

27 May 2019

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 by Wilsons Advisory on 30 May 2019.

For further information, please contact Ian Macoun on +61 2 8970 7700.

Calvin Kwok
General Counsel and Company Secretary



Pinnacle
INVESTMENT MANAGEMENT

Wilsons Rapid Insights Conference

30 May 2019

- Latest Update
- Introduction to PNI
- First half FY19 Financial Highlights
- First half FY19 Business Highlights
- First half FY19 Results Discussion
- Additional material:
 - Group Overview and Business Focus
 - Horizon 2 Initiatives
 - Distribution Update
 - Summary and plans for the remainder of FY19

- FUM at 30 April 2019: \$52.1 billion (including \$10.9 billion retail), compared with \$46.7 billion at 31 December 2018
- Equity markets have rebounded strongly 2019 calendar year to date:
 - ASX/S&P 300 index up 12.2% in the four months to 30 April
 - MSCI World index up 15.2% in the four months to 30 April
- PNI added to the S&P/ ASX 200 index in March 2019 (added to the S&P/ASX 300 in August 2018)
- Metrics Credit Partners' new listed investment trust (Metrics Opportunity Trust – 'MOT') closed early, at the maximum of \$300m, oversubscribed

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 13 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)
- Added to the S&P/ ASX 200 index in March 2019 (added to the S&P/ASX 300 and the MSCI Australian Small Cap Index in August 2018)

How we generate our profits

- Our share of Affiliates' profits – equity accounted (FY18 NPAT – our share \$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 \$52.1 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 various Research Reports for information relating to expected future growth

* as at 30 April 2019, at 100% of Affiliate FUM

Building a strong, diversified platform

Continuing to invest in a diversified platform to strengthen future growth



Pinnacle
INVESTMENT MANAGEMENT

- 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

Firetrail
INVESTMENTS

SOLARIS
investment management

23.5% (4)

40.0%

\$3.6bn
High
Conviction
2018

\$7.6bn
Australian
Core equities
2008

Core/
Conviction

HYPERION
ASSET MANAGEMENT

Plato
INVESTMENT MANAGEMENT

49.9%

43.1%

\$5.6bn
Global & Aus.
Growth
equities
1998

\$4.7bn
Global & Aus.
Quant equities
2006

Domestic/Global

ANTIPODES
GLOBAL INVESTMENT PARTNERS

23.5%

\$8.1bn
Global L/S &
long only
Equities
2015

Global

Spheria
ASSET MANAGEMENT

40.0% (4)

\$0.7bn
Small/
Microcaps
2016

Small Cap

LONGWAVE
CAPITAL

40.0% (4)

\$0bn
Quantamental
equities/Multi-
Asset
2018

Quantamental
equities/Multi-
Asset

Omega
GLOBAL INVESTORS

40.0% (4)

\$3.7bn
Smart Beta Plus
2018 (3)

Smart Beta

**RESOLUTION
CAPITAL**

43.5%

\$7.8bn
Global REITs
2007

Global Real
Estate Securities

METRICS

35.0%

\$2.8bn
Debt
2018 (2)

Debt

PALISADE

36.0%

\$2.0bn
Unlisted
infrastructure
2007

Infrastructure

Two Trees
INVESTMENT MANAGEMENT

44.0%

\$0.2bn
Systematic Global
Macro
2017

Macro

RIPARIAN
CAPITAL PARTNERS

40.0%

\$0.0bn
Water, Agriculture
and Food
2019

Water & Ag

- (1) Gross FUM as at 31 December 18. \$52.1 billion at 30 April 2019
- (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

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')

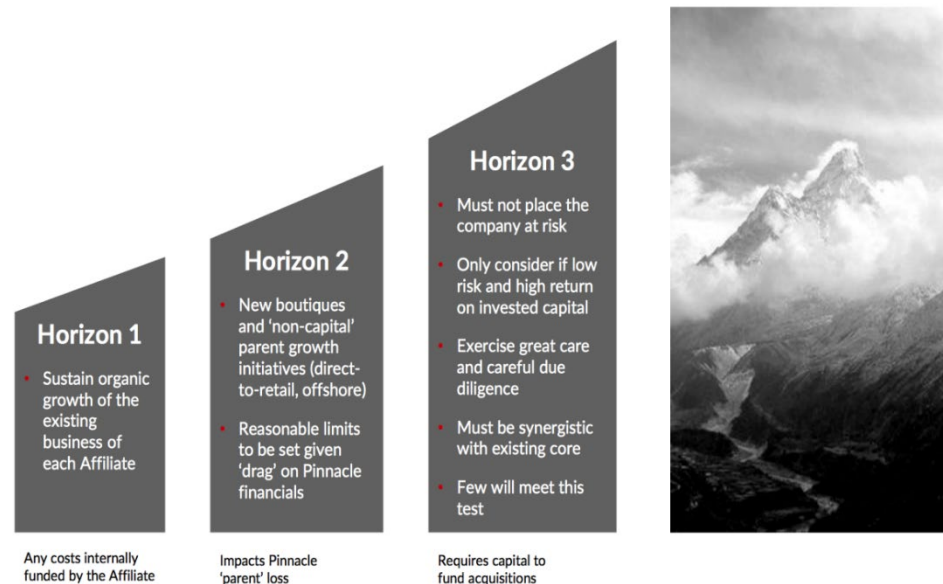
Importance of succession planning within Affiliates; long term sustainable businesses

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

Three Horizons of Growth

- 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



First half FY19 financial highlights

Announced 22nd February 2019

- Pinnacle's share of Affiliates' NPAT \$14.3 million, up 44% from \$9.9 million in PCP
- Pinnacle funds under management (FUM) of \$48.7bn at 31 January 2019²
- Fully franked interim dividend of 6.1 cents per share payable on 22 March 2019, up 33% from 4.6 cents per share in PCP

Previously announced 23rd January 2019

- NPAT from continuing operations attributable to shareholders of \$10.1 million, up 25% from \$8.1 million in prior corresponding period (PCP)
- Basic earnings per share from continuing operations of 6.1 cents up 13% from 5.4 cents in PCP
- Diluted earnings per share from continuing operations of 5.7 cents up 14% from 5.0 cents in PCP
- Pinnacle funds under management (FUM) of \$46.7 billion¹ at 31 December 2018, up from \$38.0 billion at 30 June 2018 and up from \$32.3 billion at 31 December 2017
- Cash and principal investments of \$47.6 million at 31 December 2018

- FUM at 31 December 2018 \$46.7 billion^{1, 3}
 - up \$8.7 billion or 23% from \$38.0 billion at 30 June 2018
 - up \$14.4 billion or 45% from \$32.3 billion at 31 December 2017
- Retail FUM now \$9.4 billion², up 19% from \$7.9 billion at 30 June 2018
- Net inflows for the half-year ended 31 December 2018 of \$5.0 billion, including \$1.4 billion retail
- Large institutional flows into Firetrail; now close to 'institutional capacity'
- Acquisition of a 35% interest in Metrics for \$46 million in July 2018. Following the acquisition, Metrics had approximately \$40m of cash to deploy in support of its medium term growth initiatives

¹includes \$6.8 billion 'acquired' in July 2018

²includes \$0.7 billion 'acquired' in July 2018

³\$52.1 billion at 30 April 2019

- Acquisition of a 40% interest in Omega Global Investors
- Longwave Capital Partners established in September 2018 (Pinnacle holds a 40% interest) – commenced managing money 1 February 2019
- Significant downturn in equities markets during the period – ASX 300 index down 9.0%, MSCI World Index down 9.8% during the six months to 31 December 2018 (FUM reductions due to market movements / investment performance during the six-month period from 30 June 2018 to 31 December 2018 were \$3.1 billion, \$0.6 billion of which was retail).

The large downturn occurred during the last quarter of calendar 2018 when the ASX 300 was down 9.2% and the MSCI World Index down 13.1%. The market movement impact on total PNI FUM during this quarter was approximately 7.5% of the average FUM during the period

- Pinnacle remains well positioned to deliver superior business and financial performance in the medium term:
 - Proven deep expertise and diversity of our 13 Affiliates – 94% 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 April 2019
 - Strong and conservative balance sheet that allows us to both invest in growth initiatives throughout the cycle, and preparedness to respond to opportunities presented by changing market conditions
 - Proven strong distribution – and continuing to grow capability
 - Strong risk management framework and culture – and continuing to enhance capability
- We have invested, and will continue to invest, in Horizon 2 initiatives, with this investment for growth preceding resulting revenues. Therefore Pinnacle parent loss, which will vary with prevailing market conditions, is always managed with extreme vigilance
- During this half, our costs ramped up as planned, in preparation for ongoing growth, but Pinnacle parent revenues did not grow as strongly as originally expected, due to weak market conditions over the four months from September to December 2018. Pinnacle parent loss in 2HFY19 is expected to be less than in 1HFY19

Financial summary

	1H2019	1H2018	YoY change
Pinnacle			
Revenue	7.5	6.0	25.0%
Expenses	(11.7) ₂	(7.8) ₂	50.0%
Share of Pinnacle Affiliates net profit after tax	14.3 ₁	9.9	44.4%
Net profit before tax (NPBT) from continuing operations	10.1	8.1	24.7%
Taxation	-	-	
NPAT from continuing operations	10.1	8.1	24.7%
Basic earnings per share:			
From continuing operations	6.1	5.4	13.0%
Total attributable to shareholders	6.1	5.4	13.0%
Diluted earnings per share:			
From continuing operations	5.7	5.0	14.0%
Total attributable to shareholders	5.7	5.0	14.0%

- 'P&L' investment in support of Horizon 2 growth – adding resources to cater for growth (including ahead of forthcoming growth)
- As we have consistently stated, we will continue to invest in activities which we believe will bring substantial benefits over the medium term, whilst recognising that such investment may restrain our profits to some degree in the short term
- Pinnacle parent loss in 2HFY19 is expected to be less than in 1HFY19
- FUM inflows drive share of profits from Affiliates, tempered by market decline in the second half of 1HFY19
- Increased number of shares on issue following July capital raise and LTI

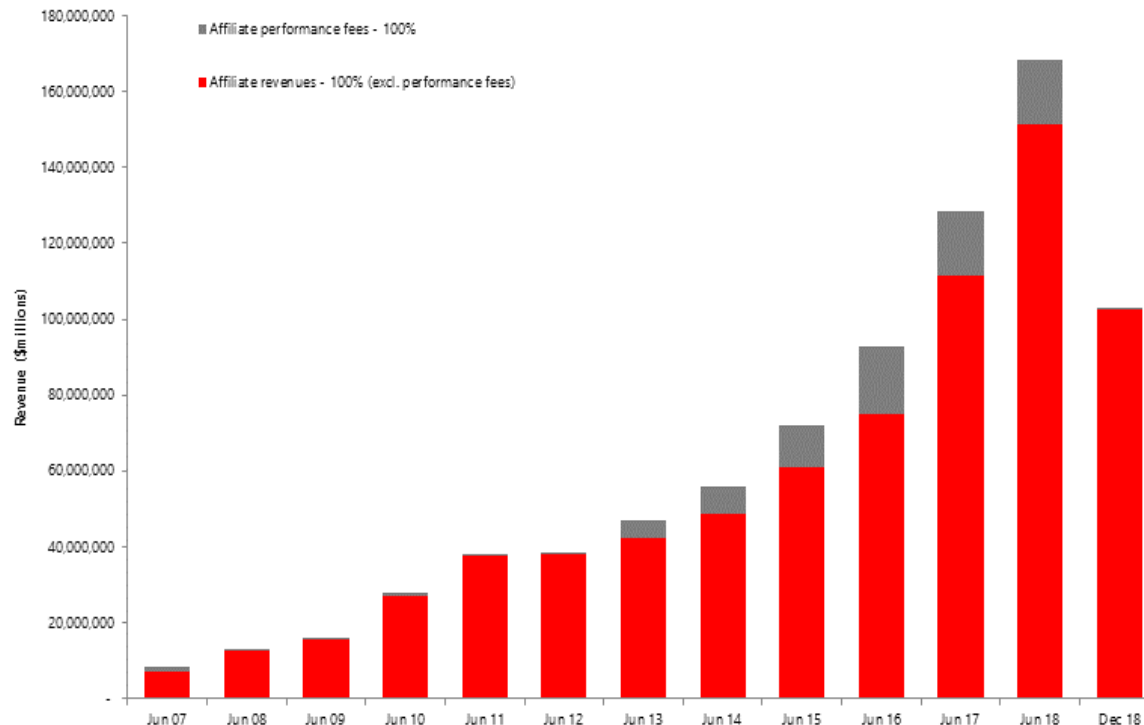
¹ Includes salaries of additional people, recruitment costs etc. – number of people in 'Pinnacle parent' increased from 39 at 1 July 2017 to 61 at 31 December 2018 (approximately 50% distribution and marketing; 50% infrastructure/fund services). Unusually high property costs – will not be as high in 2HFY19

² Realised and unrealised losses on principal investments have been deducted in calculating Revenue number. Nil revenues from upfront fees on LIC/LIT IPOs in 1HFY19; these were \$928k in 1HFY18

Highlights of interim results - Affiliates

	1H2019	1H2018	YoY change
Pinnacle Affiliates (100% aggregate basis)			
FUM (\$billion)	¹ 46.7	32.3	44.6%
Revenue (\$million)	103.1	70.5	46.2%
Net profit before tax	52.3	36.1	45.0%
Tax expense	(14.6)	(10.7)	36.0%
Net profit after tax	37.8	25.4	48.7%

¹\$52.1 billion at 30 April 2019



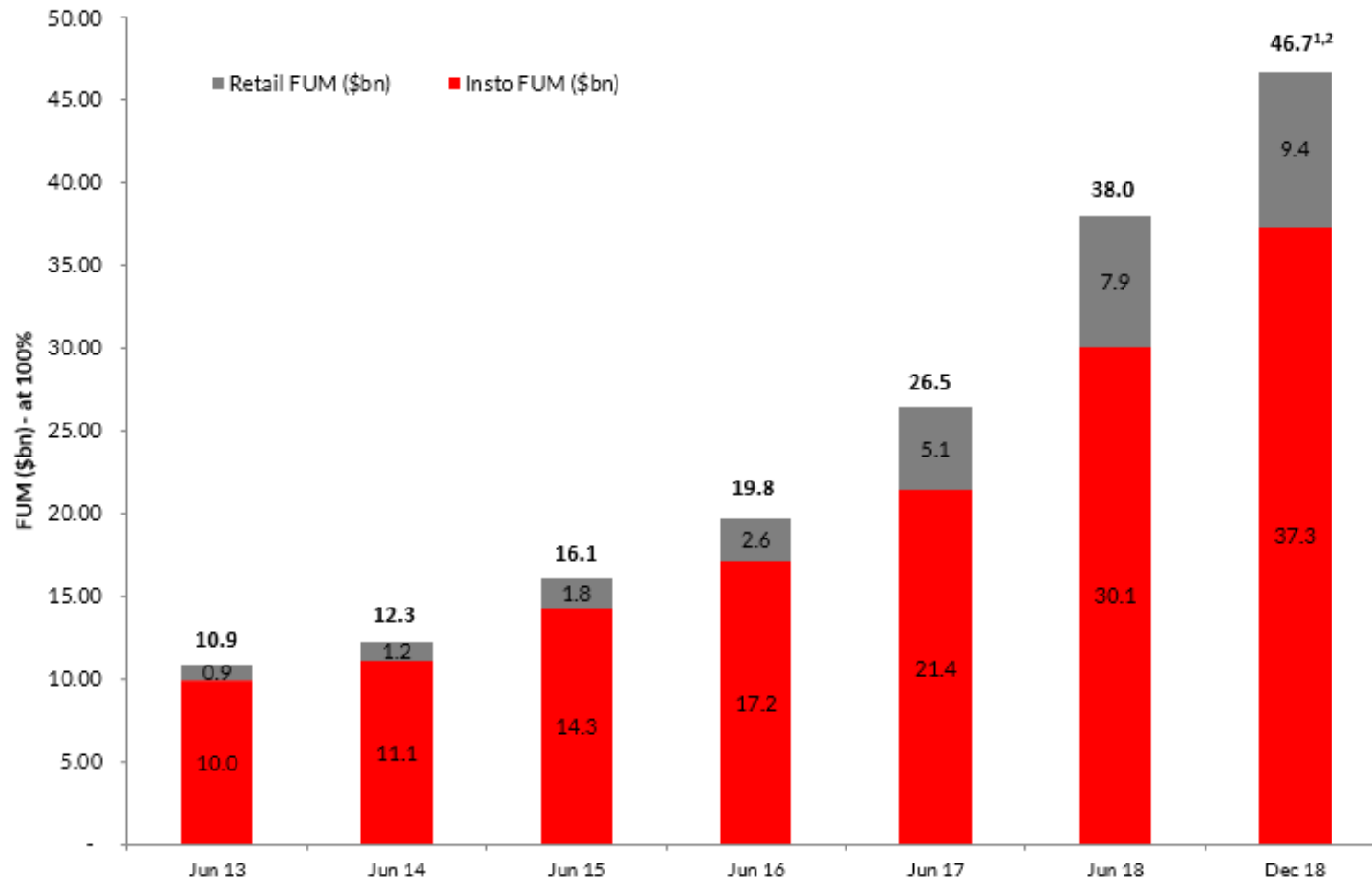
- Continuing FUM and revenue growth
- Total Affiliates' Revenues of \$103.1m, including \$0.6m (0.6%) in performance fees. In 1HFY18, total Affiliates' Revenues of \$70.5m included \$0.5m (or 0.7%) in performance fees
- As previously advised, NPAT during the first half of each financial year is typically a smaller proportion of full year NPAT than NPAT during the second half

- Continuing growth in 'Pinnacle Parent' revenues and costs
 - Significant 'P&L' investment in 1HFY19 in support of Horizon 2 initiatives (including Offshore distribution, ETF, Direct to retail consumers, new Affiliates)
 - Net loss on principal investments of \$615k
 - Unusually high property costs – will not be as high in 2HFY19
 - Continued strong inflows drive distribution fee revenues – however, no up-front LIC fees this half
 - Certain distribution fees are 'success-based' and only recognized in 2H
- Significant growth in Pinnacle's share of Affiliate profits on the PCP
 - Impact of higher starting FUM, tempered by the decline in equities markets in the second half of 1HFY19
 - Continuing investment in certain Affiliates ahead of future growth
 - Cost of Two Trees, Firetrail and Longwave included as negative NPAT, Firetrail profitable from September following significant early (predominantly institutional) inflows
 - Very low performance fees for 1HFY19 (also very low in 1HFY18)
 - As expected, Palisade NPAT significantly down on 2HFY18 – impact of annual performance fees to 30 June each year

At 31 December 2018:

- \$47.6m of cash and principal investments
- Includes \$37.1m invested in strategies managed by Pinnacle Affiliates
- Excludes nearly \$7m of cash applied for Affiliate equity recycling loans, working capital loans (Two Trees) and Affiliate equity purchased
- Pinnacle continues to support its Affiliates, including by seeding new products
- Excludes post balance date impact of dividend of \$11.0 million (interim dividend of 6.1 cents per share), and Affiliate dividend inflows to PNI since 31 December 2018
- Franking credit balance (\$26.9m) at 30% company tax rate enables potential fully franked dividends of \$63.1m

Funds Under Management – 31 December 2018



¹includes \$6.8 billion 'acquired' in July 2018

²\$52.1 billion at 30 April 2019

Funds Under Management – 31 December 2018

Date	Pinnacle (total) (\$m)	Hyperion (\$m)	Plato (\$m)	Solaris (\$m)	RCL (\$m)	Palisade (\$m)	Antipodes (\$m)	Spheria (\$m)	Two Trees (\$m)	Firetrail (\$m)	Metrics (\$m)*	Omega (\$m)*	Longwave (\$m)
31 Dec 18	46,741 ³	5,599	4,680	7,606	7,779	2,010	8,149	640	214	3,603	2,771	3,689	-
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	-	-	-	-	-

*Pinnacle acquired equity interests in Metrics and Omega in July 2018. FUM not included prior to this date

Date	Pinnacle (total)	Hyperion	Plato	Solaris	RCL	Palisade	Antipodes	Spheria	Two Trees	Firetrail	Metrics	Omega	Longwave
Change in FUM - 30 Jun 18 to 31 Dec 18	22.9% ¹	(14.0%)	(4.8%)	(8.6%)	(3.2%)	8.8%	7.9%	(8.8%)	200.8%	4,768.9%	-	-	-
Change in FUM - 31 Dec 18 to 31 Dec 17	44.5% ²	(7.6%)	0.8%	14.9%	18.7%	26.8%	30.2%	7.4%	721.5%	-	-	-	-

¹15.0% excluding Metrics and Omega

²23.5% excluding Metrics and Omega

³\$52.1 billion at 30 April 2019

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

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

2019 Lonsec/Money Management Fund Manager of the Year:

- Solaris Investment Management – Long/Short Equities Category Winner
- Antipodes Partners – Long/Short Equities Category Finalist
- Metrics – Listed Investment Companies & Trusts Category Finalist

Overview of Pinnacle Affiliates



Pragmatic value manager of global equities (long only and long-short)

- Funds under management have grown to in excess of \$8.1 billion in approximately 3.5 years



High conviction investment manager of Australian and Global equities

- Absolute Return Fund and High Conviction Fund launched in March 2018
- Absolute Return Fund Upgraded to 'Highly Recommended' by Zenith in February 2019
- Funds under management \$3.6 billion at 31 December 2018



Specialist manager of Australian and Global equities following a quality growth style

- Global Fund has a four-and-a-half-year track record and has out-performed the index by 6.9% pa (net of fees) since inception in June 2014. Upgraded to 'Highly Recommended' by Lonsec in February 2019



Quantamental Australian equities and multi-asset

- Longwave Australian Small Companies Fund launched 1 February 2019

Overview of Pinnacle Affiliates (continued)



Sydney-based alternative asset manager specializing in private debt, fixed income and capital markets

- Pinnacle acquired a 35% interest in July 2018



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



Specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors

- Recent further improved ratings from asset consultants and gatekeepers



Specialist manager in objective-based Global and Australian equity investment solutions for wholesale and retail investors

- Funds under management \$4.7bn at 31 December 2018
- Plato Global Shares Income Fund upgraded to ‘Recommended’ by Lonsec in February 2019

Overview of Pinnacle Affiliates (continued)

RESOLUTION CAPITAL

High conviction manager of Australian and Global listed real estate securities

- Funds under management \$7.8 billion at 31 December 2018
- Launched Collective Investment Trust (CIT) for US institutional investors – secured seed client

SOLARIS investment management

Specialist manager of Australian equities following a style-neutral approach to investing

- Successful launch of the long/short strategy – good performance, gaining traction in retail
- Funds under management \$7.6bn at 31 December 2018

Sphera ASSET MANAGEMENT

Fundamental-based investment manager with a bottom-up focus specialising in small and microcap companies

- FUM \$640m at 31 December 2018
- Contributing profitability to Pinnacle

Two Trees INVESTMENT MANAGEMENT

Specialist systematic global macro hedge fund manager

- Commenced managing money 1 November 2017
- Seeded offshore Cayman fund; UCITS to follow

Continuing strong investment performance of Affiliates

94% of Pinnacle Affiliated Investment Manager strategies and products (with a track record exceeding 5 years) **have outperformed** their benchmarks over the 5 years to 30 April 2019

	5Y	10Y	Inception	Inception date
Pinnacle Investment Management - gross performance unless otherwise stated				
Hyperion Asset Management				
Hyperion Australian Growth Companies Fund	9.66%	13.26%	12.38%	1/10/2002
Outperformance	2.11%	3.35%	3.13%	
Hyperion Small Growth Companies Fund	13.65%	19.76%	17.69%	1/10/2002
Outperformance	4.54%	12.33%	10.19%	
Hyperion Australian Equities Composite	9.73%	13.44%	13.41%	1/11/1996
Outperformance	2.18%	3.53%	4.39%	
Plato Investment Management				
Plato Australian Shares Core Fund	8.13%	11.13%	6.70%	30/10/2006
Outperformance	0.58%	1.22%	0.95%	
Plato Australian Shares Equity Income Fund - Class A	10.18%		12.34%	9/09/2011
Outperformance	1.01%		2.10%	
Solaris Investment Management				
Solaris Core Australian Equity Fund	9.69%	11.29%	7.11%	9/01/2008
Outperformance	2.17%	1.27%	2.18%	
Solaris High Alpha Australian Equity Fund	9.79%	11.22%	7.86%	4/02/2008
Outperformance	2.27%	1.21%	2.56%	
Solaris Total Return Fund (including franking credits)	11.39%		12.05%	13/01/2014
Outperformance	2.24%		2.30%	
Resolution Capital				
Resolution Capital Core Plus Property Securities Fund	14.75%	15.63%	9.57%	30/09/2008
Outperformance	1.63%	1.31%	2.53%	
Resolution Capital Global Property Securities Fund	11.22%	16.59%	11.92%	30/09/2008
Outperformance	2.72%	1.92%	4.26%	
Palisade Investment Partners				
Palisade Diversified Infrastructure Fund	12.94%	11.60%	10.70%	1/08/2008
Palisade Australian Social Infrastructure Fund	13.13%		15.35%	31/05/2011
Omega Global Investors				
Omega Global Corp Bonds Fund	4.49%		6.31%	11/03/2010
Outperformance	-0.50%		-0.75%	
Omega Australian Cash Fund	2.22%		2.69%	12/09/2011
Outperformance	0.41%		0.36%	
Omega Global Listed Infrastructure Fund	9.81%		12.40%	3/08/2012
Outperformance	0.41%		0.45%	
Metrics Credit Partners				
DASLF	5.12%		5.38%	4/06/2013
RBA Cash Rate	3.31%		3.45%	
BBSW (90 Days)	3.03%		3.20%	

The investment performance information above is shown for information purposes only. Outperformance is measured based on performance gross of fees (unless otherwise stated) vs relevant benchmark. The one strategy that has underperformed its benchmark was not under Pinnacle ownership for most of the five-year period

Affiliates' investment performance to 30 April 2019

	1Y	3Y	5Y	10Y	Inception	Inception date
Pinnacle Investment Management - gross performance unless otherwise stated						
Hyperion Asset Management						
Hyperion Australian Growth Companies Fund	13.93%	9.51%	9.66%	13.26%	12.38%	1/10/2002
Outperformance	3.61%	-1.56%	2.11%	3.35%	3.13%	
Hyperion Small Growth Companies Fund	24.66%	12.12%	13.65%	19.76%	17.69%	1/10/2002
Outperformance	17.48%	0.33%	4.54%	12.33%	10.19%	
Hyperion Australian Equities Composite	16.14%	9.76%	9.73%	13.44%	13.41%	1/11/1996
Outperformance	5.82%	-1.31%	2.18%	3.53%	4.39%	
Hyperion Global Growth Companies Fund (Class B Units)	32.32%	27.79%			24.01%	22/05/2014
Outperformance	17.48%	12.71%			10.12%	
Plato Investment Management						
Plato Australian Shares Core Fund	9.75%	11.83%	8.13%	11.13%	6.70%	30/10/2006
Outperformance	-0.58%	0.76%	0.58%	1.22%	0.95%	
Plato Australian Shares Equity Income Fund - Class A	15.01%	13.55%	10.18%		12.34%	9/09/2011
Outperformance	2.77%	0.78%	1.01%		2.10%	
Plato Global Shares Income Fund	7.12%	10.69%			7.53%	30/11/2015
Outperformance	-7.14%	-3.83%			-3.16%	
Solaris Investment Management						
Solaris Core Australian Equity Fund	11.02%	13.37%	9.69%	11.29%	7.11%	9/01/2008
Outperformance	0.62%	2.27%	2.17%	1.27%	2.18%	
Solaris High Alpha Australian Equity Fund	10.79%	14.09%	9.79%	11.22%	7.86%	4/02/2008
Outperformance	0.38%	2.99%	2.27%	1.21%	2.56%	
Solaris Total Return Fund (including franking credits)	13.96%	15.32%	11.39%		12.05%	13/01/2014
Outperformance	1.73%	2.54%	2.24%		2.30%	
Solaris Australian Equity Long Short Fund	14.62%				19.40%	1/03/2017
Outperformance	4.21%				9.97%	
Solaris Australian Equity Income Fund (including franking credits)	14.38%				13.46%	12/12/2016
Outperformance	2.15%				1.66%	
Resolution Capital						
Resolution Capital Core Plus Property Securities Fund	18.92%	10.71%	14.75%	15.63%	9.57%	30/09/2008
Outperformance	0.94%	2.36%	1.63%	1.31%	2.53%	
Resolution Capital Global Property Securities Fund	12.17%	9.81%	11.22%	16.59%	11.92%	30/09/2008
Outperformance	0.48%	3.05%	2.72%	1.92%	4.26%	
Palisade Investment Partners						
Palisade Diversified Infrastructure Fund	10.96%	14.18%	12.94%	11.60%	10.70%	1/08/2008
Palisade Australian Social Infrastructure Fund	8.70%	10.52%	13.13%		15.35%	31/05/2011
Antipodes Partners						
Global Fund	3.00%	13.29%			12.48%	1/07/2015
Outperformance	-9.68%	-1.12%			2.12%	
Global Long Only	4.60%	16.49%			13.81%	1/07/2015
Outperformance	-8.07%	2.08%			3.46%	
Asia Fund	4.06%	15.55%			11.35%	1/07/2015
Outperformance	1.20%	-0.47%			2.86%	

The investment performance information above is shown for information purposes only. Outperformance is measured based on performance gross of fees (unless otherwise stated) vs relevant benchmark

Affiliates' investment performance to 30 April 2019

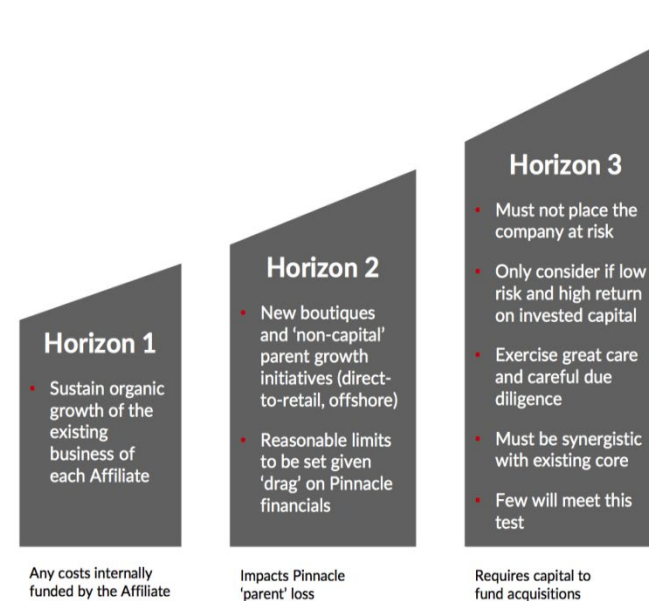
	1Y	3Y	5Y	10Y	Inception	Inception date
Pinnacle Investment Management - gross performance unless otherwise stated						
Spheria Asset Management						
Microcap Fund	2.87%				13.01%	16/05/2016
Outperformance	-4.31%				2.05%	
Smaller Companies Fund	14.15%				14.15%	11/07/2016
Outperformance	6.97%				4.51%	
Opportunities Fund	12.27%				14.14%	11/07/2016
Outperformance	6.76%				3.41%	
Two Trees Investment Management						
Global Macro Fund	1.66%				1.23%	1/11/2017
Outperformance	-0.36%				-0.70%	
Firetrail Investments - Gross Performance						
High Conviction Fund	1.45%				2.58%	14/03/2018
Outperformance	-8.96%				-7.44%	
Absolute Return Fund	-2.03%				-0.87%	14/03/2018
Outperformance	-3.53%				-2.37%	
Omega Global Investors						
Omega Global Corp Bonds Fund	4.90%	3.29%	4.49%		6.31%	11/03/2010
Outperformance	-0.92%	-0.85%	-0.50%		-0.75%	
Omega Australian Cash Fund	1.99%	2.01%	2.22%		2.69%	12/09/2011
Outperformance	0.53%	0.49%	0.41%		0.36%	
Omega Global Listed Infrastructure Fund	12.61%	8.29%	9.81%		12.40%	3/08/2012
Outperformance	-1.16%	-0.01%	0.41%		0.45%	
Metrics Credit Partners						
DASLF	5.68%	4.99%	5.12%		5.38%	4/06/2013
RBA Cash Rate	4.17%	3.46%	3.31%		3.45%	
BBSW (90 Days)	3.72%	3.13%	3.03%		3.20%	
SPDF	9.16%	8.47%			8.26%	26/11/2015
RBA Cash Rate	7.66%	6.94%			6.62%	
BBSW (90 Days)	7.20%	6.61%			6.29%	
SPDF II	9.07%				9.63%	9/10/2017
RBA Cash Rate	7.56%				8.12%	
BBSW (90 Days)	7.11%				7.72%	
REDF	9.40%				8.90%	9/10/2017
RBA Cash Rate	7.89%				7.39%	
BBSW (90 Days)	7.44%				6.98%	
WIT	7.07%				6.70%	9/10/2017
RBA Cash Rate	5.56%				5.19%	
BBSW (90 Days)	5.11%				4.78%	
MXT - net performance	5.95%				5.58%	9/10/2017
RBA Cash Rate	4.43%				4.07%	
BBSW (90 Days)	3.98%				3.66%	
Longwave Capital Partners						
Longwave Australian Small Companies Fund					12.59%	1/02/2019
Outperformance					1.26%	

The investment performance information above is shown for information purposes only. Outperformance is measured based on performance gross of fees (unless otherwise stated) vs relevant benchmark

Focus on managing the business so as to maximise profits and Company value over the medium term

We continue to build Pinnacle by taking a medium term approach

- Make decisions and release information when it is reliable and representative of 'real' or genuine trends
- Selection process, quality control
- Horizon 2 examples – Hyperion, Plato, Solaris, Spheria, Two Trees and Longwave
- Combination of Horizon 2 and Horizon 3 examples – Resolution Capital, Palisade, Antipodes and Firetrail
- Horizon 3 examples – Metrics and Omega



- How does 'Horizon 2' add value in the Medium Term?
 - Investment in growth initiatives that don't require additional capital to be raised
 - Reasonable limits to be set given short-term 'drag' on Pinnacle parent P&L. Ability to leverage managers' skill and brands through extension strategies
 - In addition to growing Affiliate revenue and profits, also creates additional revenue streams for 'Pinnacle parent' through distribution, marketing and operation revenue
- This results in:
 - Adding new boutiques
 - Accessing new channels (e.g. Direct to retail consumers)
 - Adding expertise to support non-traditional AUM growth (e.g. LICs, LITs, ETFs)
 - Geographic expansion of distribution platform (e.g. offshore, regional areas)
 - Establishing new 'platforms' that can be leveraged by our boutiques (e.g. UCITS, Cayman)

- We have deliberately increased resources and costs in 'Pinnacle parent' to ensure excellent ongoing service to existing Affiliates, support of new strategies and of new Affiliates
- Every 'Horizon 2' initiative is based on a business plan for delivery of attractive financial benefits within a few years
- Current initiatives include
 - New Affiliates
 - Firetrail (transitioned out of Horizon 2 in September 2018)
 - Longwave
 - Two Trees
 - ETF initiative
 - LICs and LITs
 - Direct to retail consumers
 - Offshore Distribution, etc.
- Resources to support Horizons 1 and 2 added in Risk & Compliance, Middle Office, Finance etc. (infrastructure / fund services) not only in Distribution and Marketing

Risk and Compliance expansion in response to market expectations and Horizon 1 and 2 growth

- Appointment of a Chief Risk and Compliance Officer
- Team expansion from three to six members
- Appointment of independent non-executive Chair to the Compliance Committee of our Responsible Entity
- Implementation of Governance, Risk and Compliance (GRC) system to enhance management of obligations
- Maintain current momentum and investment to deliver medium term growth

Investment Management Services (“Middle Office”) expansion to support domestic and offshore growth

- Team increased from six to ten members
- Specialist focus on global and alternatives investment strategies
- Cayman and UCITS fund platforms launched

Three Senior Executives included in additional resourcing

- Chris Meyer – Director, Listed Products
 - Former CEO RMI Investment Managers (South Africa)
 - Former CEO RMB Morgan Stanley (South Africa)
 - 20+ years industry experience, including in New York and London
- Chelsey Vaux – Director, Marketing
 - Former Managing Director - TBWA\Media Arts Lab AUNZ (Apple Creative Incubator)
 - 20 + years global marketing experience across diverse industries such as aviation, luxury, tech, finance, beverage
- Ramsin Jajoo – Director, Head of Retail
 - Former Head of Asset Management Solutions, Morningstar (US)
 - 20+ years industry experience

Horizon 2 examples undertaken:

- Hyperion Global and Plato Global Income Funds launched (Lonsec rating upgrades February 2019)
- Longwave Capital incubation
 - Seeded Longwave Australian Small Companies Fund on Feb 1st
- Two Trees performance stabilising and assets growing despite challenging performance environment for systematic hedge funds globally
 - Two Trees Systematic Global Macro Fund (Cayman) achieves critical mass with US\$100m in assets
 - Secured meaningful anchor commitment for forthcoming UCITS launch
- Expanded Dublin-domiciled UCITS and Cayman Fund platforms
 - UCITS fund format preferred by European, Canadian and Asian buyers
 - Cayman preferred by US and Japanese buyers
 - Existing and forthcoming fund launches from Antipodes, Two Trees and Plato

- Progressive expansion of domestic and offshore distribution platform
 - Completed build out of ‘capital markets’ team focused on exchange-traded offerings
 - Closed End (LICs, LITs) - APL, PL8, SEC, MXT
 - Open-Ended Funds (EQMFs) - AGX1
 - Continued expansion of ‘internal wholesale’ team to broaden geographic reach
 - Supports intensive campaign-based selling including as LIC/LIT IPOs and options exercise programs
 - Offshore distribution platform
 - International sales conducted from London, Sydney, Melbourne, Auckland
 - Promising sales pipeline developing (currently ~\$2.5bn of AUM outside of Australia; \$1bn+ in offshore funds)
- Continued investment in direct-to-retail-consumers capability
 - Online applications process now live

Horizon 2 Progress

Initiative	Status	Approximate \$m 31 Dec 18	Launched to market
Direct to Retail	Developing	\$480	2017
Capital Markets (LIC, LIT, ETF)	Developing	\$1,722	2017
Plato Global	Early Stage	\$55	2017
Two Trees	Developing	\$215	2018
Hyperion Global	Developing	\$470	2018
Spheria Opportunities	Developing	\$20	2018
Solaris Long/Short	Growth Accelerating	\$140	2018
Global Distribution	Early Stage	\$2,500	2018
UCITs Funds	Early Stage	\$870	2018
Cayman Funds	Early Stage	\$105	2018
Longwave	Incubation	\$2	2019

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 and Omega investments made July 2018 and have explored a number of:
 - existing profitable investment management firms that we could help
 - distribution/retail businesses that may be synergistic

- 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 an 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

- 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

- 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 Affiliates, Pinnacle primarily supports the community through the Pinnacle Charitable Foundation, which operates as an independent public ancillary fund
- The Foundation's mission is to facilitate positive social change through seeking out clever and creative thinkers, who are seeking answers to some of the country's biggest social challenges
- Innovative charities are frequently offered early stage backing – providing seed funding for them to conduct specialist research, incubate new projects and trial new programs
- During 2018 donations of \$285,000 were made by the Foundation, supported by a further \$75,000 from Affiliates. The total funding of \$360,000 was directed to causes identified together with Pinnacle and its Affiliates, supporting their business strategies and commitment to broad ESG principles
- A key focus area for the Foundation is mental illness, specifically supporting national prevention and early intervention programs and services. A long-term partnership will be implemented in 2019 with suicide prevention charity R U OK? to engage those in emergency services / frontline responders
- The Foundation remains the largest recipient of a workplace giving program offered by Pinnacle and several Affiliates. Employee donations made via salary sacrifice are matched by employers, resulting in a total of \$47,000 being distributed to 42 charities during 2018

- Maintain current momentum and investment to deliver medium term growth
- Maintain culture – attract exceptional individuals to our business and retain them
- Horizon 2 initiatives under way
- Continue to deliver growth within existing affiliates
- Continue to assess high quality new affiliate opportunities

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