



11 December 2019

*By electronic lodgement*

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

## Pinnacle Investment Management partners with Coolabah Capital Investments

Pinnacle Investment Management is pleased to announce that it has entered into agreements to acquire a 25% equity interest in Coolabah Capital Investments Pty Ltd, acquiring all of the equity currently owned by AMB Capital Partners, which is the private investment business of the Bennett Family, subject to the satisfaction of certain limited conditions precedent.

Established in 2011, Coolabah Capital Investments (CCI) is a leading long-only and long-short active investment-grade credit manager that is responsible for managing numerous institutional mandates, the Smarter Money Investments' product suite, and the BetaShares Active Australian Hybrid ETF (ASX:HBRD). CCI has 21 staff including 4 portfolio managers and 9 analysts, spread across 3 offices. As at November 2019, CCI was responsible for managing \$3 billion of institutional and retail investments.

Key terms of the agreements include:

- Pinnacle will acquire a 25% interest in CCI for \$29.1m, together with a further \$5m upon the business achieving certain milestones over the next 18 month to 4.5 year period;
- CCI and Pinnacle have entered into a global distribution partnership in which Pinnacle will share revenues from capital raised in the institutional, retail and offshore distribution channels;
- Pinnacle and remaining shareholders will enter into an agreement with standard minority shareholder and governance protections for Pinnacle;
- The acquisition is subject to certain limited conditions precedent;
- Completion is expected to occur on or about 16 December 2019 and is funded by a facility from the CBA announced previously.

Pinnacle Managing Director Ian Macoun commented that "Partnering with CCI is totally consistent with Pinnacle's strategy – we regard Chris and his team as highest quality in their field who have delivered consistently outstanding results for their clients by generating alpha from liquid, high-grade credit. Furthermore, more than 90% of the FUM is subject to performance fees providing strong alignment with clients.

Their offerings do not overlap with those of existing Pinnacle Affiliates and the acquisition further diversifies Pinnacle's portfolio of Affiliates, particularly in Fixed Income and Alternatives. We believe the CCI business has a very bright future with strong growth ahead in an extremely attractive, high growth investment field with more than \$1 trillion of investment grade credit and over \$2 trillion of cash deposits in this asset class."

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CCI Managing Partner Christopher Joye said “We have been immensely impressed by what Pinnacle has achieved, building a circa \$60 billion stable of some of the nation’s leading institutional and retail fund managers across a variety of different asset-classes.

There is absolutely no doubt that Pinnacle will add tremendous value to the next chapter of CCI’s evolution. And while we will very much miss the Bennett Family, and the outstanding team that manages their interests, we are delighted that they will remain core investors across all our portfolios.”

Berkshire Global Advisors served as the investment banking advisor to Pinnacle on this transaction.

Please contact Ian Macoun on +61 2 8970 7700 or Adrian Whittingham on +61 2 8970 7701 if you require any further information.

Yours sincerely,

Calvin Kwok  
Company Secretary