



6 February 2020

By Electronic Lodgement

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

Dear Sir/Madam

Pinnacle Investment Management Group Limited (ASX: PNI) 2020 interim financial results

Pinnacle Investment Management Group Limited (**PNI**) is pleased to advise shareholders that the highlights of the financial results for the six months to 31 December 2019 (**1HFY20**) are as follows:

- > Net profit after tax (**NPAT**) from continuing operations attributable to shareholders of \$13.8 million, up 36.6% from \$10.1 million in the Prior Corresponding Period (**1HFY19, PCP**)
- > Basic earnings per share (**EPS**) from continuing operations of 8.1 cents, up 32.8% from 6.1 cents in the PCP
- > Diluted EPS from continuing operations of 7.7 cents, up 35.1% from 5.7 cents in the PCP
- > Fully franked interim dividend per share of 6.9 cents, up 13.1% from 6.1 cents in the PCP
- > Pinnacle's share of Affiliates' NPAT \$17.7 million, up 23.8% from \$14.3 million in the PCP
- > Aggregate Affiliates' funds under management (**FUM**) of \$61.6 billion at 31 December 2019 (at 100%; includes \$3.0 billion 'acquired' in December 2019); up \$7.3 billion or 13.4% from \$54.3 billion at 30 June 2019 (up \$4.3 billion, or 7.9%, excluding acquired FUM)
- > Aggregate Retail FUM (at 100%) now \$14.9 billion¹, up 28.4% from \$11.6 billion at 30 June 2019 (up \$1.1 billion, or 9.5%, excluding acquired FUM)
- > Net inflows for the half-year ended 31 December 2019 of \$2.0 billion, including \$0.9 billion retail (of which \$0.2 billion was LICs/LITs)
- > Continued Affiliate medium-term outperformance – 94% of 5-Year Affiliate strategies have outperformed as at 31 December 2019
- > Cash and Principal Investments of \$44.7 million at 31 December 2019. \$30 million debt facility from Commonwealth Bank of Australia (**CBA**) – fully drawn down in December 2019
- > Acquisition of a 25% interest in Coolabah Capital Pty Limited in December 2019, funded through the use of the CBA facility.

Composition of Group Results

Pinnacle reminds shareholders that NPAT during the first half of each financial year is typically a smaller proportion of full year NPAT than NPAT during the second half. NPAT for 1H FY19 was 33% of FY19 full year NPAT, while NPAT for 1H FY18 was 35% of FY18 full year NPAT. Substantial potential performance fees crystallise on an annual basis. If crystallised, these will be recognised in the second half of each financial year, with no accruals recognised in the first half. Also, substantial distribution fees are 'success' related and calculated on an annual basis. Similarly, these would be recognised from Affiliates in the second half of each financial year, with no accruals recognised in the first half. Performance fee revenue earned by Affiliates during the six months to 31 December 2019 was only \$0.5 million, compared with \$0.6 million in the PCP and \$15.3 million in the full 2019 financial year.

During this half, our costs were higher than in the PCP, due to the full year effect of the significant increase in resources throughout FY19. Pinnacle headcount was 54 at 30 June 2018, 68 at 30 June 2019, constant at 68 at 31 December 2019. We expect only a minimal number of additional hires over the balance of FY20.

	1H2020 (\$M)	1H2019 (\$M)	YoY change
PINNACLE			
Revenue	11.4 ¹	8.6 ¹	32.6%
Expenses	(15.3) ^{2,3}	(12.8) ^{2,3}	19.5%
Share of Pinnacle Affiliates net profit after tax	17.7	14.3	23.8%
Net profit before tax (NPBT) from continuing operations	13.8	10.1	36.6%
Taxation	-	-	
NPAT from continuing operations	13.8	10.1	36.6%
<i>NPAT from continuing operations – excluding net gains/losses on PI</i>	<i>13.4</i>	<i>10.7</i>	<i>25.2%</i>
<i>NPAT from continuing operations – excluding net gains/losses on PI and LTI expense</i>	<i>14.4</i>	<i>11.2</i>	<i>28.6%</i>
Basic earnings per share:			
From continuing operations	8.1	6.1	32.8%
Total attributable to shareholders	8.1	6.1	32.8%
Diluted earning per share:			
From continuing operations	7.7	5.7	35.1%
Total attributable to shareholders	7.7	5.7	35.1%

¹ Includes dividends and distributions received on principal investments. These were \$0.6 million in 1H FY20, compared with \$0.5 million in 1H FY19. The increase in revenues excluding these gains is \$2.7 million, or 33.3%.

² 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, to 68 at 30 June 2019, remaining at 68 at 31 December 2019 (approximately 50% distribution and marketing; 50% infrastructure/fund services). Significant additional resourcing was added in the second half of FY 2019.

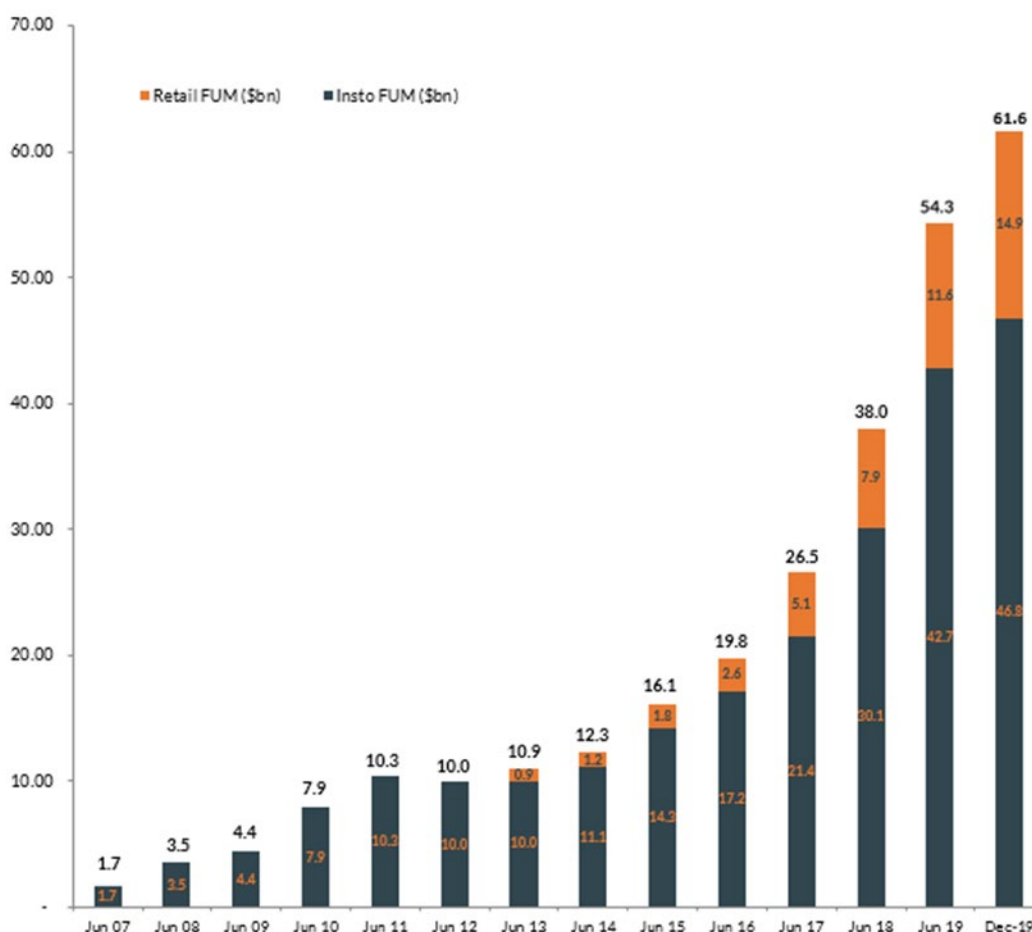
³ Includes mark-to-market and realized gains/losses on principal investments, net of hedging. These were total net losses of \$0.3 million in 1H FY20 (increases 'expenses'), compared with total net losses of \$1.1 million in 1H FY19 (increases 'expenses'). The increase in expenses excluding the impact of these losses is \$3.3 million, or 28.2%.

FUM Update

The FUM of PNI's 15 Affiliates as at 31 December 2019 was \$61.6 billion (includes \$3.0 billion 'acquired' in December 2019) reflecting an increase in FUM of \$7.3 billion or 13.4% during the six-month period ended 31 December 2019, comprising net fund inflows of \$2.0 billion, market movements/investment performance of \$2.3 billion and acquired FUM of \$3.0 billion.

Institutional net inflows of \$1.1 billion were lower than expected, but the institutional pipeline remains strong (pleasingly, from an increasingly diverse client set, by geography and client-type), and should support a higher rate of net inflows over the coming year or two (recognising that institutional flows are 'lumpy' and it is not possible to accurately predict them over any 12-month period).

Pinnacle Affiliates – FUM Growth¹



¹Includes \$6.8 billion 'acquired' in July 2018 and \$3.0 billion 'acquired' in December 2019. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM.

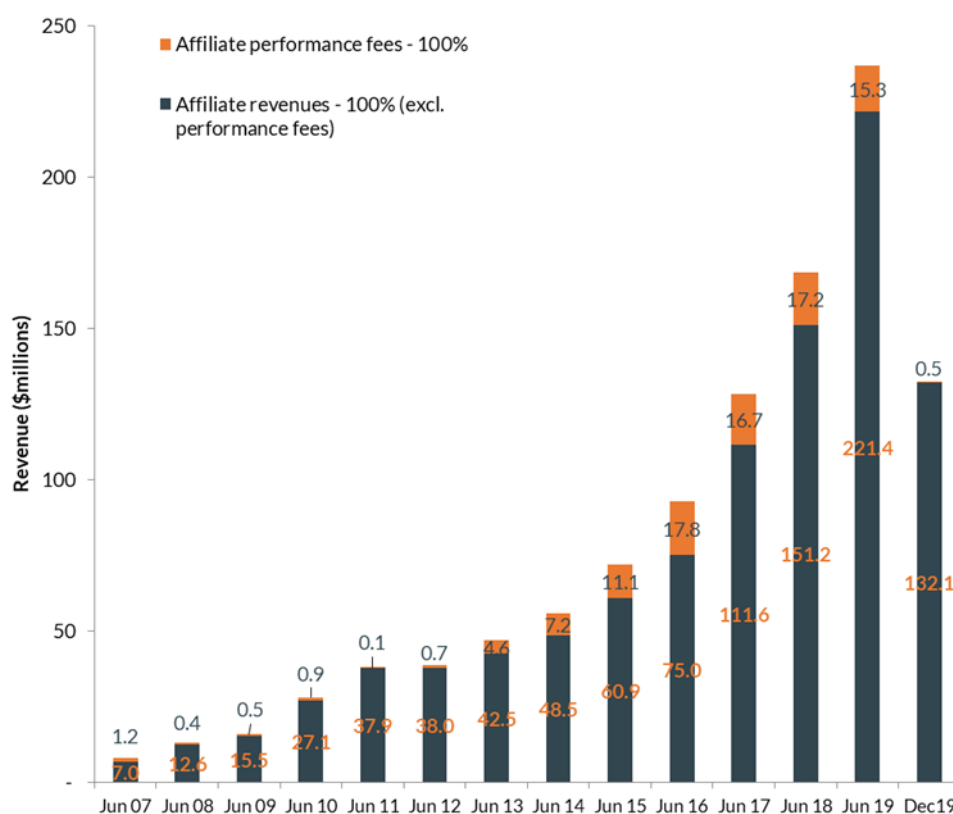
Retail FUM Update

Retail FUM stood at \$14.9 billion at 31 December 2019 (includes \$2.2 billion 'acquired' in December 2019), compared with \$11.6 billion at 30 June 2019. The \$3.3 billion growth for the six-month period to 31 December 2019 was attributable to \$0.9 billion net inflows (of which \$0.2 billion was in LICs/LITs), \$2.2 billion acquired and the remainder to market movements/investment performance.

Retail net inflows for the half-year ended 31 December 2019 were lower than for the PCP (\$1.4 billion, of which \$0.2 billion was LIC/LITs) and for H2 FY19 (\$1.5 billion, of which \$0.8 billion was LIC/LITs).

Pinnacle Affiliates – Revenue Growth¹

	1H2020 (\$M)	1H2019 (\$M)	Change
PINNACLE AFFILIATES (100% aggregate basis)			
FUM (\$billion)	61.6 ²	46.7 ²	31.9%
Revenue (\$million)	132.5	103.1	28.5%
Net profit before tax	65.0	52.3	24.3%
Tax expense	(19.4)	(14.6)	32.9%
Net profit after tax (NPAT)	48.1	37.8	27.2%
<i>Pinnacle share of Affiliates' NPAT</i>	<i>17.7</i>	<i>14.3</i>	<i>23.8%</i>



² Affiliate revenues are shown at 100% to indicate trend. Pinnacle owns significant minority stakes in each Affiliate and accounts for its share of Affiliates' NPAT.

Dividend

The Board has resolved to pay a fully franked interim dividend of 6.9 cents per share to shareholders recorded on the register on 6 March 2020 and payable on 20 March 2020, which represents a payout ratio of 90% of diluted EPS, consistent with the FY19 payout ratio.

The Dividend Reinvestment Plan (**DRP**) is applicable to this dividend. Please contact our share registry, Computershare Investor Services Pty Limited by calling 1300 850 505 or online at www.investorcentre.com/contact to obtain a DRP election form to participate in the DRP in respect of this dividend.

Our thanks to those shareholders who directed a portion of your previous dividends to the Pinnacle Charitable Foundation. While this has been a valuable exercise, a decision has been made to discontinue the program in favour of other initiatives, given a significant uplift in donations and the ongoing associated maintenance costs of this program.

1H FY20 results teleconference

Investors and analysts are invited to attend a teleconference on 6 February 2020 with Alan Watson (Chairman), Ian Macoun (Managing Director) and Adrian Whittingham (Executive Director), who will discuss the 1H FY20 financial results and answer questions.

Please note that the call will be available via teleconference only. There will be no live audience. However, a recording of the call will be made available on Pinnacle's website shortly after it is completed.

Date: Thursday, 6 February 2020

Time: 9.00 am (AEST)

If you would like to join via teleconference, please pre-register using the following participant registration link: <http://apac.directeventreg.com/registration/event/6555356>

Once registered, an email will be sent with a full list of participant dial in numbers as well as an unique registrant ID. This registrant ID is to be kept confidential and not shared with other participants.:

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

Yours faithfully

Calvin Kwok

Company Secretary

calvin.kwok@pinnacleinvestment.com



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

Interim Results – 1H FY20

6th February

PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

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- Pinnacle Fund Services Limited (ABN 29 082 494 362 AFSL 238371) is the issuer of funds in this presentation that are managed by Antipodes Partners Limited (ABN 29 602 042 035 AFSL 481580), Firetrail Investments Pty Limited (ABN 98 622 377 913, AFSL AR 1261372 of Pinnacle Investment Management Limited AFSL 322140), Hyperion Asset Management Limited (ABN 80 080 135 897 AFSL 238380), Longwave Capital Partners Pty Ltd (ABN 17 629 034 902, AFSL AR 1269404), Palisade Investment Partners Limited (ABN 32 124 326 361, AFSL AR 312944 of Pinnacle Investment Management Limited AFSL 322140), Plato Investment Management Limited (ABN 77 120 730 136, AFSL 307141), Resolution Capital Limited (ABN 50 108 584 167 AFSL 274491), Solaris Investment Management Limited (ABN 72 128 512 621, AFSL 330505), Spheria Asset Management Pty Limited (ABN 42 611 081 326 AFSL AR 1240979 of Pinnacle Investment Management Limited AFSL 322140), and Two Trees Investment Management Pty Ltd (ABN 57 616 424 170, AFSL 502096). Pinnacle Fund Services Limited is not licensed to provide financial product advice. The product disclosure statements of funds issued by Pinnacle Fund Services Limited are accessible on the relevant investment manager's website via <https://pinnacleinvestment.com/investment-managers/>. Any potential investor should read the relevant product disclosure statement in its entirety and consult their financial adviser before making an investment decision.

- Net profit after tax (NPAT) from continuing operations of \$13.8 million, up 37%¹ from \$10.1 million in the prior corresponding period (PCP).
- Basic earnings per share (EPS) from continuing operations of 8.1 cents, up 33% from 6.1 cents in the PCP
- Diluted earnings per share from continuing operations of 7.7 cents, up 35% from 5.7 cents in the PCP
- Share of NPAT from Pinnacle Affiliates of \$17.7 million, up 24% from \$14.3 million in the PCP
- Cash and principal investments of \$44.7 million at 31 December 2019
- \$30m CBA loan facility fully drawn in December 2019, used to fund the acquisition of a 25% interest in Coolabah Capital Pty Limited (CCI)
- Fully franked interim dividend of 6.9 cents per share² payable on 20th March 2020

¹Adjusting for the net return on 'principal investments', NPAT (excluding the \$385k positive net return on PI) of \$13.4million is up 25% on the \$10.7m NPAT in the PCP (adjusted for the negative net return on PI of \$600k in the PCP)

²Payout ratio 90%. FY2019 payout ratio was also 90%

- Aggregate Affiliates' FUM at 31 December 2019 (at 100%) \$61.6 billion¹
 - Up \$7.3 billion or 13% from \$54.3 billion at 30 June 2019
 - Aggregate Retail FUM (at 100%) now \$14.9 billion², up 28% from \$11.6 billion at 30 June 2019
- Net inflows for the half-year ended 31 December 2019 of \$2.0 billion, including \$0.9 billion retail (of which \$0.2 billion was LICs/LITs)
 - Retail net inflows for the half-year ended 31 December 2019 were lower than for the PCP (\$1.4 billion, of which \$0.2 billion was LIC/LITs) and for H2 FY19 (\$1.5 billion, of which \$0.8 billion was LIC/LITs)
 - Institutional net inflows of \$1.1 billion were lower than expected, but the institutional pipeline remains strong (pleasingly, from an increasingly diverse client set, by geography and client-type), and should support a higher rate of net inflows over the coming year or two (recognising that institutional flows are 'lumpy' and it is not possible to accurately predict them over any 12 month period)³
- Equities markets and manager performance added to FUM during the period - ASX 300 index up 1.2%, MSCI World Index up 8.0% (9.2% in AUD) during the six months to 31 December 2019 (FUM increases due to market movements/investment performance during the six-month period from 30 June 2019 to 31 December 2019 were \$2.3 billion, \$0.3 billion of which was retail)
- Increasingly diversified client base³

¹Includes \$3.0 billion 'acquired' in December 2019. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM

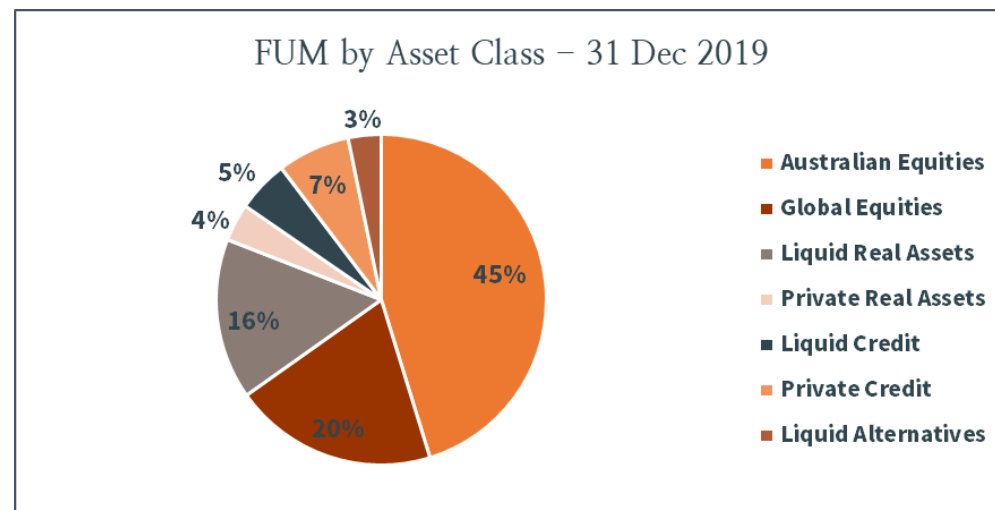
²Includes \$2.2 billion 'acquired' in December 2019

³See slides 17-19 for further discussion of the institutional funds market and Pinnacle's path to further increased diversity and resilience and ongoing FUM and profit growth

- 2 new Affiliates (one Horizon 3 and one Horizon 2), 2 UCITS Liquid Alts Fund launches
 - Acquisition of a 25% interest in Coolabah Capital Investments Pty Ltd (Public Markets Credit) for an initial \$29.1 million in December 2019, with a further \$5m payable upon the business achieving certain milestones over the next 18 month to 4.5 year period
 - Launch of Reminiscent Capital (Discretionary Asia Macro). Cayman fund for international investors will commence in Q2 2020 following a promising piloting program in CY19. Team of three initially, led by David Adams (ex-Brevan Howard Asia and Morgan Stanley Australia)
- New Liquid Alts UCITS Funds launched with institutional investor commitments – Plato Global Market Neutral and Two Trees Systematic Global Macro (Sub-Funds of Pinnacle ICAV Umbrella Fund)



- We remind shareholders of the 'skew' (H1/H2 split) in our results, with the impact of annual performance fees and success fees only being recognized in the second half of each financial year - H1 FY19 NPAT was 33% of FY19 full year NPAT; H1 FY18 NPAT was 35% of FY18 full year NPAT
- During this half, our costs were higher than in the PCP, due to the full year effect of the significant increase in resources throughout FY19. Pinnacle headcount was 54 at 30 June 2018, 68 at 30 June 2019, constant at 68 at 31 December 2019. We expect only a minimal number of additional hires over the balance of FY20
- This is consistent with continuing to invest in Horizon 2 initiatives, which result in medium-term revenue growth
- Pinnacle remains well positioned to deliver superior business and financial performance in the medium term:
 - Proven deep expertise and diversity of our now 15 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 31 December 2019
 - Continuing diversification of asset classes
 - Continuing diversification of client FUM by investor type and domicile
 - Proven and recognized strong distribution – and continuing to grow capability



	1H2020 (\$M)	1H2019 (\$M)	YoY change
PINNACLE			
Revenue	11.4 ¹	8.6 ¹	32.6%
Expenses	(15.3) ^{2,3}	(12.8) ^{2,3}	19.5%
Share of Pinnacle Affiliates net profit after tax	17.7	14.3	23.8%
Net profit before tax (NPBT) from continuing operations	13.8	10.1	36.6%
Taxation	-	-	
NPAT from continuing operations	13.8	10.1	36.6%
<i>NPAT from continuing operations – excluding net gains/losses on PI</i>	<i>13.4</i>	<i>10.7</i>	<i>25.2%</i>
<i>NPAT from continuing operations – excluding net gains/losses on PI and LTI expense</i>	<i>14.4</i>	<i>11.2</i>	<i>28.6%</i>
Basic earnings per share:			
From continuing operations	8.1	6.1	32.8%
Total attributable to shareholders	8.1	6.1	32.8%
Diluted earning per share:			
From continuing operations	7.7	5.7	35.1%
Total attributable to shareholders	7.7	5.7	35.1%
Fully-franked interim dividend per share	6.9	6.1	13.1%

¹ Includes dividends and distributions received on principal investments. These were \$0.6m in 1H2020, compared with \$0.5m in 1H2019

² Includes salaries of additional people, recruitment costs etc. – the number of people in ‘Pinnacle parent’ increased from 39 at 1 July 2017, to 54 at 30 June 2018, to 68 at 30 June 2019, remaining at 68 at 31 December 2019 (approximately 50% distribution and marketing; 50% infrastructure/fund services). Significant additional resourcing was undertaken in the second half of FY 2019

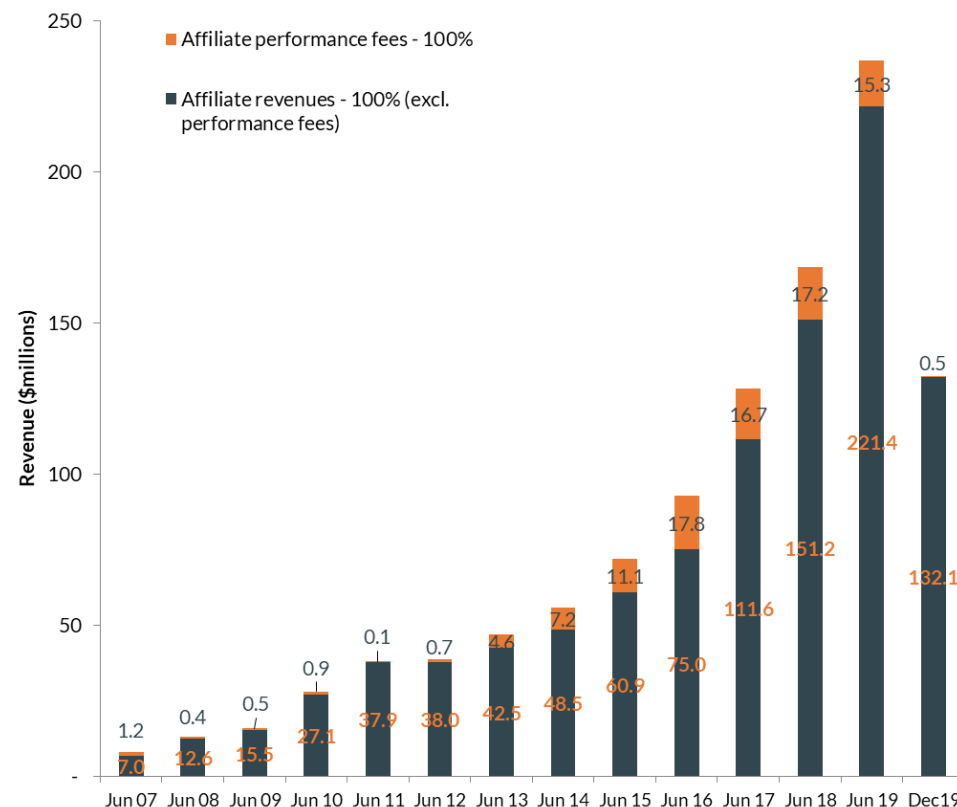
³ Includes mark-to-market and realized gains/losses on principal investments, net of hedging. These were total net losses of \$0.3m in 1H2020 (increases ‘expenses’), compared with total net losses of \$1.1m in 1H2019 (increases ‘expenses’). The increase in expenses excluding the impact of these losses was \$3.3m, or 28.2%. Most of these losses have arisen from our hedging of equity market exposures

Strong FUM and revenue growth in Pinnacle Affiliates:

- Total Affiliate revenues¹ were \$132.5m during 1H2020, including \$0.5m (0.4%) in performance fees; in 1H2019, total Affiliate revenues were \$103.1m, which included \$0.6m (or 0.6%) in performance fees
- This represents 28.5% growth in total Affiliate revenue

Aggregate Affiliate revenues (\$m)¹

	1H2020 (\$M)	1H2019 (\$M)	Change
PINNACLE AFFILIATES (100% aggregate basis)			
FUM (\$billion)	61.6 ²	46.7 ²	31.9%
Revenue (\$million)	132.5	103.1	28.5%
Net profit before tax	65.0	52.3	24.3%
Tax expense	(19.4)	(14.6)	32.9%
Net profit after tax (NPAT)	48.1	37.8	27.2%
<i>Pinnacle share of Affiliates' NPAT</i>	<i>17.7</i>	<i>14.3</i>	<i>23.8%</i>

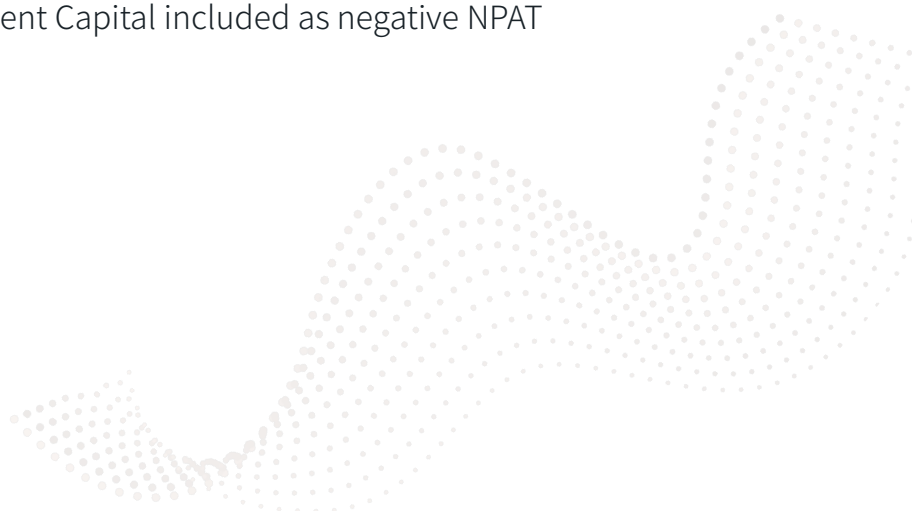


¹ Affiliate revenues are shown at 100% to indicate trend. Pinnacle owns significant minority stakes in each Affiliate and accounts for its share of Affiliates' NPAT.

² Includes \$3.0 billion 'acquired' in December 2019. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM.

- Continuing growth in 'Pinnacle Parent' revenues and capabilities
 - Continuing 'P&L' investment in support of Horizon 2 initiatives (including Offshore distribution, ETF, Direct to retail consumers, cost of Pinnacle servicing new Affiliates)
 - Net gains on principal investments of \$385k, compared with net losses of \$615k in 1H2019
 - P&L impact of the LTI scheme (non-cash) – commenced part-way through 1H2019 – expense of \$1,013k in 1H2020¹, compared with \$457k in the PCP due to the 'full period effect'
 - Continued FUM growth drives distribution fee revenues
- 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 (including Metrics, Plato, Firetrail, Antipodes, Palisade, and Spheria)
 - Direct cost of Two Trees, Longwave, Riparian and Reminiscent Capital included as negative NPAT
 - Low performance fees for 1H2020 (and 1H2019)

¹ This is not expected to increase in 2H2020 from the 1H2020 level.

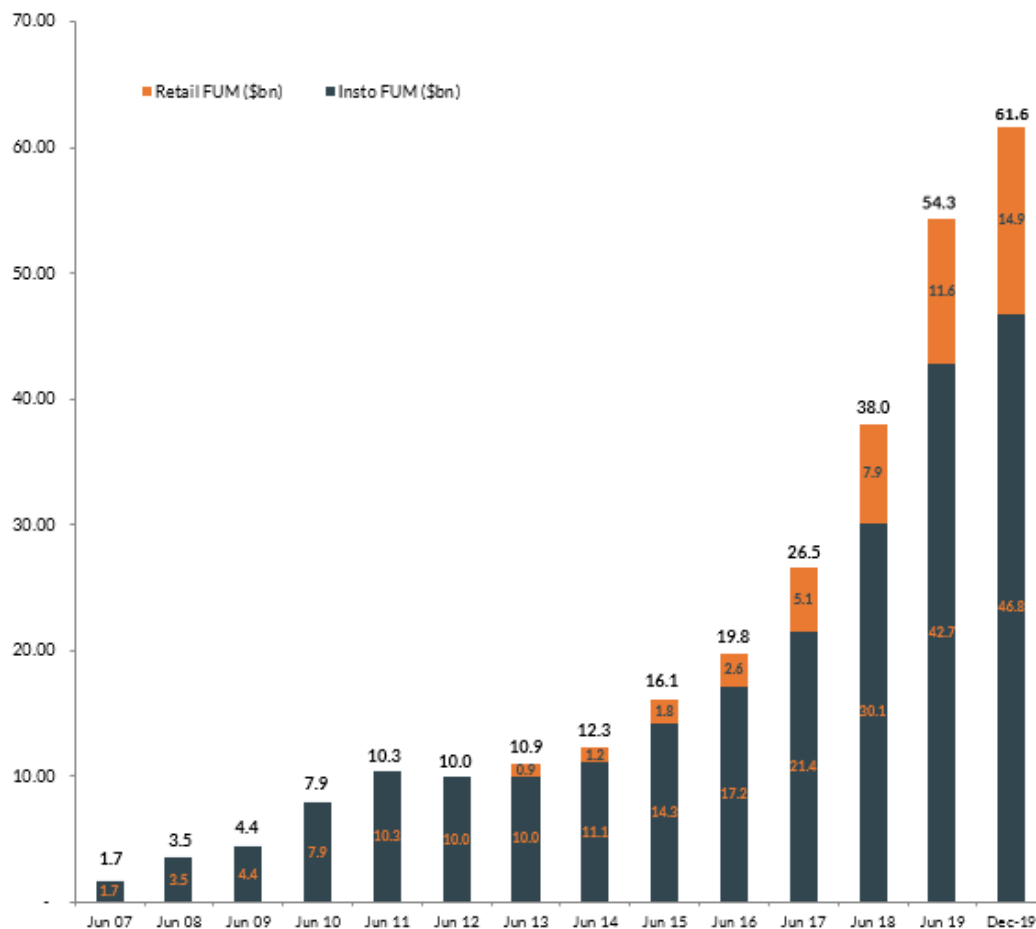


	31 Dec 2019 (\$M)	30 Jun 2019 (\$M)	YoY change
CURRENT ASSETS			
Cash and cash equivalents	7.9	26.7	(70.4%)
Financial assets	36.8	24.5	50.2%
Total cash and financial assets	44.7¹	51.2¹	(12.7%)
Other current assets	16.8	18.3	(8.2%)
Total current assets	61.5²	69.5²	(11.5%)
NON-CURRENT ASSETS			
Investments in affiliates	149.2	113.4	31.6%
Other non-current assets	8.5	3.9	117.9%
Total non-current assets	157.7	117.3	34.4%
Total Assets	219.2	186.8	17.3%
Debt facility	30.0	-	-
Other liabilities	12.7	9.7	30.9%
Total liabilities	42.7	9.7	340.2%
Net assets	176.5	177.1	(0.3%)
Net shareholders' equity	176.5	177.1	(0.3%)

- Cash and Principal Investments of \$44.7m
 - Includes \$35.3m invested in strategies managed by Pinnacle Affiliates
 - Excludes over \$9m of cash applied for Affiliate equity recycling loans, working capital loans (Two Trees) and additional Affiliate equity purchased
- \$30m debt facility from CBA – fully drawn down in December 2019, to purchase 25% of CCI
- Excludes impact of interim dividend of 6.9 cents per share paid on 20th March 2020 and dividends to be received from Affiliates since 31st December 2019
- Franking credit balance (\$27.0m) at 30% company tax rate enables potential fully franked dividends of \$63.0m
- Change in accounting standards during the period results in 'right to use' asset being recognized for leases in 1H2020 (\$4.7m) and a corresponding liability for amounts payable under these leases (\$4.6m). None recognized in 1H2019.

¹ The fall in cash and financial assets is due predominantly to additional capital invested into Affiliates during the period, including the acquisition of a further 1% of Resolution Capital, as well as working capital contributions to Longwave, Reminiscent and Riparian, in accordance with the Shareholders' Agreements in place

² Current assets at 30 June 2019 includes annual performance-based distribution fees receivable. Because these fees are only recognized annually, at 30 June, when the success conditions have been met they do not, therefore, appear at 31 December

Affiliate FUM growth (\$bn)¹

- Aggregate Affiliates' FUM (at 100%) of \$61.6bn as at 31 December 2019¹
- Aggregate Affiliates' FUM has grown at a CAGR of 23.3% p.a. over the last ten years (21.2% excluding \$6.8bn 'acquired' in July 2018 and \$3.0bn 'acquired' in December 2019)
- Increase in Aggregate Affiliates' FUM of \$7.3bn in the half-year to 31 December 2019
 - \$3.0bn acquired
 - net inflows of \$2.0bn
 - market movements/ investment performance of \$2.3bn
- Of the \$2.0bn of net inflows to 31 December 2019, \$0.9bn was retail (\$0.2bn in LICs/LITs)
- Institutional net inflows of \$1.1 billion were lower than expected, but the institutional pipeline remains strong (pleasingly, from an increasingly diverse client set, by geography and client-type), and should support a higher rate of net inflows over the coming year or two (recognising that institutional flows are 'lumpy' and it is not possible to accurately predict them over any 12 month period)

¹Includes \$6.8 billion 'acquired' in July 2018 and \$3.0 billion 'acquired' in December 2019. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM.

Aggregate Affiliates' Funds Under Management (at 100%) – by Affiliate

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	Pinnacle (total)	Hyperion	Plato	Solaris	RCL	Palisade	Antipodes	Spheria	Two Trees	Firetrail	Metrics	Omega	Longwave	Riparian	Coolabah	Reminiscent
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m) ¹	(\$m) ¹	(\$m)	(\$m)	(\$m) ²	(\$m)
FUM History (at 100%)																
31 Dec 19	61,636	7,454	5,790	9,454	9,241	2,257	8,956	1,471	323	4,719	4,325	4,509	3	3	3,123	8
30 Jun 19	54,276	6,595	5,279	9,089	8,314	2,035	9,071	1,195	245	4,369	3,807	4,273	3	-	-	-
31 Dec 18	46,741	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	-	-	-	-	-	-	-	-
Change in FUM - at 100%																
30 Jun 19 - 31 Dec 19	13.6%	13.0%	9.7%	4.0%	11.1%	10.9%	-1.3%	23.1%	31.8%	8.0%	13.6%	5.5%	8.8%			
31 Dec 18 - 31 Dec 19	31.9%	33.1%	23.7%	24.3%	18.8%	12.3%	9.9%	129.8%	51.2%	31.0%	56.1%	22.2%				
PNI ownership ³																
PNI effective FUM - 31 Dec 19	23,113	3,720	2,472	3,782	4,112	849	2,105	589	142	1,109	1,514	1,934	1	1	781	3

¹ Pinnacle acquired equity interests in Metrics and Omega in July 2018. FUM not included prior to that date

² Pinnacle acquired an equity interest in Coolabah in December 2019. FUM not included prior to that date

³ The percentage represents Pinnacle's total shareholding in the Affiliate. In some Affiliates, Pinnacle currently holds less than 1% of the voting shares. However, it has full economic rights in respect of its holdings

Resilience has been enhanced by:

1. Diversity of asset classes
2. Diversity of client FUM by investor type and domicile
3. Growth in Global distribution platform
4. Increased weighting to Fixed Income and Alternative Asset Classes
5. Percentage of funds 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

Seed FUM and working capital

Middle office and fund administration

Technology and other firm 'Infrastructure'

Distribution and client services

RE, compliance, finance, legal

Interface for outsourced services

Firetrail
INVESTMENTS

23.5% (5)

\$4.7bn
High Conviction &
L/S Australian
2018

Australian Equities

SOLARIS
investment management

40.0%

\$9.5bn
Core & L/S
Australian
equities 2008

HYPERION
ASSET MANAGEMENT

49.9%

\$7.5bn
Global & Australian
Growth equities 1998

Australian & Global Equities

Plato

42.7%

\$5.8bn
Global & Australian
Systematic equities
2006

Antipodes

23.5%

\$9.0bn
Global L/S & long only
Equities 2015

Global & Asian
Equities

Spheria
ASSET MANAGEMENT

40.0%

\$1.5bn
Global & Australian
equities 2016

Australian & Global
Equities

LONGWAVE
CAPITAL

40.0% (5)

\$0bn
Quantamental equities
/Multi-Asset 2018

Australian Equities

Omega
GLOBAL INVESTORS

43.0% (5)

\$4.5bn
Smart Beta Plus
2008 (3)

Multi-Asset

RESOLUTION
CAPITAL

44.5%

\$9.2bn
Global & Australian
REITs 2007

Australian & Global
REITs

METRICS

35.0%

\$4.3bn
Private Credit 2013 (2)

Private Markets
Credit

PALISADE

37.6%

\$2.3bn
Private Infrastructure
2007

Private Markets
Infrastructure

Two Trees
INVESTMENT MANAGEMENT

44.0%

\$0.3bn
Systematic Global
Macro 2017

Systematic Global
Macro

RIPARIAN
CAPITAL PARTNERS

40.0%

\$0bn
Water, & Agriculture
2019

Water &
Agriculture

REMINISCENT
CAPITAL

40.0%

\$0bn
Discretionary
Asia Macro 2019

Discretionary Asia
Macro

COOLABAH CAPITAL
INVESTMENTS

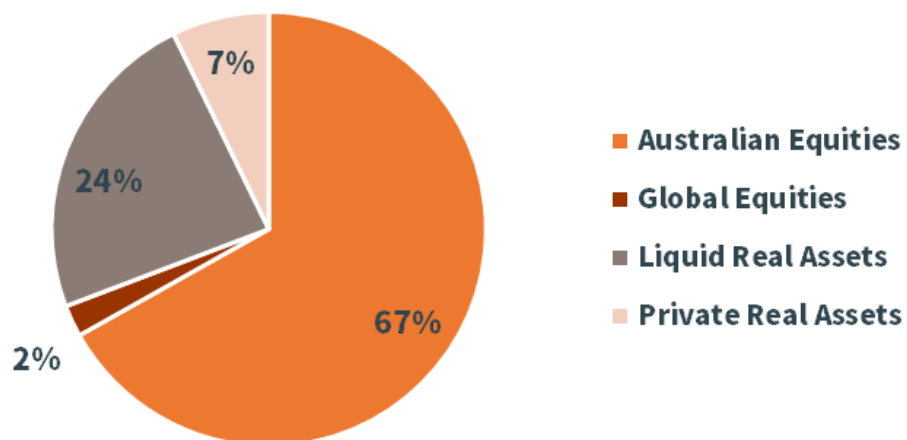
25.0%

\$3.1bn
Public Credit 2011 (4)

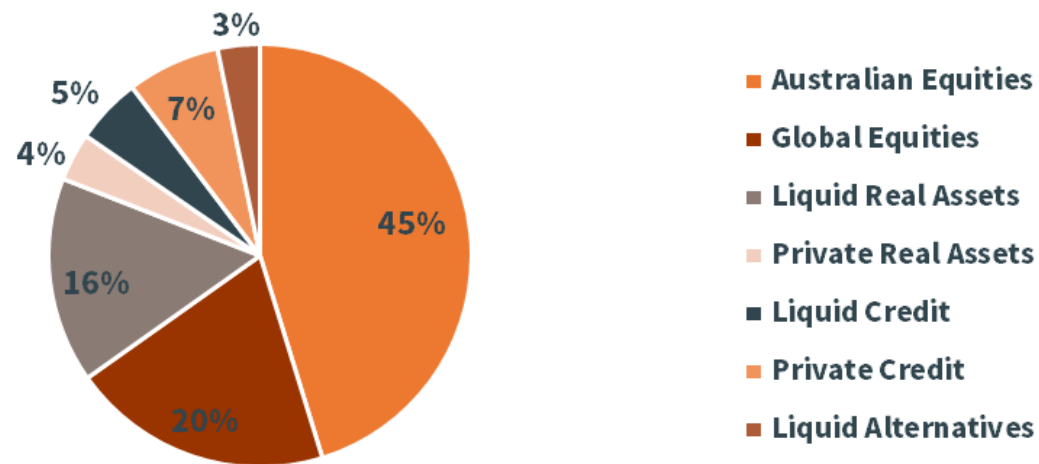
Public Markets
Credit

1. Gross FUM as at 31 December 2019. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM.
2. Founded in 2011. Pinnacle acquired equity in August 2018.
3. Founded in 2008. Pinnacle acquired equity in July 2018.
4. Founded in 2011. Pinnacle acquired equity in December 2019.
5. 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.

FUM by Asset Class – 30 Jun 2016



FUM by Asset Class – 31 Dec 2019



- Less than half of total FUM (at 100%) was in Australian equities at 31 December 2019
- Investment in new affiliates adds to diversification
- Increasing exposure to global equities, private capital, fixed interest and credit, and liquid alternatives

Institutional – Domestic

International

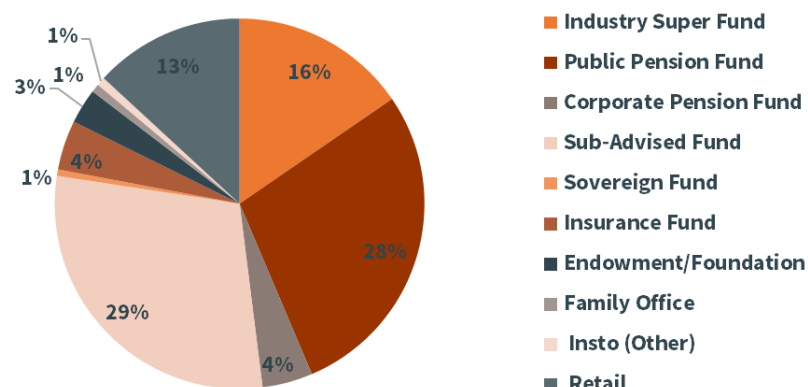
Retail – Intermediated

Retail – Direct

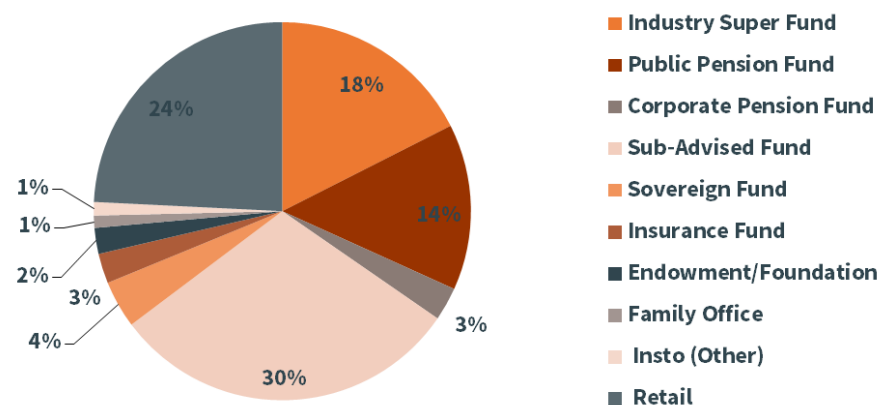


- Industry fund consolidation continues
- Speed and magnitude of ‘Insourcing’ varies widely
- These do impact Pinnacle to some degree, but keep in perspective (without being complacent)
- Pinnacle will continue to evolve in response to (and in anticipation). We note:
 - We have a highly diversified client base:
 - 170+ individual Australian institutional clients at 31 December 2019, compared with ~60 at 30 June 2016
 - 5 largest Australian institutional clients represent 12% of total Affiliate revenues at 31 December 2019 (diversified across 8 Affiliates and 18 separate accounts), compared with 25% at 30 June 2016 (spread across 4 Affiliates and 11 separate accounts)
 - Exposure to industry funds is 18% of total FUM at 31 December 2019
 - Retail FUM continues to grow both in absolute terms and, as a proportion of our total FUM
- Given the strong growth in FUM in our industry (especially large superannuation funds) it is not unreasonable, and very manageable, that basis point fees for large mandates may trend somewhat lower (all else being equal) – however, aggregate fees continue to grow with growing FUM
- Our Affiliates restrict capacity wherever appropriate and, consequently, are better placed to receive higher fees (including, in many cases, performance fees) in capacity-constrained strategies
- Large superannuation funds continue to be willing to pay substantial fees for investment strategies and managers that produce attractive investment performance – pressure for them to deliver performance to members
- Performance fees can often be a ‘win-win’ and provide attractive economics for our strongly performing managers
- We continue to diversify our asset class offerings
- We are diversifying the markets into which we are offering our investment strategies

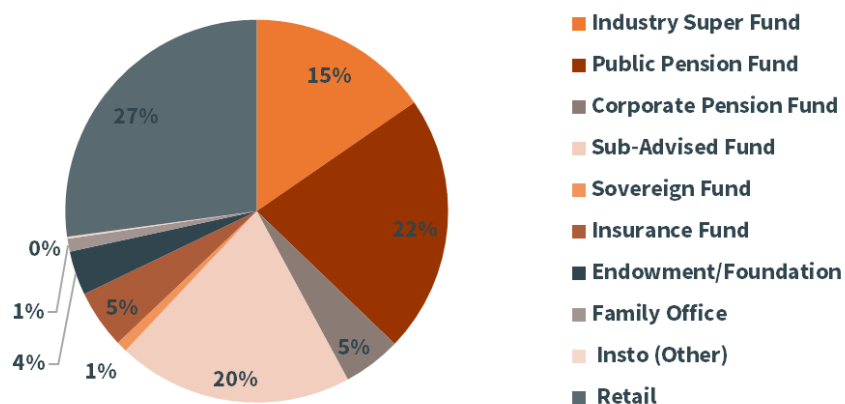
Total FUM at 30 Jun 2016



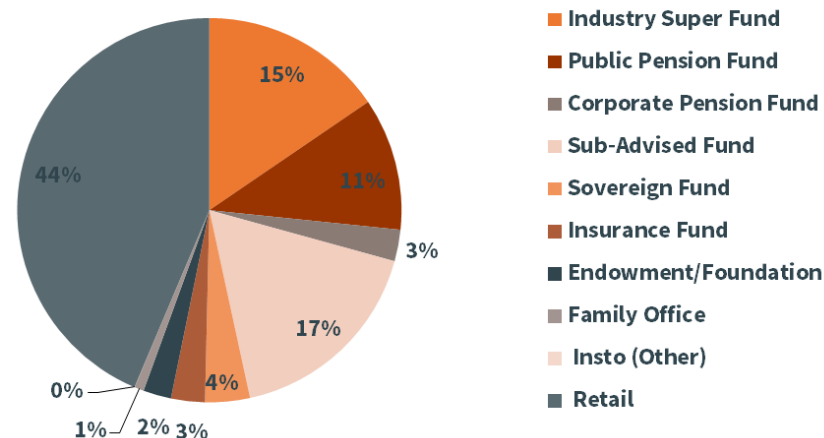
Total FUM at 31 Dec 2019



Total Revenues at 30 Jun 2016



Total Revenues at 31 Dec 2019



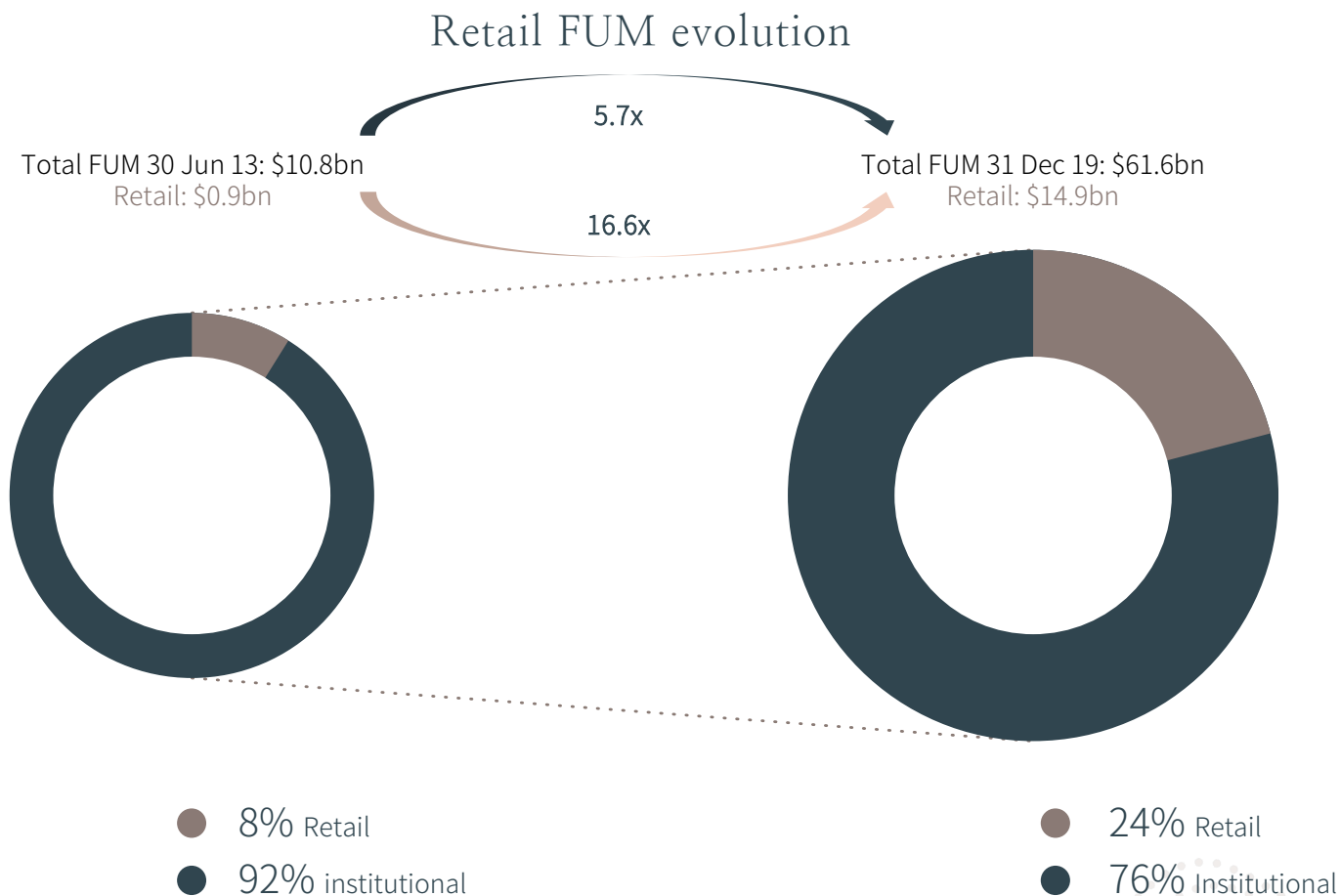
- 170+ individual institutional clients at 31 December 2019, compared with ~60 at 30 June 2016
- Growth in Retail FUM as a proportion of total FUM (at 100%) and as a proportion of total revenues (at 100%)
- Increasingly diversified client base

- ~A\$4bn+ of aggregate FUM from international investors and invested in international pooled funds
 - FUM sourced from 15 individual countries across the Americas, EMEA and Asia-Pacific regions
 - Over A\$1bn+ in global funds: UCITS, Cayman & US CITs
- New business won in FY20 from a diverse range of investors and domiciles
 - US, UK, Canada, Middle East, Switzerland, Japan, South Korea, South Africa & New Zealand
 - Pension Funds, Sovereign Wealth Funds, Sub-Advisory, Private Banks, Insurance Companies
- New UCITS liquid alternatives funds launched with institutional commitments
 - Systematic Global Macro
 - Global Equity Market Neutral
- Forthcoming launch of Reminiscent Capital
 - Discretionary Asia Macro Cayman Fund to be launched in H2
 - Led by David Adams (ex-Brevan Howard, Morgan Stanley)
- Well progressed on first US-based sales executive hire



- Royal Commission flow on effects
- Dismantling of vertical integration (~1,600 AFSL closures past 2 years)
- Education standards lifted with FASEA
- Geopolitical concerns
 - US-China Trade Conflict
 - Brexit
 - Hong Kong
 - Coronavirus
- Continued rise of the non-aligned adviser
 - Pinnacle distribution reach across ~9,500 advisers and ~3,500 practices
 - Leverage network effect to promote new capabilities
 - Rise of managed accounts supportive of blending active strategies with low cost passive
- Increased industry demand for Fixed Income and Alternatives
 - Net flows strong for Fixed Income Managed Funds (\$2.4b for CY19)¹
 - Demand for Listed Fixed Income options - MXT, ETFs
 - Long Short, Infrastructure and Agriculture thematic continues to be strong

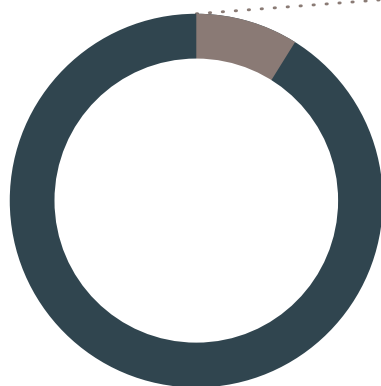
¹Source: Morningstar, Pinnacle



- Pinnacle has invested significantly in retail distribution and has generated substantial retail FUM in the last 6.5 years (~\$12bn of retail FUM growth)
- Initiatives include growth of internal and external sales teams, direct retail and exchange traded funds (open & closed ended)

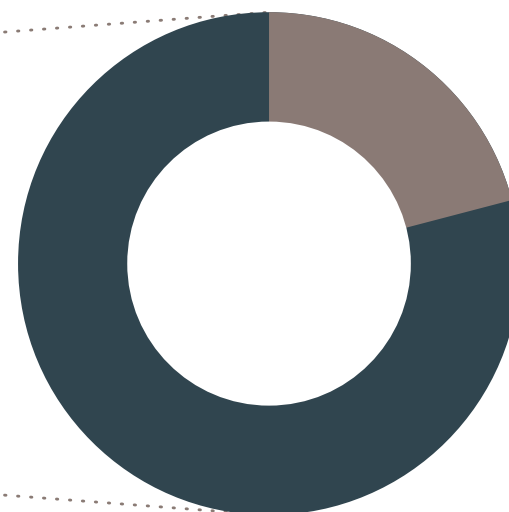
Affiliates' FUM (at 100%) subject to performance fees

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



● 17% Perf fees
● 83% No perf fees

Total FUM 31 Dec 19: \$61.6bn
Subject to performance fees: \$19.1bn



● 31% Perf fees
● 69% No perf fees

- Significant growth in both absolute and percentage of FUM subject to performance fees
- Diversification across asset classes
- Performance fees add diversity to revenue sources, being uncorrelated with market movements and each Affiliate's performance being uncorrelated with the others' and with other revenue. Other than in Palisade, performance fees will be additional to budgeted/forecast revenues.

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 – Alternative 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

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 Australian Alternative Investment Awards:

- Metrics – Best Private Debt Fund Category Winner

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:

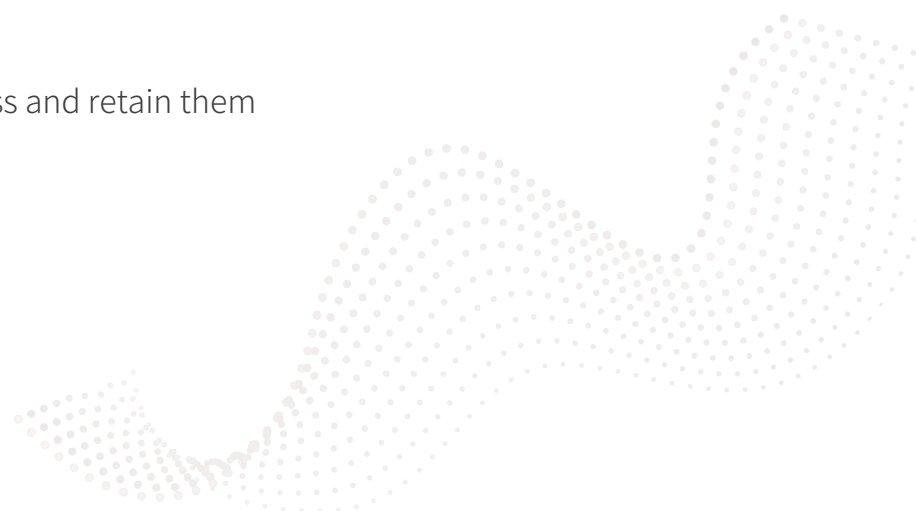
- Pinnacle – Distributor of the Year (second consecutive year)
- Resolution Capital – Global REIT Category Winner (fourth consecutive year)
- Antipodes Partners – International Equities – Alternative Strategies Category Winner (second consecutive year)
- Antipodes Partners – International Equities –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

The Zenith Fund Awards are determined using proprietary methodologies. Fund Awards were issued October 11, 2019 and are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

- 'A 'steady as she goes' period, with groundwork laid for further growth, diversity and resilience
- Continue to deliver growth within existing Affiliates (Horizon 1)
- Continue investment to deliver medium term growth (Horizon 2)
- A range of Horizon 2 initiatives are under way
 - New affiliate 'builds'
 - Direct to retail consumer
 - ETF builds
 - Offshore initiatives
 - Continue to assess high quality new affiliate opportunities
- Remain open to potential Horizon 3 opportunities
- Maintain culture – attract exceptional individuals to our business and retain them



- 26 – Pinnacle as a Responsible Firm
- 27 – Pinnacle Affiliates as the forefront as responsible investors
- 28-30 – Adding high quality, diversifying Affiliates
- 31-33 – Continuing strong investment performance of Affiliates
- 34 – Listed Products
- 35 – Alternative Credit & Fixed Income
- 36 – Horizon 2 Progress
- 37 – Fully franked dividend yield and earnings growth
- 38 – Future Growth
- 39 – Enhancing the platform - strength, stability and reputation
- 40 – Pinnacle Charitable Foundation
- 41 – Recap on Horizon 3 Criteria – What could we acquire?

- Pinnacle achieved carbon neutrality for the 2019 financial year
 - Tracking and measuring carbon footprint for air travel, travel via cars to client meetings as well as staff travel to and from work
 - Seeking to avoid travel in favour of video conferencing where possible
 - Donation made to Greenfleet to offset these emissions. Greenfleet is a leading Australian not-for-profit environmental organisation that takes practical climate action by offsetting carbon emissions through restoring forests
 - Move to Green Energy by end calendar year 2020
- Implemented a project to remove all single use plastic from the firm by end of calendar year 2020
- Sustainable use of resources
 - Target to reduce printing across the firm by 25% in 2020
 - Switching to more eco-friendly products (e.g., cleaning products)
 - Identifying where we can increase our recycling efforts
- Gender Equality: dedicated Females in Finance scholarship programs
- Through the Pinnacle Charitable Foundation, we are supporting a number of key social priorities, including the following, by donating in excess of \$400k per annum:
 - Human Rights: legal assistance for victims of domestic and family violence and sexual abuse;
 - Indigenous: development of corporate procurement initiatives for Indigenous communities and support for education scholarships for secondary school students;
 - Children: children facing acute or systemic disadvantage as well as medical research seeking treatments / cures for children's genetic diseases; and
 - Mental Health: partnering with the suicide prevention charity R U OK? to develop and deliver the nationwide 'Are They Triple OK?' Campaign supporting police and emergency services workers and volunteers

RESOLUTION CAPITAL

- Principles for Responsible Investment (PRI) signatory since 2010
- UN Global Compact signatory (2019)
- Member of GRESB since 2017
- Active engagement with investee companies – ESG disclosure, board diversity, GRESB participation, governance practices
- ESG screen in infrastructure securities within Real Assets strategy
- ESG Committee including staff from across all areas of the business

Plato

- Principles for Responsible Investment (PRI) signatory since 2011
- Member of the Climate Action 100+ investor group
- Founding member of ESG Research Australia
- Signatory to the Montreal Carbon Pledge and active subscriber to carbon databases
- Built dedicated ESG tilted and Carbon Light portfolios for clients
- Women in Finance Scholarships at 3 universities
- Actively vote shares and engage with companies on important ESG issues

SOLARIS investment management

- Principles for Responsible Investment (PRI) signatory since 2010
- Responsible Investment Association Australasia (RIAA) member
- Global Investor Statement on Climate Change Signatory
- Signatory to “Investor Statement on Bangladesh”
- Participant in PRI Climate Change Corporate Lobbying Engagement
- Signatory to the Montreal Carbon Pledge and Paris Pledge for Action
- Signatory to PRI Investor Statement in support of Modern Slavery Act
- Climate Action 100+ Signatory
- Signatory to Global Investor Statement on Antibiotic Stewardship (Member of FAIRR)
- Member RIAA Human Rights Working Group (Investor Toolkit – Human Rights with Focus on Supply Chain – Guidance for Investors re Modern Slavery Act)
- Member RIAA Corporate Engagement Working Group
- TCFD Supporter

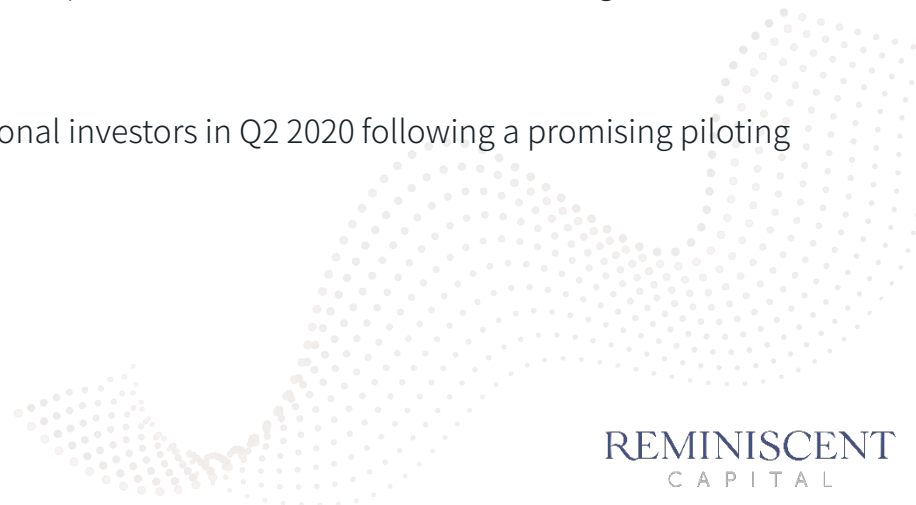
PALISADE

- Principles for Responsible Investment (PRI) signatory
- GRESB participant
- Active role in Women’s Infrastructure Network
- Renewable energy portfolio powers over 350,000 homes and abates over 1 million tonnes of CO2 per year
- Sunshine Coast Airport is the first and only carbon neutral airport in Australia
- Very active at management sites in reducing power usage through solar installations, LED lights etc. Darwin and Alice Springs airports have on-site award-winning solar developments.

- Pinnacle acquired a 25% equity interest in Coolabah Capital Investments Pty Ltd (CCI) in December 2019, for \$29.1m, together with a further \$5m payable upon the business achieving certain milestones over the next 18 month to 4.5 year period
- Funded by a facility from the CBA
- Established in 2011, 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)
- As at 31 December 2019, CCI was responsible for managing over \$3 billion of institutional and retail investments
- 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
- CCI has delivered consistently outstanding results for their clients by generating alpha from liquid, high-grade credit. More than 90% of the FUM is subject to performance fees, providing strong alignment with clients.
- CCI's 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

1. Large team focussed exclusively on Australian investment-grade fixed-income (\$3bn FUM, \$4bn AUM)
 - 4x portfolio managers, 9x analysts, and 21x staff in total
 - CCI's staff own 75% of business – remaining 25% held by Pinnacle
 - Chaired by Melda Donnelly (ex-CEO QIC, VFMC Deputy Chair) with Independent Director Bob Henricks (ex-Chair Energy Super)
 - CIO has advised multiple Prime Ministers on RMBS/ABS securitisation policies worth over \$17bn
2. Sophisticated credit valuation systems
 - 20-30x internally developed bond valuation models reprice, and factor-adjust, all bonds globally live
 - Uses internally-developed artificial intelligence to shadow credit-rate all bonds globally
 - Unprecedented trade-by-trade transparency for clients
3. A leading credit alpha generator
 - CCI minimises fixed-income betas: interest rate duration risk; credit default risk; and illiquidity risk
 - CCI exploits bond mis-pricings that generate large capital gains that augment yields
 - >98% win ratio on >8,500 bond sales since 2012
 - Credit alpha is crucial in a world where interest rates are declining (alpha has strong convexity)
4. Ability to customise mandates to client's precise preferences
 - Currently running >15 portfolios including long-only cash plus, long duration, and levered long-short
 - CCI is the investment manager for Smarter Money Investments' products and BetaShares Active Hybrid ETF 5. Strong track-record through very volatile credit spread environment
 - Very high risk-adjusted returns in top decile of peers across all strategies over all periods
 - Notwithstanding huge financial spread volatility in 2012, 2013, 2015, 2016, and 2018

- Discretionary Asian Macro investment firm with three investment professionals led by David Adams (ex-Brean Howard Asia and Morgan Stanley Australia)
- Reminiscent aims to deliver attractive, uncorrelated absolute returns through a concentrated, directional and dynamic investment portfolio of fixed income, foreign exchange and equities with an Asian focus.
- Provides Pinnacle with further diversification and growth into liquid alternatives, an offshore client base and USD revenue stream
- Global Macro hedge fund AUM is US\$227bn globally, accounting for 7% of total hedge fund AUM. After 2019 saw the best returns for the category in the last five years, allocators are again looking to allocate capital to this part of the hedge fund market
- Discretionary Asian macro has wide appeal to international institutional investors given the market inefficiencies in the region, under-allocations (and therefore demand) from Northern Hemisphere allocators as well as the shortage of institutional quality offerings in the space
- Reminiscent will launch their Asia Macro Cayman fund for international investors in Q2 2020 following a promising piloting program in CY19



Continuing strong investment performance of 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 31 December 2019

The investment returns for each fund or strategy shown are for information purposes only. Unless otherwise stated, the investment returns have been calculated for the relevant period in AUD (with distributions reinvested) and are gross of applicable fees, costs and taxes. Past performance is not indicative of future performance. The one strategy that has underperformed its benchmark was not under Pinnacle ownership for most of the five-year period.

	5Y (p.a.)	10Y (p.a.)	INCEPTION (p.a.)	INCEPTION DATE (p.a.)
PINNACLE INVESTMENT MANAGEMENT				
Hyperion Asset Management - Gross Performance				
Hyperion Australian Growth Companies Fund	12.07%	10.84%	12.82%	1/10/2002
<i>Outperformance</i>	3.00%	3.07%	3.40%	
Hyperion Small Growth Companies Fund	14.37%	15.55%	17.45%	1/10/2002
<i>Outperformance</i>	3.72%	11.42%	10.04%	
Hyperion Australian Equities Composite	12.32%	11.04%	13.71%	1/11/1996
<i>Outperformance</i>	3.25%	3.27%	4.56%	
Hyperion Global Growth Companies Fund (Class B Units)	21.84%		21.95%	22/05/2014
<i>Outperformance</i>	9.11%		7.87%	
Plato Investment Management - Gross Performance				
Plato Australian Shares Core Fund	9.32%	8.91%	6.98%	30/10/2006
<i>Outperformance</i>	0.25%	1.15%	0.85%	
Plato Australian Shares Equity Income Fund - Class A	11.10%		12.51%	9/09/2011
<i>Outperformance</i>	0.48%		1.93%	
Solaris Investment Management - Gross Performance				
Solaris Core Australian Equity Fund	10.92%	9.20%	7.40%	9/01/2008
<i>Outperformance</i>	1.94%	1.34%	2.03%	
Solaris High Alpha Australian Equity Fund	11.21%	9.28%	8.10%	4/02/2008
<i>Outperformance</i>	2.23%	1.41%	2.36%	
Solaris Total Return Fund (including franking credits)	12.68%		12.27%	13/01/2014
<i>Outperformance</i>	2.06%		1.97%	
Resolution Capital - Gross Performance				
Resolution Capital Real Assets Fund	13.11%	13.10%	9.80%	30/09/2008
<i>Outperformance</i>	1.90%	1.47%	2.56%	
Resolution Capital Global Property Securities Fund	9.54%	13.53%	11.96%	30/09/2008
<i>Outperformance</i>	2.69%	2.02%	4.13%	
Palisade Investment Partners - Gross Performance				
Palisade Diversified Infrastructure Fund	12.54%	11.63%	10.79%	1/08/2008
Palisade Australian Social Infrastructure Fund	12.80%		15.38%	31/05/2011
Omega Global Investors - Gross Performance				
Omega Global Corp Bonds Fund	4.55%		6.43%	11/03/2010
<i>Outperformance</i>	-0.55%		-0.77%	
Omega Global Listed Infrastructure Fund	8.30%		12.31%	3/08/2012
<i>Outperformance</i>	0.15%		0.39%	
Metrics Credit Partners - Gross Performance				
DASLF	4.96%		5.32%	4/06/2013
<i>RBA Cash Rate</i>	3.34%		3.48%	
<i>BBSW (90 Days)</i>	3.09%		3.25%	
Coolabah Capital Investments				
Smarter Money (Active Cash) Fund Assisted	3.60%		4.67%	28/02/2012
<i>Outperformance</i>	2.00%		2.59%	
Smarter Money Higher Income Fund Assisted	4.10%		4.20%	31/08/2014
<i>Outperformance</i>	2.50%		2.56%	

Affiliates' investment performance – 31 December 2019

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	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	INCEPTION (p.a.)	INCEPTION DATE (p.a.)
PINNACLE INVESTMENT MANAGEMENT						
Hyperion Asset Management - Gross Performance						
Hyperion Australian Growth Companies Fund	31.78%	13.60%	12.07%	10.84%	12.82%	1/10/2002
Outperformance	8.01%	3.27%	3.00%	3.07%	3.40%	
Hyperion Small Growth Companies Fund	30.49%	13.12%	14.37%	15.55%	17.45%	1/10/2002
Outperformance	9.14%	3.14%	3.72%	11.42%	10.04%	
Hyperion Australian Equities Composite	33.73%	13.98%	12.32%	11.04%	13.71%	1/11/1996
Outperformance	9.96%	3.65%	3.25%	3.27%	4.56%	
Hyperion Global Growth Companies Fund (Class B Units)	30.25%	26.28%	21.84%		21.95%	22/05/2014
Outperformance	1.65%	11.96%	9.11%		7.87%	
Plato Investment Management - Gross Performance						
Plato Australian Shares Core Fund	23.26%	10.64%	9.32%	8.91%	6.98%	30/10/2006
Outperformance	-0.51%	0.31%	0.25%	1.15%	0.85%	
Plato Australian Shares Equity Income Fund - Class A	25.12%	12.19%	11.10%		12.51%	9/09/2011
Outperformance	-0.24%	0.28%	0.48%		1.93%	
Plato Global Shares Income Fund	19.46%	9.04%			8.02%	30/11/2015
Outperformance	-8.50%	-4.73%			-3.36%	
Solaris Investment Management - Gross Performance						
Solaris Core Australian Equity Fund	23.91%	12.01%	10.92%	9.20%	7.40%	9/01/2008
Outperformance	0.52%	1.76%	1.94%	1.34%	2.03%	
Solaris High Alpha Australian Equity Fund	24.58%	12.20%	11.21%	9.28%	8.10%	4/02/2008
Outperformance	1.19%	1.94%	2.23%	1.41%	2.36%	
Solaris Total Return Fund (including franking credits)	25.75%	13.96%	12.68%		12.27%	13/01/2014
Outperformance	0.39%	2.05%	2.06%		1.97%	
Solaris Australian Equity Long Short Fund	22.83%				17.63%	1/03/2017
Outperformance	-0.57%				7.31%	
Solaris Australian Equity Income Fund	26.26%	13.20%			13.69%	12/12/2016
Outperformance	0.89%	1.29%			1.23%	
Resolution Capital - Gross Performance						
Resolution Capital Real Assets Fund	22.93%	11.47%	13.11%	13.10%	9.80%	30/09/2008
Outperformance	3.36%	1.93%	1.90%	1.47%	2.56%	
Resolution Capital Global Property Securities Fund	25.06%	10.60%	9.54%	13.53%	11.96%	30/09/2008
Outperformance	3.90%	2.61%	2.69%	2.02%	4.13%	
Palisade Investment Partners - Gross Performance						
Palisade Diversified Infrastructure Fund	10.02%	11.39%	12.54%	11.63%	10.79%	1/08/2008
Palisade Australian Social Infrastructure Fund	13.40%	12.02%	12.80%		15.38%	31/05/2011
Antipodes Partners - Gross Performance						
Global Fund	11.00%	9.29%			11.54%	1/07/2015
Outperformance	-15.79%	-4.27%			0.62%	
Global Long Only	18.73%	13.00%			13.09%	1/07/2015
Outperformance	-8.06%	-0.57%			2.16%	
Asia Fund	18.41%	12.76%			11.42%	1/07/2015
Outperformance	0.06%	-1.13%			3.25%	
Sphera Asset Management - Gross Performance						
Microcap Fund	21.67%	10.25%			12.94%	16/05/2016
Outperformance	0.31%	0.27%			3.06%	
Smaller Companies Fund	20.39%	11.68%			11.36%	11/07/2016
Outperformance	-0.97%	1.70%			2.58%	
Opportunities Fund	22.99%	13.50%			12.78%	11/07/2016
Outperformance	1.37%	2.82%			2.46%	

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Affiliates' investment performance – 31 December 2019

	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	INCEPTION (p.a.)	INCEPTION DATE (p.a.)
PINNACLE INVESTMENT MANAGEMENT						
Two Trees Investment Management - Gross Performance						
Global Macro Fund	2.67%				-2.03%	1/11/2017
Outperformance	1.17%				-3.74%	
Firetrail Investments - Gross Performance						
High Conviction Fund	21.22%				5.43%	14/03/2018
Outperformance	-2.18%				-5.77%	
Absolute Return Fund	5.86%				1.77%	14/03/2018
Outperformance	4.69%				0.46%	
Omega Global Investors - Gross Performance						
Omega Global Corp Bonds Fund	8.58%	4.75%	4.55%		6.43%	11/03/2010
Outperformance	-2.81%	-0.64%	-0.55%		-0.77%	
Omega Global Listed Infrastructure Fund	20.72%	8.78%	8.30%		12.31%	3/08/2012
Outperformance	-0.54%	-0.24%	0.15%		0.39%	
Metrics Credit Partners - Gross Performance						
DASLF	5.14%	5.05%	4.96%		5.32%	4/06/2013
RBA Cash Rate	3.97%	3.66%	3.34%		3.48%	
BBSW (90 Days)	3.80%	3.37%	3.09%		3.25%	
SPDF	8.61%	8.48%			8.27%	26/11/2015
RBA Cash Rate	7.44%	7.09%			6.74%	
BBSW (90 Days)	7.26%	6.80%			6.45%	
SPDF II	8.21%				8.99%	9/10/2017
RBA Cash Rate	7.04%				7.64%	
BBSW (90 Days)	6.86%				7.33%	
REDF	9.45%				8.96%	9/10/2017
RBA Cash Rate	8.28%				7.60%	
BBSW (90 Days)	8.10%				7.29%	
WIT	6.60%				6.54%	9/10/2017
RBA Cash Rate	5.43%				5.19%	
BBSW (90 Days)	5.25%				4.88%	
MXT - net performance only	5.55%				5.45%	9/10/2017
RBA Cash Rate	4.38%				4.09%	
BBSW (90 Days)	4.20%				3.78%	
Longwave Capital Partners - Gross Performance						
Longwave Australian Small Companies Fund					21.68%	1/02/2019
Outperformance					6.42%	
Reminiscent Capital - Gross Performance						
Global Macro Fund					1.91%	1/02/2019
Outperformance					0.87%	
Coolabah Capital Investments						
Smarter Money (Active Cash) Fund Assisted	3.90%	3.30%	3.60%		4.67%	28/02/2012
Outperformance	2.74%	1.91%	2.00%		2.59%	
Smarter Money Higher Income Fund Assisted	4.38%	3.74%	4.10%		4.20%	31/08/2014
Outperformance	3.21%	2.35%	2.50%		2.56%	
Smarter Money Long Short Credit Fund Assisted	9.70%				6.58%	31/08/2017
Outperformance	8.54%				5.23%	
Coolabah Active Composite Bond Strategy	11.51%	6.59%	5.64%		6.88%	31/03/2017
Outperformance	4.25%	1.46%	1.47%		1.74%	
Coolabah Long-Short Active Credit Alpha Strategy	10.35%				7.42%	28/02/2017
Outperformance	5.24%				2.07%	
HBRD	7.65%				6.64%	30/11/2017
Outperformance	3.98%				2.80%	

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- The recent decision by ASIC to re-open the active ETF market encourages us that this will be a bigger industry in the future – Pinnacle intends to be a significant player, with additional product planned
- Pinnacle believes the trend to growth in listed vehicles will be strong and continuing. We seek to provide investors with access to the high-quality investment management capabilities of Pinnacle Affiliates in whichever form they prefer – unlisted units trusts or listed vehicles such as LICs/LITs and active ETFs
- Pinnacle listed two active ETFs on the ASX under the Pinnacle aShares brand in August 2019. Combined with the Antipodes Global equity active ETF (AGX1), this takes Pinnacle's offering of active ETFs to three
- FUM and flows have been slow, which is true broadly for the active ETF market which is in its infancy



- Ageing population in OECD markets creating significant demand for capital stable, income producing assets
- Commercial and investment bank regulatory change around the globe creating opportunity for alternative credit managers to fill the 'funding gap'
- Alternative credit products designed to mitigate against traditional fixed income risks (e.g. duration & market risk)
- Rise of stock exchanges as a preferred platform for 'whole-of-portfolio' administration creating demand for non-equity, diversifying products such as alternative credit, fixed income and absolute return
- 'Fixed Income/Credit assets have always been an important part of any balanced portfolio
- Some reduction in liquidity in 'credit' offerings will be well explained and rewarded with higher average returns

Capabilities



Corporate Loans
LBO Debt
Real Estate Debt
Project Finance & Infrastructure Debt



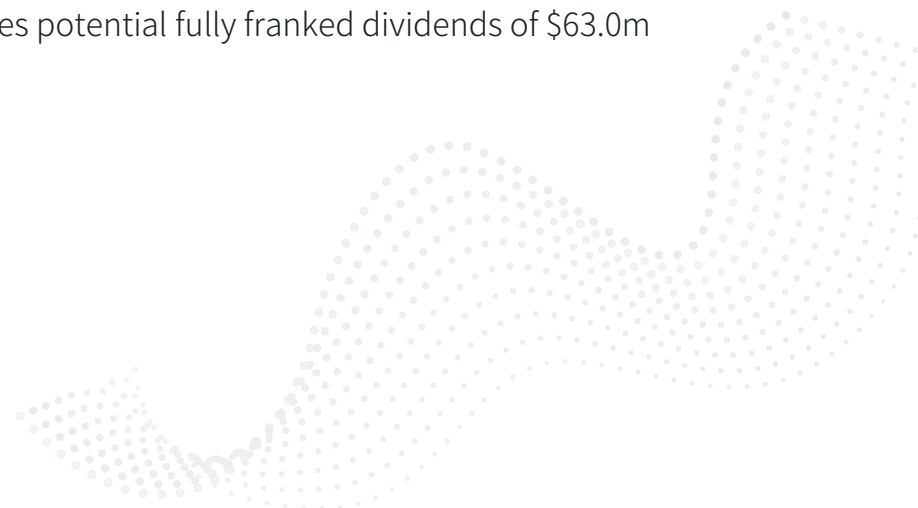
Active Cash
Higher Income
Active Composite Bonds
Long Short Credit
Active Hybrids



Australian Fixed Interest
Global Fixed Interest
Global Credit

Initiative	Status	Inception	\$m 31 Dec 19
Direct to Retail	Developing	2017	\$697
Listed	Developing	2017	\$2,832
Plato Global (Income & MN)	Early Stage	2017	\$118
Two Trees	Developing	2018	\$323
Hyperion Global	Developing	2018	\$736
Spheria Opportunities	Developing	2018	\$570
Solaris Long/Short	Growth Accelerating	2018	\$444
Global Distribution	Early Stage	2018	\$4,000
UCITS Funds	Early Stage	2018	\$1,226
Cayman Funds	Early Stage	2018	\$160
Longwave	Incubation	2019	\$3
Riparian	Incubation	2019	\$2
Reminiscent Capital	Incubation	2020	\$8

- 15.4 cents per share fully franked dividends FY19
- Up 67% p.a. from 3.3 cents in FY16
- Fully franked interim dividend of 6.9 cents per share payable in March 2020
- Ample franking credits (\$27.0m at 31 December 2019)
- Earnings have grown in excess of 20% each year since becoming a 'pure-play' funds manager in August 2016
- Historic FY19 dividends yield (at \$4.80 per share) represented approx. 3.2% p.a. yield at the then current share price (equal to 4.6% including franking benefit)
- Franking credit balance (\$27.0m) at 30% company tax rate enables potential fully franked dividends of \$63.0m



- 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)
 - Fixed income
 - Private capital (debt & equity)
 - Absolute return (single & multi-asset)
- Result: corporate stability, and meeting clients' evolving needs



- Stable and diversified platform
 - Continuing investment excellence
 - Widespread industry recognition and support
 - ‘Article of faith’ reputation
- Further investment in distribution capability
 - Direct to retail consumer
 - 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 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
- The Foundation's focus is on backing the growth of creative and clever Australian charities, which are enabling better lives through driving positive, long term social change
- Support is frequently provided at an early stage, offering seed funding to young, passionate organisations 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
- During the 2019 calendar year, Pinnacle made cash contributions of over \$310,000 to the Foundation (\$225,000 in 2018)
- The Foundation donated \$327,000 and was supported by Pinnacle Affiliates which contributed an additional \$130,000 via direct support to jointly funded charity partners
- These combined donations of over \$450,000 were predominantly directed to 10 charity partners across five identified priority areas:
 - 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;
 - medical research seeking treatments / cures for children's genetic diseases and for Alzheimer's disease; and
 - development of corporate procurement initiatives for Indigenous communities
- In addition, a matched employee workplace giving program offered by Pinnacle and several Affiliates in 2019 resulted in further donations of over \$61,000 being made to 45 charities
- Pinnacle and the Foundation have also launched a special workplace giving appeal in support of national bushfire recovery, with each entity committing to matching employee donations made in February 2020

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 acquisitions in July 2018
- CCI acquisition in December 2019
- We will continue to explore opportunities such as:
 - existing profitable investment management firms that we could help
 - distribution/retail businesses that may be synergistic

