



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

31 OCTOBER 2019

2019 Annual General Meeting

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Agenda

- Chairman's address – Alan Watson
- Ordinary business
- Managing Director's Address – Ian Macoun
- Secular Trends Facing Our Industry – Impact on Distribution – Ramsin Jajoo
- Q&A
- Results of meeting

CHAIRMAN'S ADDRESS

Alan Watson, Chairman

- Building a resilient, diversified business
 - Diversity of asset classes under management
 - Diversity of sources of Funds Under Management
- Medium term track record
 - Review of progress since becoming a 'pure play' Funds Management Group in 2016
- Future growth – measured and ready for opportunities

Building a resilient, diversified business



Resilience has been enhanced by:

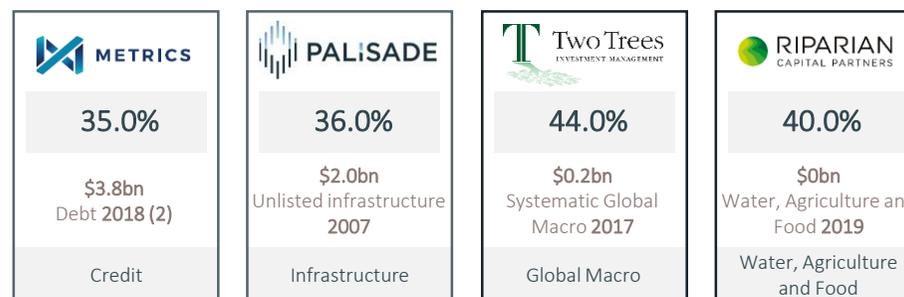
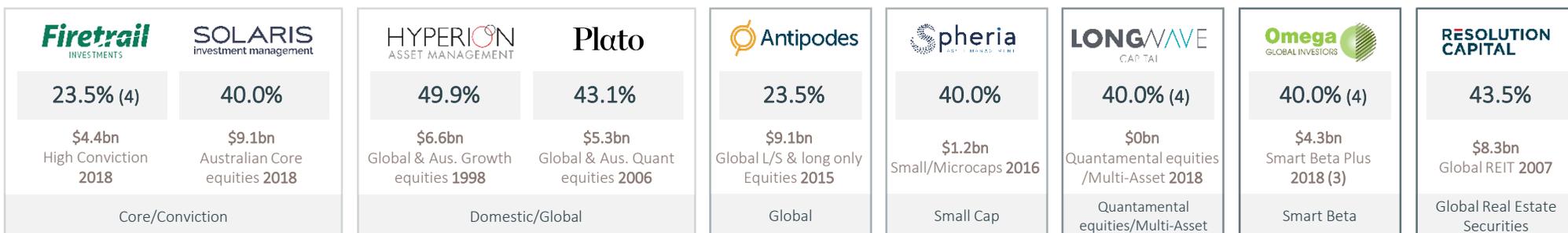
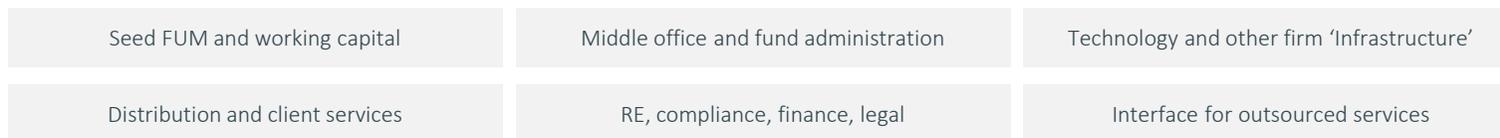
1. Diversity of asset classes
2. Diversity of sources of FUM
3. Percentage of FUM exposed to performance fees

Diversity of Asset Classes under management

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



(1) Gross FUM as at 30 June 2019.
 (2) Founded in 2011. Pinnacle acquired equity in August 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

Adding quality affiliates



A specialist debt fund manager, offering investors actively managed access to attractive risk-adjusted returns in private debt markets



Smart beta, factor investing and client solutions (including ESG) capabilities



High conviction investment manager of Australian and Global equities



Australian equities investment management affiliate, led by David Wanis



Water, agriculture and food investments across the agricultural sector

Diversity of Sources of Funds Under Management



1. Institutional – Domestic
2. Institutional – Offshore
3. Retail – Intermediated
4. Retail - Direct

Australian Institutional Funds Market – Challenges and Mitigants

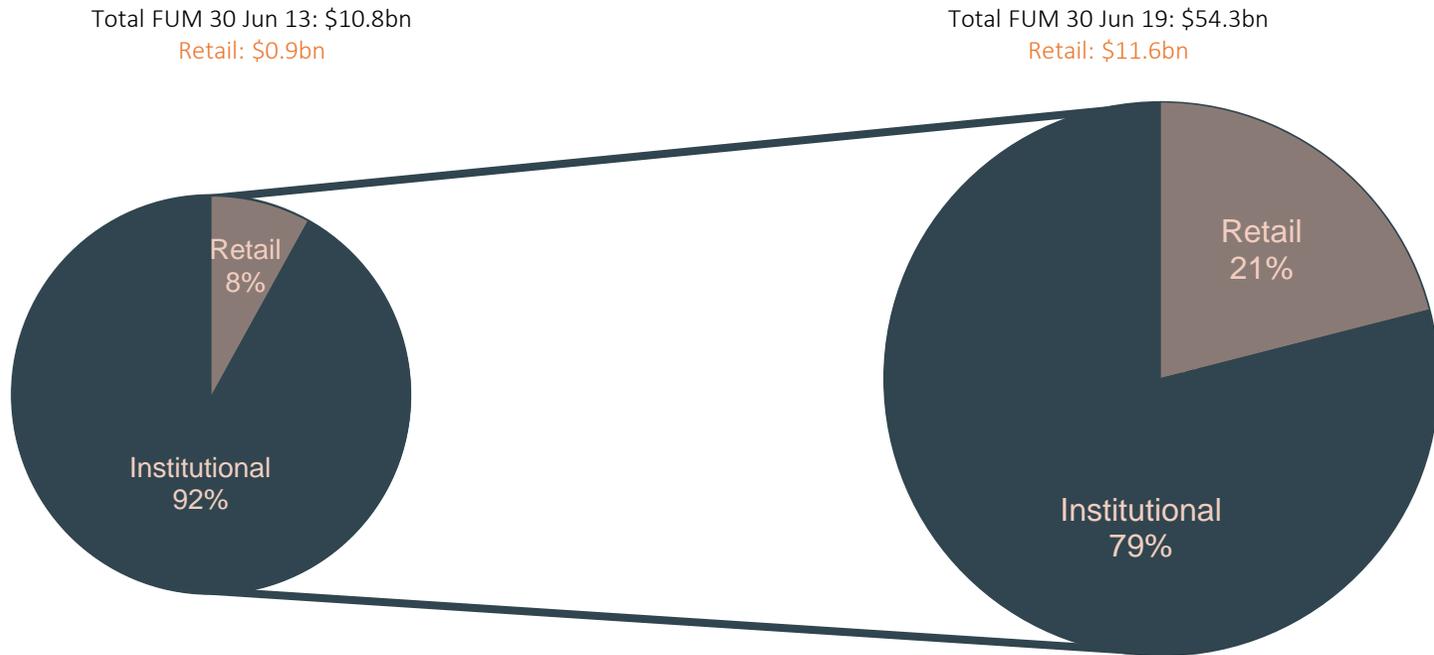
- Trends – Amalgamation, ‘Insourcing’ and some increase in ‘passive’ (index) funds
- Pinnacle response:
 - Client base diversity (78 institutional separate accounts, 95 institutional separate accounts; the largest client <1% of revenues)
 - Retail FUM continues to grow
 - Industry FUM growth mitigates the basis point fee compression
 - Affiliates’ proactive capacity management resists fee compression
 - Attractive investment performance still commands premium fees
 - Performance fees offer better alignment of interests and provide attractive economics for our strongly performing managers
 - We continue to diversify our asset class offerings, and
 - We are diversifying the markets into which we are offering our investment strategies

An Unusual Year in the Retail Market



- Royal Commission
- Federal election
- Geo-political concerns
 - US-China Trade Conflict
 - Brexit
 - Hong Kong
- Consequence: Too early to predict medium term effects, but lower inflows short term
- Pinnacle response: We have a diversified skill base in Retail and a market-leading Distribution capability

Retail FUM evolution

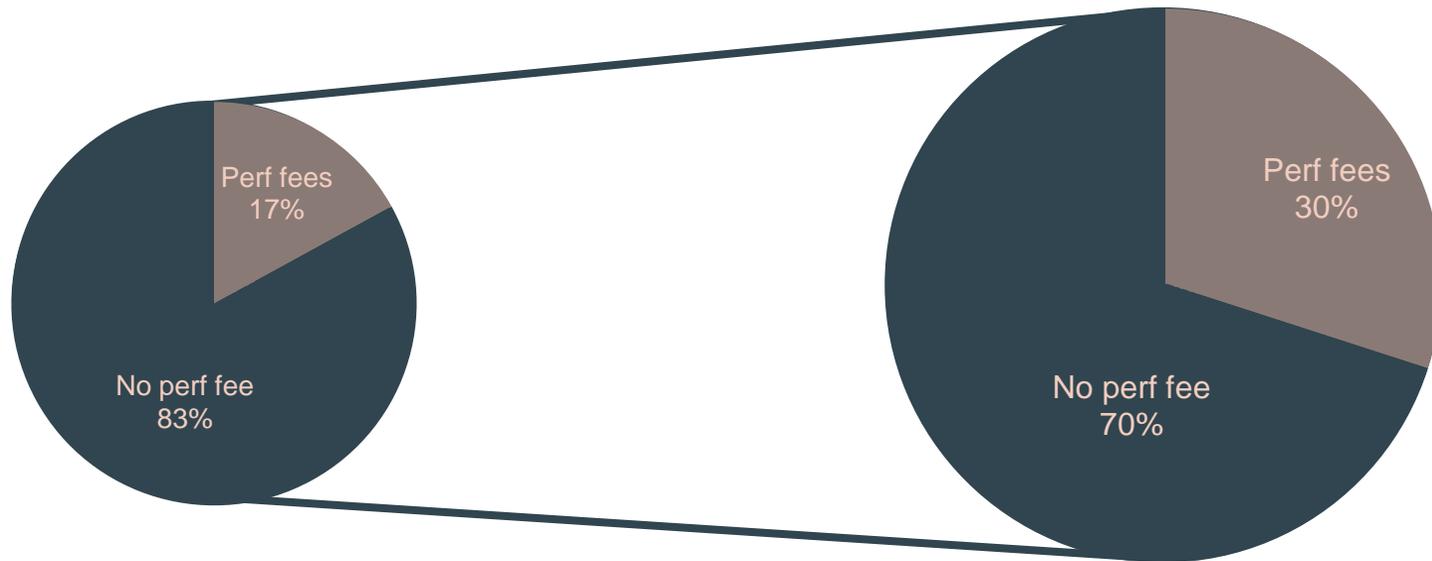


- Pinnacle has invested significantly in retail distribution and has generated substantial retail FUM in the last 6 years (~\$10bn of retail FUM growth)
- Initiatives include growth of internal and external sales teams, direct retail and exchange traded funds (open & closed ended)

FUM subject to performance fees

Total FUM 30 Jun 16: \$19.8bn
Subject to performance fees: \$3.3bn

Total FUM 30 Jun 19: \$54.3bn
Subject to performance fees: \$16.3bn



- Significant growth in both absolute and percentage of FUM subject to performance fees
- Diversification across asset classes

Pinnacle is a multi affiliate investment management firm with a mission to establish, grow and support a diverse stable of world-class fund managers

Goals and strategy stated in 2016	Progress
Continue to provide high quality distribution, Responsible Entity and infrastructure services	7 Affiliates, now 13 Affiliates
Support its Affiliated fund managers' high standards	Funds Under Management trebled from \$19.3 billion as at 30 April 2016 to \$56.9 billion now (with retail \$11.6 billion)
Remain focussed on investing, to enable continued strong performance and FUM growth	Net profit after tax also trebled (to \$30.5 million in FY19, from in 1HFY16 of \$4.7 million)
Grow retail FUM	EPS has grown from 5.2c in FY16 to 18.3c in FY19 – over 350%
Continue to assess third party distribution and new boutique opportunities	FY19 dividends of 15.4c compared with 3.3c in FY16, 67% p.a. compound growth

- NPAT from continuing operations attributable to shareholders of \$30.5 million, up 32% from \$23.1 million in the prior year
- Earnings per share from continuing operations of 18.3 cents, up 33% from 14.3 cents in the prior year
- Share of NPAT from Pinnacle Affiliates of 33.1 million, up 33% from \$24.9 million
- Fully franked final dividend of 9.3 cents per share payable on 5 October 2019
- Cash and Principal Investments of \$51.2 million as at 30 June 2019

Fully franked dividend yield AND earnings growth



- 15.4 cents per share Fully Franked dividends FY19
- Up 67% pa from 3.3 cents in FY16
- Ample franking credits (\$28.8m at 30 June 2019)
- Shareholders appreciate dividend income (in addition to earnings growth)
- Earnings have grown well in excess of 20% pa
- FY19 dividends represent approx. 3.1% pa yield at current share price (equal to 4.4% including franking benefit)
- Franking credit balance (\$28.8m) at 30% company tax rate enables potential fully franked dividends of \$67.2m

- Investment in distribution platform
 - Grow ahead of our Affiliates
 - Listen to clients and move quickly to meet their evolving needs
 - Do not become the market – be ahead of it
- Investment in new affiliates adds diversification
 - Global equities (developed & emerging markets)
 - Private capital (debt & equity)
 - Absolute return (single & multi-asset)
- Result: Corporate Stability and, meeting clients' evolving needs

Future Growth – Ready for Opportunities



- \$51.2m of cash and principal investments at 30 June 2019
- Includes \$23.2m invested in strategies managed by Pinnacle Affiliates
- Excludes nearly \$6m of cash applied for Affiliate equity recycling loans, working capital loans (Two Trees) and Affiliate equity purchased
- Excludes post balance date impact of final dividend of \$17 million, offset by final dividends to be received from Affiliates in H1 FY20
- 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
- \$30m new debt facility available as additional 'dry powder'

Ordinary business



- Item 1 – Tabling of FY19 financial statements
- Item 2 – Adoption of Remuneration Report
- Item 3 – Re-election of Directors
- Item 4 – Issue of securities to Directors (or their associates) under the Omnibus Incentive Plan

Item 1 – Tabling of FY19 financial statements

- Tabling of FY19 financial statements

Item 2 – Adoption of Remuneration Report

- To consider and, if thought fit, to pass the following as an ordinary resolution:

“To adopt the Remuneration Report for the financial year ended 30 June 2019.”

Item 2 – Adoption of Remuneration Report

RESOLUTION 2	
Resolution by proxy	Adoption of Remuneration Report
% of eligible proxies in favour	93.63%
Total number votes cast	45,094,186
For	42,219,963
Against	2,754,739
Open usable	119,484
Excluded votes	27,426,202
Abstain	779,739

Board and Committee Structure



BOARD MEMBER	CLASSIFICATION	EQUITY OWNERSHIP	COMMITTEES	
			AUDIT, COMPLIANCE AND RISK MANAGEMENT	REMUNERATION AND NOMINATIONS
Alan Watson (Chairman)	Independent, non-executive	Yes		Member
Ian Macoun (Managing Director)	Executive	Yes		
Deborah Beale	Independent, non-executive	Yes	Member	Chair
Gerard Bradley	Independent, non-executive	Yes	Chair	Member
Lorraine Berends	Independent, non-executive	Yes	Member	Member
Andrew Chambers	Executive	Yes		
Adrian Whittingham	Executive	Yes		

Item 3(a) - Re-election of Ms Deborah Beale

- To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Deborah Beale, who retires from the office of Director and being eligible, offers herself for re-election, is re-elected as a Director.”

Item 3(a) - Re-election of Ms Deborah Beale

RESOLUTION 3 (A)	
Resolution by proxy	Re-election of Deborah Beale
% of eligible proxies in favour	92.63%
Total number votes cast	73,103,398
For	67,718,744
Against	1,343,056
Open usable	4,041,598
Excluded votes	0
Abstain	196,729

Item 3(b) - Re-election of Mr Adrian Whittingham



- To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Adrian Whittingham, who retires from the office of Director by rotation and, being eligible, offers himself for re-election, is re-elected as a Director.”

Item 3(b) - Re-election of Mr Adrian Whittingham

RESOLUTION 3 (b)	
Resolution by proxy	Re-election of Adrian Whittingham
% of eligible proxies in favour	92.92%
Total number votes cast	71,972,898
For	66,872,555
Against	1,058,745
Open usable	4,041,598
Excluded votes	0
Abstain	1,327,229

Item 4(a) - Issue of securities under the Omnibus Incentive Plan - Alan Watson



- To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of performance rights to Alan Watson (or his nominee) under the Omnibus Incentive Plan as described, and on the terms set out, in the Explanatory Notes.”

Item 4(a) - Issue of securities under the Omnibus Incentive Plan - Alan Watson



RESOLUTION 4 (a)	
Resolution by proxy	Issue of securities under the Omnibus Incentive Plan – Alan Watson
% of eligible proxies in favour	99.64%
Total number votes cast	61,793,100
For	61,569,770
Against	107,146
Open usable	116,184
Excluded votes	3,978,582
Abstain	7,243,445

Item 4(b) - Issue of securities under the Omnibus Incentive Plan - Deborah Beale



- To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, subject to the passing of resolution 3(a), for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of performance rights to Deborah Beale (or her nominee) under the Omnibus Incentive Plan as described, and on the terms set out, in the Explanatory Notes.”

Item 4(b) - Issue of securities under the Omnibus Incentive Plan - Deborah Beale



RESOLUTION 4 (b)	
Resolution by proxy	Issue of securities under the Omnibus Incentive Plan – Deborah Beale
% of eligible proxies in favour	99.64%
Total number votes cast	61,791,100
For	61,567,780
Against	107,136
Open usable	116,184
Excluded votes	3,978,582
Abstain	7,245,445

Item 4(c) – Issue of securities under the Omnibus Incentive Plan – Lorraine Berends



- To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of performance rights to Lorraine Berends (or her nominee) under the Omnibus Incentive Plan as described, and on the terms set out, in the Explanatory Notes.”

Item 4(c) - Issue of securities under the Omnibus Incentive Plan - Lorraine Berends



RESOLUTION 4 (c)	
Resolution by proxy	Issue of securities under the Omnibus Incentive Plan – Lorraine Berends
% of eligible proxies in favour	99.64%
Total number votes cast	61,786,100
For	61,562,270
Against	107,646
Open usable	116,184
Excluded votes	3,978,582
Abstain	7,245,445

Item 4(d) - Issue of securities under the Omnibus Incentive Plan - Gerard Bradley



- To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of performance rights to Gerard Bradley (or his nominee) under the Omnibus Incentive Plan as described, and on the terms set out, in the Explanatory Notes.”

Item 4(d) - Issue of securities under the Omnibus Incentive Plan - Gerard Bradley



RESOLUTION 4 (d)	
Resolution by proxy	Issue of securities under the Omnibus Incentive Plan – Gerard Bradley
% of eligible proxies in favour	99.63%
Total number votes cast	61,791,100
For	61,562,270
Against	112,646
Open usable	116,184
Excluded votes	3,978,582
Abstain	7,245,445

MANAGING DIRECTOR'S ADDRESS

Ian Macoun, Managing Director

- Group financial summary
- Enhancing the platform – strength, stability and reputation
 - Diversified platform
 - Enhanced opportunities for growth
- Pinnacle affiliates continue to win major industry awards
- Continuing strong investment performance of Affiliates
- FUM and Net FUM inflows
- Pinnacle Foundation
- Recap on Horizon 3 – what could we acquire?

Group financial summary



	FY2019 (\$M)	FY2018 (\$M)	YoY change
PINNACLE			
Revenue	21.1	16.5	27.9%
Expenses	(23.7) ^{1,2}	(18.3) ^{1,2}	29.5%
Share of Pinnacle Affiliates net profit after tax	33.1	24.9	32.9%
Net profit before tax (NPBT) from continuing operations	30.5	23.1	32.0%
Taxation	-	-	
NPAT from continuing operations	30.5	23.1	32.0%
Basic earnings per share:			
From continuing operations	18.3	14.3	28.0%
Total attributable to shareholders	18.3	14.5	26.2%
Diluted earning per share:			
From continuing operations	17.1	13.2	29.5%
Total attributable to shareholders	17.1	17.1	27.6%

- Group NPAT from continuing operations of \$30.5m, compared to \$23.1m in FY18, an increase of 32.0%
- EPS from continuing operations of 18.3 cents per share, compared to FY18 EPS of 14.3 cents per share
- Fully franked final dividend of 9.3 cents per share declared, payable in October 2019, taking the total dividend for FY19 to 15.4 cents per share
- Cash and principal investments of \$51.2m as at 30 June 2019
- 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 growth to some degree in the short term

¹ Includes salaries of additional people, recruitment costs etc. – number of people in ‘Pinnacle parent’ increased from 39 at 1 July 2017, to 54 at 30 June 2018 and to 68 at 30 June 2019 (approximately 50% distribution and marketing; 50% infrastructure/fund services).

² Includes mark-to-market and realized gains/losses on principal investments, net of hedging. These were net gains of \$1.2m in FY19 (reduces ‘expenses’), compared with net losses of \$1.8m in FY18 (increases ‘expenses’).

- Continuing growth in 'Pinnacle Parent' revenues and costs
 - Significant 'P&L' investment in support of Horizon 2 initiatives (including Offshore distribution, ETF, Direct to retail consumers, new Affiliates)
 - Net gains on principal investments of \$2,715k, compared with losses of \$705k in FY18
 - Continued strong inflows drive distribution fee revenues, including close to \$850m raised into Metrics' LITs in 2H; however, 'traditional' retail flows were lower in 2H which led to lower than anticipated flow- and revenue-based fees
- Significant growth in Pinnacle's share of Affiliate profits on the PCP
 - Impact of higher starting FUM
 - Continuing investment in certain Affiliates ahead of future growth
 - Cost of Two Trees, Longwave and Riparian included as negative NPAT; Firetrail profitable from September following significant early inflows
 - Low performance fees for FY19

PNI balance sheet



	FY2019 (\$M)	FY2018 (\$M)	YoY change
CURRENT ASSETS			
Cash and cash equivalents	26.7	9.3	187.1%
Financial assets	24.5	22.1	10.7%
Total cash and financial assets	51.2	31.4	62.9%
Other current assets	18.3	12.6	
Total current assets	69.5	44.0	57.9%
NON-CURRENT ASSETS			
Investments in affiliates	113.4	55.6	103.9%
Other current assets	3.9	5.3	(25.8%)
Total non-current assets	117.3	60.9	92.6%
Total Assets	186.8	104.9	78.0%
Total liabilities	9.7	6.8	42.7%
Net assets	177.1	98.1	80.5%
Net shareholders' equity	177.1	98.1	80.5%

- Cash and Principal Investments of \$51.2 million
- Includes \$23.2 million invested in strategies managed by Pinnacle Affiliates
- \$60m capital raising (10.9m shares) and \$10m Share Purchase Plan proceeds (1.8m shares) in July 2018
- Excludes impact of final dividend of 9.3 cents per share paid on 4th October 2019
- Also excludes impact of Affiliate dividends received post 30 June 2019

Enhancing the platform - strength, stability and reputation



- 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 Affiliates continue to win major industry awards



2019 Zenith Fund Awards:

- Pinnacle – Distributor of the Year (fourth consecutive year)
- Resolution Capital – Global REIT Category Winner (sixth consecutive year)
- Metrics – Listed Investment Entities Category Winner
- Solaris Investment Management - Australian Equities – Alt. Strategies Category Winner
- Solaris Investment Management - Australian Equities – Large Cap Category Finalist
- Antipodes Partners – International Equities – Alternative Strategies Category Finalist

2019 Lonsec/Money Management Fund Manager of the Year:

- Solaris – Equities (Long/Short) Category Winner
- Antipodes Partners – Equities (Long/Short) Category Finalist
- Metrics – Listed Products Category Finalist

2019 Australian Alternative Investment Awards:

- Metrics – Best Private Debt Fund Category Winner

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 – Alt. 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

2018 Lonsec/Money Management Fund Manager of the Year:

- Resolution Capital – Global REIT Category Finalist

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

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

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 September 2019**

PINNACLE INVESTMENT MANAGEMENT	5Y	10Y	INCEPTION	INCEPTION DATE
Hyperion Asset Management – Gross Performance				
Hyperion Australian Growth Companies Fund	11.61 %	10.65 %	12.57 %	1 OCT 2002
<i>Outperformance</i>	2.06 %	2.61 %	3.06 %	
Hyperion Small Growth Companies Fund	14.67 %	16.10 %	17.44 %	1 OCT 2002
<i>Outperformance</i>	5.06 %	11.55 %	9.96 %	
Hyperion Australian Equities Composite	11.75 %	10.80 %	13.52 %	1 NOV 1996
<i>Outperformance</i>	2.20 %	2.75 %	4.30 %	
Hyperion Global Growth Companies Fund (Class B Units)	23.40 %		22.28 %	22 MAY 2014
<i>Outperformance</i>	9.85 %		8.38 %	
Plato Investment Management – Gross Performance				
Plato Australian Shares Core Fund	10.23 %	9.19 %	7.06 %	30 OCT 2006
<i>Outperformance</i>	0.68 %	1.14 %	0.86 %	
Plato Australian Shares Equity Income Fund – Class A	11.93 %		12.77 %	9 SEP 2011
<i>Outperformance</i>	0.77 %		1.99 %	
Solaris Investment Management – Gross Performance				
Solaris Core Australian Equity Fund	11.43 %	9.47 %	7.46 %	9 JAN 2008
<i>Outperformance</i>	1.94 %	1.32 %	2.03 %	
Solaris High Alpha Equity Fund	11.51 %	9.41 %	8.17 %	4 FEB 2008
<i>Outperformance</i>	2.01 %	1.26 %	2.37 %	
Solaris Total Return Fund (Including franking credits)	13.18 %		12.59 %	13 JAN 2014
<i>Outperformance</i>	2.02 %		1.97 %	
Resolution Capital – Gross Performance				
Resolution Capital Core Plus Property Securities Fund	15.41 %	12.62 %	9.98 %	30 SEP 2008
<i>Outperformance</i>	1.63 %	1.48 %	2.49 %	
Resolution Capital Global Property Securities Fund	12.06 %	14.20 %	12.12 %	30 SEP 2008
<i>Outperformance</i>	2.78 %	2.21 %	4.17 %	
Palisade Investment Partners – Gross Performance				
Palisade Diversified Infrastructure Fund	12.73 %	12.10 %	10.82 %	1 AUG 2008
Palisade Australian Social Infrastructure Fund	13.31 %		15.29 %	31 MAY 2011
Omega Global Investors – Gross Performance				
Omega Global Corp Bonds Fund	4.95 %		6.62 %	11 MAR 2010
<i>Outperformance</i>	-0.55 %		-0.72 %	
Omega Global Listed Infrastructure Fund	10.18 %		12.59 %	3 AUG 2012
<i>Outperformance</i>	0.11 %		0.32 %	
Metrics Credit Partners – Gross Performance				
DASLF	5.02 %		5.35 %	4 JUN 2013
RBA Cash Rate	3.32 %		3.47 %	
BBSW (90 Days)	3.06 %		3.23 %	

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 - 30 September 2019



	1Y	3Y	5Y	10Y	INCEPTION	INCEPTION DATE
Hyperion Asset Management – Gross Performance						
Hyperion Australian Growth Companies Fund	8.87 %	9.50%	11.61%	10.65%	12.57%	1 OCT 2002
<i>Outperformance</i>	-370 %	-2.35%	2.06%	2.61%	3.06%	
Hyperion Small Growth Companies Fund	8.78 %	10.25%	14.67%	16.10%	17.44%	1 OCT 2002
<i>Outperformance</i>	4.83 %	1.45%	5.06%	11.55%	9.96%	
Hyperion Australian Equities Composite	10.82 %	9.78%	11.75%	10.80%	13.52%	1 NOV 1996
<i>Outperformance</i>	-1.74 %	-2.08%	2.20%	2.75%	4.30%	
Hyperion Global Growth Companies Fund (Class B Units)	13.01%	25.03%	23.40%		22.28%	22 MAY 2014
<i>Outperformance</i>	3.14%	9.44%	9.85%		8.38%	
Plato Investment Management – Gross Performance						
Plato Australian Shares Core Fund	10.98%	12.40%	10.23%	9.19%	7.06%	30 OCT 2006
<i>Outperformance</i>	-1.58%	0.54%	0.68%	1.14%	0.86%	
Plato Australian Shares Equity Income Fund – Class A	16.02%	14.12%	11.93%		12.77%	9 SEP 2011
<i>Outperformance</i>	1.68%	0.54%	0.77%		1.99%	
Plato Global Shares Income Fund	2.72%	9.64%			7.30%	30 NOV 2015
<i>Outperformance</i>	-6.39%	-5.36%			-3.66%	
Solaris Investment Management – Gross Performance						
Solaris Core Australian Equity Fund	11.87%	13.49%	11.43%	9.47%	7.46%	9 JAN 2008
<i>Outperformance</i>	-0.59%	1.61%	1.94%	1.32%	2.03%	
Solaris High Alpha Equity Fund	10.88%	13.72%	11.51%	9.41%	8.17%	4 FEB 2008
<i>Outperformance</i>	-1.59%	1.85%	2.01%	1.26%	2.37%	
Solaris Total Return Fund (Including franking credits)	14.96%	15.57%	13.18%		12.59%	13 JAN 2014
<i>Outperformance</i>	0.62%	1.99%	2.02%		1.97%	
Solaris Australian Equity Long Short Fund	12.99%				19.07%	1 MAR 2017
<i>Outperformance</i>	0.52%				7.99%	
Solaris Australian Equity Income Fund	15.26%				14.50%	12 DEC 2016
<i>Outperformance</i>	0.92%				1.21%	
Resolution Capital – Gross Performance						
Resolution Capital Core Plus Property Securities Fund	19.78%	11.94%	15.41%	12.62%	9.98%	30 SEP 2008
<i>Outperformance</i>	1.40%	2.41%	1.63%	1.48%	2.49%	
Resolution Capital Global Property Securities Fund	15.98%	10.17%	12.06%	14.20%	12.12%	30 SEP 2008
<i>Outperformance</i>	2.50%	3.26%	2.78%	2.21%	4.17%	
Palisade Investment Partners – Gross Performance						
Palisade Diversified Infrastructure Fund	9.91%	11.69%	12.73%	12.10%	10.82%	1 AUG 2008
Palisade Australian Social Infrastructure Fund	8.91%	10.79%	13.31%		15.29%	31 MAY 2011
Antipodes Partners – Gross Performance						
Global Fund	0.11%	10.97%			11.42%	1 JUL 2015
<i>Outperformance</i>	-8.65%	-3.46%			0.98%	
Global long Only	0.58%	13.91%			12.73%	1 JUL 2015
<i>Outperformance</i>	-8.18%	-0.52%			2.28%	
Asia Fund	4.59%	12.78%			10.64%	1 JUL 2015
<i>Outperformance</i>	1.00%	1.89%			3.75%	

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 - 30 September 2019



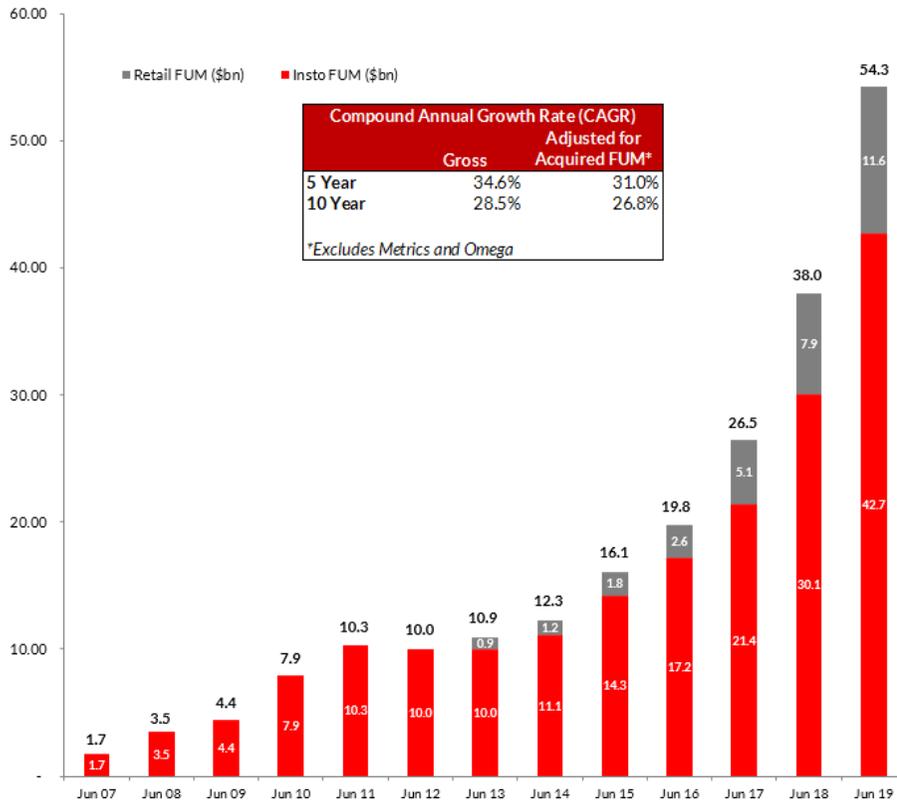
	1Y	3Y	5Y	10Y	INCEPTION	INCEPTION DATE
Spheria Asset Management – Gross Performance						
Microcap Fund	0.22%	9.55%			12.68%	16 MAY 2018
<i>Outperformance</i>	-3.73%	0.75%			2.27%	
Smaller Companies Fund	2.54%	10.37%			11.22%	11 JUL 2016
<i>Outperformance</i>	-1.41%	1.57%			1.98%	
Opportunities Fund	3.81%	13.29%			13.07%	11 JUL 2016
<i>Outperformance</i>	0.58%	3.49%			2.44%	
Two Trees Investment Management – Gross Performance						
Global Macro Fund	2.28%				-0.69%	1 NOV 2017
<i>Outperformance</i>	0.54%				-2.50%	
Firetrail Investments – Gross Performance						
High Conviction Fund	1.49%				3.31%	14 MAR 2018
<i>Outperformance</i>	-10.97%				-9.35%	
Absolute Return Fund	-5.20%				-1.25%	14 MAR 2018
<i>Outperformance</i>	-6.56%				-2.66%	
Omega Global Investors – Gross Performance						
Omega Global Corp Bonds Fund	9.90%	3.71%	4.95%		6.62%	11 MAR 2010
<i>Outperformance</i>	-0.99%	-0.72%	-0.55%		-0.72%	
Omega Global Listed Infrastructure Fund	18.82%	7.81%	10.18%		12.59%	3 AUG 2012
<i>Outperformance</i>	-1.05%	-0.35%	0.11%		0.32%	
Metrics Credit Partners – Gross Performance						
DASLF	5.40%	5.03%	5.02%		5.35%	4 JUN 2013
<i>RBA Cash Rate</i>	4.04%	3.57%	3.32%		3.47%	
<i>BBSW (90 Days)</i>	3.78%	3.27%	3.06%		3.23%	
SPDF	8.91%	8.53%			8.30%	12 NOV 2015
<i>RBA Cash Rate</i>	7.55%	7.07%			6.71%	
<i>BBSW (90 Days)</i>	7.29%	6.77%			6.41%	
SPDF II	8.50%				9.09%	9 OCT 2017
<i>RBA Cash Rate</i>	7.14%				7.65%	
<i>BBSW (90 Days)</i>	6.88%				7.33%	
REDF	9.65%				9.01%	9 OCT 2017
<i>RBA Cash Rate</i>	8.29%				7.57%	
<i>BBSW (90 Days)</i>	8.03%				7.25%	
WIT	6.85%				6.60%	9 OCT 2017
<i>RBA Cash Rate</i>	5.49%				5.17%	
<i>BBSW (90 Days)</i>	5.23%				4.84%	
MXT – net performance only	5.76%				5.48%	9 OCT 2017
<i>RBA Cash Rate</i>	4.40%				4.05%	
<i>BBSW (90 Days)</i>	4.14%				3.72%	
Longwave Capital Partners – Gross Performance						
Global Fund					18.65%	1 FEB 2019
<i>Outperformance</i>					4.25%	

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.

FY19 funds under management



Gross FUM growth (\$bn)¹



- FUM of \$54.3bn as at 30 June 2019 (increased to \$56.9bn as at 30 September 2019)
- FUM has grown at a CAGR of 34.6% p.a. over the last ten years (31.0% excluding \$6.8bn ‘acquired’ in July 2018)
- Increase in FUM of \$16.3bn in the year to 30 June 2019
 - \$6.8bn acquired
 - net inflows of \$6.5bn
 - market movements/investment performance of \$3.0bn
- Of the \$6.5bn of net inflows to 30 June 2019, \$2.9bn was retail
- Large institutional flows into Firetrail; now close to institutional capacity
- Low net institutional flows elsewhere during FY19, although there remains a strong pipeline of prospects for the FY20 financial year

¹Pinnacle FUM is 100% of FUM managed by Pinnacle Affiliates. Includes \$6.8 billion ‘acquired’ in July 2018.

Pinnacle Affiliates financial highlights



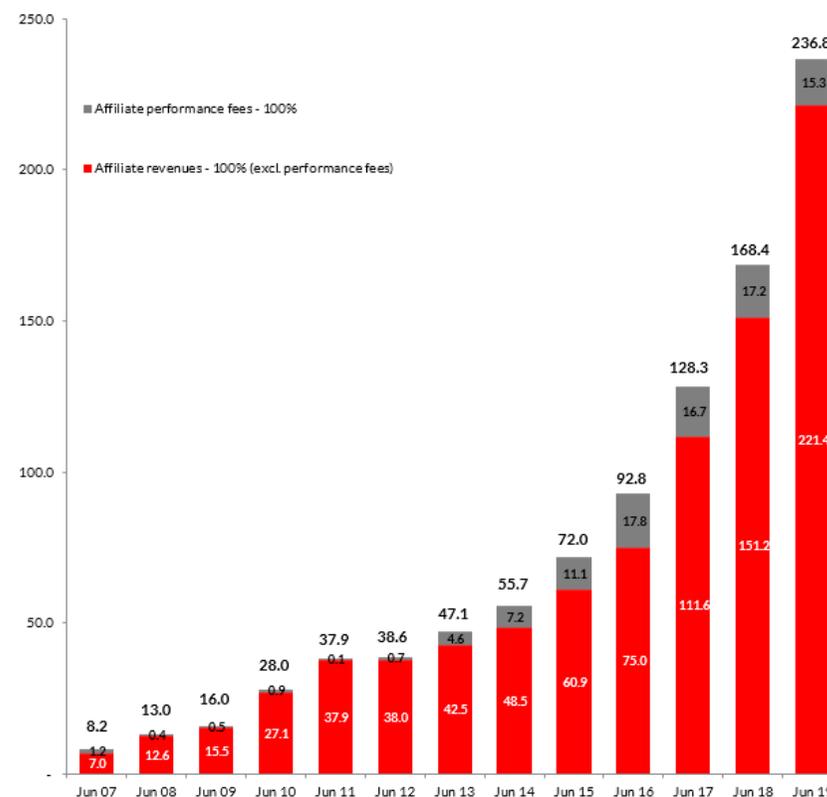
Strong FUM and revenue growth in Pinnacle

Affiliates:

- Total affiliates' revenues of \$236.8m, including \$15.3m (6.5%) in performance fees. In FY18, total affiliates' revenues of \$168.4m included \$17.2m (or 10.2%) in performance fees
- Growth in base management fees of 47.4%

	FY2019 (\$M)	FY2019 (\$M)	YoY change
PINNACLE AFFILIATES (100% aggregate basis)			
FUM (\$billion)	54.3 ¹	38.0	42.9%
Revenue (\$million)	236.8	168.4	40.6%
Net profit before tax	123.1	88.9	38.5%
Tax expense	(34.0)	(27.3)	24.5%
Net profit after tax	89.1	61.6	44.6%

Aggregate affiliate revenues (\$m)¹



¹ \$56.9 billion at 30 September 2019

- Pinnacle is passionate about enabling better lives through investment excellence. This belief is strongly demonstrated through Pinnacle’s commitment – together with the Affiliates – to the Pinnacle Charitable Foundation to drive positive, long term social change
- The Foundation’s vision is for a compassionate, creative and clever Australia – including a vibrant not for-profit sector. The Foundation’s support is frequently provided at an early stage, offering seed funding to young, passionate charities as they seek to make a tangible impact within their communities
- Financially backed by Pinnacle and with access to extensive pro bono services across investment management, portfolio reporting, finance and IT, the Foundation operates with low overheads and high impact. Its investment strategy aims to provide reasonable capital protection whilst driving growth over the longer term. Investments are held in a range of suitable products offered across Affiliates –which all rebate associated management fees
- For the 2019 financial year, Pinnacle made cash contributions of \$311,000 (FY18: \$225,000) to the Foundation, with the Pinnacle Affiliates contributing a further \$110,000 to Foundation projects in collaboration (FY18: \$66,000)
- During the 2019 financial year, combined donations totaling over \$410,000 were directed towards supporting five key priorities:
 - mental health awareness, and prevention / early intervention strategies to reduce mental illness;
 - children facing acute or systemic disadvantage;
 - legal assistance for victims of domestic violence and sexual abuse;
 - development of corporate procurement initiatives for Indigenous communities; and
 - medical research seeking treatments / cures for children’s genetic diseases and for Alzheimer’s disease
- The Foundation was the largest recipient of a matched employee payroll giving program offered by Pinnacle and several Affiliates. Donations to more than 40 charities in FY19 through the matched giving program totalled just under \$60,000. This is in addition to the \$410,000 donated by the Foundation and Affiliates to the five identified priority causes

Recap on Horizon 3 Criteria – What could we acquire?



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

SECULAR TRENDS FACING OUR INDUSTRY

Ramsin Jajoo, Head of Retail Distribution

Australian market – who moved my super?



Investment Management

- \$3.6 trillion
- #7 largest in the world
- #1 Asia Pacific



Superannuation

- \$2.8 trillion
- #4 largest in the world

Australian market segmentation



Self directed

- \$749 billion
- 600,206 SMSF's



Engaged (Intermediated)

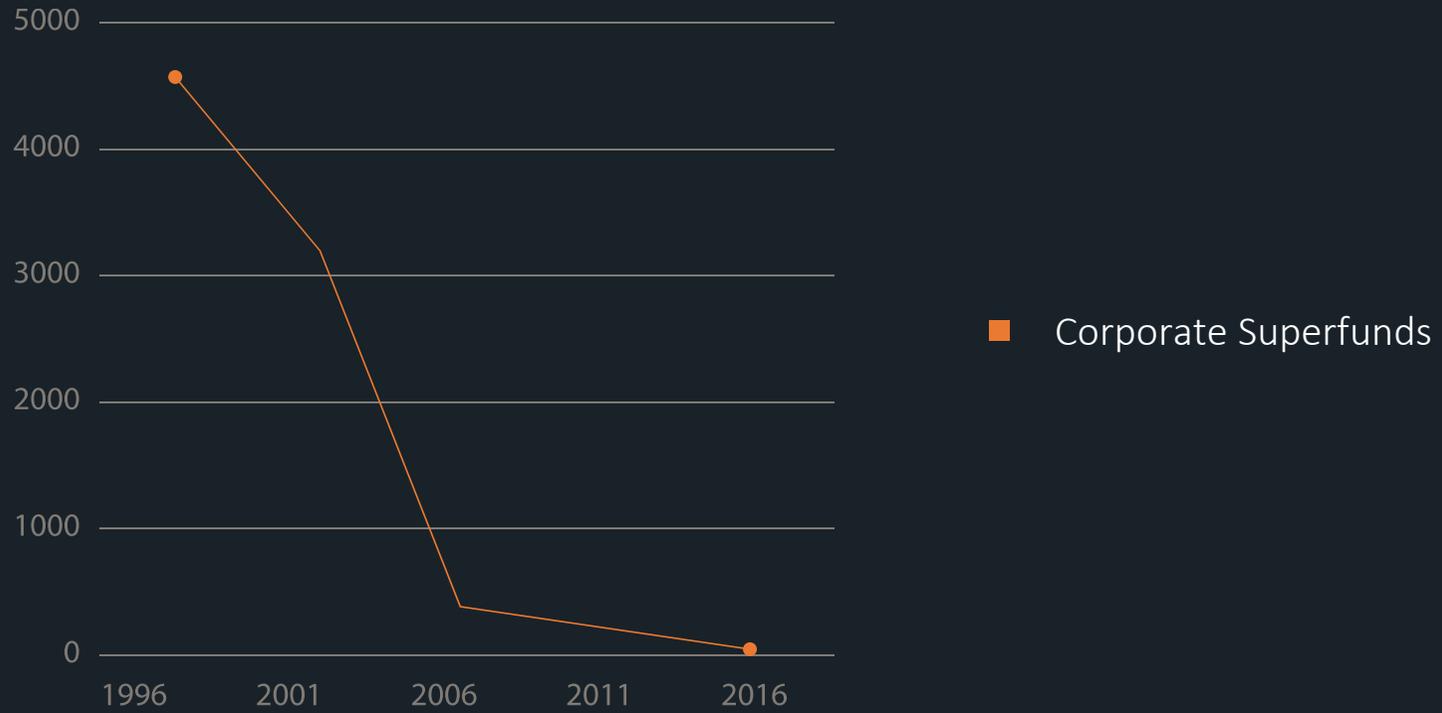
- \$1.2 trillion
- 187 superfunds



Disengaged (Institutional)

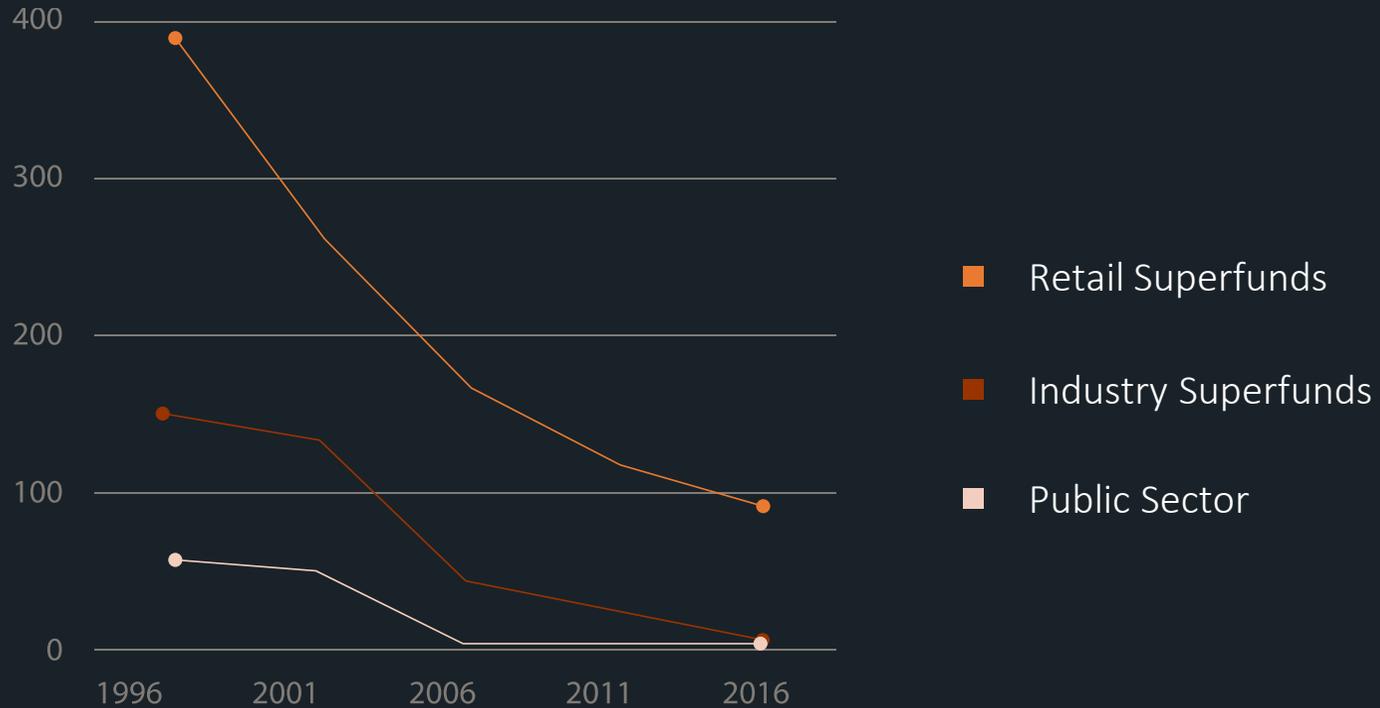
- \$747 billion
- 187 superfunds

Consolidation of the Australian market



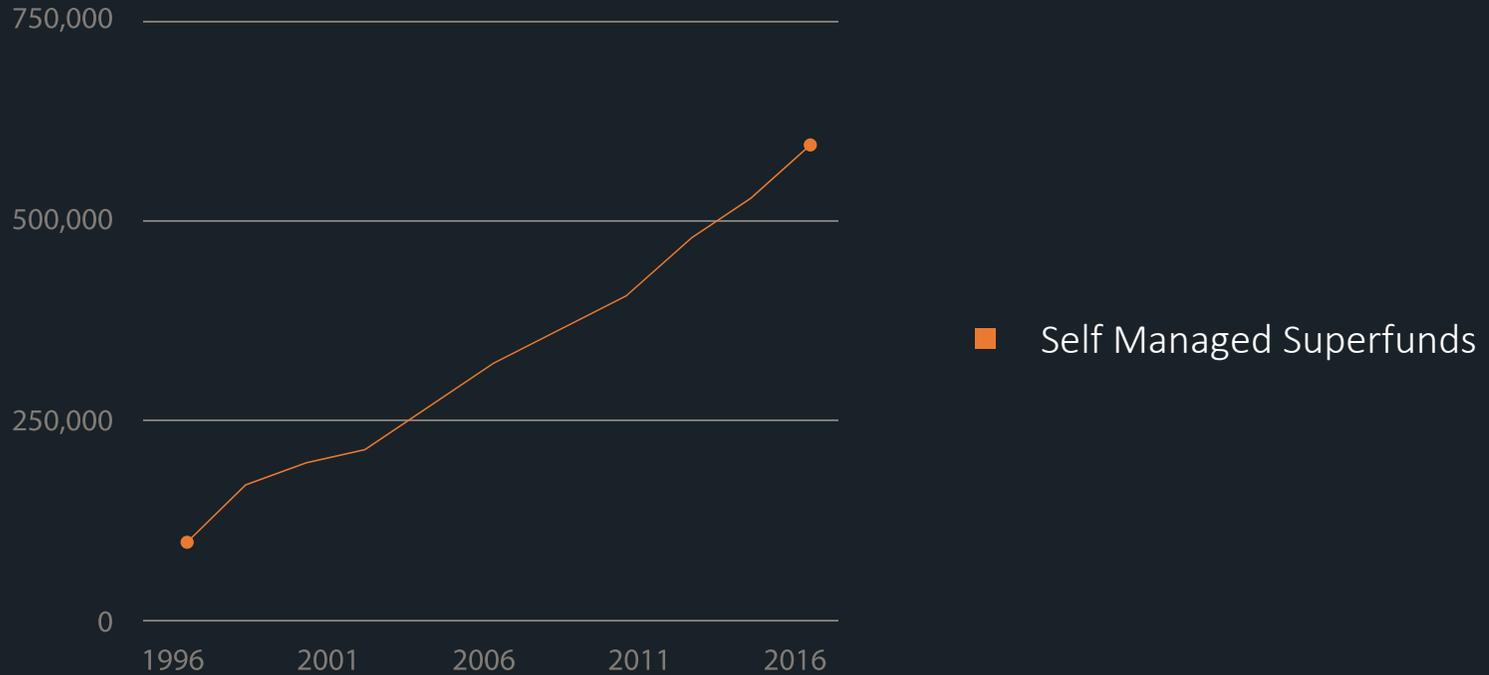
Source: ABS & APRA as at 31st March 2019

Institutional – consolidation and convergence



Source: ABS & APRA as at 31st March 2019

Fragmentation of the Australian market



Source: ABS & APRA as at 31st March 2019

Fragmentation of the Australian market

28%



Self directed

- \$749 billion
- 600,206 SMSF's



\$250 billion

- Accountants



\$250 billion

- Advisers



\$249 billion

- Individual (DIY)

Fragmentation of the Australian market



Fragmentation of the Australian market

\$250 billion



Accountants

\$700 billion



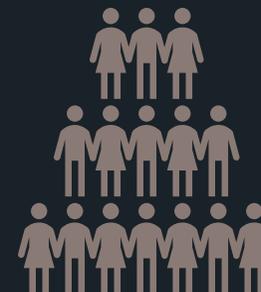
Direct Investors

\$1 trillion



Advisers

\$747 billion



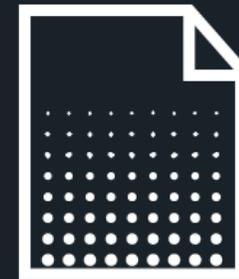
Institutional



Digitalization



Regulation



Personalization

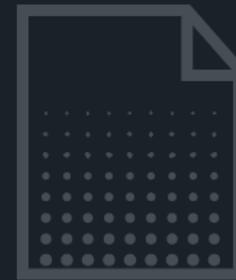




Digitalization



Regulation



Personalization





Data + Algorithm + Action = A.I.

Memory
Compute
Storage



Then and NOW...

1956



5MB

2013



4TB

Capacity x 1 million times

Trends

- Active vs Passive
- Engaging millennials
- Going global, going mobile
- Sustainable investing
- Great wealth transfer
- Automated wealth management
- Holistic financial perspective
- Gamification
- Quantamental investing

- Multi-goal assessment
- Smart beta
- Business intelligence
- Behavioural investing
- Fiduciary standards
- Fee compression
- Underbanked & financial literacy
- Social sentiment & crowdsourcing
- Conversational UI

Advanced Technologies

- Artificial intelligence
- Cognitive computing
- Internet of things
- Blockchain
- Cloud
- Componentization
- Augmented / virtual reality



How can technology help me do my job better?



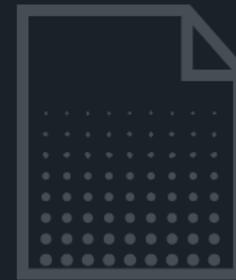
Which technology allows me today to do what I could never do before?



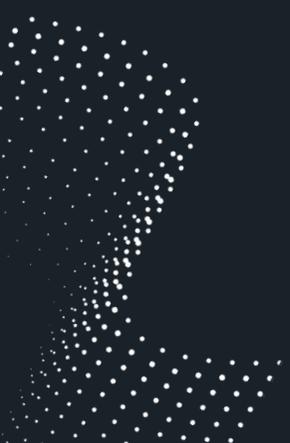
Digitalization



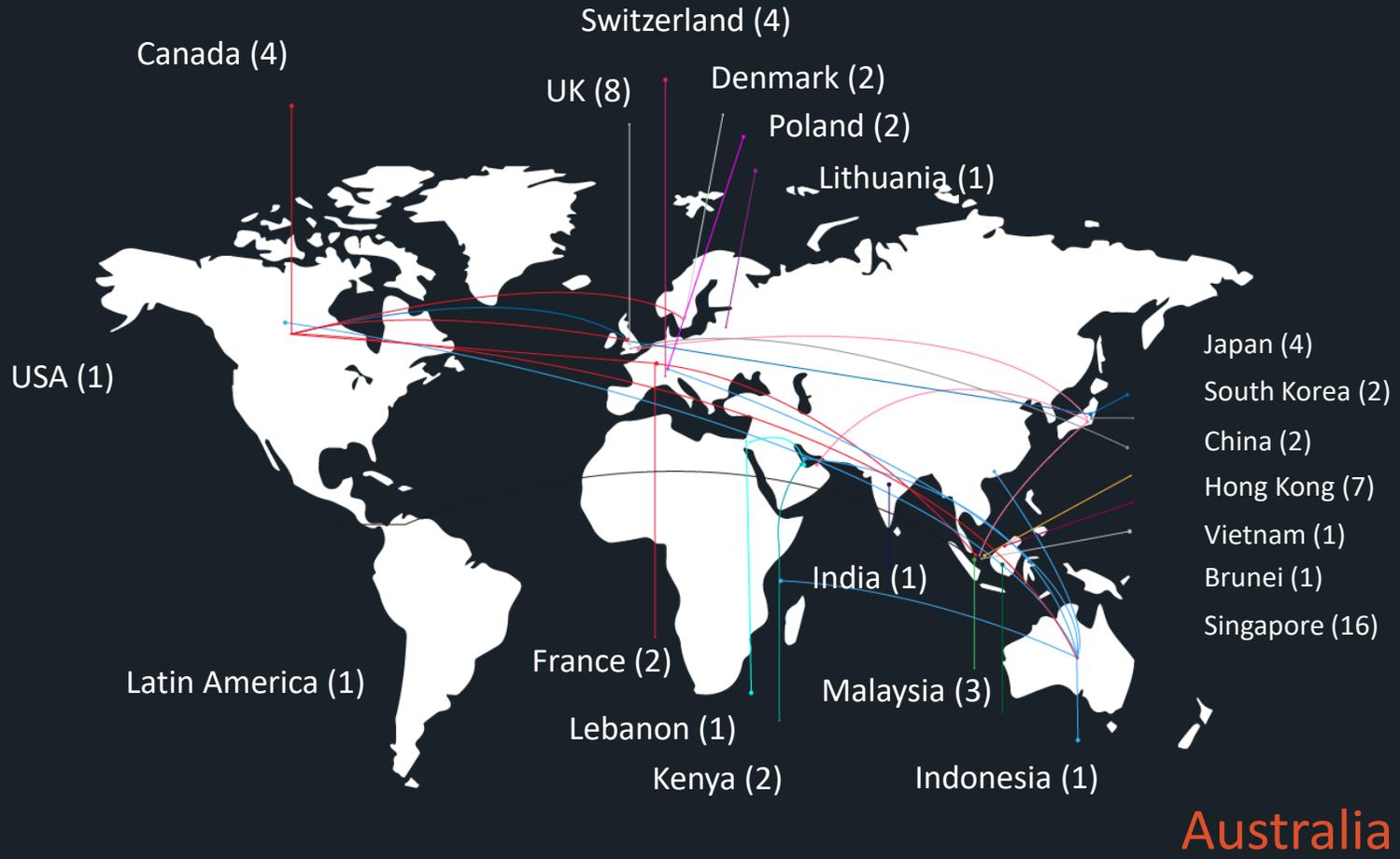
Regulation



Personalization



Global regulatory collaboration





Regulation

Fiduciary

Transparency

Differentiation

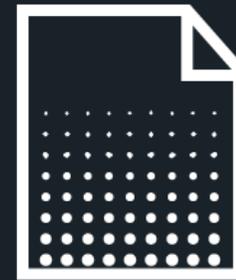




Digitalization

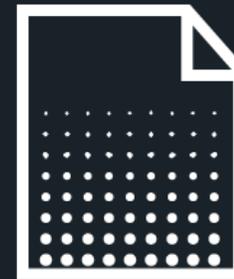


Regulation



Personalization



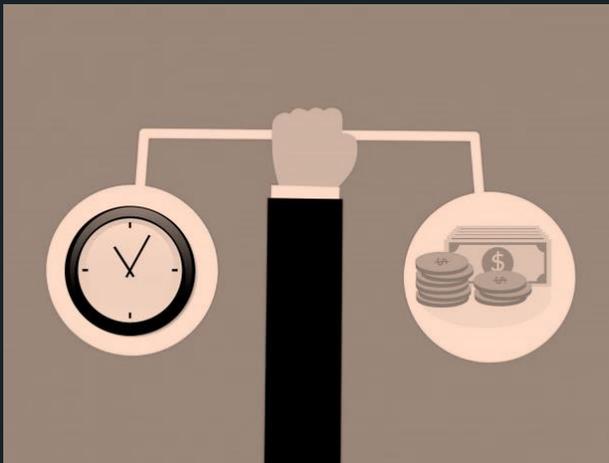


Personalization

Passive
Value / low cost

Goals-based

Values aligned

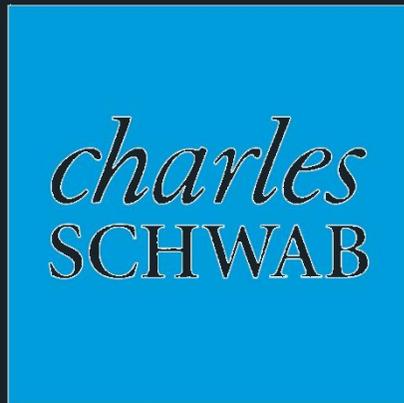


Funds Without Fees? That's Just the Beginning

By [Crystal Kim](#) Aug. 31, 2018 7:37 pm ET

BARRON'S

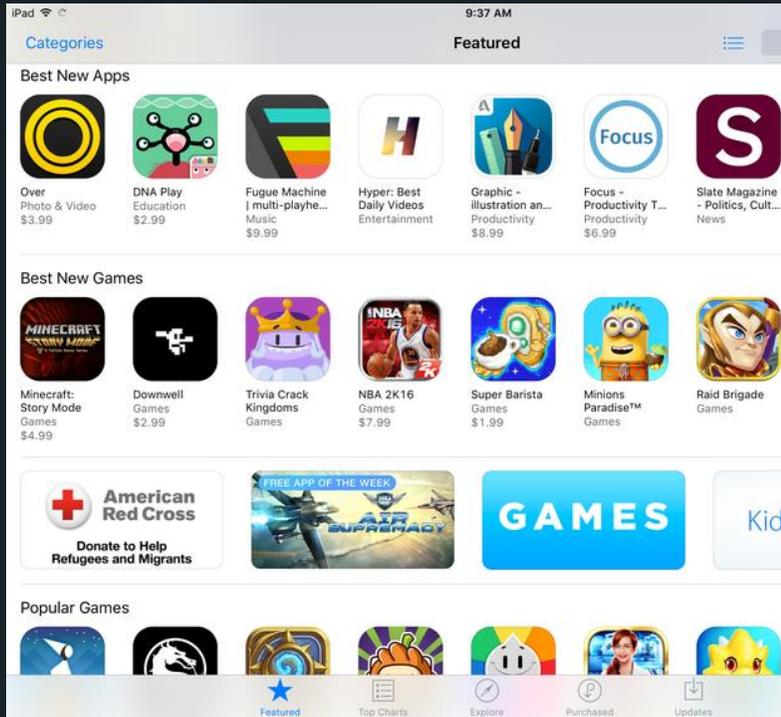
“Investor first” innovation



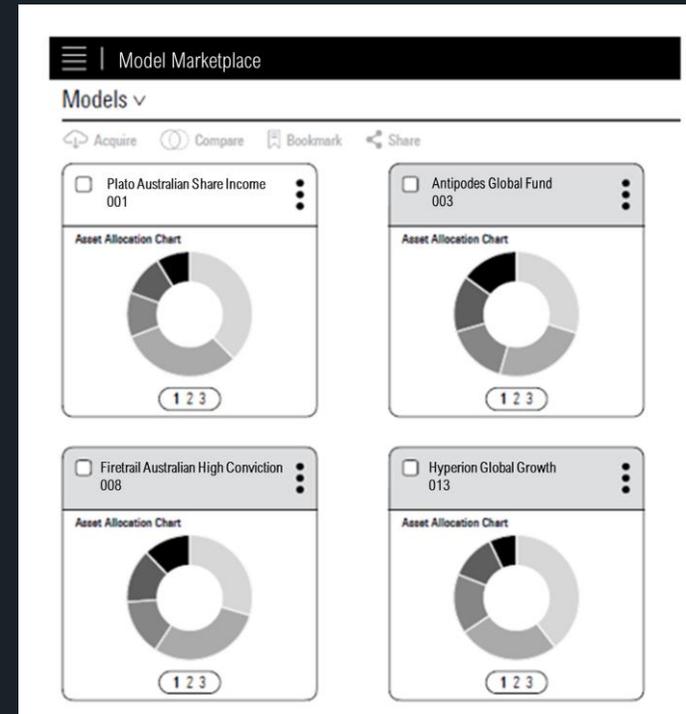
Solaris Core Australian Equity Fund (Performance Alignment) – Zero Management Fee

NEW: Pinnacle aShares Dynamic Cash – Zero Fee (ASX Ticker: Z3RO)

Next gen – Asset Manager IP manufacturers



App Store



Model Marketplace
Advisor / Investor Subscriptions*

*STP implementation, execution and rebalancing (Morningstar Illustrative Concepts in the USA).

The rise of the machines



Global Shares Income Fund (Class A)

ASBN 608 130 838 | APN WH1008AU (Class A) | MF code PL303

At a glance, May 2019, the Fund achieved:

- +4.3% distributed income¹ per annum since inception²
- +7% total return per annum since inception²

PERFORMANCE AFTER FEES	1 MTH %	3 MTH %	6 MTH %	1 YR % P.A.	2 YRS % P.A.	INCEPTION ³ % P.A.
FUND TOTAL RETURN (A CLASS)	-5.5%	-3.2%	1.3%	-0.1%	3.3%	7.0%
INCOME ¹	0.8%	2.0%	2.9%	5.8%	5.9%	6.1%
BENCHMARK TOTAL RETURN ²	-4.4%	1.4%	6.7%	8.8%	9.3%	11.6%
EXCESS TOTAL RETURN	-1.1%	-4.6%	-5.4%	-8.9%	-6.0%	-4.6%
EXCESS INCOME	0.5%	1.1%	1.7%	3.6%	4.0%	4.1%

Fund's income earned relative to the Benchmark Net Income (%)

Income generated - since inception¹ (per annum) Net Income (%)

Summary

For the month ended 31 May 2019, the Plato Global Shares Income Fund (Class A) (Fund) delivered a total net return of +0.8% and a return of 0.8%, the yield is 0.5% more than the MSCI World Ex Australia, Net Return Long-Term Index (Benchmark) yield of +0.3% with the total return trailing the benchmark's -4.4%. Since inception, the Fund has delivered +6.1% p.a. net yield from global equities, which is +4.1% more than the benchmark.

Global equity markets rallied after the recent strong returns, posting broadly negative numbers in May 2019. The ongoing concerns around the trade war between the US and China increased, contributing to the drop in markets. US S&P 500, Nasdaq, FTSE 100 in the broadly risk-off environment Real Estate names led the US index, as the only sector to rise gains in the period. Brazil continued with no conclusion. Theresa May announced her resignation, UK 2% Germany 0%. Asia fell on the back of tariff increases, weak data and the Huawei ban. Nikkei +7.5%, Hong Kong +6.4%.

Ongoing uncertainty due to tariffs and trade war drove demand in Gold (+2.3%) as a safe haven asset. News of increased US stockpiles pushed oil prices down significantly in the latter part of the month. Brent -0.9%, Domestic gas increased expectation that the BBL would extend to a weaker Aussie dollar (AUD USD -1%).

The Fund's income for the month of May was driven strongly at the sector level by Financials, followed again by Retail Trade. From a country perspective the main contributors to yield were the US, France and Italy. Stock examples of these equities include portfolio holdings in French financial, Axa Eur, and Italian financial, Unipol Gruppo.

¹ Inception date 1 March 2016.
² Distributed income, net of withholding tax.
³ MSCI World ex Australia, Net Return Long-Term Index.

AMP Ltd AMP *****

ASBN 608 130 838 | APN WH1008AU (Class A) | MF code PL303

At a glance, May 2019, the Fund achieved:

- +4.3% distributed income¹ per annum since inception²
- +7% total return per annum since inception²

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FUND TOTAL RETURN (A CLASS)	-5.5%	-3.2%	1.3%	-0.1%	3.3%	7.0%
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EXCESS TOTAL RETURN	-1.1%	-4.6%	-5.4%	-8.9%	-6.0%	-4.6%
EXCESS INCOME	0.5%	1.1%	1.7%	3.6%	4.0%	4.1%

Fund's income earned relative to the Benchmark Net Income (%)

Income generated - since inception¹ (per annum) Net Income (%)

Summary

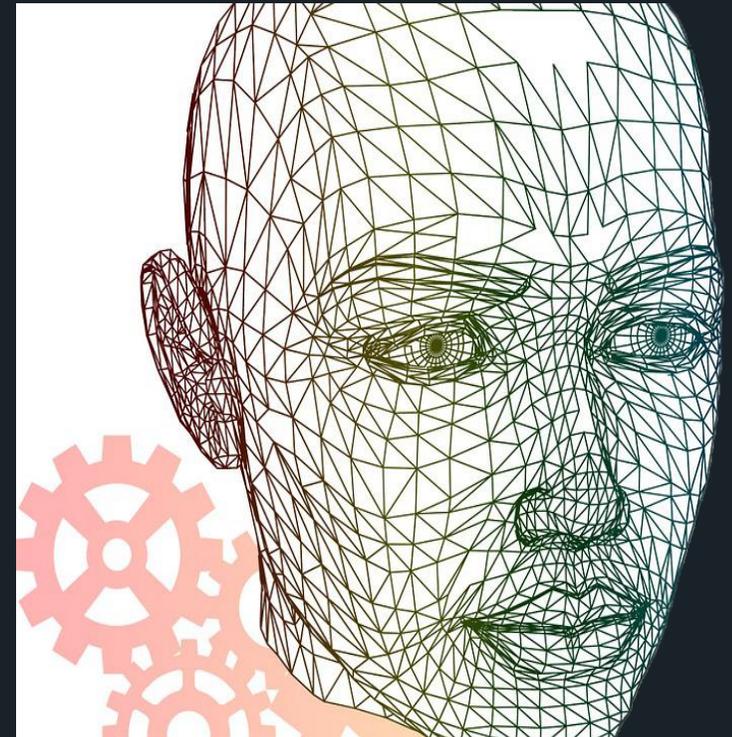
For the month ended 31 May 2019, the Plato Global Shares Income Fund (Class A) (Fund) delivered a total net return of +0.8% and a return of 0.8%, the yield is 0.5% more than the MSCI World Ex Australia, Net Return Long-Term Index (Benchmark) yield of +0.3% with the total return trailing the benchmark's -4.4%. Since inception, the Fund has delivered +6.1% p.a. net yield from global equities, which is +4.1% more than the benchmark.

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² Distributed income, net of withholding tax.
³ MSCI World ex Australia, Net Return Long-Term Index.



Fact sheets*

Stock reports*

*Illustrative purposes (sample reports sourced from Plato Investment Management and Morningstar research).

Instant investment plan based on your conversation



Hi Mary, your personalized investment plan based on your conversation today is ready. Shall we proceed?

Yes Alexa

Your personalized plan is ready for execution

“Loyalty today is nothing more than the absence of something better”

Howard Tullman, Former CEO of 1871*

“FRICTION FREE”

DATA + TRANSPARENCY + EFFICIENCY

Helping investors and advisors reduce friction



Pinnacle
INVESTMENT MANAGEMENT

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INVESTMENT MANAGERS

Through partnerships with high-performing boutique investment management businesses, we provide investors with access to a wide range of quality investment opportunities across various asset classes.

Select Manager

ANTIPODES GLOBAL INVESTMENT PARTNERS Firetrail HYPERION

Select Fund

FUND NAME	APR code	Initial Investment Minimum	Additional Investment Minimum	APPLY ONLINE
Antipodes Asia Fund	IOP0203AU	\$25,000	\$5,000	APPLY ONLINE
Antipodes Global Fund	IOP0045AU	\$25,000	\$5,000	APPLY ONLINE
Antipodes Global Fund - Long	WHT0057AU	\$25,000	\$5,000	APPLY ONLINE

[Contact us!](#)

Share Checker Add Cash Account Add New Holding

since first purchase Graph Value - Stacked Grouping by Market

Show Closed Positions Show Percentage Gains

SUMMARY	CAPITAL GAIN	DIVIDENDS	CURRENCY GAIN	TOTAL RETURN
Your Portfolio: 0009994	-3,597.66	40,361.54	0.00	36,853.98
ACME Inc.	-0.73% P#	8.37% P#	0.00% P#	7.65% P#

[Add a Benchmark](#)

<http://pinnacleinvestment.com/>



Technology

Accelerating change



Innovation

Survive and thrive



Enabling better lives

Investment excellence



Q&A