



3 May 2021

*By electronic lodgement*

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**Macquarie Australia Conference Presentation**

Pinnacle Investment Management Group Limited is pleased to attach a copy of a presentation that will be given to investors and analysts at the Macquarie Australia Conference on 6 May 2021.

Authorised by:

Calvin Kwok  
Company Secretary



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

# Macquarie Australia Conference

Ian Macoun – CEO/Managing Director

Andrew Chambers – Executive Director

Ramsin Jajoo – Director, Head of Retail

Dan Longan – Chief Financial Officer

6 May 2021

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- 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.
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- Introduction to Pinnacle
  - Growth of our Platform
  - Growth in Asset Classes
  - Growth in Client Type and Breadth
  - Growth by Affiliate
- Business Model
  - Pinnacle business philosophy and approach
  - Pinnacle differentiation
- Latest Update
  - FUM and Flows
  - Institutional Market update
  - Retail Market update
  - Investment Performance
- Growth and Resilience
  - Growth, Resilience, and an exceptional Platform for further Growth
  - Three Horizons of Growth
  - Recap on Horizon 3 Criteria – What could we acquire?
  - Future Growth Drivers
  - Growing a Resilient, Diversified Business
  - Growth in Client Type and Breadth
  - Growth in Retail FUM
  - Growth in Performance Fee FUM
- Additional Information
  - 1HFY21 Results Presentation
  - Affiliate Summaries



- **What we do**

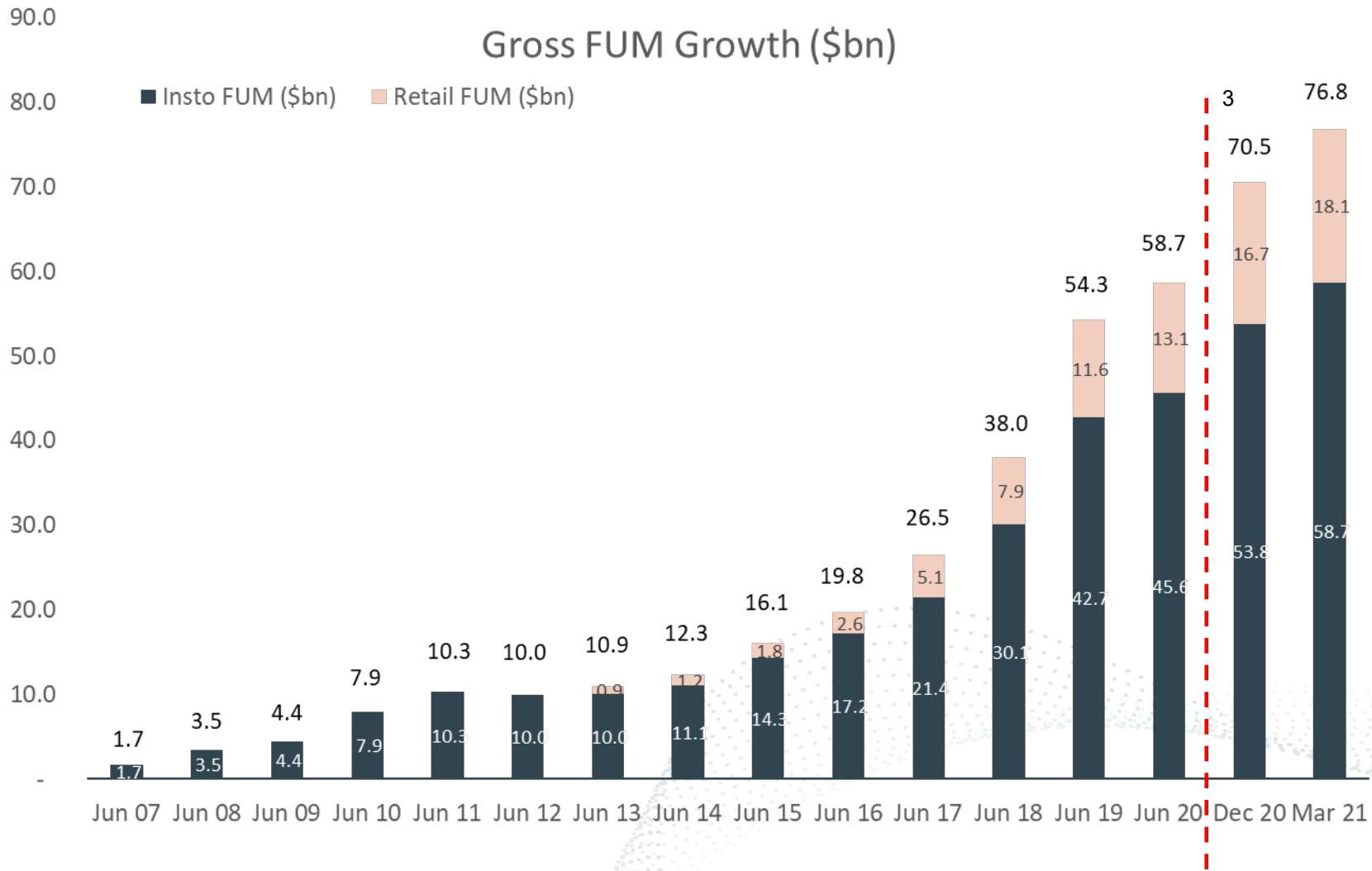
- A 'pure play' investment management firm providing affiliated investment managers with high quality distribution, infrastructure and other support services so their investment professionals can focus on investment excellence
- Founded in 2006 (became listed in 2016), Pinnacle currently holds an equity interest in 16 specialist investment managers
- Pinnacle's affiliated investment managers have delivered sustained, long term outperformance over their benchmarks
- Highly regarded Distribution teams, strong in the Australian retail, Australian institutional, and (increasingly) offshore institutional and wholesale markets
- Pinnacle was recognised as the Zenith Distributor of the Year for 2019 (the fourth consecutive year) and was a finalist again in 2020
- Added to the S&P / ASX 300 index in August 2018; added to the S&P / ASX 200 index in March 2019, but removed from the S&P / ASX 200 index in June 2020

- **How we generate our profits**

- Our share of Affiliates' profits – equity accounted (1H FY21 NPAT – our share \$31.8m of \$84.9m total)
- 'Parent' revenues for our services, offset by costs of provision and 'Horizon 2' investment for future growth

- **We have grown strongly and plan to continue such growth**

- Sources of future growth (3 Horizons)
- Aggregate Affiliates' FUM at 31 March 2021 (at 100%) \$76.8 billion; up \$6.3 billion (8.9%) from \$70.5 billion at 31<sup>st</sup> December 2020
- See various Research Reports for information relating to expected future growth beyond FY21



<sup>1</sup>Includes \$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.

<sup>2</sup>S&P/ASX 300 index up 3.7% from 31 March 2021 to 30 April 2021; MSCI World index up 4.2% from 31 March 2021 to 30 April 2021. This market rise is not accounted for in the 31 March 2021 FUM shown above.

<sup>3</sup>Line separates annual intervals from latest updates, which are over shorter intervals (not at a financial year-end).

## 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

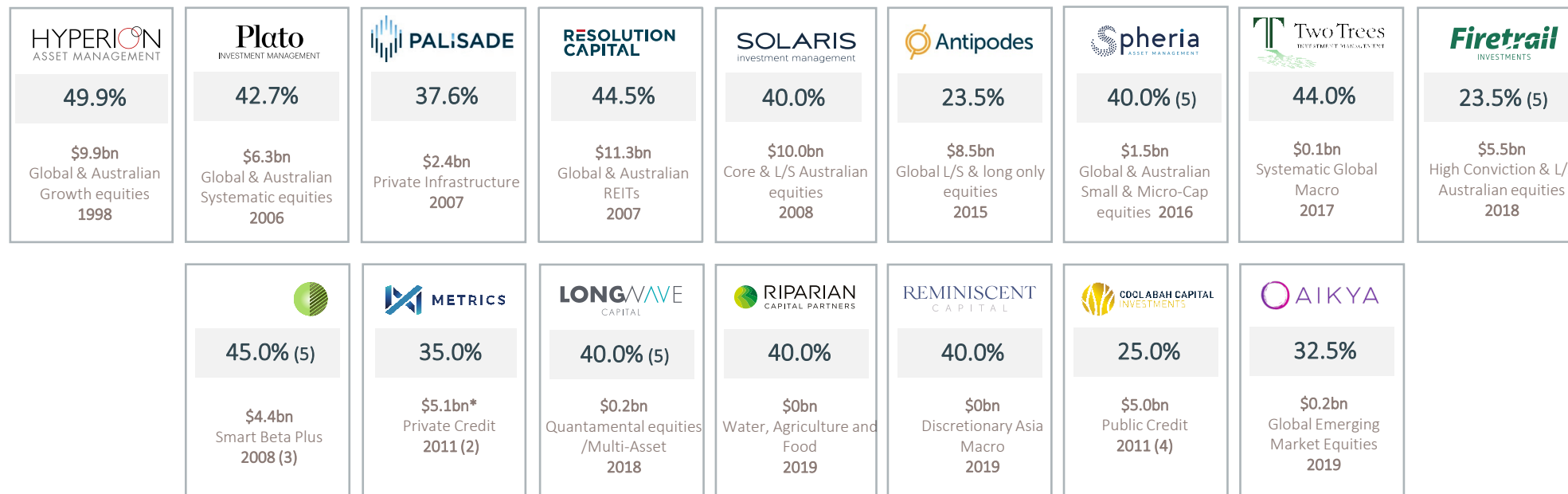
Middle office and fund administration

Technology and other firm 'Infrastructure'

Distribution and client services

RE, compliance, finance, legal

Interface for outsourced services

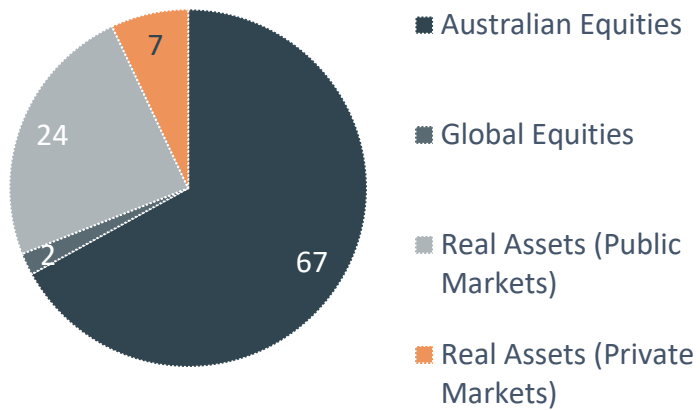


\* FUA of \$6.2bn including leverage, at 31 December 2020. Metrics earns fees on the full FUA figure

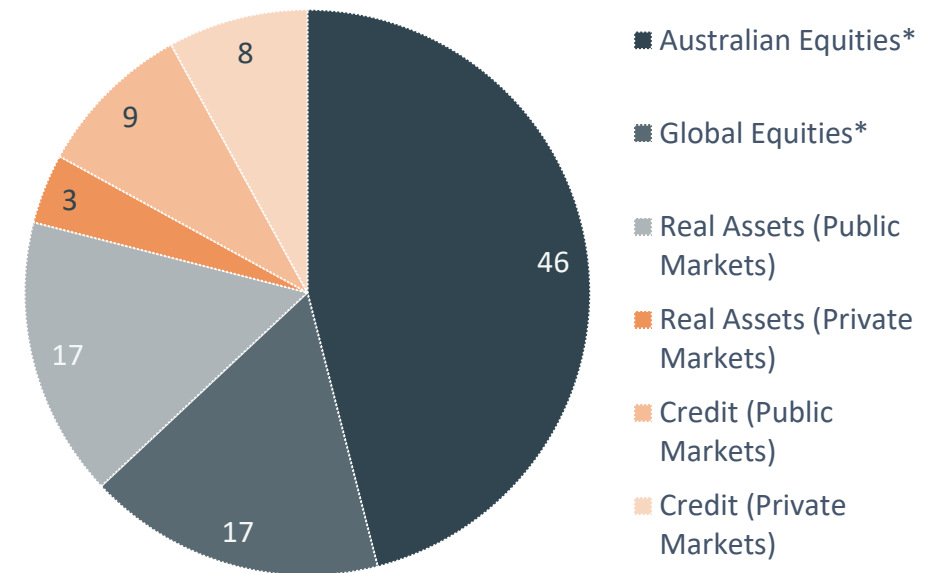
1. Gross FUM as at 31 December 2020
2. Founded in 2011. Pinnacle acquired equity in August 2018
3. Founded in 2008. Pinnacle acquired equity in July 2018
4. Founded in 2011. Pinnacle acquired equity in December 2019
5. The percentage represents Pinnacle's total shareholding in the Affiliate. Pinnacle 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 (%)

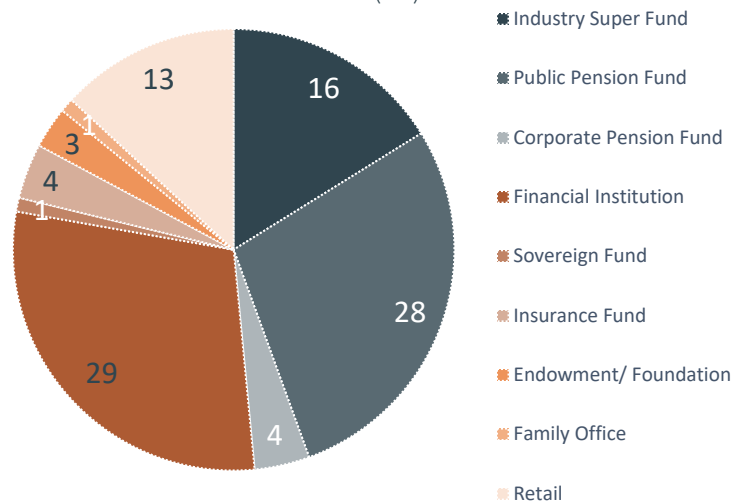


FUM by Asset Class  
31 December 2020 (%)

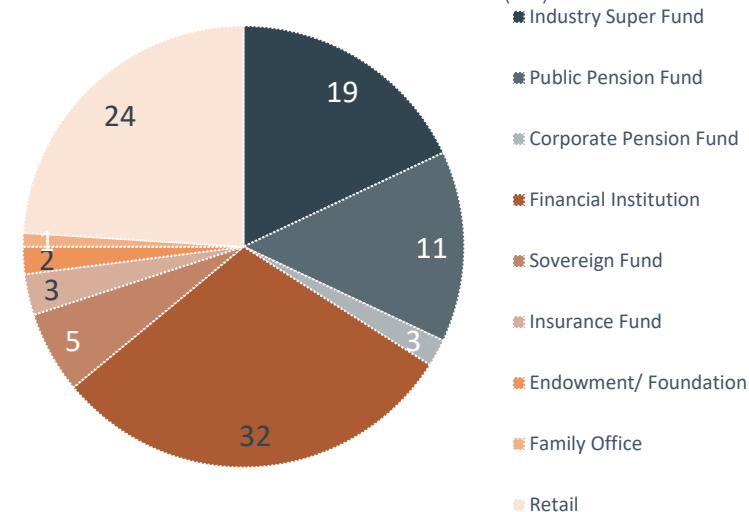


- Less than half of total FUM (at 100%) was in Australian equities at 31 December 2020
- Investment in new Affiliates adds to diversification
- Increasing exposure to global equities, private capital, fixed interest and credit, and liquid alternatives
- \*Equities exposure is further diversified by style and market cap

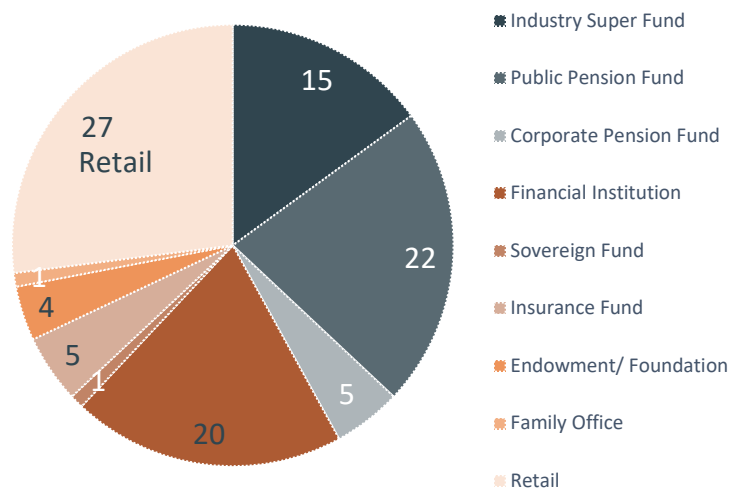
Total FUM at 30 June 2016 (%)



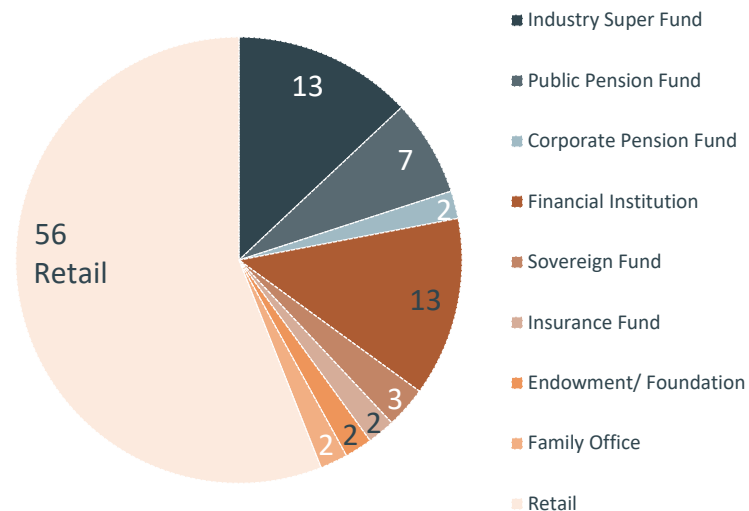
Total FUM at 31 December 2020 (%)



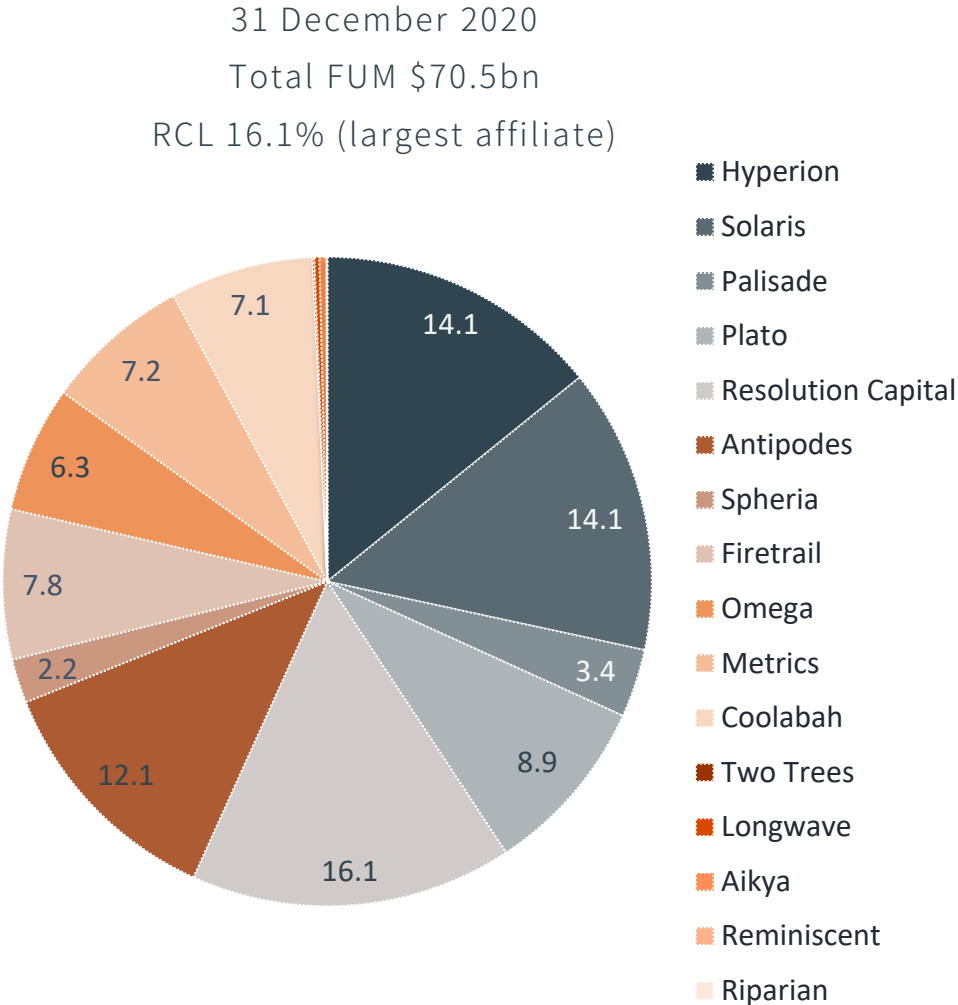
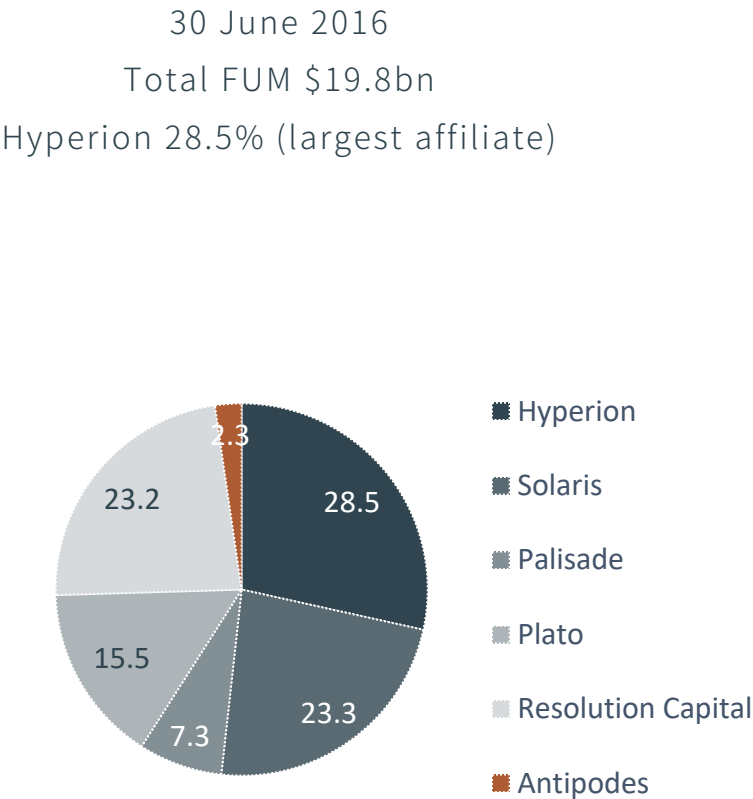
Total Affiliate Revenues at 30 June 2016 (%)



Total Affiliate Revenues at 31 Dec 2020 (%)



- 190+ individual institutional clients (some with whom we have multiple relationships) at 31 December 2020, compared with ~60 at 30 June 2016
- Growth in Retail as a proportion of total FUM (at 100%) and as a proportion of total revenues (at 100%)
- Increasingly diversified client base





The formula for investment success involves **experienced, dedicated, passionate money-makers**, free from distractions, spending most of their time on investing

Equity ownership for key investment professionals **attracts a higher calibre investment professional** and helps to **build an enduring business/legacy**

Pinnacle provides **institutional-grade resourcing and backing**, but within a genuine 'boutique' environment

Our people are **exceptional individuals** who have chosen to work within our particular **business model and culture**

## Australia's leading "multi-affiliate" investment firm

Distinguished from competitors by comprising the highest quality investment management firms

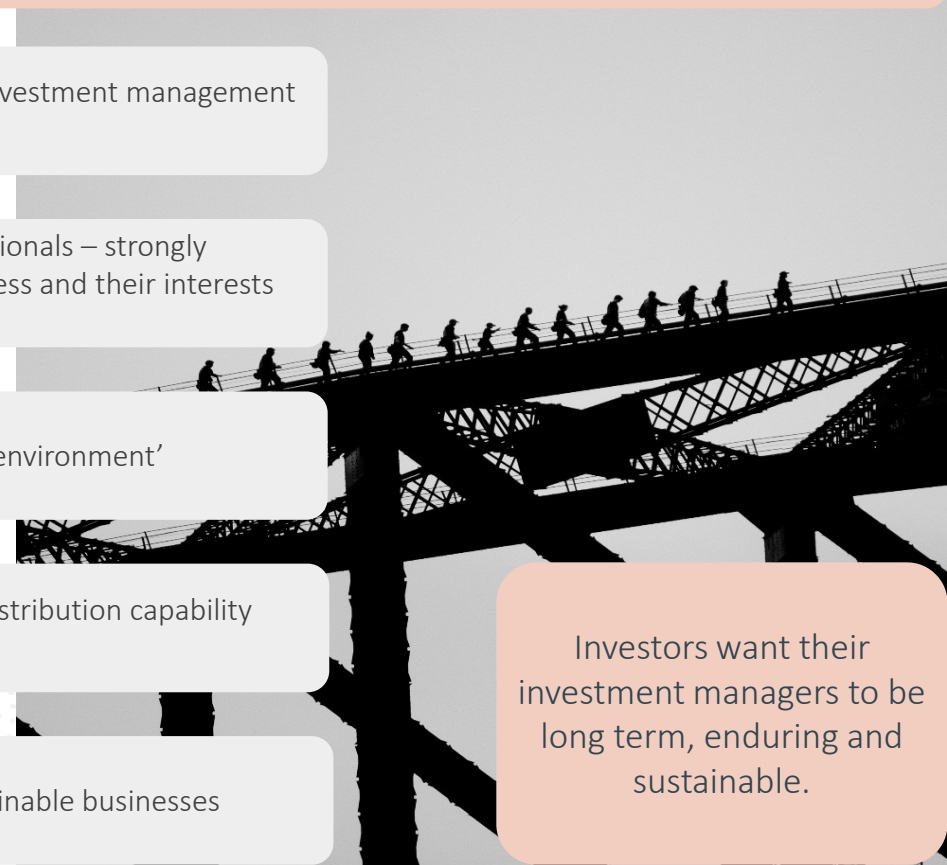
High quality, experienced, dedicated, passionate investment professionals – strongly focused on performance; with substantial equity in their own business and their interests thus aligned with clients

All the advantages, benefits and superior conditions of a 'boutique environment'

Plus high quality shared common 'infrastructure', including major distribution capability (the 'best of both worlds')

Importance of succession planning within Affiliates; long term sustainable businesses

Investors want their investment managers to be long term, enduring and sustainable.





- Total Affiliate FUM (at 100%) at 31 March 2020 of \$76.8 billion, compared with \$70.5 billion at 31 December 2020 (up 8.9%) and \$58.7 billion at 30 June 2020 (up 30.8%). This includes retail FUM of \$18.1 billion, compared with \$16.7 billion at 31 December 2020 (up 8.4%) and \$13.1 billion at 30 June 2020 (up 38.2%).
- For the three months from 31 December 2020 to 31 March 2021:
  - S&P/ASX 300 index up 3.0% (up 3.7% from 31 March 2021 to 30 April 2021)
  - MSCI World index up 4.2% (up 4.2% from 31 March 2021 to 30 April 2021)
  - Total Affiliate FUM up 8.9%, for the three months to 31 March 2021
- Total net inflows for the three months to 31 March 2021 were \$3.9 billion:
  - \$2.8 billion insto (of which \$1.0 billion was from offshore)<sup>1</sup>
  - \$1.1 billion retail
- We do not yet have final numbers for FUM as of 30 April or April inflows but the March quarter pattern of strong inflows has broadly continued. In addition, during April Plato won an additional \$3.5-4.0 billion of institutional FUM at modest fee levels. Total FUM of Affiliates (at 100%) is now in excess of \$80 billion
- Most Affiliates and strategies continue to deliver performance to expectations or better; short-term challenges in a couple of Affiliates
- CBA facility increased from \$30m to \$100m; the extra \$70m to be invested in liquid Affiliate Funds and available as additional 'dry powder'

<sup>1</sup>Note that institutional flows can be 'lumpy' over short periods (a month or a quarter) and may not be reflective of averages over a full year.



- **Continuation of robust sales momentum**
  - Mandate crystallisation has accelerated throughout FY21
  - Elevated activity in private credit, specialty fixed income (zero duration), Australian equities, global equities and global real estate
  - Both Australian and International channels delivering positive net flows
  - Maiden institutional mandates secured for newer affiliates: Aikya, Longwave and Riparian
- **New international FUM sourced from all geographic regions and major investor verticals**
  - New offshore accounts secured for 7 Affiliates from public and private pension plans, sovereign funds, endowments, wealth managers and insurance companies across AMER, EMEA and APAC regions
  - Maiden international mandates secured for 4 Affiliates
  - Sales originated from direct engagement with asset owners and by leveraging investment consultant channels, both advisory and OCIO
  - New offshore vehicles launched for Aikya, Antipodes, Metrics and Riparian
- **Monetary, fiscal and regulatory settings influencing the timing and character of new search activity**
  - Low risk-free rates is driving the search for alternative strategies that can deliver defence, diversity and yield
  - Reopening and reflation is underwriting the resurgence of value investing and interest in it
  - Regulatory-led scale and performance tests is expediting asset owner and asset manager rationalization
  - Escalating asset owner commitment to ESG and decarbonization (net-zero targets) influencing manager selection

## Outlook – Institutional & International

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- **Fundamentals in place for sustained sales growth**

- High performing Affiliates with strong local and international investment consultant ratings
- Diverse stable of Affiliates (asset class, style, strategy, maturity) ensures ‘all-weather’ relevance to our clients
- Unusually motivated and resourceful sales team with deep asset owner and consultant networks

- **Our competitive strengths enable us to better adapt to Australian institutional consolidation**

- High conviction strategies complement growing ‘core’ internal team capabilities
- ‘Supported’ start-ups offer the capacity, fees, alpha potential and financial viability that large, growing investors need
- Incumbency provides Pinnacle Affiliates a seat at the table in portfolio rationalizations
- Retail and international distribution platforms enable us to ‘recycle liberated capacity’ from Australian institutions into a more diverse and higher margin client base

- **International distribution emerging as an important engine of growth**

- International markets offer large, diverse addressable markets for our affiliate capabilities
- Pinnacle management team has spent over a decade building global investor networks, strategies and infrastructure
- Investment consultant ratings, offshore fund infrastructure and time-zone centric distribution in place to underwrite future growth
- Fiduciary outsourcing, virtual due diligence and local distribution bridging distance between Australian based Pinnacle Affiliates and the world's largest pools of capital

*Continued momentum and record retail flows achieved on the back of strong investment performance, adaptation to the environment leading to a significant lift in sales activity levels and continued focus on high performance operating model*

1. Secular trends impacting intermediated advice channel have accelerated under COVID-19 conditions:

- Adviser exodus continues (15% decline in FY20)<sup>1</sup>
- Continued uncertainty around regulatory reform, with increased compliance affecting productivity and profitability
- Rise in corporate activity and industry fragmentation both across advice and service providers
- Switching from ‘retail/personal advice’ to ‘wholesale’ licensing
- Greater scrutiny of ‘value’ has seen increase in low-cost passive and highly-rated strong performing active managers

2. Transformation of products and services to meet the changing needs of investors

- Rise of managed accounts, SMAs and quoted unit products (dual structure)
- Opportunity for highly-rated boutiques to participate (scale) with better margins than institutional market
- Strong results for Pinnacle Affiliates participating in discrete Managed Accounts/SMAs with \$250 million net new flows during FYTD as at 31 March 2021 and total FUM of \$714 million as at 31 March 2021
- Continued strong flows in ETPs has resulted in innovative dual structure (unlisted and listed) products coming to market with Pinnacle Affiliates scheduled for new launches in FY21 and beyond including successful listing of the Hyperion Global Growth Companies Fund (Managed Fund) Active ETF (Ticker: HYGG) on 22 March 2021
- Total assets in the Hyperion Global Growth Companies Fund (Managed Fund) Active ETF as at 28 April is \$194 million. Since ASX listing, \$29 million net new inflows raised in the active ETF to 31 March 2021 and approximately \$75 million net new to 28 April 2021

1- Adviser Ratings, “Adviser Musical Chairs Report”, Quarter 2, 2020 pg.3

### 3. Early pivot to ‘in-person’, high touch, hybrid engagement model

- Sales team back to market with early adoption of travel and in person client engagement
- On track in delivering an optimised events program through a strategic mix of ‘digital’ and ‘in-person’ initiatives

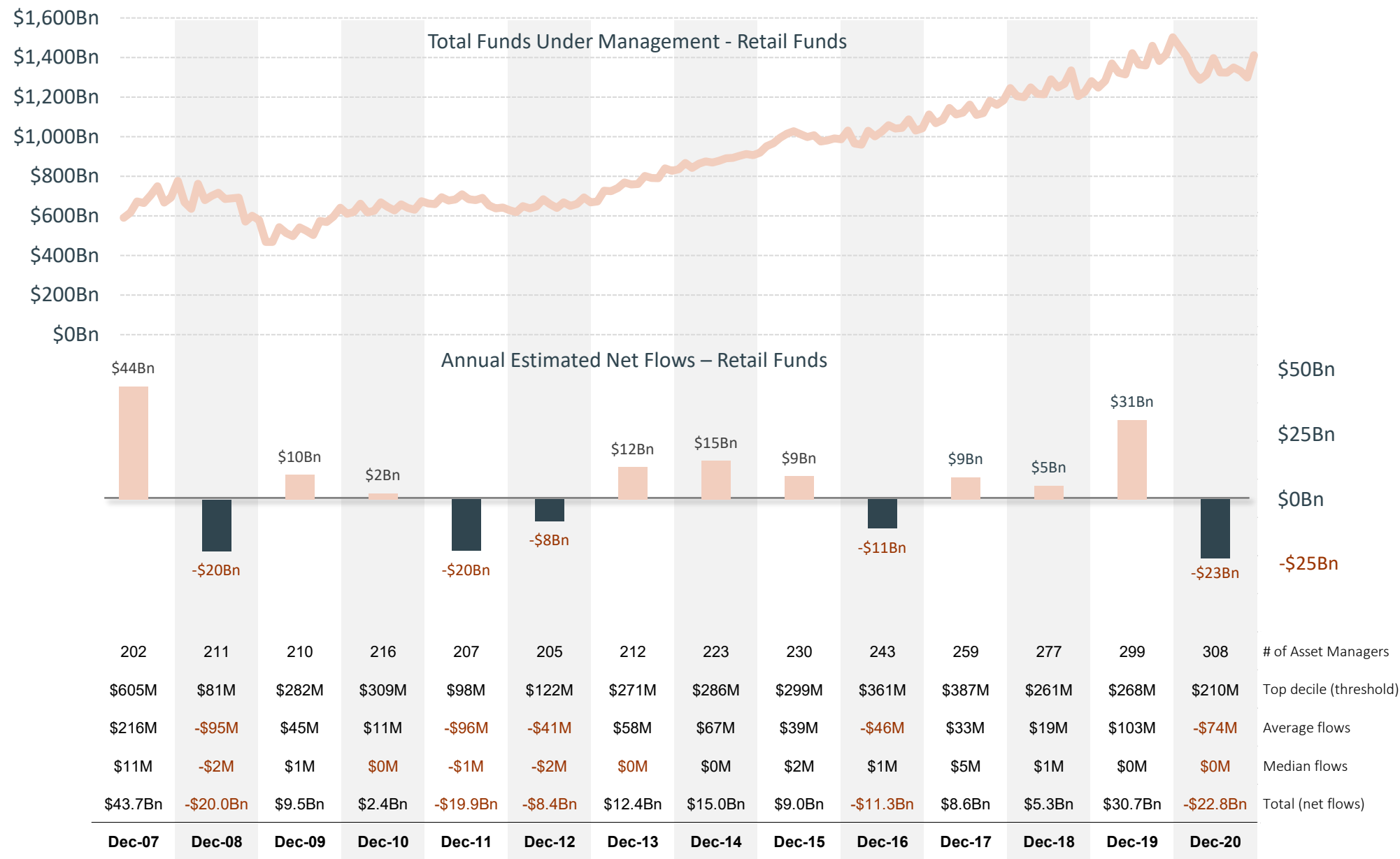
### 4. Transition from ‘analogue’ to ‘digital’ distribution practices

- Highly competitive environment for share of voice with increasingly time-poor advisers/investors
- Optimised engagement through best practice thought-leadership and consultative practices
- Shift from long-term campaign planning to co-ordinated, topical, nimble go-to-market content dissemination
- Multi-channel content amplification: virtual events, digital round tables, webinars, podcasts, Q&A videos, social, eDMs
- Market-leading MarTech Stack (client engagement, high value lead generation and revenue growth through optimised marketing automation tools)

### 5. ‘Business Intelligence’

- Utilising data insights and analytics to lift productivity and deliver superior, personalised experiences, growth and measurable ROI
- Enhanced and expanded our existing adviser CRM by an additional 5K+ dataset to continue to lift our sales across the segment (>17K advisers are currently on CRM)
- Focusing on talent growth and acquisition in line with digital distribution practices and consistent with high performance culture

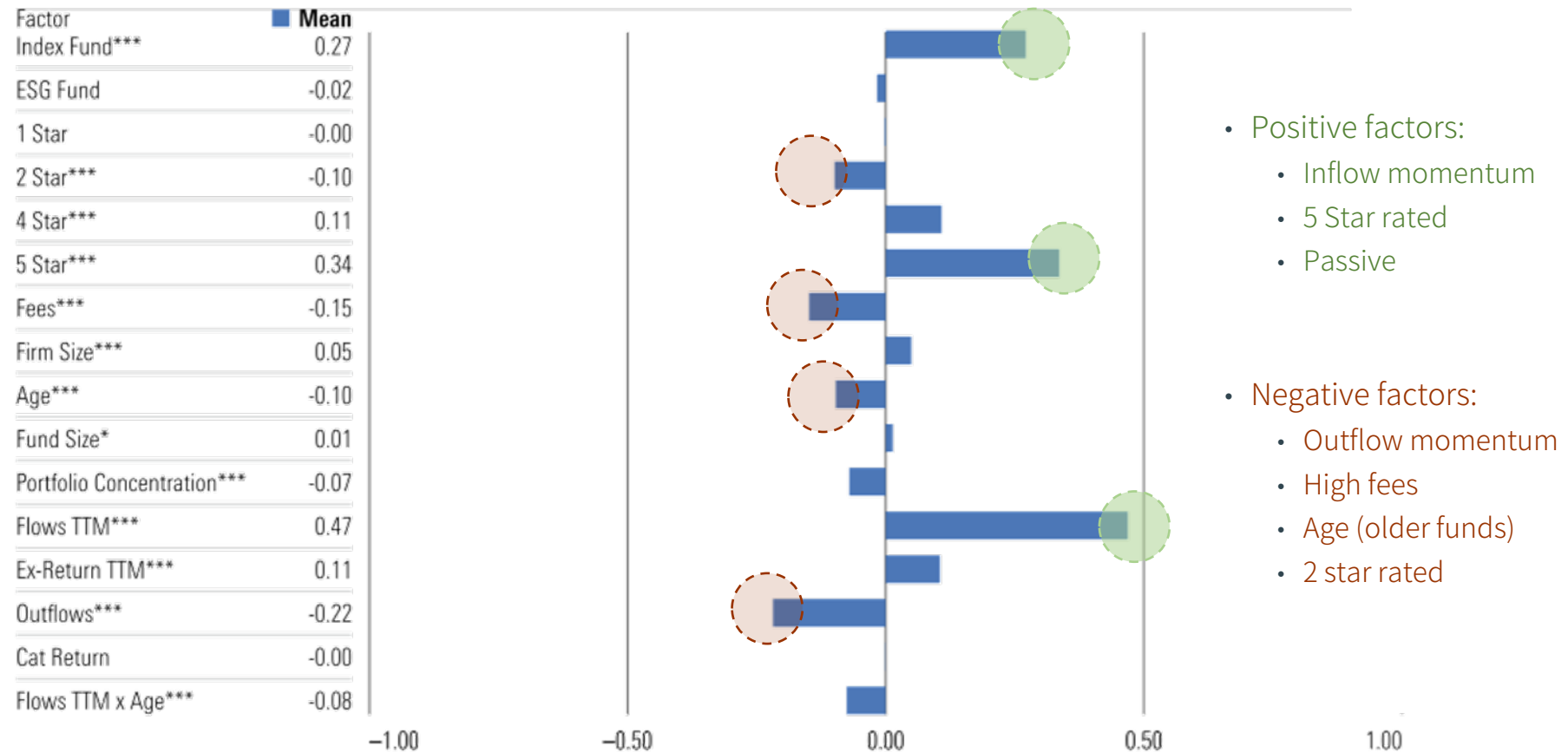
Total size and net flows in retail asset management industry – narrower range of winners!



Source: Morningstar Direct. Data as of 31 December 2020

## Australia Equity Factor Premia

Morningstar runs a monthly cross-sectional regression of the fund's growth rate against their fund characteristics.

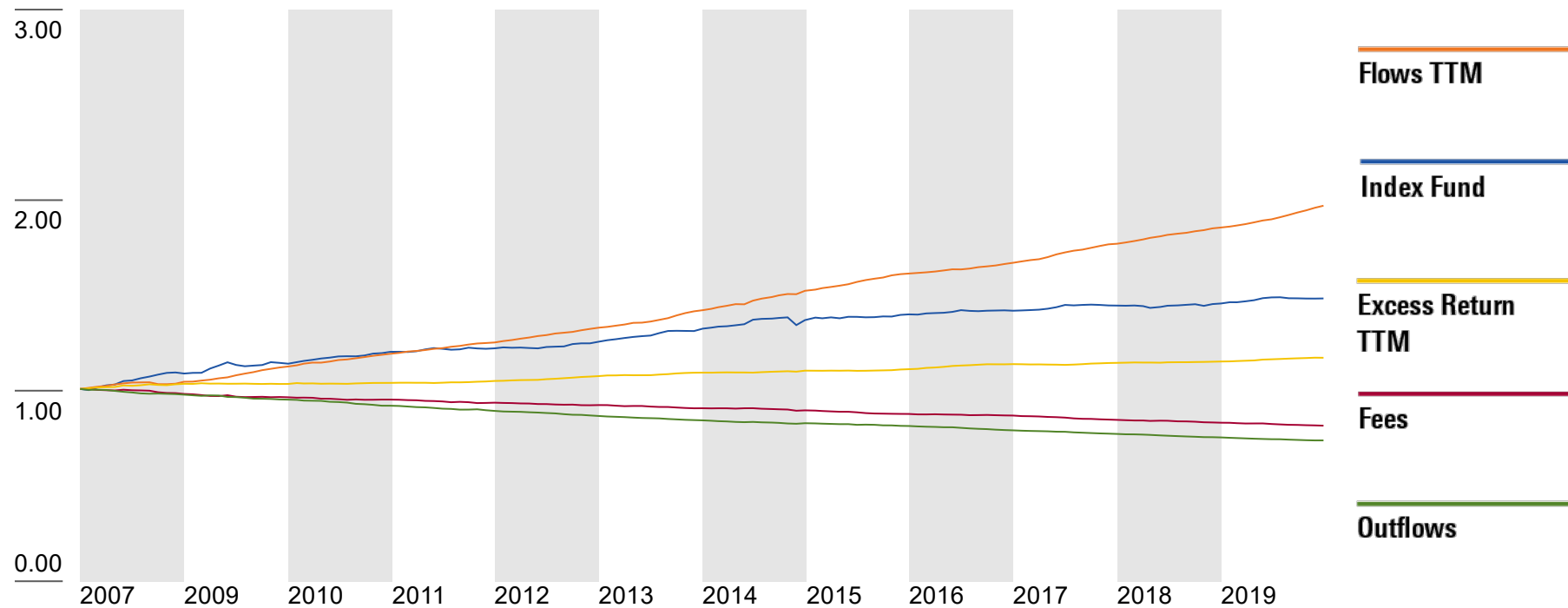


Source: Morningstar. Inc Data as of October 2020

Statistical significance levels are marked next to each factor (\*\* = significant at 99th level; \* = 95th; \* = 90th; No stars is 'not statistically significant').

## Factor Statistics - Persistence

The factor premia correlations are persisted through time. The fees and outflows are negative while five-star, positive growth rates and index funds are consistently positive.



Source: Morningstar, Inc Data as of October 2020

		Data Set: <b>Flow Factors</b> ▾					Show Peer Analytics
<input type="checkbox"/>	Name	Morningstar Category	Total Ret % Rank Cat 3Y mo-end (mo-end)	Morningstar Rating 3Y (mo- end)	Morningstar Sustainability Rating (mo-end)	Morningstar Analyst Rating (day-end)	Morningstar Fee Level Distribution
<input type="checkbox"/>	1 Hyperion Australian Growth Companies	Equity Australia Large Growth	1	★★★★★	★★★★★	Silver	Below Average
<input type="checkbox"/>	2 Hyperion Global Growth Companies B	Equity World Large Growth	5	★★★★★	★★★★	Bronze	High
<input type="checkbox"/>	3 Hyperion Global Growth Companies ETF	Equity World Large Growth	5	—	★★★★	—	—
<input type="checkbox"/>	4 Hyperion Small Growth Companies	Equity Australia Mid/Small Growth	5	★★★★★	★★★★★	Gold	Below Average
<input type="checkbox"/>	5 Resolution Capital Real Assets	Equity Australia Real Estate	11	★★★★★	★★★★★	—	Low
<input type="checkbox"/>	6 BetaShares Active Australian Hybrids ETF	Diversified Credit	12	★★★★	—	—	—
<input type="checkbox"/>	7 MCP Wholesale Investments Trust	High Yield Credit	13	★★★★	—	—	—
<input type="checkbox"/>	8 Smarter Money Platform Investor	Australian Short Term Fixed Interest	16	★★★★	—	—	High
<input type="checkbox"/>	9 Resolution Capital Gbl Ppty Secs UH SII	Equity Global Real Estate	19	★★★★★	★★★★	Gold	Average
<input type="checkbox"/>	10 Antipodes Global Fund - Long P	Equity World Large Value	34	★★★★	★★	Bronze	Average
<input type="checkbox"/>	11 Solaris Australian Equity Income	Equity Australia Large Value	36	★★★★	★★★★	—	Low
<input type="checkbox"/>	12 Resolution Capital Global Property Secs	Equity Global Real Estate	50	★★★	★★★★	Gold	Low
<input type="checkbox"/>	13 Spheria Australian Smaller Companies	Equity Australia Mid/Small Growth	50	★★★	★★★★	Neutral	Low
<input type="checkbox"/>	14 Smarter Money Higher Income Assisted Inv	Multi-Strategy Income	52	★★★	—	—	Average
<input type="checkbox"/>	15 Spheria Opportunities	Equity Australia Mid/Small Blend	54	★★★	★★★★	—	Low
<input type="checkbox"/>	16 Spheria Australian Microcap	Equity Australia Mid/Small Blend	55	★★	—	—	Average
<input type="checkbox"/>	17 Plato Australian Shares Income	Equity Australia Large Blend	56	★★★	★★★★	—	Low
<input type="checkbox"/>	18 Solaris Core Australian Equity PA	Equity Australia Large Blend	62	★★★	★★★★	Gold	Low

Source: Morningstar Direct, data as at April 2021



# Continuing strong investment performance of Affiliates to 31 March 2021

23

90% of Pinnacle Affiliates' strategies and products (with a track record exceeding 5 years) have out-performed their benchmarks over the 5 years to 31 March 2021

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.

	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>				
<b>Hyperion Asset Management - Gross Performance</b>				
Hyperion Australian Growth Companies Fund	14.82%	13.25%	13.48%	10/1/2002
<i>Outperformance</i>	4.50%	5.39%	4.38%	
Hyperion Small Growth Companies Fund	15.01%	17.89%	17.88%	10/1/2002
<i>Outperformance</i>	4.33%	13.78%	10.36%	
Hyperion Australian Equities Composite	15.22%	13.59%	14.21%	11/1/1996
<i>Outperformance</i>	4.90%	5.74%	5.29%	
Hyperion Global Growth Companies Fund (Class B Units)	28.16%		25.73%	5/22/2014
<i>Outperformance</i>	13.96%		12.36%	
<b>Plato Investment Management - Gross Performance</b>				
Plato Australian Shares Equity Income Fund - Class A	12.36%		13.05%	9/9/2011
<i>Outperformance</i>	0.60%		1.40%	
Plato Global Shares Income Fund	7.72%		5.78%	11/30/2015
<i>Outperformance</i>	-5.94%		-5.23%	
<b>Solaris Investment Management - Gross Performance</b>				
Solaris Core Australian Equity Fund	10.29%	8.86%	6.68%	1/9/2008
<i>Outperformance</i>	0.04%	0.91%	1.38%	
Solaris Total Return Fund (including franking credits)	11.83%		10.16%	1/13/2014
<i>Outperformance</i>	0.07%		0.67%	
<b>Resolution Capital - Gross Performance</b>				
Resolution Capital Real Assets Fund	9.33%	12.81%	9.02%	9/30/2008
<i>Outperformance</i>	3.37%	2.04%	2.92%	
Resolution Capital Global Property Securities Fund	6.49%	10.36%	10.37%	9/30/2008
<i>Outperformance</i>	2.85%	2.50%	4.01%	
<b>Palisade Investment Partners - Gross Performance</b>				
Palisade Diversified Infrastructure Fund	12.02%	12.47%	10.23%	8/1/2008
Palisade Australian Social Infrastructure Fund	10.60%		13.51%	5/31/2011
<b>Antipodes Partners - Gross Performance</b>				
Global Fund	12.31%		11.30%	7/1/2015
<i>Outperformance</i>	-1.13%		0.66%	
Global Long Only	15.31%		13.09%	7/1/2015
<i>Outperformance</i>	1.88%		2.44%	
Asia Fund	15.77%		12.48%	7/1/2015
<i>Outperformance</i>	1.76%		2.96%	
<b>Omega Global Investors - Gross Performance</b>				
Omega Global Corp Bonds Fund	3.84%	5.68%	5.97%	3/11/2010
<i>Outperformance</i>	-0.80%	-0.68%	-0.72%	
Omega Global Listed Infrastructure Fund	5.40%		9.96%	8/3/2012
<i>Outperformance</i>	-0.01%		0.54%	
<b>Metrics Credit Partners - Gross Performance</b>				
DASLF	4.87%		5.20%	6/4/2013
<i>Outperformance</i>	3.52%		3.43%	
SPDF	8.34%		8.23%	11/26/2015
<i>Outperformance</i>	6.99%		6.80%	
<b>Coolabah Capital Investments</b>				
Smarter Money (Active Cash) Fund Assisted	3.62%		4.45%	2/28/2012
<i>Outperformance</i>	2.49%		2.64%	
Smarter Money Higher Income Fund Assisted	4.28%		4.12%	8/31/2014
<i>Outperformance</i>	3.15%		2.78%	

# Affiliates' investment performance – 31 March 2021

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.

	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Hyperion Asset Management - Gross Performance</b>						
Hyperion Australian Growth Companies Fund	45.98%	20.64%	14.82%	13.25%	13.48%	10/1/2002
Outperformance	7.64%	10.91%	4.50%	5.39%	4.38%	
Hyperion Small Growth Companies Fund	54.93%	21.46%	15.01%	17.89%	17.88%	10/1/2002
Outperformance	2.79%	13.13%	4.33%	13.78%	10.36%	
Hyperion Australian Equities Composite	49.37%	21.77%	15.22%	13.59%	14.21%	11/1/1996
Outperformance	11.03%	12.04%	4.90%	5.74%	5.29%	
Hyperion Global Growth Companies Fund (Class B Units)	57.22%	32.38%	28.16%		25.73%	5/22/2014
Outperformance	32.85%	18.69%	13.96%		12.36%	
<b>Plato Investment Management - Gross Performance</b>						
Plato Australian Shares Equity Income Fund - Class A	39.22%	12.60%	12.36%		13.05%	9/9/2011
Outperformance	0.47%	1.50%	0.60%		1.40%	
Plato Global Shares Income Fund	22.79%	4.74%	7.72%		5.78%	11/30/2015
Outperformance	-0.76%	-8.41%	-5.94%		-5.23%	
<b>Solaris Investment Management - Gross Performance</b>						
Solaris Core Australian Equity Fund	33.61%	7.94%	10.29%	8.86%	6.68%	1/9/2008
Outperformance	-3.86%	-1.71%	0.04%	0.91%	1.38%	
Solaris Total Return Fund (including franking credits)	34.11%	9.54%	11.83%		10.16%	1/13/2014
Outperformance	-4.64%	-1.56%	0.07%		0.67%	
Solaris Australian Equity Long Short Fund	32.41%	7.36%			10.31%	3/1/2017
Outperformance	-5.06%	-2.29%			1.79%	
Solaris Australian Equity Income Fund	34.43%	10.65%			10.50%	12/12/2016
Outperformance	-4.32%	-0.45%			0.05%	
<b>Resolution Capital - Gross Performance</b>						
Resolution Capital Real Assets Fund	40.19%	11.60%	9.33%	12.81%	9.02%	9/30/2008
Outperformance	-5.19%	3.69%	3.37%	2.04%	2.92%	
Resolution Capital Global Property Securities Fund	21.06%	6.44%	6.49%	10.36%	10.37%	9/30/2008
Outperformance	-8.61%	2.07%	2.85%	2.50%	4.01%	
<b>Palisade Investment Partners - Gross Performance</b>						
Palisade Diversified Infrastructure Fund	10.13%	9.69%	12.02%	12.47%	10.23%	8/1/2008
Palisade Australian Social Infrastructure Fund	7.76%	10.00%	10.60%		13.51%	5/31/2011
<b>Antipodes Partners - Gross Performance</b>						
Global Fund	19.24%	7.77%	12.31%		11.30%	7/1/2015
Outperformance	-4.99%	-4.57%	-1.13%		0.66%	
Global Long Only	30.85%	10.15%	15.31%		13.09%	7/1/2015
Outperformance	6.62%	-2.19%	1.88%		2.44%	
Asia Fund	30.54%	11.67%	15.77%		12.48%	7/1/2015
Outperformance	4.12%	2.54%	1.76%		2.96%	
<b>Spheria Asset Management - Gross Performance</b>						
Microcap Fund	102.73%	12.60%			15.36%	5/16/2016
Outperformance	50.58%	4.28%			5.67%	
Smaller Companies Fund	78.16%	12.75%			13.28%	7/11/2016
Outperformance	26.02%	4.42%			4.40%	
Opportunities Fund	67.25%	11.98%			12.87%	7/11/2016
Outperformance	10.61%	2.44%			2.23%	
Global Microcap Fund	51.97%				27.34%	3/1/2019
Outperformance	-27.23%				5.97%	

# Affiliates' investment performance – 31 March 2021

	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Two Trees Investment Management - Gross Performance</b>						
Global Macro Strategy	-3.10%	-3.90%			-2.99%	7/03/2018
<i>Outperformance</i>	-3.20%	-5.28%			-4.37%	
<b>Firetrail Investments - Gross Performance</b>						
High Conviction Fund	56.20%	8.21%			7.27%	3/14/2018
<i>Outperformance</i>	18.73%	-1.44%			-1.17%	
Absolute Return Fund	54.17%	13.01%			13.08%	3/14/2018
<i>Outperformance</i>	53.98%	12.12%			12.19%	
Small Companies Fund	141.65%				52.47%	2/20/2020
<i>Outperformance</i>	89.50%				48.32%	
<b>Omega Global Investors - Gross Performance</b>						
Omega Global Corp Bonds Fund	5.08%	4.28%	3.84%	5.68%	5.97%	3/11/2010
<i>Outperformance</i>	-3.33%	-0.67%	-0.80%	-0.68%	-0.72%	
Omega Global Listed Infrastructure Fund	12.87%	6.47%	5.40%		9.96%	8/3/2012
<i>Outperformance</i>	-0.66%	-0.25%	-0.01%		0.54%	
<b>Metrics Credit Partners - Gross Performance</b>						
DASLF	4.56%	5.03%	4.87%		5.20%	6/4/2013
<i>Outperformance</i>	4.49%	4.00%	3.52%		3.43%	
SPDF	7.92%	8.52%	8.34%		8.23%	11/26/2015
<i>Outperformance</i>	7.85%	7.48%	6.99%		6.80%	
SPDF II	7.93%	8.48%			8.70%	10/9/2017
<i>Outperformance</i>	7.86%	7.45%			7.56%	
REDF	8.14%	8.86%			8.71%	10/9/2017
<i>Outperformance</i>	8.07%	7.82%			7.56%	
WIT	6.00%	6.48%			6.39%	10/9/2017
<i>Outperformance</i>	5.81%	5.60%			5.42%	
CT	11.43%				11.44%	12/26/2018
<i>Outperformance</i>	11.36%				10.68%	
<b>Longwave Capital Partners - Gross Performance</b>						
Longwave Australian Small Companies Fund	54.41%				14.36%	2/1/2019
<i>Outperformance</i>	2.26%				2.06%	
<b>Reminiscent Investment Management - Gross Performance</b>						
Curve Global Macro Fund	-8.61%				8.83%	2/1/2019
<i>Outperformance</i>	-8.39%				8.17%	
<b>Coolabah Capital Investments</b>						
Smarter Money (Active Cash) Fund Assisted	5.18%	3.16%	3.62%		4.45%	2/28/2012
<i>Outperformance</i>	5.08%	2.31%	2.49%		2.64%	
Smarter Money Higher Income Fund Assisted	6.17%	3.81%	4.28%		4.12%	8/31/2014
<i>Outperformance</i>	6.08%	2.96%	3.15%		2.78%	
Smarter Money Long Short Credit Fund Assisted	20.37%	8.35%			7.67%	8/31/2017
<i>Outperformance</i>	20.27%	7.50%			6.72%	
Coolabah Active Composite Bond Strategy	5.29%	6.97%			6.08%	3/31/2017
<i>Outperformance</i>	7.11%	3.00%			2.25%	
Coolabah Long-Short Active Credit Alpha Strategy	19.88%	9.13%			7.94%	2/28/2017
<i>Outperformance</i>	16.28%	4.78%			3.42%	
HBRD	11.26%	5.67%			5.05%	11/30/2017
<i>Outperformance</i>	8.67%	2.32%			1.57%	

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.

# Pinnacle Affiliates continue to win major industry awards

## 2021 Money Management Fund Manager of the Year (winners to be announced on 27 May 2021):

- Hyperion – Fund Manager Of The Year Finalist Nomination
- Hyperion – Australian Large Cap Equities Finalist Nomination
- Hyperion – Australian Small/Mid Cap Equities Finalist Nomination
- Hyperion – Global Equities Finalist Nomination

## 2021 Morningstar Fund Manager of the Year Awards:

- Hyperion – Australian Fund Manager of the Year
- Hyperion – Domestic Equities – Large Cap Category Winner
- Hyperion – Domestic Equities – Small Cap Category Winner
- Hyperion – Global Equities – Category Finalist
- Resolution Capital - Listed Property and Infrastructure – Category Finalist

## 2020 Zenith Fund Awards:

- Resolution Capital – Global REIT Category Winner (seventh consecutive year)
- Metrics – Listed Investment Companies Category Winner (second consecutive year)
- Firetrail - Alternative Strategies Category Winner
- Pinnacle – Distributor of the Year Finalist
- Antipodes Partners – International Equities – Alternative Strategies Category Finalist

## 2020 Money Management Fund Manager of the Year:

- Resolution Capital – Global REIT Category Finalist
- Hyperion – Global Equities Category Finalist

## 2020 Morningstar Fund Manager of the Year Awards:

- Hyperion – Domestic Equities – Large Cap Category Winner
- Hyperion – Domestic Equities - Small Caps Category Finalist
- Hyperion – Australian Fund Manager of the Year Finalist

## 2020 Australian Alternative Investment Awards:

- Metrics – Best 2020 Alternative Investment Manager Award

## 2019 Zenith Fund Awards:

- Pinnacle – Distributor of the Year Winner (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

## 2019 Australian Alternative Investment Awards:

- Metrics – Best Private Debt Fund Category Winner

## 2018 Professional Planner | Zenith Fund Awards:

- Pinnacle – Distributor of the Year Winner (third consecutive year)
- Resolution Capital – Global REIT Category Winner (fifth consecutive year)
- Solaris Investment Management - Australian Equities – Alternat. 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

## 2018 SuperRatings & Lonsec Fund of the Year Awards:

- Metrics – Listed Fund Award Winner

## 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 Winner (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:

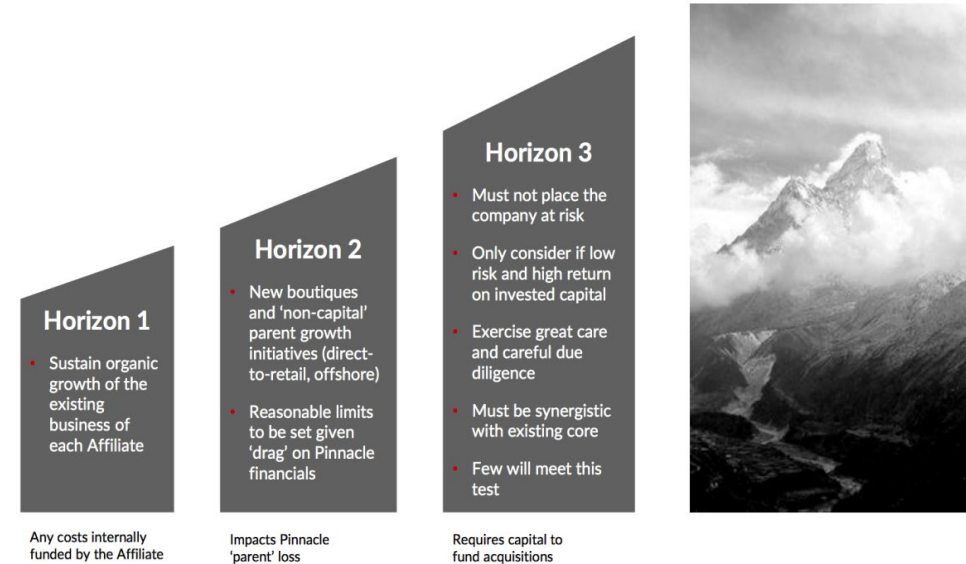
- Hyperion – Australian Fund Manager of the Year
- Hyperion – Domestic Equities Category Winner, Australia
- Hyperion – Domestic Equities Small Caps Category Winner, Australia



- Clear evidence of strategy execution success
- Growth and Resilience simultaneously delivered
- An exceptional platform in place to move ahead with sustained growth from a proven business model and philosophy

- For several years, we have been consistently implementing our strategy:
  - A 'pure play' investment management firm comprising only the best investment professionals, focused on investment excellence
  - Highly-regarded distribution teams, the best in the Australian retail and institutional markets
  - High-quality shared common infrastructure
  - Multiple Ways of Winning, irrespective of market conditions (both at the Affiliate level and the Pinnacle level)
- Three Horizons of Growth
- Adding new assets classes and investment strategies, diversifying...
- Over the past few years, including the COVID-19 crisis, this strategy has delivered:
  - Horizon 1 – NPAT has grown at a CAGR of 45% in the five years to 31 December 2020; FUM has grown at a CAGR of 30% in the five years to 31 December 2020 (26% excluding 'acquired' FUM)
  - Horizon 2 – Built 'from scratch' Hyperion, Plato, Solaris, Palisade, Antipodes, Spheria, Firetrail...
  - Horizon 3 – Acquired interests in, then grew: ResCap, Metrics, Coolabah
- Distribution success has driven substantial value increases for each of these three, across both retail and insto in each case. Significant international success also for Res Cap, and coming for Metrics and Coolabah:
  - Res Cap – FUM of \$2.9 billion when Pinnacle acquired a 40% interest in 2007; \$14.4 billion at 31 March 2021
  - Metrics – FUM of \$2.5 billion when Pinnacle acquired a 35% interest in 2018; \$5.7 billion at 31 March 2021
  - Coolabah - FUM of \$3.0 billion when Pinnacle acquired a 25% interest in 2019; \$5.8 billion at 31 March 2021

- Continue to build Pinnacle by taking a measured approach to growth
  - Support the growth of our current affiliates with increased investment in distribution channels (e.g. international and listed markets)
  - Invest in / seed new affiliates where management teams have a strong track record and growth potential
  - Seeking to diversify into asset classes with substantial growth potential:
    - Global equities (developed & emerging markets)
    - Private capital (debt & equity)
    - Absolute return (single & multi-asset)
- M&A only considered after rigorous evaluation process





- 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/fund infrastructure businesses that may be synergistic

- Investment in (and continuing to evolve and grow in size and sophistication) our 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 and further growth
  - Global equities (developed & emerging markets)
  - Fixed income
  - Private capital (debt & equity)
  - Absolute return (single & multi-asset)
- Stable/robust, diversified **platform** enabling strong further growth
  - Continuing investment excellence (strong reputation for such)
  - Widespread industry recognition and support
  - 'Article of faith' reputation for performance, quality and capability excellence
- Further investment in distribution capability
  - Retail
  - International
- Proven ability to quickly build high quality investment managers and facilitate substantial success for them
- Existing Affiliates are increasingly able to build or buy (with Pinnacle backing) then grow additional new businesses - 'Affiliates within Affiliates'
- Expanding distribution and 'infrastructure' capability, all of high quality
- Critical to maintain highest standards of service and support to Pinnacle Affiliates
- Strong and flexible balance sheet



Result: additional growth, corporate stability/robustness, better meeting clients' evolving and expanding needs

Resilience has been enhanced by progressive diversification of:

1. Asset classes
2. Client type
3. Client domicile
4. Percentage of funds exposed to performance fees

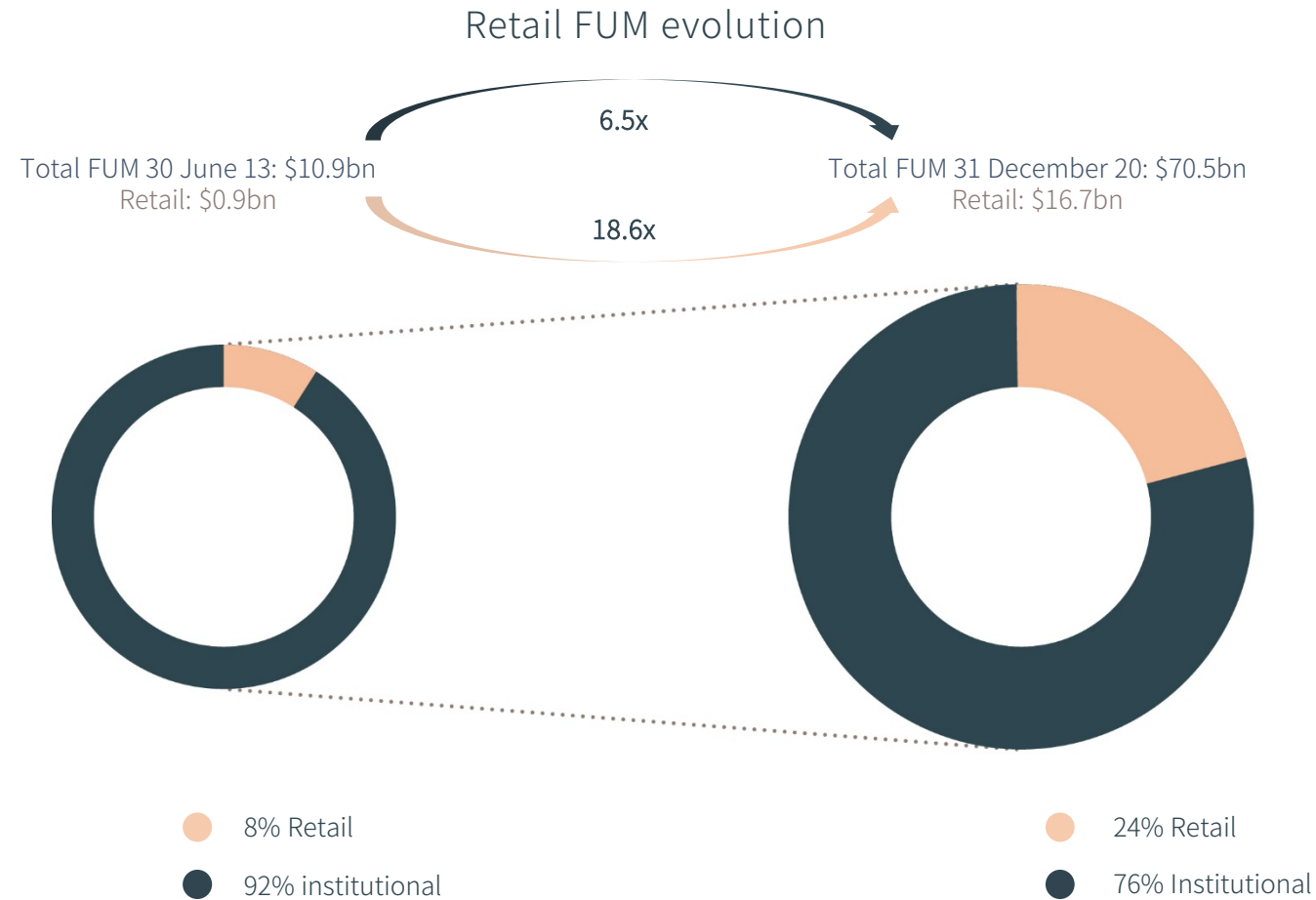
Institutional – Domestic

International

Retail – Intermediated

Retail – Direct





- Pinnacle has invested significantly in retail distribution and has generated substantial retail FUM in the last 7 years (~\$16bn of retail FUM growth)
- Initiatives include growth of internal and external sales teams, LIC/LITs and exchange traded funds (open & closed ended)

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

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

Total FUM 31 December 20: \$70.5bn  
Subject to performance fees: \$23.0bn



- 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.







- Strong financial outcome, strong growth in FUM and strong net inflows
- Growth in size and breadth of Affiliate base is delivering clear benefits to shareholders:
  - Greater diversification across different asset classes and investment strategies
  - Enhanced performance fee potential across a range of strategies and market conditions
- Growing size and diversification (by client-type and domicile) of the client base, enabling further FUM growth and resilience to challenges within any particular client group
- Continuation of strong investment performance
- Entering 2H FY21 the firm is growing rapidly, ready to take advantage of opportunities that may materialise and prepared to react to any further external adversity (having responded well to date to the COVID-19 crisis)

- Net profit after tax (NPAT) attributable to shareholders of \$30.3 million, up 120%<sup>1,2</sup> from \$13.8 million in the prior corresponding period (PCP)
- Basic earnings per share (EPS) attributable to shareholders of 17.5 cents, up 116% from 8.1 cents in the PCP<sup>4</sup>
- Diluted EPS attributable to shareholders of 16.7 cents, up 117% from 7.7 cents in the PCP<sup>4</sup>
- Share of NPAT from Pinnacle Affiliates of \$31.8 million, up 80% from \$17.7 million in the PCP
  - including share of performance fees earned by Pinnacle Affiliates post-tax of \$11.0 million in 1H FY21 (\$0.1 million in the PCP)<sup>3</sup>; and
  - share of Coolabah Capital Investments Pty Limited (CCI) NPAT from Dec 2019
- Cash and Principal Investments (PI) of \$51.4 million at 31 December 2020
- Fully franked interim dividend of 11.7 cents per share<sup>5</sup> payable on 19 March 2021, up 70% from 6.9 cents in the PCP

<sup>1</sup>Adjusting for the net return on Principal Investments, NPAT (excluding the positive net return on PI of \$785k in 1H FY21) of \$29.5million is up 120% on the \$13.4m NPAT in 1H FY20 (excluding the positive net return on PI of \$385k in 1H FY20)

<sup>2</sup>Adjusting for the net return on Principal Investments and Pinnacle's share of Affiliate performance fees, NPAT (excluding the positive net return on PI of \$785k and share of Affiliate performance fees post-tax of \$11.0m in 1H FY21) of \$18.5million is up 39% on the \$13.3m NPAT in 1H FY20 (excluding the positive net return on PI of \$385k and share of Affiliate performance fees of \$0.1 million in 1H FY20)

<sup>3</sup>Adjusting for Pinnacle's share of performance fees earned by Affiliates, share of NPAT from Pinnacle Affiliates of \$20.8million (excluding Pinnacle's share of performance fees post-tax of \$11.0 million) is up 18% on the \$17.6m share of NPAT from Pinnacle Affiliates in 1H FY20 (excluding Pinnacle's share of performance fees of \$0.1 million)

<sup>4</sup>Adjusting for the net return on Principal Investments, Basic EPS attributable to shareholders of 17.1 cents is up 117% on 7.9 cents in 1H FY20 and Diluted EPS of 16.2 cents is up 116% on 7.5 cents in 1H FY20. Adjusting for the net return on Principal Investments and Pinnacle's share of Affiliate performance fees, Basic EPS attributable to shareholders of 10.7 cents is up 35% on 7.9 cents in 1H FY20 and Diluted EPS of 10.2 cents is up 38% on 7.4 cents in 1H FY20

<sup>5</sup>Payout ratio 70% of diluted EPS. Excluding Pinnacle's share of Affiliate performance fees, the payout ratio is 110% of diluted EPS. FY20 payout ratio was 86% of diluted EPS

	H1 FY21 (\$M)	H1 FY20 (\$M)	% Change
<b>PINNACLE</b>			
Revenue <sup>1</sup>	14.4	11.4	26%
Expenses <sup>2,3</sup>	(15.9)	(15.3)	4%
Share of Pinnacle Affiliates net profit after tax <sup>4</sup>	31.8	17.7	80%
Net profit before tax (NPBT) from continuing operations	30.3	13.8	120%
Taxation	-	-	
NPAT from continuing operations	30.3	13.8	120%
Discontinued operations	-	-	0%
<b>NPAT attributable to shareholders</b>	<b>30.3</b>	<b>13.8</b>	<b>120%</b>
<i>NPAT attributable to shareholders - excluding net gains/losses on PI</i>	29.5	13.4	120%
<i>NPAT attributable to shareholders - excluding net gains/losses on PI and Pinnacle net share of Affiliate performance fees</i>	18.5	13.3	39%
<b>Basic earnings per share:</b>			
From continuing operations	17.5	8.1	116%
Total attributable to shareholders	17.5	8.1	116%
<b>Diluted earning per share:</b>			
From continuing operations	16.7	7.7	117%
Total attributable to shareholders	16.7	7.7	117%

<sup>1</sup>Includes dividends and distributions received on Principal Investments. These were \$1.4m in 1H FY21, compared with \$0.6m in 1H FY20

<sup>2</sup>Includes interest cost on the CBA facility of \$258k in 1H FY21 (\$37k in 1H FY20) and amortization of the PL8 offer costs of \$429k in 1H FY21 (\$265k in 1H FY20)

<sup>3</sup>Includes mark-to-market and realized gains/losses on Principal Investments, net of hedging. These were total net losses of \$0.6m in 1H FY21 (increases 'expenses'), compared with total net losses of \$0.3m in 1H FY20 (increases 'expenses'). Adjusting for these, expenses increased by \$0.3m, or 2%

<sup>4</sup>Includes share of CCI profits from 16<sup>th</sup> December 2019. Includes Pinnacle's share of Affiliate performance fees post-tax of \$11.0 million in 1H FY21 (\$0.1 million in 1H FY20)

- Aggregate Affiliates' FUM of \$70.5 billion at 31 December 2020 (at 100%)<sup>1</sup>
  - Up \$11.8 billion or 20% from \$58.7 billion at 30 June 2020
  - Up \$8.9 billion or 14% from \$61.6 billion at 31 December 2019
  - Aggregate Retail FUM (at 100%) now \$16.7 billion; up 28% from \$13.1 billion at 30 June 2020; up 17% from \$14.3 billion at 31 December 2019
- Equities markets rallied strongly in the six months to 31 December 2020, from their lows in February:
  - S&P/ASX 300 index up 12.2% in the six months to 31 December 2020; having been down 11.9% in 2H FY20
  - MSCI World Index up 23.1% in the six months to 31 December 2020; having been down 7.1% in 2H FY20
- Of the \$11.8 billion increase in FUM in the six months to 31 December 2020:
  - FUM increases due to market movements/investment performance were \$6.3 billion (\$1.7 billion of which was retail); decreases due to market movements/investment performance during 2H FY20 were \$3.9 billion (\$1.2 billion of which was retail)
  - FUM increases due to net inflows were \$5.5 billion (\$1.9 billion of which was retail)
- Increasingly diversified client base - 190+ institutional clients (some with whom we have multiple relationships) at 31 December 2020, compared with ~60 at 30 June 2016<sup>2</sup>

<sup>1</sup>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

<sup>2</sup>see Slide 38 for further detail

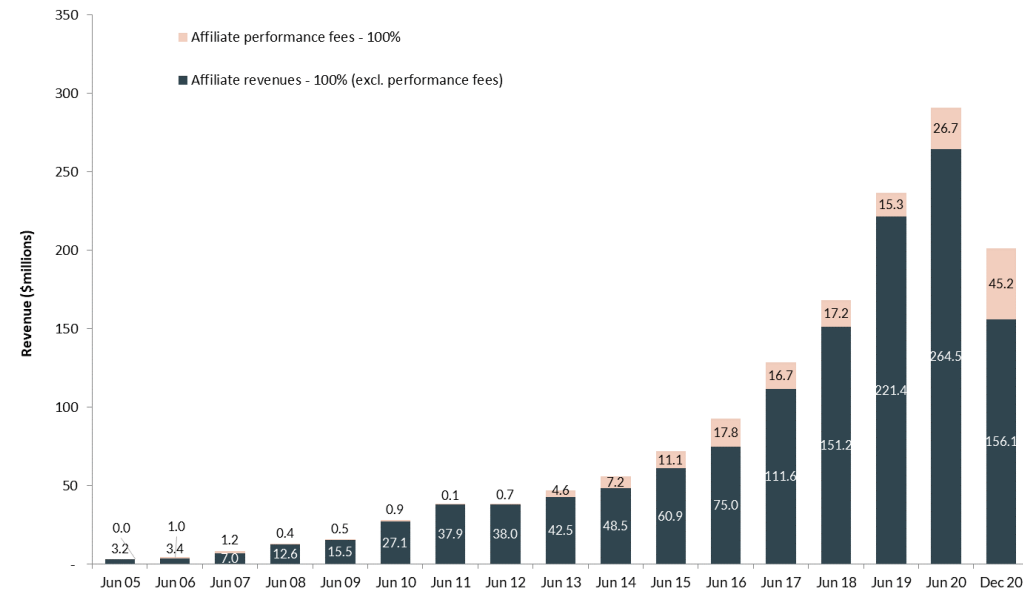
- Net inflows for the six months 31 December 2020 (1H FY21) of \$5.5 billion
  - \$1.0 billion in the six months ended 30 June 2020 (2H FY20)
  - \$2.0 billion in the six months ended 31 December 2019 (1H FY20)
- Retail net inflows for 1H FY21 of \$1.9 billion (no inflows from LICs/LITs)
  - \$19m (\$68m less LIC outflows<sup>1</sup> of \$49m) in 2H FY20
  - \$0.9 billion in 1H FY2020 (of which \$0.2 billion was LICs/LITs)
  - an exceptionally strong result following the turbulence in 2H FY20. Hyperion has been a particularly strong performer, with significant contributions also from Coolabah, Firetrail, Metrics, ResCap and Solaris
- Institutional net inflows for 1H FY21 of \$3.6 billion
  - \$0.9 billion in 2H FY20
  - \$1.1 billion in 1H FY20
  - as we have indicated previously, a number of institutional allocators ‘deferred’ decision-making in 2H FY20 given the widespread uncertainty. Allocation has resumed in 1H FY21 and our institutional prospects remain strong (pleasingly, from an increasingly diverse client set, by geography and client-type)
  - recognising that institutional flows are ‘lumpy’, we are nevertheless encouraged by the result for the half and the prospects for the coming months

<sup>1</sup>due to buybacks. No new LIC or LIT issues were completed during 2H FY20 or 1H FY21

- Four Affiliates earned performance fees totalling \$45.2 million (at 100%; Pinnacle post-tax share \$11.0 million) in 1H FY21
  - The diversity of strategies with performance fee potential is now large (and growing), and performance fees of virtually every strategy are distinct from each other (performance fees are based on individual strategy alpha, not on market gains). Further detail is set out in slides 14-19
  - Other highlights in the six months to 31 December 2020 include:
    - Metrics launched their Direct Income Fund, an unlisted trust available to retail investors, in July 2020
    - Solaris Australian Equity Income Fund launched to retail investors in August 2020
    - Longwave secured its maiden institutional mandate in September 2020
    - Aikya secured its maiden institutional mandate in October 2020
- 

- Total Affiliate revenues<sup>1</sup> were \$201.3m during 1H FY21, including \$45.2m (22%) in performance fees; in 1H FY20, total Affiliate revenues were \$132.5m, which included \$0.5m (0.4%) in performance fees
- This represents 52% growth in total Affiliate revenue (18% excluding performance fees)

	H1 FY21 (\$M)	H1 FY20 (\$M)	% Change
PINNACLE AFFILIATES (100% aggregated basis)			
FUM (\$billion) <sup>2</sup>	70.5	61.6	14%
Revenue (\$million) <sup>1</sup>	201.3	132.5	52%
<b>Net profit before tax</b>	<b>118.2</b>	<b>67.5</b>	<b>75%</b>
Tax expense	(33.3)	(19.4)	72%
<b>Net profit after tax (NPAT)</b>	<b>84.9</b>	<b>48.1</b>	<b>77%</b>
<i>Pinnacle share of Affiliates' NPAT</i>	<i>31.8</i>	<i>17.7</i>	<i>80%</i>



<sup>1</sup>Affiliate revenues are shown at 100% to indicate trend. Includes CCI revenues from 16<sup>th</sup> December 2019. Pinnacle owns significant minority stakes in each Affiliate and accounts for its share of Affiliates' NPAT

<sup>2</sup>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

- Revenue growth returning with costs controlled in Pinnacle Parent:
  - Typically, Pinnacle Parent revenues are stronger in the second-half, when certain ‘success-based’ distribution fees crystallize and become payable
  - As shareholders will be aware, the ‘skew’ in our results was less pronounced than usual in FY20 with the COVID-19 pandemic and resulting market dislocation having a major impact on our flows and revenues in the second-half
  - Revenues have grown 26% on the PCP, driven by very strong inflows in the half (which impact certain distribution fees)
  - Continuing ‘P&L investment’ in support of Horizon 2 initiatives (particularly offshore distribution, and the cost of Pinnacle servicing new Affiliates)
  - Positive net return on Principal Investments of \$785k, compared with positive net return of \$385k in 1H FY20<sup>1</sup>
  - Interest cost on the CBA facility (\$258k) and amortization of the costs associated with the PL8 top-up in 1H FY21 (\$429k) included within ‘other expenses’ for 1H FY21. These commenced part-way through 1H FY20 and were \$37k and \$265k respectively in the PCP. Revenues associated with the PL8 top-up (which ‘offset’ against the amortization) were \$455k<sup>2</sup> in 1H FY21
  - Expenses are up \$0.6m or 4% on the PCP. Adjusting for realized and unrealized gains/losses on Principal Investments of a net \$0.6m loss in 1H FY21 and a net \$0.3m loss in 1H FY20, and for the ‘full-year effect’ of interest on the CBA facility (\$0.2m) and amortization relating to the PL8 top-up costs (\$0.2m), expenses are approximately the same as in the PCP (note that these losses on Principal Investments include losses on hedging equity market exposures)

<sup>1</sup>Includes realized and unrealized mark-to-market gains/losses, dividends and distributions on PI

<sup>2</sup>This is in addition to ‘up-front’ distribution fees Pinnacle earned on the capital raise



- Significant growth (\$14.1 million, or 80%) in Pinnacle's share of Affiliate profits compared with 1H FY20<sup>1</sup>:
  - Performance fees (at 100%) of \$45.2 million in 1H FY21, across four Affiliates (Pinnacle share post-tax of \$11.0 million); \$0.5 million (at 100%) in 1H FY20 in only two Affiliates. Further detail is set out in slides 14-19
  - Adjusting for Pinnacle's share of performance fees earned by Affiliates, share of NPAT from Pinnacle Affiliates of \$20.8million (excluding Pinnacle's share of performance fees post-tax of \$11.0 million) is up 18% on the \$17.6m share of NPAT from Pinnacle Affiliates in 1H FY20 (excluding Pinnacle's share of performance fees of \$0.1 million)
  - Strong growth in underlying Affiliate revenues of 18% (at 100%) compared with 1H FY20, excluding performance fees, and aggregate Affiliate profitability of 16% (at 100%) compared with 1H FY20, excluding performance fees
  - Continuing investment in additional resourcing by certain Affiliates ahead of future growth (including Metrics, Firetrail, Coolabah, Resolution Capital and Antipodes)
  - Direct cost of Two Trees, Longwave, Riparian, Reminiscent Capital and Aikya included as negative NPAT

<sup>1</sup>Includes share of CCI profits from 16<sup>th</sup> December 2019

	31 Dec 2020 (\$M)	30 Jun 2020 (\$M)	Change
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10.8	16.1	(33%)
Financial assets	40.6	34.0	19%
<b>Total cash and financial assets</b>	<b>51.4</b>	<b>50.1</b>	<b>3%</b>
Other current assets	17.0	17.3	(2%)
<b>Total current assets</b>	<b>68.4</b>	<b>67.4</b>	<b>1%</b>
<b>NON-CURRENT ASSETS</b>			
Investments in affiliates	174.8	161.9	8%
Other non-current assets	9.5	9.3	2%
<b>Total non-current assets</b>	<b>184.3</b>	<b>171.2</b>	<b>8%</b>
<b>Total Assets</b>	<b>252.7</b>	<b>238.6</b>	<b>6%</b>
Debt facility	30.0	30.0	0%
Other liabilities	16.9	20.1	16%
<b>Total liabilities</b>	<b>46.9</b>	<b>50.1</b>	<b>6%</b>
<b>Net assets</b>	<b>205.8</b>	<b>188.5</b>	<b>9%</b>
<b>Net shareholders' equity</b>	<b>205.8</b>	<b>188.5</b>	<b>9%</b>

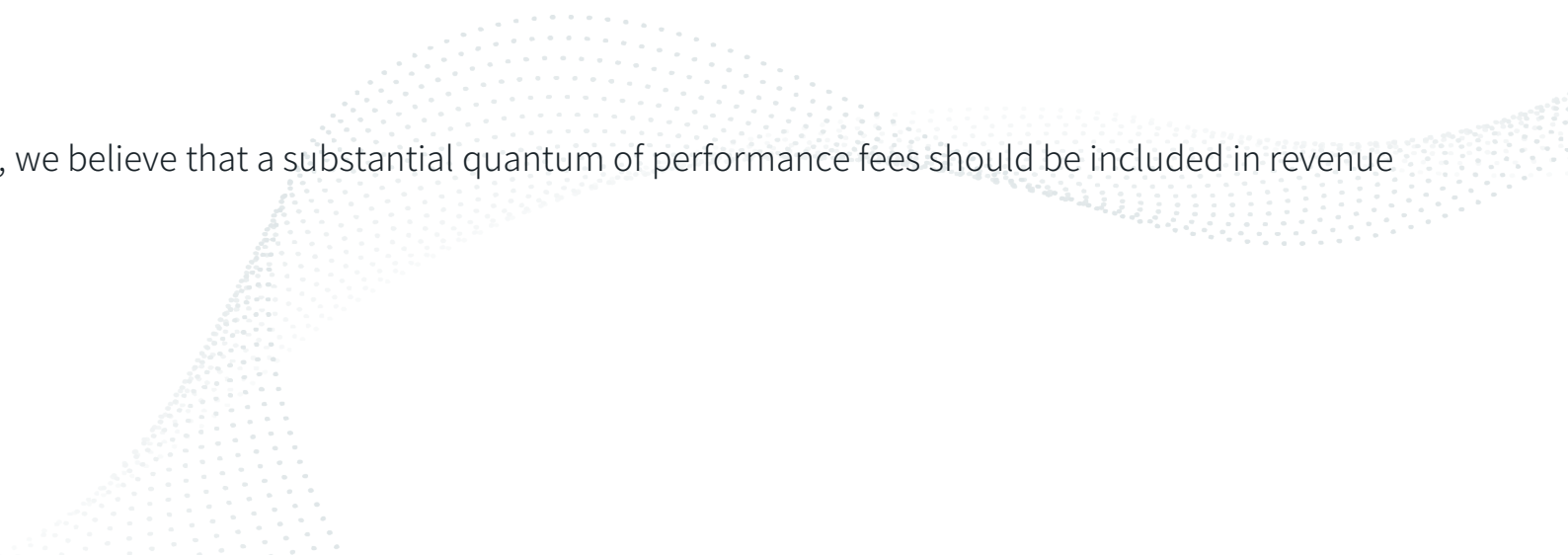
- Cash and Principal Investments of \$51.4m
  - Includes \$38.7m invested in strategies managed by Pinnacle Affiliates
  - Excludes \$10m of cash applied for Affiliate equity recycling loans, working capital loans and additional Affiliate equity purchased
- \$30m debt facility from CBA fully drawn
- Excludes impact of interim dividend of 11.7 cents per share payable on 19<sup>th</sup> March 2021 and dividends (including dividends derived from performance fees) received or to be received from Affiliates since 31<sup>st</sup> December
- Franking credit balance (\$33.6m) at 30% company tax rate would enable potential fully franked dividends of \$78.4m
- Investments in Affiliates represents the 'equity accounted' value, i.e., investment cost, plus Pinnacle's share of profits, less Pinnacle's share of dividends received. The balance is tested for impairment at each reporting period (currently none). Pinnacle's share of Affiliate performance fees that crystallized at 31 December (\$11m, post-tax) are included in Pinnacle's share of profits and increase the carrying value of the investments; any associated dividends will reduce the carrying value when paid

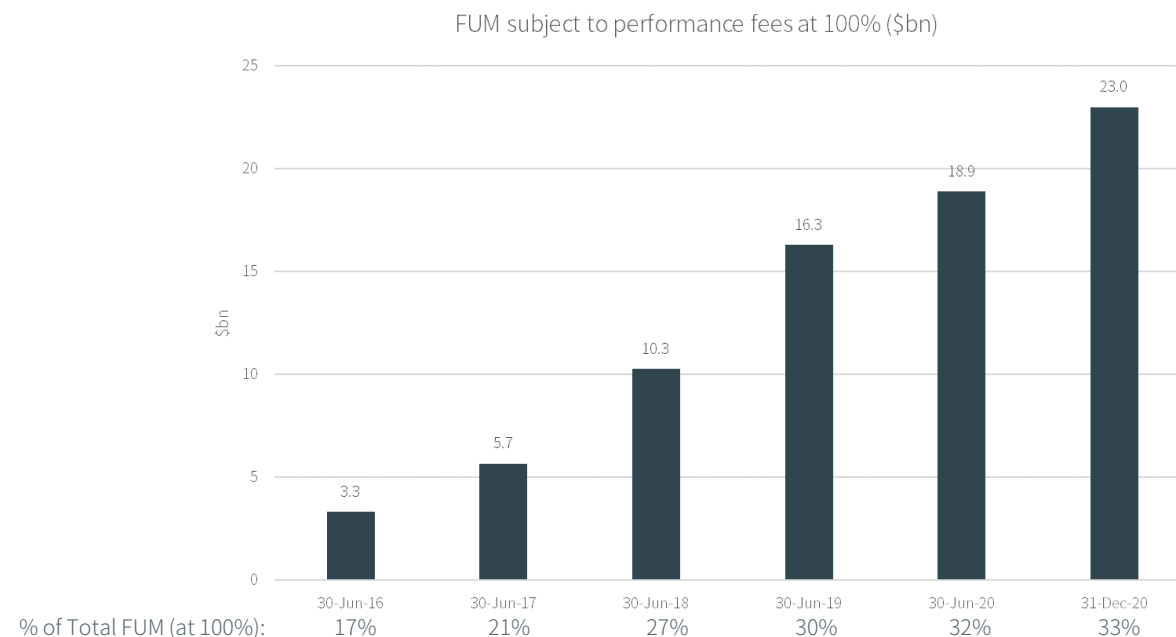
*“The reputations and future success or otherwise of investment management companies are often determined by their behaviour and performance during periods of crisis and their capacity to resume growth depends on the strength of the capabilities with which they emerge from such crises.”*

[PNI – previous presentations]

- ‘Business as usual’ with working from home (moved early and seamlessly) and virtually no travel. Flexible model in future.
- Close attention paid to the health and well-being of our people. Minimal direct health impacts; ensured extensive contact particularly within teams, very regular 'catch-ups'/communications using appropriate technology
- Extensive interactions with clients and their advisors (need us more than ever)
- Our approach: work very hard (especially with clients and prospects) during the crisis period; and continue the 'growth' work (including further strengthening our core capabilities) to ensure we come out stronger than ever, poised to resume growth, to take advantage of opportunities that may materialise, and to react to any possible further external adversity
- No job cuts or stand-downs
- Most Affiliates have delivered investment performance to expectations or better



- Potential aggregate performance fees are both sizeable and repeatable each year
  - Deliberate strategy to seek performance fee structures as an alternative to higher base fees – they are direct substitutes and a means of maximising average annual revenue, particularly in capacity-constrained strategies and/or strategies in extremely high demand, and further align client outcomes with performance
  - A healthy mixture of ‘base only’ fees and ‘lower base plus performance’ fees yields optimal overall business outcomes – ample consistent base fee revenues, but maximising average annual revenue by a diversified range of substantial performance fees. We are delighted with the ‘mix’ we have achieved
  - Whilst recognizing it may be difficult to estimate, we believe that a substantial quantum of performance fees should be included in revenue forecasts to reflect realistic expected outcomes
- 



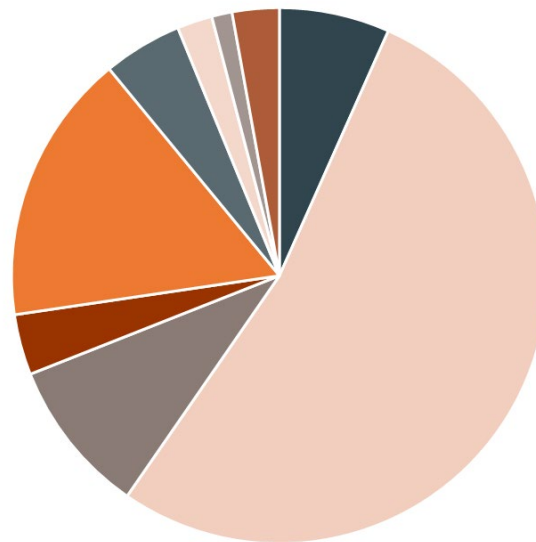
- The volume of FUM with performance fee potential has increased significantly
- The number and diversity of strategies with significant performance fee potential continues to increase (improving the annual reliability of overall performance fee revenue)
- Likelihood of performance fee success is not correlated to equity market level – based on performance relative to individual hurdles<sup>1</sup>
- Likelihood of performance fees is distinct between individual strategies – indeed, some possibility of inverse correlation – e.g., growth vs. value?

<sup>1</sup>In ResCap and Hyperion Global a performance fee is payable only if a positive absolute return is generated. If not, any alpha accrued is carried forward to future periods. These are the only two currently impacted by market movements.

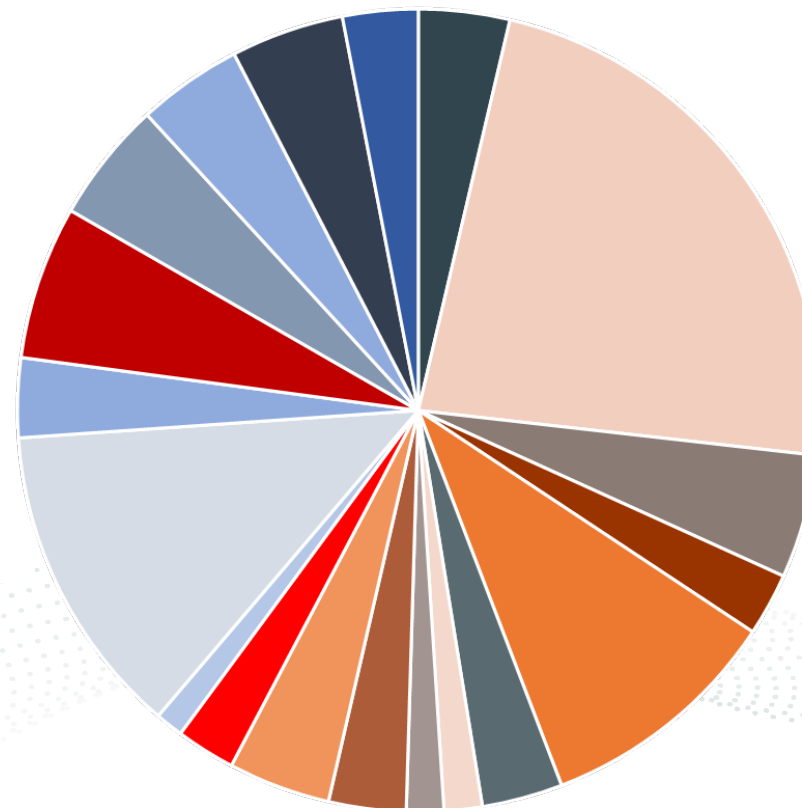
Date	30 June 2016	30 June 2018	31 December 2020
FUM (\$bn)	\$3.3bn	\$10.3bn	\$23.0bn
Significant strategies	5	8	18



30 Jun 16

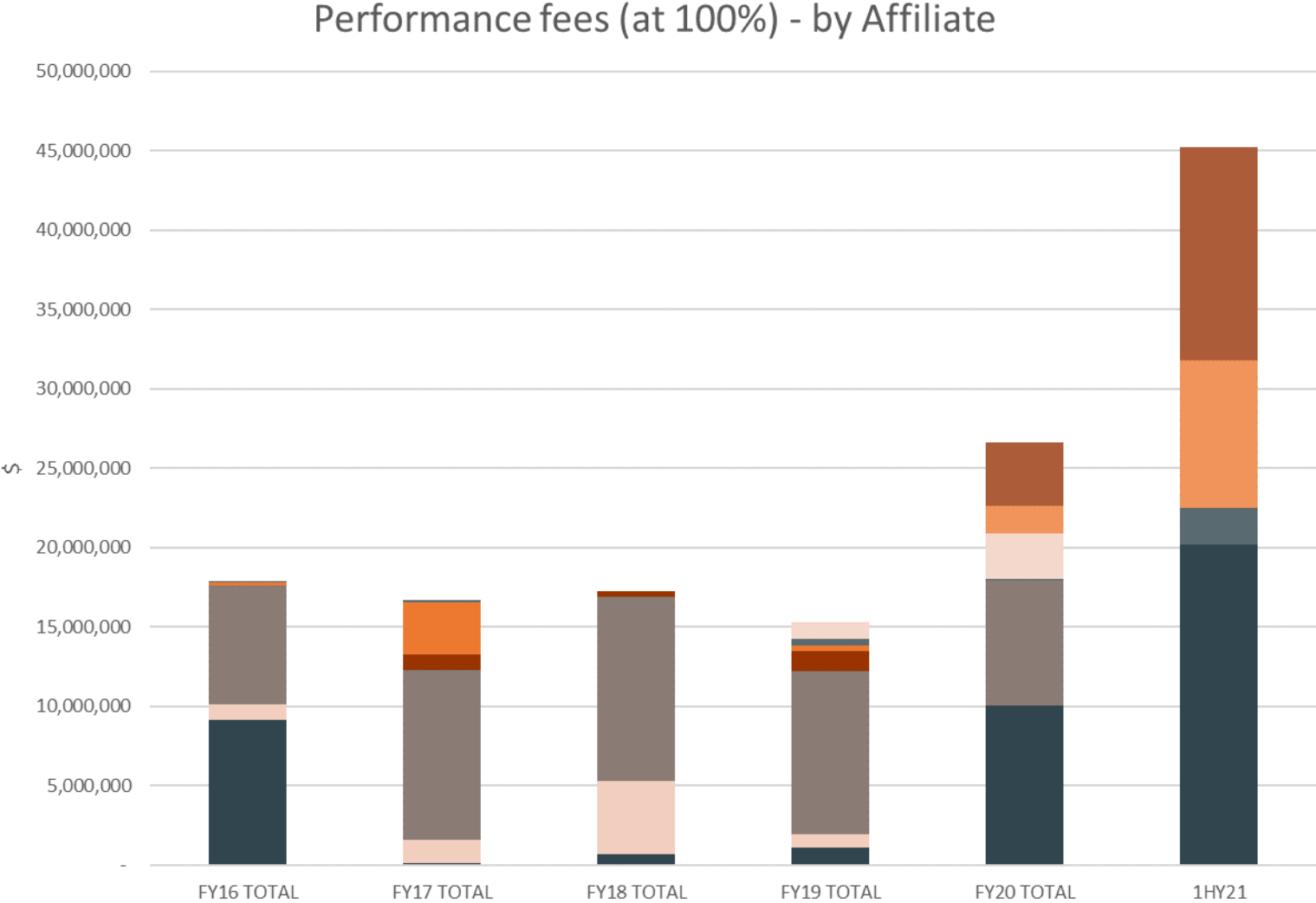


30 Jun 18



31 Dec 20

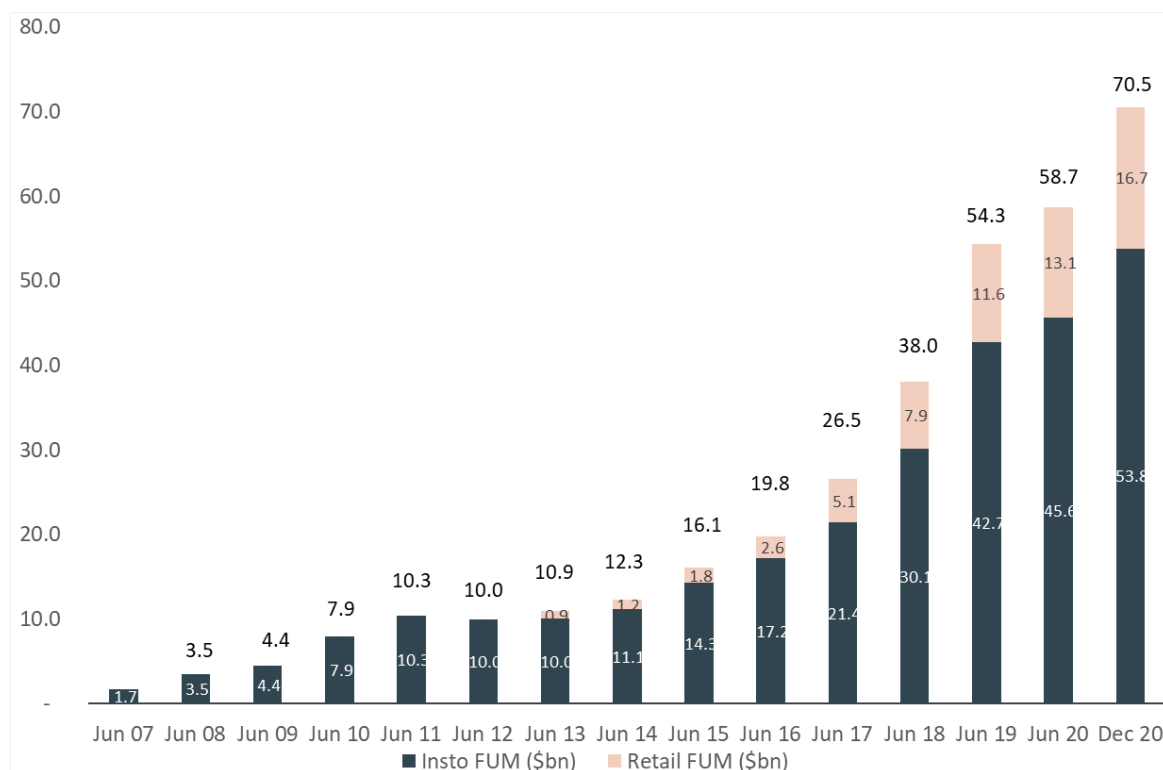
Large and increasing performance fee FUM and strategy diversity





- 2H v 1H - the potential and reliability of performance fees are, logically, greater in 2H than 1H
  - 7 out of 18 strategies that currently have potential to deliver significant performance fees crystallise only in 2H
  - Thus, 11 of 18 strategies have the potential to deliver significant performance fees in 1H but all 18 have such potential in 2H (of course, the range of possible outcomes remains large every half, and it is by no means guaranteed that in any particular year 2H will exceed 1H)
  - Palisade, ResCap, Metrics, and Solaris have annual fees that crystallise on 30 June
  - 2H includes some in 'higher reliability' category (Palisade, Metrics) in current environment
- Size - three main factors:
  - The size/volume of FUM with performance fee potential (currently 18 strategies have sufficient FUM to potentially deliver meaningful fees). See slide 40
  - The size of alpha (outperformance v benchmark)
  - The extent to which a strategy is currently at or below the 'high water mark'
- Diversity
  - Variety of strategies with performance fee potential is now large (and growing)
  - Performance fees of virtually every strategy uncorrelated with every other strategy (independent alpha sources)
  - Performance fees are based on individual strategy alpha, not on market gains or market level
  - This increases the likelihood of Pinnacle as a whole achieving substantial performance fees each and every year
- FUM subject to performance fees expected to grow
  - Hyperion Global, ResCap retail experiencing strong growth
  - Affiliate growth - Aikya, Longwave and Reminiscent
  - New Strategies - Firetrail, Spheria Global, Solaris Australian Equity Income
  - Large Capacity – Antipodes, both credit Affiliates (Metrics, Coolabah) each have very large additional capacity
  - Regain 'high water mark' - Antipodes and Firetrail High Conviction - large FUM, currently below 'high water mark'



Gross FUM growth (\$bn)<sup>1</sup>

- FUM of \$70.5bn as at 31 December 2020
- FUM has grown at a CAGR of 22% p.a. over the last ten years (21% excluding \$6.8bn 'acquired' in July 2018 and 3.0 billion 'acquired' in December 2019)
- Increase in FUM of \$11.8bn in the six months to 31 December 2020
  - Net inflows of \$5.5bn
  - Increases due to market movements/investment performance of \$6.3bn
- Of the \$5.5bn of net inflows in the six months to 31 December 2020, \$1.9bn was retail (no inflows in LICs/LITs)
- Retail flows increasing - \$0.6bn in the three months to 30 September, \$1.3bn in the three months to 31 December
- Institutional pipeline remains strong and diversified – onshore and offshore

<sup>1</sup>Pinnacle FUM is 100% of FUM managed by Pinnacle Affiliates. Includes \$6.8 billion 'acquired' in July 2018 and \$3.0 billion 'acquired' in December 2019.

	Pinnacle (total)	Hyperion	Plato	Solaris	RCL	Palisade	Antipodes	Spheria	Two Trees	Firetrail	Metrics <sup>4</sup>	Omega	Longwave	Riparian	Coolabah	Reminiscent	Aikya
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m) <sup>1</sup>	(\$m) <sup>1</sup>	(\$m)	(\$m)	(\$m) <sup>2</sup>	(\$m)	(\$m)
FUM History (at 100%)																	
31 Dec 20	70,482	9,945	6,266	9,971	11,317	2,384	8,542	1,539	63	5,496	5,087	4,424	178	4	5,002	22	243
30 Jun 20	58,671	7,847	5,175	8,548	8,979	2,244	7,957	1,210	91	4,110	4,439	4,303	3	3	3,737	24	2
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	-	-	-	-	-	-	-	-	-
31 Dec 16	23,339	5,664	3,536	5,032	5,274	1,456	2,191	186	-	-	-	-	-	-	-	-	-
30 Jun 16	19,756	5,633	3,067	4,595	4,576	1,436	449	-	-	-	-	-	-	-	-	-	-
30 Jun 15*	15,995	5,474	2,265	2,938	3,980	1,126	212	-	-	-	-	-	-	-	-	-	-
30 Jun 14*	12,232	4,886	986	2,537	2,933	890	-	-	-	-	-	-	-	-	-	-	-
30 Jun 13*	10,846	4,032	742	2,649	2,694	729	-	-	-	-	-	-	-	-	-	-	-
30 Jun 12*	9,790	3,158	332	3,855	1,864	581	-	-	-	-	-	-	-	-	-	-	-
30 Jun 11	10,336	3,229	525	4,421	1,758	403	-	-	-	-	-	-	-	-	-	-	-
*Pinnacle (total) includes FUM of a former Pinnacle Affiliate																	
Change in FUM - at 100%																	
30 Jun 20 - 31 Dec 2020	20.1%	26.7%	21.1%	16.6%	26.0%	6.2%	7.4%	27.2%	-31.1%	33.7%	14.6%	2.8%	5826.3%	44.6%	33.8%	-9.4%	13063.9%
PNI ownership <sup>3</sup>		49.9%	42.7%	40.0%	44.5%	37.6%	23.5%	40.0%	44.0%	23.5%	35.0%	45.0%	40.0%	40.0%	25.0%	40.0%	32.5%
PNI effective FUM - 31 December 20	26,681	4,963	2,675	3,988	5,036	896	2,007	615	28	1,292	1,780	1,989	71	2	1,250	9	79

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

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

<sup>3</sup> 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


<sup>4</sup> FUA of \$6.2bn including leverage, at 31 December 2020. Metrics earns fees on the full FUA figure



*We are focused on continuous improvement, striving to do better by building a long-term, sustainable firm that focuses on our staff, customers and shareholders as well as the communities in which we engage*

- Sustainability Committee
  - Pinnacle has established a Sustainability Committee to provide coordination and guidance on the integration of sustainable strategies and practises into the broader business. The Committee has responsibility for:
    - identifying and managing environmental, social and governance concerns;
    - setting and monitoring performance of sustainability targets, assessing climate change risks and opportunities; and
    - establishing and implementing strategies to mitigate material business risks.
  - The Committee will inform Pinnacle's Sustainability Framework which will articulate our strategic commitment to sustainable development
- Carbon Emissions
  - Pinnacle achieved carbon neutrality for the 2019 and 2020 financial years, by continuing to measure and offset carbon emissions through Greenfleet. Greenfleet is a leading Australian not-for-profit environmental organisation that takes practical climate action by offsetting carbon emissions through restoring forests
  - Continuing to avoid travel in favour of video conferencing where possible
  - Moved to 100% green energy in our Sydney office through Powershop. Powershop is owned by a 100% renewable energy company, Meridian Energy, who own and manage hydro-plants and wind farms in Australia
- Pinnacle is committed to addressing its climate change risks and is on target to achieve Climate Active carbon neutral certification, with FY20 the 'base year'
- Sustainable use of resources
  - Exceeded target to reduce printing across the firm by 25% in 2020, to 62%, compared to 2019
  - Identifying where we can increase our recycling efforts
  - Continuing to implement the removal of all single use plastic from the firm

### Diversity

- Pinnacle believes that workplace diversity in this context includes but is not limited to gender, gender identity, age, race, disability, nationality, marital status, cultural background, sexual orientation, religious belief and ethnicity
  - To support the achievement of these diversity objectives, Pinnacle has undertaken the following initiatives:
    - Equal opportunity recruitment process that draws a diverse pool of both applicants and shortlisted candidates for all positions
    - Flexible work arrangements to assist employees to balance their work, personal and family responsibilities
    - Continuing to encourage women into finance by:
      - Sponsoring Women in Finance scholarships to assist female university students in gaining a greater understanding of and experience in investment management
      - Founding Sponsor of the University of Queensland's first officially sanctioned networking group with a focus on women – UQWN
    - Applying the principle of equality when setting salaries and considering the short-term and long-term incentives of all employees
    - Facilitating a strong return to work and retention rate of employees on parental leave
    - Applying the principle of equality when considering internal promotions and succession planning
    - Comprehensive employee behaviour and grievance resolution policy
  - As at 31 December 2020, Pinnacle had a total of 31% females across all positions
- 

### People

- Fully supportive of initiatives to optimise the mental health of employees through access to the Employee Assistance Program for employees and family members
- Employees are encouraged to always act in Pinnacle's best interests and maintain a line of sight to long term goals. To help enable this, as at 31 December 2020, approximately 32% of employees had an individual shareholding in the Company
- Committed to instilling a culture that values rest and family time. We provide a flexible working environment that suits our employees' personal circumstances. Several employees are currently on part time working arrangements to enable them to balance family and personal responsibilities

### Community

- Through the Pinnacle Charitable Foundation and engaged Affiliates, we are supporting key not-for-profit partners to address a number of social priorities by donating in excess of \$400K per annum:
  - Human Rights: facilitating legal assistance for sufferers of domestic and family violence and sexual abuse, together with advocacy for legislative change to support victims
  - Mental Health: advocating strong mental wellbeing, and fostering programs aimed at prevention and early intervention to reduce the incidence and severity of mental illness in young people
  - Vulnerable children: engaging via professional support with children facing acute or systemic disadvantage
  - Indigenous: offering secondary school educational scholarships at leading Australian boarding schools, for students from rural, regional and remote communities across Australia
  - Environment: regenerating native habitats, including in areas affected by bushfires in 2019 / 2020
  - Impact of COVID-19: developing a national school-based curriculum for use as a resource for teachers, students and parents aimed at embedding principles of kindness and human decency into everyday life for Australia's youth.



Ten affiliates are signatories to the United Nations supported Principles of Responsible Investment (“PRI”):

Affiliate	Signatory to PRI	Incorporate ESG into Investment process	Have an ESG policy
Aikya	Yes	Yes	Yes
Antipodes	Yes	Yes	Yes
Coolabah	No	Yes	Yes
Firetrail	Yes	Yes	Yes
Hyperion	Yes	Yes	Yes
Longwave	Yes	Yes	Yes
Metrics	Yes	Yes	Yes
Omega	No	Yes	Yes
Palisade	Yes	Yes	Yes
Plato	Yes	Yes	Yes
Reminiscent	No	Yes	N/A
ResCap	Yes	Yes	Yes
Riparian	Provisional	Yes	Yes
Solaris	Yes	Yes	Yes
Spheria	Yes	Yes	Yes
Two Trees	No	No	Yes

## SOLARIS

investment management

- 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
- Official supporter of the Task Force on Climate-related Financial Disclosure (TCFD)

## AIKYA

- PRI signatory
- CDP signatory
- Fundamentally integrate ESG into the investment decision making process
- Set clear sustainability impact goals for the Aikya Portfolio
- Each portfolio company is subjected to detailed ESG analysis, which results in an engagement agenda which Aikya pursue with company management.
- Perform extensive due diligence to establish how companies treat their various stakeholders.
- Require investee companies to meet high standards of governance, and to take their environmental and social responsibilities seriously.

## Firetrail

INVESTMENTS

- PRI signatory
- Fundamentally integrate ESG into the investment decision making process
- Philosophy of Ownership, Measurement & Engagement on ESG specific issues
- Actively engage in over 200+ ESG specific company engagements per annum
- Supporter of the 30% Club Australia since it launched in 2015 – to promote diversity in Australian Listed Company Boards
- Key focus on Modern Slavery issues in supply chain analysis in the companies they invest in
- Sponsorship of local community social and sporting groups including Sydney Uni Cricket & Guide Dogs Australia
- Partnership with Mirabel Foundation to support Australian families impacted by drug addiction
- Carbon offsetting for all staff travel on an annual basis since inception

## HYPERION

ASSET MANAGEMENT

- PRI signatory since 2009
- Official supporter of the Task Force on Climate-related Financial Disclosure (TCFD)
- Established an ESG Framework
- Effectively carbon negative since 2015 through the purchase of carbon credits
- Established a Carbon Negative Strategy
- Fundamentally integrates ESG into the investment decision making process, which extends to the company’s broader stakeholder group and its supply chain.
- Actively avoids companies with certain poor ESG factors

## PALISADE

- 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.
- Active scholarship program, focusing on women and financially disadvantaged students
- *Priority Goals* set by the Palisade team, aligned with UN’s Sustainable Development Goals

## RESOLUTION CAPITAL

- PRI signatory since 2010
- UN Global Compact signatory (2019)
- Member of GRESB since 2017
- Member of ESG Research Australia
- 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
- Measure the carbon footprint of the portfolios they manage

## Plato

INVESTMENT MANAGEMENT

- 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

- Pinnacle is passionate about enabling better lives through investment excellence. This belief is strongly reflected in Pinnacle's commitment – together with Affiliates – to the Pinnacle Charitable Foundation
- The Foundation's focus is on growing the sustainability of creative and clever Australian not-for-profit organisations. Partners are actively sought out and invited to apply for support based around exploring new projects, programs and services. In each case the aim is to facilitate the delivery of solutions which can be analysed and assessed, scaled and strengthened, with early stage backing often provided
- Financially underpinned by Pinnacle and with access to extensive in-house pro bono services across investment management, portfolio reporting, finance, marketing and IT, the Foundation operates with low overheads and high impact. Its investment strategy aims to provide capital protection in volatile markets whilst seeking to drive growth over the longer term. Investments are held in a range of Affiliate strategies which offer Australian and global equity exposure, franking credits, monthly income streams, plus a range of non-equity exposed assets
- Annual applications for support are primarily assessed each year in June, with supplementary amounts approved in November. In November 2020 the Foundation donated \$70,000 to continue four existing partnerships into calendar 2021, together with \$110,000 from Affiliates
- Total donations in calendar 2020 by the Foundation were \$316,000, with Affiliates providing a further \$180,000 via direct support to several jointly funded charity partners
- These funds of circa \$500,000 were predominantly directed to 10 not-for-profit partners across five identified priority areas, plus in support of emergency bushfire relief in February 2020. A new partnership with The Kindness Factory was developed in June 2020, in response to the pressures and stresses associated with the impact of COVID-19

# Pinnacle Charitable Foundation

- Key focus areas and partners for 2021 are as follows:
  - Promotion of strong mental wellbeing, together with support for prevention and early intervention strategies aimed at reducing mental illness and driving down suicide rates. Long-term partnerships are in place with R U OK?, ReachOut Australia and batyr Australia
  - Legal assistance and strong advocacy for victims of sexual abuse and domestic violence, through a multi-faceted relationship with the Full Stop Foundation
  - Engagement with children from a range of environments who face acute and / or systemic disadvantage, with partnerships in place with The Mirabel Foundation and Yalari
  - Capacity building for world-leading medical researchers seeking treatments and cures for children's genetic diseases and for dementia sufferers, through partnering with CMRI (Children's Medical Research Institute) and the Australian Alzheimer's Research Foundation (AARF)
  - Increasing awareness of the critical need for kindness, empathy, community and resilience, through support for the national roll-out and development of The Kindness Curriculum in Australian schools







### Global Emerging Market Equities

- High quality
- Absolute return
- Concentrated portfolio
- Long term sustainable growth
- Stewardship and Sustainability
- Headquartered in London, United Kingdom



### Global & Asian Value Equities (Long Only and Long/Short)

- Global & Asian equities (long-only and long-short)
- 'Pragmatic value' investment approach
- Strategies accessible via listed (ASX: APL, AGX1), unlisted and offshore (UCITS, Cayman) vehicles
- Founded 2015
- 30+ staff
- Offices in Sydney, Australia and London, UK



### Australian and Global Credit (Long Only and Long/Short)

- Australia's most active credit investor with over \$25 billion of trades in 2020
- Australia's largest long/short active credit manager with over \$1.2bn in long/short strategies and \$5bn in FUM in total
- CCI believes it has the biggest team in investment-grade fixed-income with 26 execs, including 13 analysts and 5 portfolio managers with a total of 4 PhDs
- CCI minimizes client exposures to fixed-income betas: interest rate duration, credit default risk and illiquidity risk
- Applying 30-40 internally developed quant models, CCI seeks to acquire cheap, mispriced bonds paying excess credit spread for their risk factors
- As credit spreads normalise/mean revert towards CCI's fair value targets, clients capture capital gains on top of interest income
- These capital gains are driven by credit alpha, not beta
- Capital gains become increasingly important in a low-yielding world. That is, credit alpha is crucial in a world where interest rates are declining
- CCI has an outstanding macro forecasting track-record
- Headquartered in Sydney, Australia, with offices in London, UK, and Melbourne, Australia



### Experts in high conviction investing

- Deep fundamental research approach consistently applied for 15+ years
- Focused on generating alpha from stock selection, whilst reducing exposure to unintended macroeconomic or thematic risks
- Unconstrained approach provides flexibility to invest across different styles (value/growth), sectors and market cap
- Specialists in Australian, Global, Small cap & Long/Short (market-neutral) equities
- Team of 17 investment professionals, headquartered in Sydney, Australia



### Australian and Global Growth Equities

- Investment process focused on high quality
- Structural growth businesses with sustainable competitive advantages
- High return on capital
- Predictable earnings and low debt
- Concentrated portfolio
- Low turnover
- Headquartered in Brisbane, Australia



### Australian Small-Cap Quality Equities

- Quantamental approach delivers repeatable investment edge
- Investment philosophy centred on the view that quality is the long-term driver of small-cap excess returns
- Quality is embedded to remove the negative tail in returns
- Fundamental understanding determines how value is created or destroyed by companies for shareholders
- Quantitative methods provide discipline, repeatability and controls behavioural biases
- Index agnostic and unconstrained
- Headquartered in Sydney, Australia





### Australasian Private Credit

- One of Australasia's largest non-bank lenders
- Participation across all loan market segments – leverage finance, project finance, commercial real estate, corporate
- Investment across the capital structure– investment grade debt through to equity, warrants and options
- Deep, active primary and secondary market experience
- Extensive bank, non-bank and borrower networks
- Significant corporate restructuring and workout experience
- Extensive loan distribution experience and networks
- PRI Signatory
- Headquartered in Sydney, Australia, offices in Melbourne, Australia and Auckland, New Zealand

### Australian Smart Beta Plus and Managed Volatility Equities, Global Infrastructure Securities, Global Bond and Credit



- Smart Beta Plus approach
- Fully systematic
- Identify beta factors driving market returns
- Overlay beta returns with orthogonal alphas
- Proprietary reverse optimization approach
- Launched first global sovereign with dedicated allocation to ESG bond mandate
- Headquartered in Melbourne, Australia, with offices in Sydney, Australia

### Australasian Private Infrastructure



- Mid-Market focus results in better acquisition multiples and portfolio yield
- Actively involved in the operational management and governance of the assets unlocks embedded value
- Owns airports, seaports, portside bulk liquid storage, gas pipelines, solar and wind renewable energy assets, subsea data cables, waste management facilities, social infrastructure PPPs
- Unique risk management framework - credit approach to asset selection and financial structuring and VaR approach to portfolio construction
- Headquartered in Sydney, Australia, office in Melbourne, Australia





### Australian Accumulation, Low Volatility and Tax-Exempt Equities, Global Income Equities and Global Long/Short Equities

- Customised alpha models and portfolio construction for accumulation, retirement and absolute return solutions
- Systematic implementation of fundamental ideas
- State of the art technology
- Headquartered in Sydney, Australia



### Discretionary Asia Macro

- Highly liquid portfolio, comprised of high conviction investment ideas, uncorrelated with equity market beta
- Reminiscent employs a directional, discretionary Macro strategy using Futures, Options, FX, Simple FX Options and ETFs with roughly 70% in Asia, 30% in global markets
- Core position focus on medium to longer-term macroeconomic themes
- Short term, idiosyncratic, diversifier trades
- Headquartered in Sydney, Australia



### Global Listed Real Assets

- Concentrated portfolio of 'high conviction ideas'
- Multiple Portfolio Manager approach
- Sector based research
- Centralised, proprietary research mitigates regional biases
- PRI and UN Global Compact signatory
- 25-year track record
- Headquartered in Sydney, Australia, investment office in New York, USA



### Australasian Private Agriculture, Food & Water

- Real asset backed investments
- Uncorrelated exposure to traditional asset classes
- Inflation protection
- Mid-Market value focus
- Commodity agnostic and counter-cyclical
- Change of land use and asset optimisation to improve earnings
- Partnership approach with operators
- Headquartered in Brisbane, Australia, office in New York, USA



### Australian Style Neutral Equities

- Analysts Empowered as Portfolio Managers
- 100% short term incentives linked to client alpha (no alpha, no bonus)
- Portfolio risk directly aligned with expected stock returns
- No style bias
- Headquartered in Brisbane, Australia



### Australian Micro, Small-Cap and Mid-Cap Equities, Global and International Micro-Cap Equities

- Greater potential for long term capital appreciation
- Under-researched stock universe provides fertile ground for higher alpha
- Quality orientation
- Focus on recurring cashflows and valuation
- Conservative balance sheets
- Headquartered in Sydney, Australia



## Systematic Global Macro

- Former GMO SGM team
- Competitive edge is the novel way in which the firm fuses together a deep philosophical understanding of financial economics with rigorous scientific techniques for forecasting returns, volatility and correlations and the way in which they change through time
- Harnesses the diversifying power of an optimiser through novel volatility and correlation models that drive alpha
- Headquartered in Sydney, Australia

