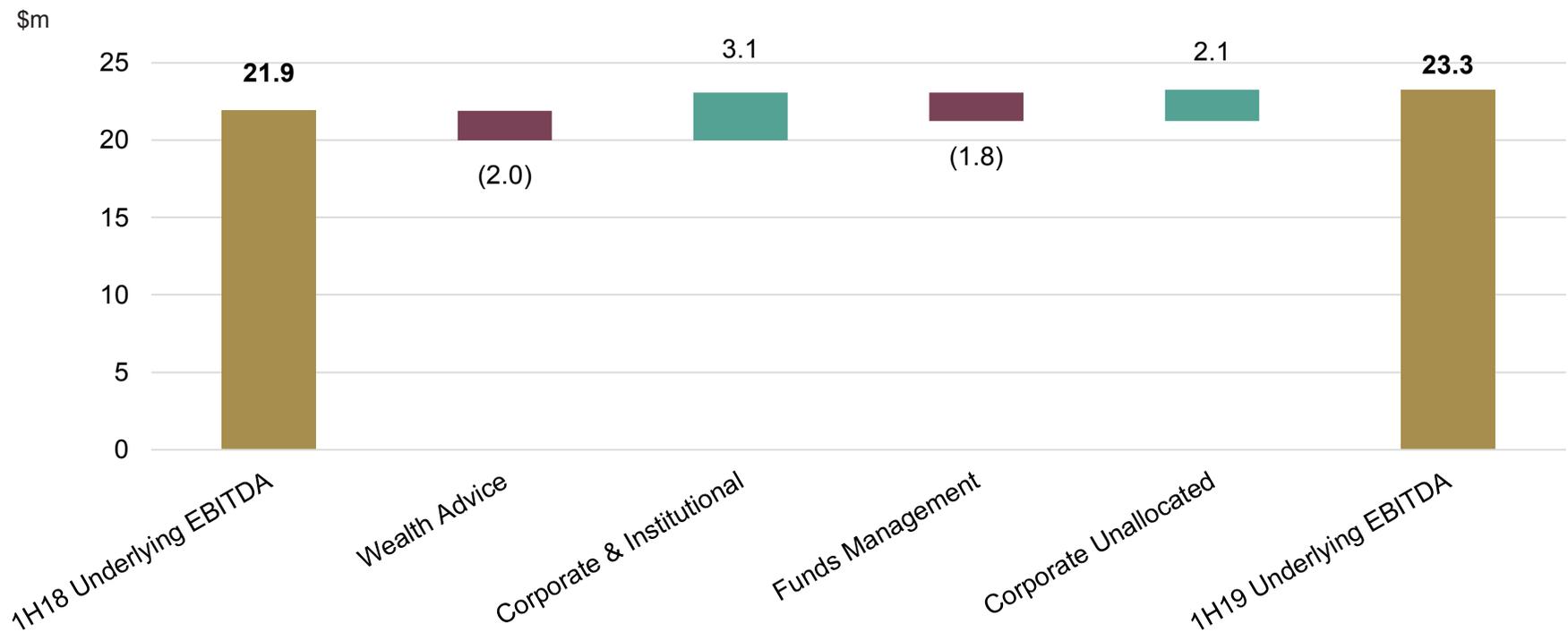
Underlying EBITDA



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1H19 earnings summary

1H19 underlying EBITDA v pcp



Wealth Advice – segment results

Wealth Advice

FOR THE PERIOD (A\$m)	1H19	1H18	VARIANCE TO 1H18	VARIANCE TO 1H18 %
Total revenue	46.3	49.6	-3.3	-6.7%
Net revenue	44.1	48.2	-4.1	-8.5%
Direct expenses	-26.6	-29.8	3.2	-10.7%
Overhead expenses	-7.4	-6.7	-0.7	10.4%
Allocated staff expenses	-2.5	-2.1	-0.4	19.0%
Underlying EBITDA	7.6	9.6	-2.0	-20.8%
Underlying EBITDA margin (%)	17.2	19.9	-2.7	-13.6%
Closing FUA	17,892	17,787	105	0.6%
Average FUA	18,249	17,338 ¹	911	5.3%
Advice and Service revenue to FUA margin bps ²	38	38	0	0.0%

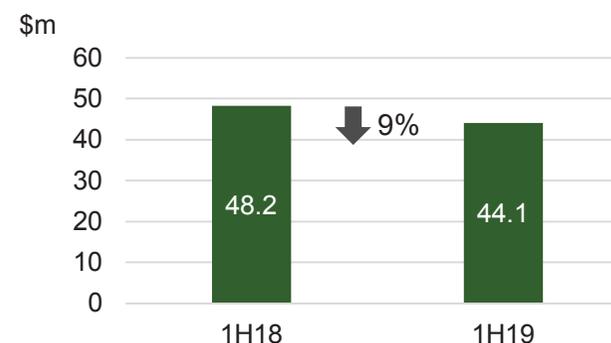
◇ Advice and Service related revenue up 5% on pcp

- However, market volatility led to a reduction in capital market opportunities, with a number of offers flagged to occur in the December quarter not proceeding

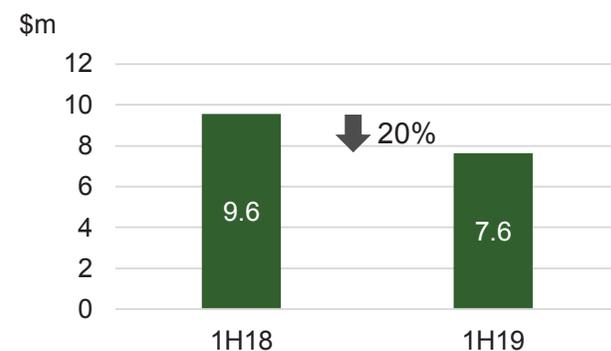
Notes:

- 1H18 average FUA from September 2018 to December 2018 due to data availability
- Annualised, excludes revenue derived from Brokerage and Other Capital Markets activity

Net revenue



Underlying EBITDA



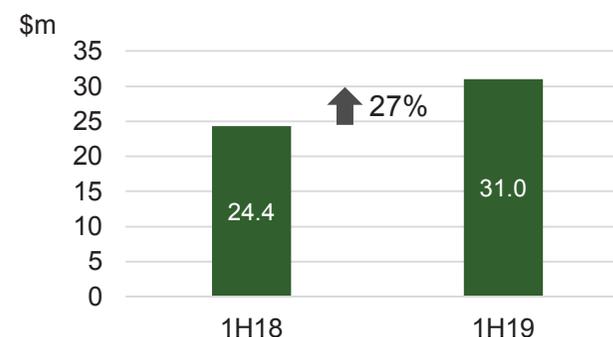
Corporate & Institutional – segment results

Corporate & Institutional

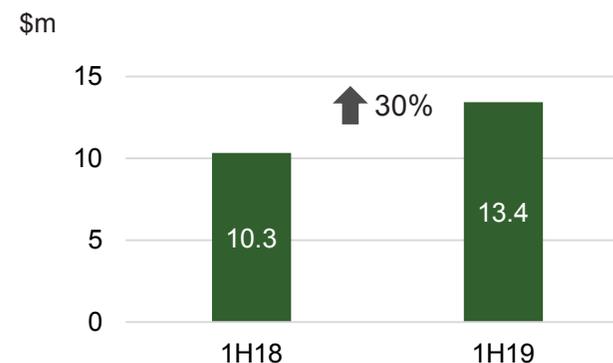
FOR THE PERIOD (A\$m)	1H19	1H18	VARIANCE TO 1H18	VARIANCE TO 1H18 %
Total revenue	34.4	25.0	9.4	37.6%
Net revenue	31.0	24.4	6.6	27.0%
Direct expenses	-12.7	-10.3	-2.4	23.3%
Overhead expenses	-2.5	-1.7	-0.8	47.1%
Allocated staff expenses	-2.4	-2.1	-0.3	14.3%
Underlying EBITDA	13.4	10.3	3.1	30.1%
Underlying EBITDA margin (%)	43.2	42.2	1.0	2.4%

- ◇ Over 180 institutional clients
- ◇ Institutional equities revenue 9% up on pcp
- ◇ 1H19 corporate advisory pipeline substantially delivered
- ◇ Capital markets secured arranger and lead manager role on number of key deals although 1H19 subdued partially due to timing of deal flow and market volatility

Net revenue



Underlying EBITDA



Funds Management – segment results

Funds Management

FOR THE PERIOD (A\$m)	1H19	1H18	VARIANCE TO 1H18	VARIANCE TO 1H18 %
Total revenue	44.2	39.4 ¹	4.8	12.2%
Net revenue	35.1	34.6	0.5	1.4%
Direct expenses	-19.6	-17.5	-2.1	12.0%
Overhead expenses	-5.2	-4.7	-0.5	10.6%
Allocated staff expenses	-1.3	-1.6	0.3	-18.8%
Underlying EBITDA	9.0	10.8	-1.8	-16.7%
Underlying EBITDA margin (%)	25.6	31.2	-5.6	-17.9%
Closing FUM	5,909	5,166	743	14.4%
Average FUM	5,796	4,906	890	18.1%

- ◇ Strong growth in FUM and base management fees on pcp
- ◇ No performance fees recognised in 1H19
 - 1H18 benefited from recognition of performance fee relating to Fort Street Real Estate Capital Fund I
- ◇ Internalisation of direct funds management expenses contributed to increase in costs over the period

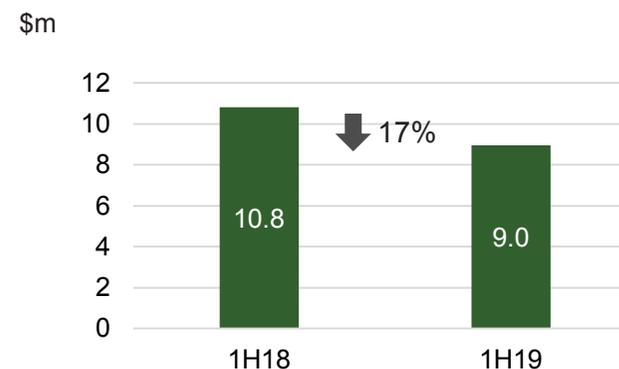
Notes:

1. Represents restated amount. 1H18 total revenue before adjustment of \$73.2 million, see slide 20 for restatement

Net revenue



Underlying EBITDA



Strong balance sheet

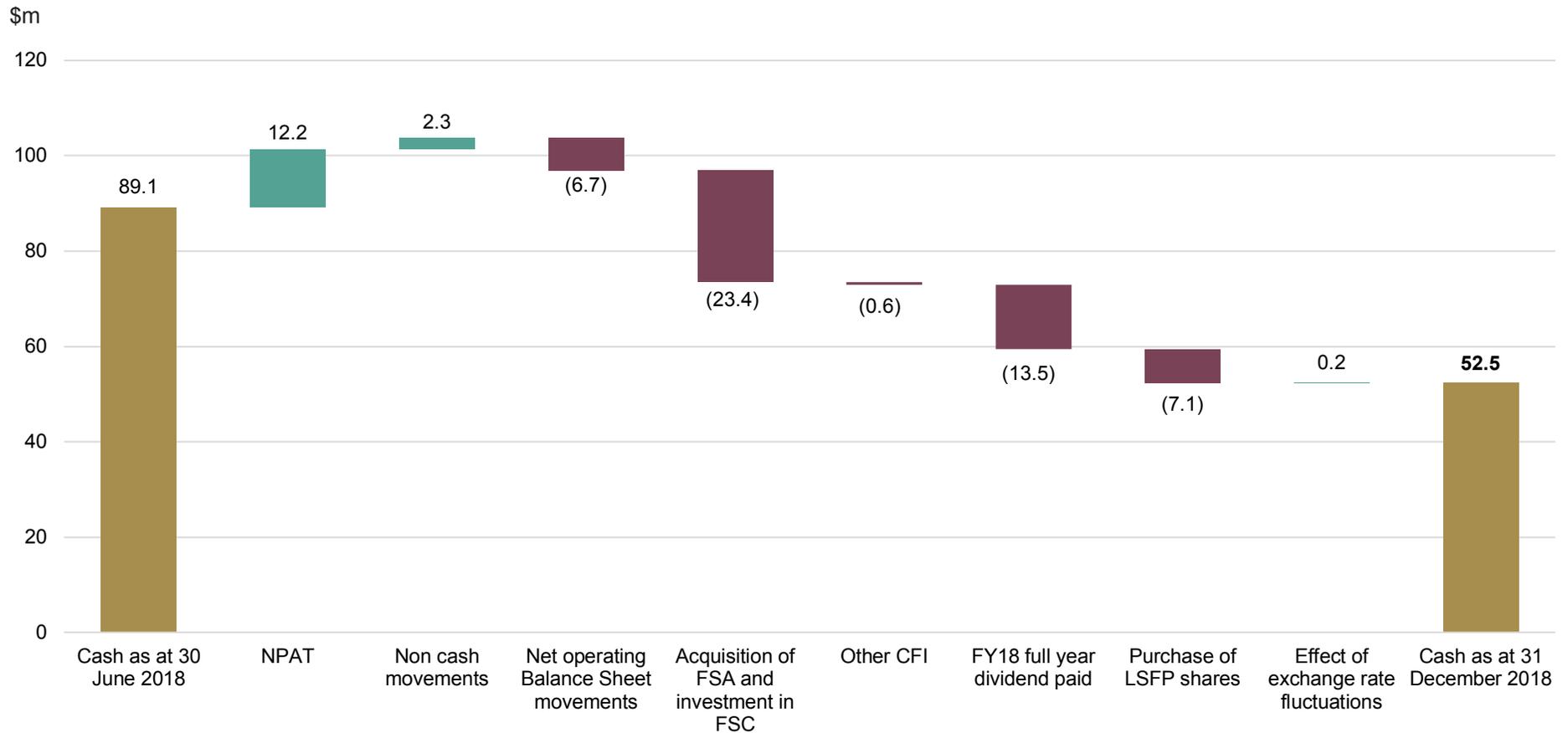
Strong financial position supports strategic flexibility to consider opportunities that meet the current and future needs of the Company and its clients

FOR THE PERIOD ENDED A\$m	1H19	2H18	1H18	VARIANCE TO 2H18	VARIANCE TO 2H18 %
Cash and cash equivalents	52.5	89.1	33.8	-36.6	-41.1%
Intangibles	160.5	117.9	108.6	42.6	36.1%
Trade and other receivables	26.1	30.2	17.5	-4.1	-13.6%
Other assets	52.8	34.5	35.9	18.3	53.0%
Total assets	291.9	271.7	195.8	20.2	7.4%
Borrowings	-	-	55.8	-	-
Trade and other payables	11.8	17.4	15.5	-5.6	-32.2%
Other liabilities	55.5	52.6	55.0	2.9	5.5%
Total liabilities	67.3	70.0	126.3	-2.7	-3.9%
Net assets	224.6	201.7	69.5	22.9	11.4%

- ◇ Strong balance sheet with net assets of \$224.6 million – up 11% from 30 June 2018 with acquisition on Fort Street in September 2018 following IPO in May 2018
- ◇ Cash and cash equivalents of \$52.5 million and no debt attracting transaction opportunities

Cashflow bridge

Successful deployment of IPO proceeds towards accretive strategic acquisitions



Underlying reconciliation

Reconciliation of EBITDA and statutory NPAT as stated in the half year financial report to underlying EBITDA and NPATA

FOR THE PERIOD ENDED
A\$m

	1H19	1H18
EBITDA	22.1	22.3
Public company costs	-	-0.4
Other acquisition expenses	1.2	-
Underlying EBITDA	23.3	21.9
Statutory NPAT	12.4	13.6
Amortisation of acquired intangibles (after tax)	1.7	0.5
Public company and other acquisition related expenses (after tax)	0.9	0.9
Underlying NPATA	15.0	15.0

◇ FY19 acquired amortisation expected to be up on FY18 due to up front non-cash charges arising from the acquisition of Fort Street Advisers

Notes:

The 1H19 underlying EBITDA adjustments include \$1.2 million in expenses relating to the acquisition of Fort Street Advisers, due diligence expenses and other pre-acquisition expenses relating to Evans & Partners (\$0.9 million after tax). 1H18 has been adjusted for -\$0.4 million in additional costs expected to have been incurred as a public company including ASX listing fees and additional Directors' fees had the Company been listed from 1 July 2017 (-\$0.2 million after tax). Additional 1H18 after tax adjustments include \$1.1 million in interest expenses relating to the Company's previous corporate debt facility. 1H19 underlying NPATA after tax adjustments also include \$1.7 million relating to amortisation of intangible assets that arose from the merger with Evans & Partners, acquisition of Fort Street Advisers and the company's IPO (1H18: \$0.5 million).

4. Outlook

David Evans – Executive Chairman

Management focus

Experienced management team focused on executing business plan with discipline

New business opportunities

- ◇ Leverage scalable in-house developed advice platform to grow client base and offer wealth management services of increasing complexity
- ◇ Leverage existing capabilities in Corporate & Institutional and Funds Management to build out of a firm wide focus on key sectors with positive long term growth thematic
- ◇ Extending on Funds Management offering with new strategies
- ◇ Expanding on cornerstone and principal co-investment alongside our clients

Cost initiatives

- ◇ Continued focus on cost rationalisation and leveraging further synergies across the business units

Inorganic growth opportunities

- ◇ Focused on exploring compelling strategic opportunities that may arise from industry change
- ◇ Potential for opportunities adjacent to existing capabilities that would further diversify earnings across market and service offering

Focus on quality people and strong culture

- ◇ Continued investment in graduate talent
- ◇ Continue recruiting and investing in high-quality expertise across the business
- ◇ Building strong staff alignment through equity participation

Outlook

Positioned for future growth

- ◇ Volatility in markets and business conditions are likely to increase however see this as an opportunity to capitalise on changes that occur
- ◇ Fee for service advice model positioned to benefit from further regulatory reform
- ◇ Well placed to address recommendations arising from the Financial Services Royal Commission, pending final legislative outcomes
- ◇ Investment in Corporate & Institutional business continuing to deliver growth and increased market share
- ◇ Funds Management platform repositioned and recent investment in key talent yielding good investment performance
- ◇ Expanding Funds Management distribution platform
- ◇ Strong balance sheet provides strategic flexibility
- ◇ Experienced management team focused on executing business plan with discipline

Financial performance

- ◇ Solid start to trading in 2H19
- ◇ Good transaction pipeline in Corporate & Institutional. However, high level of M&A deal completions in 1H19 is unlikely to repeat in 2H19
- ◇ Corporate advisory volumes and capital markets activity is subject to market volatility and the impact of timing differences
- ◇ Growth in recurring revenue across Wealth Advice and Funds Management driven by net client inflows and growth in funds under management
- ◇ Targeted dividend payout ratio of 75-85% of underlying NPATA

Medium term outlook

Well positioned for the medium term

- ◇ Strong growth focus:
 - Low penetration in existing markets (<2% of SMSF market; boutique positioning in Corporate & Institutional; expanding Funds Management distribution)
 - Leveraged to Australia’s \$2.6 trillion personal investment market; expected to double over 10 years
 - Flexibility to pursue compelling strategic growth opportunities

- ◇ Attractively positioned businesses
 - Wealth Advice business targeted at HNW and affluent SMSF clients
 - Fee for service advice model with highly educated adviser force
 - Boutique positioning in Corporate & Institutional focused on specialised sector specific expertise
 - Funds Management focused on delivering differentiated asset exposures to an expanded distribution base

- ◇ Diversified earnings mix
 - Significant exposure to “recurring revenues” in Wealth Advice & Funds Management complemented by higher margin transactional revenue in Corporate & Institutional

- ◇ Focus on steady dividend growth
 - Targeting 75-85% of underlying NPATA payout ratio
 - Reflecting strong cash earnings generation across the business
 - Current gross trailing yield of 9.0%

Appendix

Funds Management

Funds management suite by thematic focus

	LISTED GLOBAL EQUITY					REAL ASSETS		
	DISRUPTION	CONCENTRATED VALUE	HIGH CONVICTION GLOBAL	ASIA	HEALTHCARE	REAL ESTATE		SUSTAINABLE INFRASTRUCTURE
FUND	<ul style="list-style-type: none"> ◇ E&P Global Disruption Fund/Portfolio 	<ul style="list-style-type: none"> ◇ E&P International Fund ◇ E&P International Focus Portfolio 	<ul style="list-style-type: none"> ◇ E&P Global Flagship Fund 	<ul style="list-style-type: none"> ◇ E&P Asia Fund 	<ul style="list-style-type: none"> ◇ E&P Global Healthcare Portfolio 	<ul style="list-style-type: none"> ◇ US Masters Residential Property Fund 	<ul style="list-style-type: none"> ◇ Fort Street Real Estate Capital Fund series 	<ul style="list-style-type: none"> ◇ New Energy Solar
FUM ¹	<ul style="list-style-type: none"> ◇ \$346 million 	<ul style="list-style-type: none"> ◇ \$680 million 	<ul style="list-style-type: none"> ◇ \$178 million 	<ul style="list-style-type: none"> ◇ \$139 million 	<ul style="list-style-type: none"> ◇ \$4 million 	<ul style="list-style-type: none"> ◇ \$1,500 million 	<ul style="list-style-type: none"> ◇ \$780 million 	<ul style="list-style-type: none"> ◇ \$1,089 million
VEHICLE	<ul style="list-style-type: none"> ◇ Listed fund ◇ Managed accounts 	<ul style="list-style-type: none"> ◇ Two unlisted funds ◇ Managed accounts 	<ul style="list-style-type: none"> ◇ Listed fund 	<ul style="list-style-type: none"> ◇ Listed fund 	<ul style="list-style-type: none"> ◇ Managed accounts 	<ul style="list-style-type: none"> ◇ Listed fund 	<ul style="list-style-type: none"> ◇ Four unlisted funds 	<ul style="list-style-type: none"> ◇ Listed business
RATIONALE	<ul style="list-style-type: none"> ◇ Exposure to global companies that benefit from disruptive innovation ◇ Benefiting from increased growth in technology companies ◇ Convenient investment platform to access disruption thematic 	<ul style="list-style-type: none"> ◇ Exposure to securities with high levels of business, balance sheet and management qualities ◇ Attractive valuations ◇ Simple and conservative investment approach integral to capital preservation 	<ul style="list-style-type: none"> ◇ Exposure to global equities exposure for attractive risk-adjusted returns ◇ Active management of concentrated portfolio ◇ Stock selection based on corporate governance, liquidity, risk management and valuations ◇ Targeted consistent distributions 	<ul style="list-style-type: none"> ◇ Access to one of the fastest growing regions in the world ◇ Macro thematic of attractive demographics and growing consumerism ◇ Active portfolio management to screen for quality management and governance standards ◇ Targeted consistent distributions 	<ul style="list-style-type: none"> ◇ Access to global listed securities with broad healthcare focus ◇ Macroeconomic drivers such as ageing populations and shifting lifestyles ◇ Bottom up fundamental analysis of security valuation with strong quality screen 	<ul style="list-style-type: none"> ◇ Exposure to New York metro residential housing ◇ Established in 2011 benefiting from recovering US housing market and strengthening USD ◇ Significant portfolio of US assets 	<ul style="list-style-type: none"> ◇ Exposure to Australian commercial property ◇ Providing investors with stable yield and potential for growth ◇ Value add opportunities through active property management 	<ul style="list-style-type: none"> ◇ A solar energy infrastructure business ◇ Benefiting from shift towards renewables and increased competitiveness of solar ◇ Top 5 listed renewable energy company investing in solar ◇ Assets in Australia and US

Notes:

1. Gross FUM as at 30 December 2018

Funds Management

	AUSTRALIAN EQUITY					UNLISTED EQUITY		FIXED INCOME	
	HIGH CONVICTION	GOVERNANCE	GROWTH	INCOME	TAX-EFFECTIVE	US PRIVATE EQUITY	VENTURE CAPITAL	DIVERSIFIED DEBT SECURITIES	
FUND	◇ E&P Australian Flagship Fund	◇ Australian Governance & Ethical Index Fund ²	◇ E&P Australian Equities Growth Portfolio	◇ E&P Australian Income Portfolio	◇ E&P Australian Zero Tax Portfolio	◇ Cordish Dixon Private Equity Fund series	◇ Venture Capital Opportunities Fund	◇ Australian Masters Yield Fund series ⁴	◇ E&P Diversified Income Portfolio ◇ E&P Defensive Plus Portfolio
FUM ¹	◇ \$29 million	◇ \$39 million	◇ \$144 million	◇ \$28 million	◇ \$75 million	◇ \$461 million	◇ \$18 million ³	◇ \$72 million	◇ \$344 million
VEHICLE	◇ Listed funds		◇ Managed accounts			◇ Three listed funds ◇ One unlisted fund	◇ Unlisted fund	◇ Two listed funds	◇ Managed accounts
RATIONALE	<ul style="list-style-type: none"> ◇ Exposure to concentrated portfolio with fundamental analysis and strong quality overlay ◇ Deep industry expertise and experience of Investment Committee and Portfolio Consultants ◇ Targeted consistent distributions 	<ul style="list-style-type: none"> ◇ Exposure to stocks that exhibit relatively high levels of governance, social, and environmental performance ◇ Companies expected to deliver stronger shareholder value ◇ Experienced Advisory Committee and Investment Manager 	<ul style="list-style-type: none"> ◇ Exposure to stocks that typically have earnings and distribution growth higher than that provided by the overall market ◇ Index agnostic with a balanced exposure across industries ◇ Bias towards capital growth 	<ul style="list-style-type: none"> ◇ Exposure to stocks that typically have a higher dividend yield with a higher franking benefit than that provided by the overall market ◇ Typically has a defensive bias ◇ Strong income stream for investors 	<ul style="list-style-type: none"> ◇ Designed specifically for the zero-tax paying investor ◇ Access to a higher dividend yield with a higher franking benefit than that available from the overall market ◇ Ability to utilise higher turnover rate due to zero-tax paying status 	<ul style="list-style-type: none"> ◇ Access to US mid market PE funds ◇ Participating in recovering US economy ◇ Unique access to assets, experience and networks through Cordish relationship 	<ul style="list-style-type: none"> ◇ Exposure to venture capital and experienced VC investment manager ◇ Identification of promising technologies and products ◇ Multi-geographic approach provides broader set of opportunities 	<ul style="list-style-type: none"> ◇ Access to corporate debt securities diversified across sectors ◇ Attractive and stable rate of income ◇ Focus on issuers of sound credit quality, minimising default risk 	<ul style="list-style-type: none"> ◇ Exposure to secure and predictable income stream ◇ Ability to invest across government, corporate and hybrid securities ◇ Capacity react to macro conditions for capital preservation purposes

Notes:

1. Gross FUM as at 30 December 2018
2. Commenced official quotation from 12 July 2018 following a restructure of the Australian Governance Masters Index Fund Limited
3. Includes capital committed
4. Fixed term debt funds which represented \$689 million in total assets across the 10 fund series

Glossary

Amortisation of acquired intangibles – includes amortisation of intangible assets arising from the acquisitions of EAP, Fort Street Advisers and amortisation of executive restraint covenants

EAP – Evans & Partners

EBITDA – is defined as earnings before interest, tax, depreciation and amortisation

EPS – is defined as earnings per share

FASEA – Financial Adviser Standards and Ethics Authority

FOFA – Future of Financial Advice reforms

FUA – funds under advice

FUM – funds under management

FSA – Fort Street Advisers

FSC – Fort Street Capital

HNW – high net wealth

IFA – Independent Financial Adviser

Implied gross yield – is defined as the franked dividend per share divided by a certain price per share

IPO – relates to the initial public offering of the Company on the Australian Securities Exchange on 14 May 2018

LFSP – Loan Funded Share Plan

Net revenue – is defined as total revenue less the cost of goods sold incurred in the provision of such services

PBT – is defined as profit before tax

PCP – prior comparable period

RE – Responsible Entity

SMSF – Self Managed Superannuation Fund

Underlying EBITDA – is defined as earnings before interest, tax, depreciation, amortisation and extraordinary expenses

Underlying EBITDA margin – is defined as underlying EBITDA divided by net revenue

Underlying NPATA – is defined as net profit after tax before amortisation of acquired intangibles and extraordinary expenses

Underlying NPATA margin – is defined as underlying NPATA divided by net revenue

WSO –weighted average shares outstanding, being 221.3 million shares for the period to 31 December 2018