



30 September 2021

*By Electronic Lodgement*

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Macquarie US 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 US briefing on 1 October 2021.

Authorised by:

Calvin Kwok  
Company Secretary



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

# Macquarie US Briefing

Alan Watson – Chair

Ian Macoun – CEO/Managing Director

Andrew Chambers – Executive Director, International and Institutional Distribution

Adrian Whittingham – Executive Director, Pinnacle International

Ramsin Jajoo – Director, Head of Retail

Dan Longan – Chief Financial Officer

1 October 2021

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- Today's discussion:
  - Overview of Pinnacle
  - Affiliate FUM and growth
  - Track record of value creation
  - Business model resilience and growth through COVID-19
  - Current platform set for growth
- Additional Information



- **What PNI offers shareholders**

- Highly diverse earnings stream, generated from multiple asset classes
- High growth – 5-year compound NPAT growth in excess of 60% per annum
- High growth in dividends – 5-year compound dividend growth of 54.1%<sup>1</sup> per annum
- Continuing operational leverage from current Affiliate cost base
- Significant growth opportunities – organic, Affiliate self-funded investment and non-organic (three Horizons of growth)

- **How is this generated?**

- A ‘pure play’ investment management firm providing affiliated investment managers with high quality distribution, infrastructure and other support services allowing investment professionals to focus on investment excellence
- Equity ownership (usually minority) in Affiliates – this is critical to delivering alignment with Affiliate principals
- Founded in 2006 (became listed in 2016), Pinnacle currently holds an equity interest in 16 specialist investment managers, across multiple asset classes
- Pinnacle’s affiliated investment managers have delivered sustained, long-term outperformance over their benchmarks
- Highly regarded distribution teams have consistently delivered industry leading FUM inflows; strong in the Australian retail, Australian institutional, and (increasingly) offshore institutional and wholesale markets

<sup>1</sup>excluding the special dividend paid ahead of Pinnacle listing as a ‘pure play’ investment management business in 2016.

- **How we receive our profits**

- Our share of Affiliates' profits – equity accounted (FY21 NPAT – our share \$66.4m of \$179.5m total)
- 'Parent' revenues for our services, offset by costs of provision and 'Horizon 2' investment for future growth
- Three Horizons of growth:
  - Horizon 1: organic growth of the existing business of existing Affiliates
  - Horizon 2: new Affiliates, new initiatives within existing Affiliates, new 'Pinnacle parent' initiatives – short-term 'drag' on profits
  - Horizon 3: acquisition of interests in new Affiliates or synergistic businesses – requires capital

- **We have grown strongly and plan to further accelerate growth, from multiple sources**

- Multiple Sources of future growth (3 Horizons, both within Australia and internationally)
- Aggregate Affiliates' FUM at 31 August 2021 (at 100%) \$91.2 billion<sup>1</sup>; ten-year CAGR to 30 June 2021 of 24.1% per annum (22.6% per annum excluding acquisitions)
- See independent Research Reports for information relating to expected future growth beyond FY21

- **What is 'special'/distinctive about Pinnacle?**

- Our distinctive business model was designed specifically to ensure sustained investment excellence - embedded in our DNA
- The most talented and experienced investment professionals love it; more importantly, their clients love it – it delivers stability and sustainability/longevity, which traditional investment institutions are less able to facilitate
- We are 'experts' at the 'multi-affiliate' model (successfully executing on it for two decades)
- Distribution pre-eminence
- We execute on it better than others; we understand the talented people and their needs, the subtle forces that sustain enduring excellence and those that are inimical to it. We ensure succession when others don't seem able or willing to

<sup>1</sup>\$85.5bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021.

- How we can we continue to grow

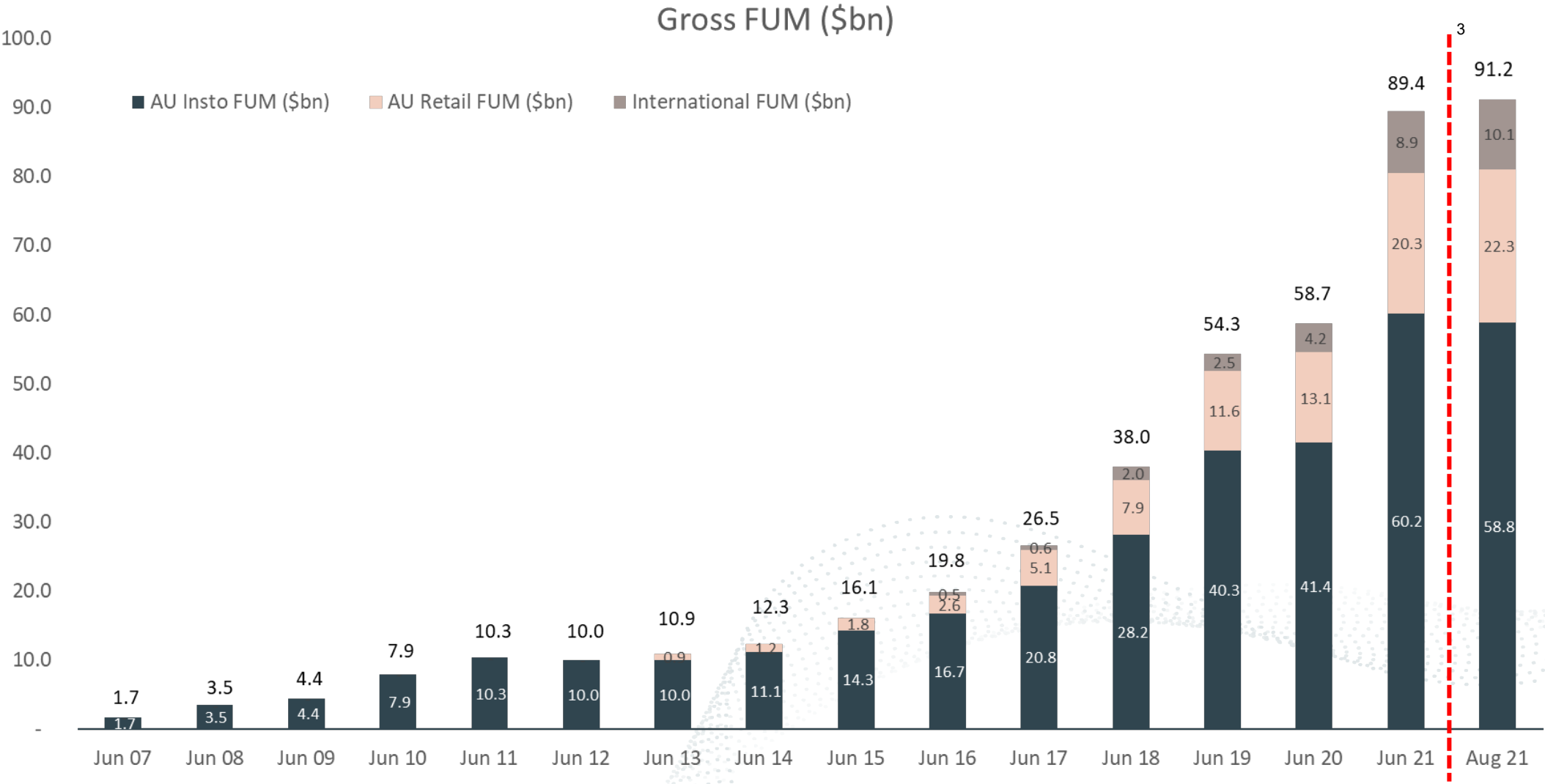
- Our business model is deliberately modular, with autonomous units, and highly-scalable
- Continuing investment in distribution and infrastructure

- Is it sustainable over the long term?

- 'Stand alone' Boutique investment firms can be fragile - but our 'supported independence' model makes our Affiliates stronger
- We have added significant value to each of the businesses we have acquired interests in



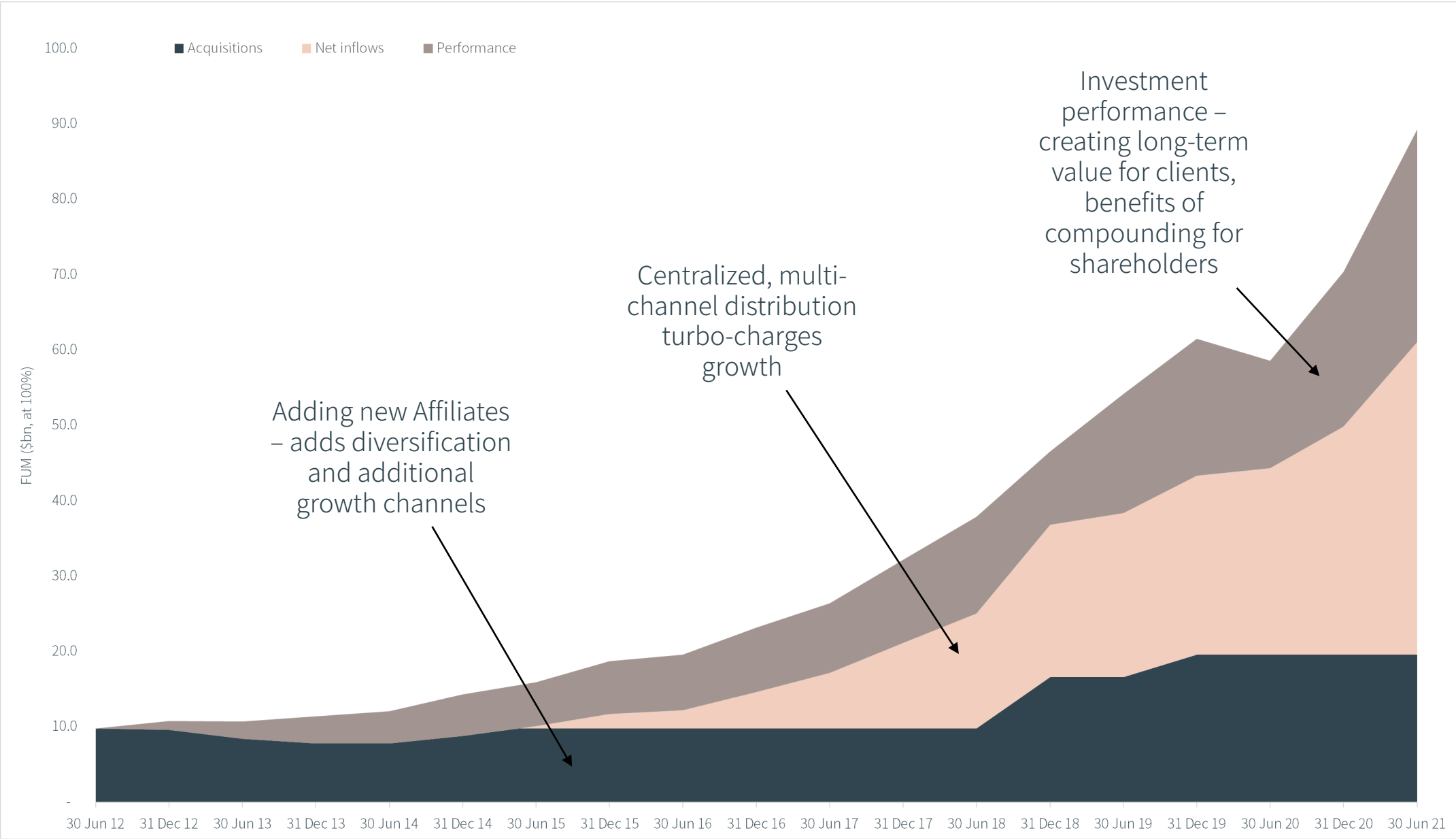




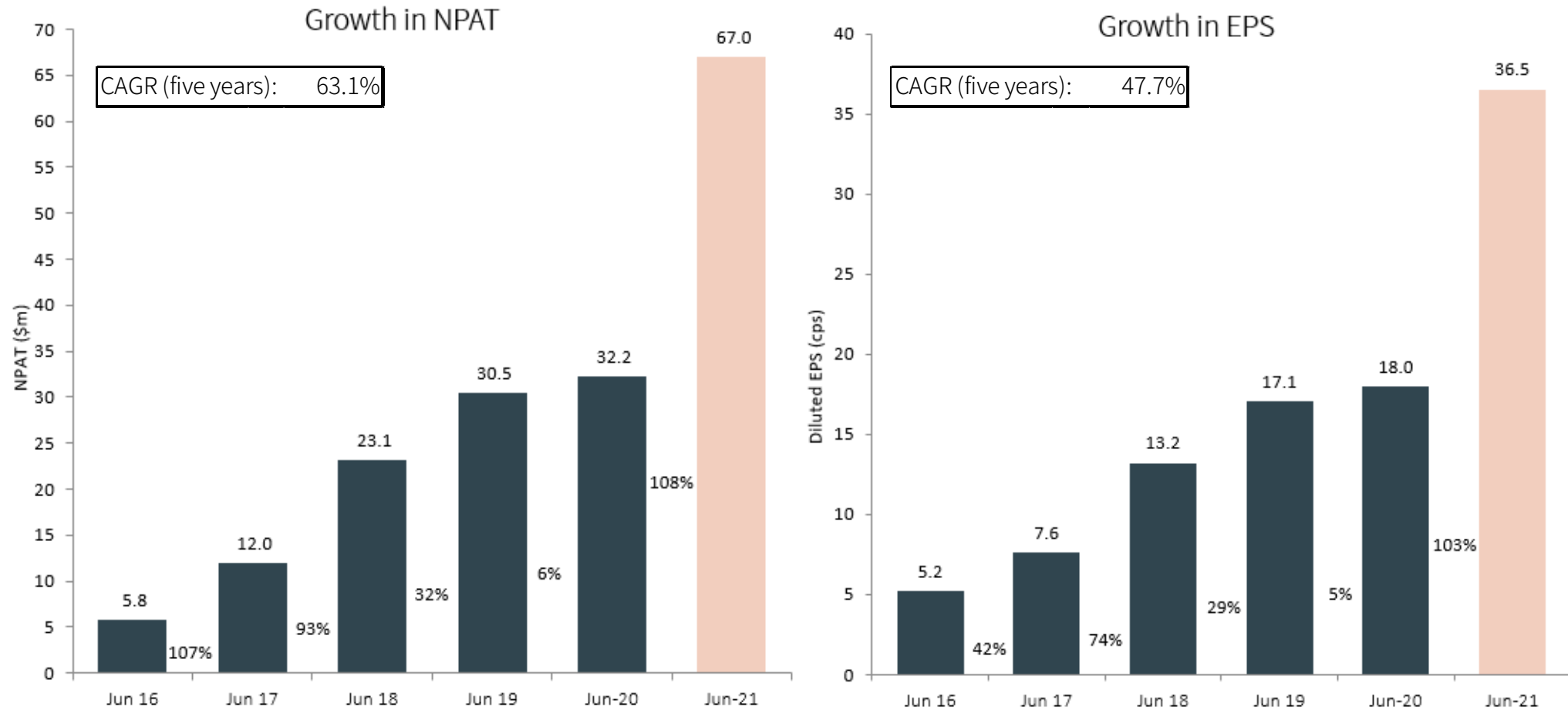
<sup>1</sup>Includes \$6.8 billion ‘acquired’ in July 2018 and \$3.0 billion ‘acquired’ in December 2019. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not ‘own’ 100% of the FUM.

<sup>2</sup>The S&P/ASX 300 index was up 3.2% from 30 June 2021 to 31 August 2021, but down 2.5% from 31 August 2021 to 24 September 2021; the MSCI World Index was up 2.4% from 30 June 2021 to 31 August 2021, but down 1.5% from 31 August 2021 to 24 September 2021

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



<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.



- Fully franked dividends have grown at a CAGR of 54.1% over the same period (excluding the special dividend paid ahead of Pinnacle listing as a 'pure play' investment management business in 2016)

- Whilst growth in FUM and profitability were suppressed in FY20 due to the impacts of the COVID-19 crisis on markets and our business, Pinnacle has grown strongly, on average, over the two-year period to 30 June 2021, which encompasses the entire ‘crisis period’ to date:
  - NPAT growth of 59.8% per annum over the two-year period
  - Growth in diluted EPS of 56.7 % per annum over the two-year period
  - FUM growth of 32.3% per annum over the two-year period
- During that same time period, the S&P/ASX300 was up 5.6% per annum and the MSCI World was up 18.8% per annum

	FY21	Growth %	FY20	Growth %	FY19	Two-year average growth p.a. %
PINNACLE						
FUM (\$m)	89.4	52.3%	58.7	8.1%	54.3	32.3%
NPAT (\$m)	67.0	108.1%	32.2	5.6%	30.5	59.8%
Diluted EPS from continuing operations (cps)	36.5	102.8%	18.0	5.3%	17.1	56.7%
Dividends (cps)	28.7	86.4%	15.4	0.0%	15.4	43.2%
Insto Inflows (\$bn)	12.2	481.0%	2.1	-41.7%	3.6	119.4%
Retail Inflows (\$bn)	4.5	400.0%	0.9	-69.0%	2.9	27.6%
ASX300	7,306.50	24.7%	5,858.50	-10.8%	6,568.40	5.6%
MSCI World	719.97	37.2%	524.91	0.3%	523.44	18.8%

## 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

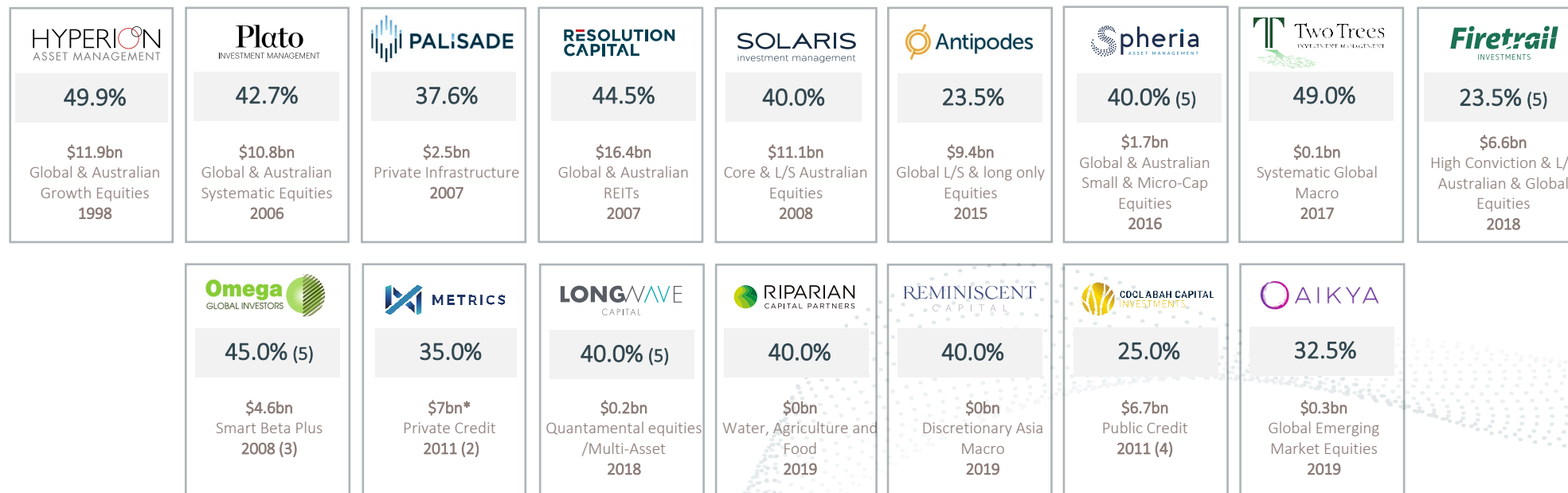
Middle office and fund administration

Technology and other firm infrastructure

Distribution and client services

RE, compliance, finance, legal

Interface for outsourced services



\* FUA of \$8.0bn including leverage, at 30 June 2021. Metrics earns fees on the full FUA figure

1. Gross FUM as at 30 June 2021
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





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

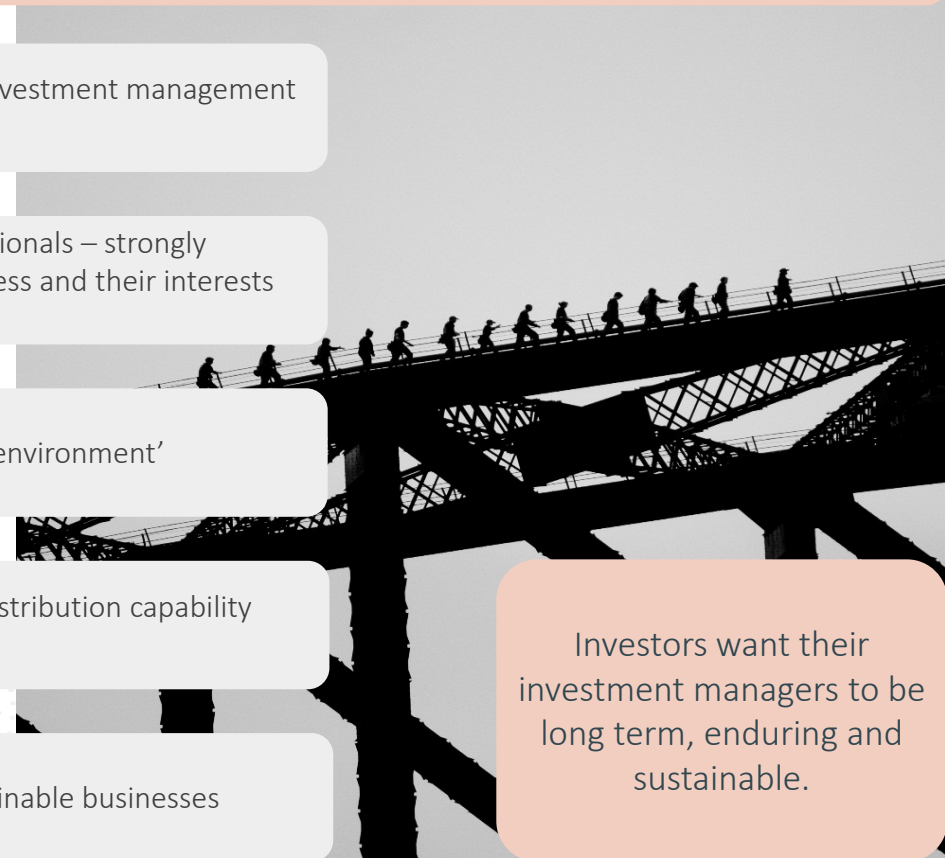
High quality, experienced, dedicated, passionate investment professionals – strongly focused on performance; with substantial equity in their own business and their interests thus aligned with clients

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.






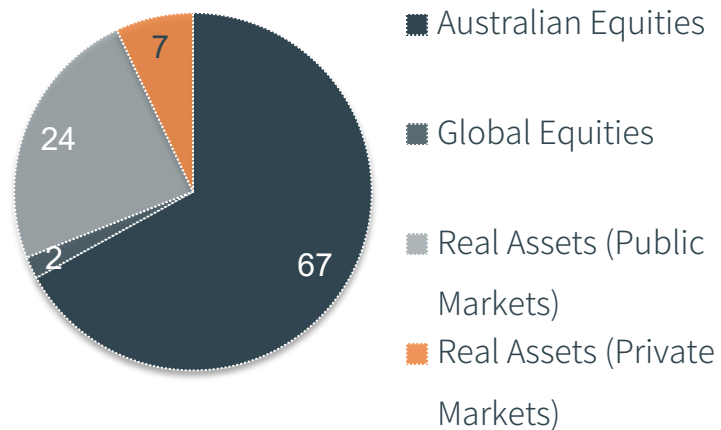
- Clear evidence of strategy execution success
  - Growth and Resilience simultaneously delivered
- Our status as a high growth company remains intact
  - Fully recovered from challenges of FY20
  - We plan to maintain our strategy, aimed at delivering high growth
    - Carefully, from multiple sources
- An excellent platform in place to move ahead with sustained growth
  - From a proven business model and philosophy
  - Sufficiently adaptable for both organic and inorganic growth from a significantly enhanced base
    - Both domestic and offshore

- 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 sources of revenue and further growth
- Over the past few years, including the COVID-19 crisis, this strategy has delivered:
  - Horizon 1 – NPAT has grown at a CAGR of 63% in the five years since Pinnacle listed as a 'pure play' investment management business in 2016 to 30 June 2021; FUM has grown at a CAGR of 35% over that same period (32% 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

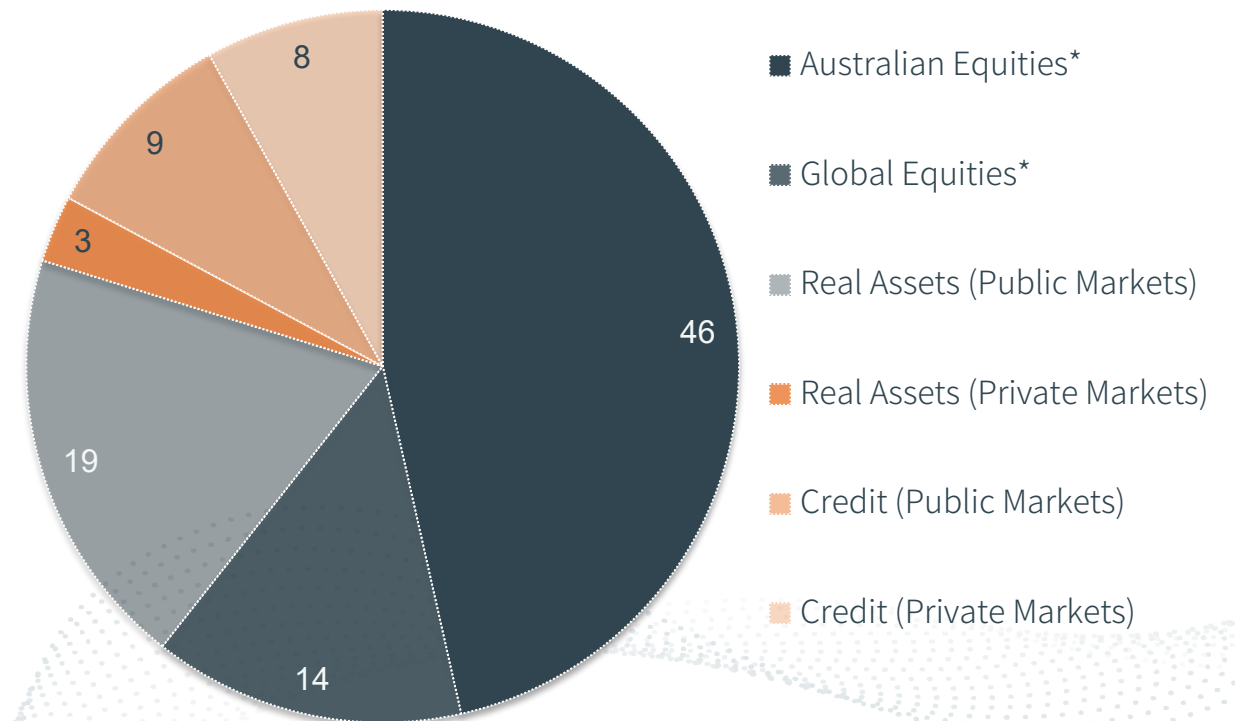
Resilience enhanced by progressive diversification of:

1. Asset classes (including a greater range on offer overseas)
  2. Client type
  3. Client domicile (overseas as well as domestic)
  4. Growth in Retail FUM
  5. Growth in Affiliates
  6. Growth in percentage of funds exposed to performance fees
- 

FUM by Asset Class  
30 Jun 2016 (%)

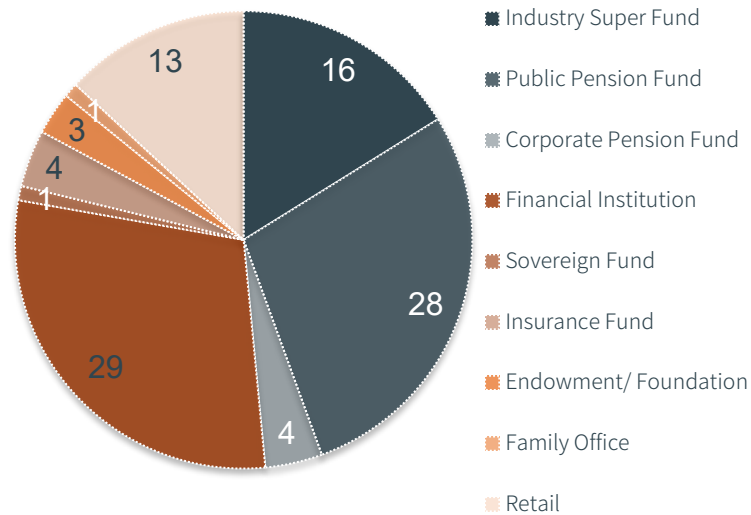


FUM by Asset Class  
30 June 2021 (%)

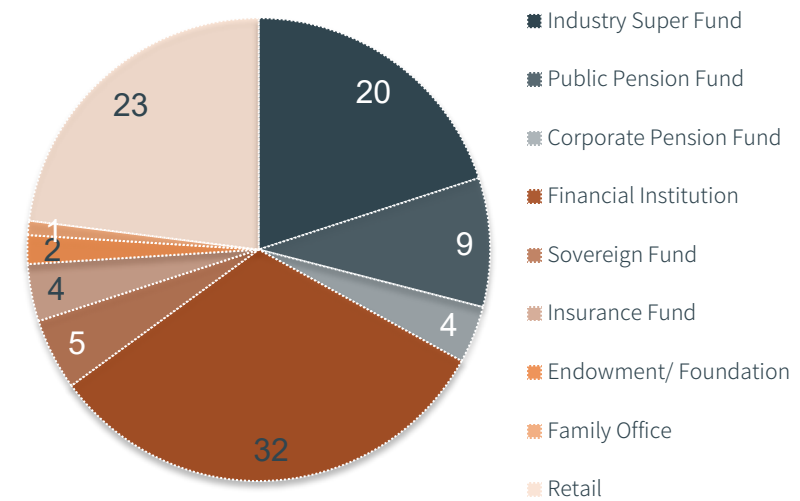


- Less than half of total FUM (at 100%) was in Australian equities at 30 June 2021
- Investment in new Affiliates has added to diversification
- Increasing exposure to global equities, private capital, fixed interest and credit, and liquid alternatives
- \*Equities exposure is further diversified by style and market cap

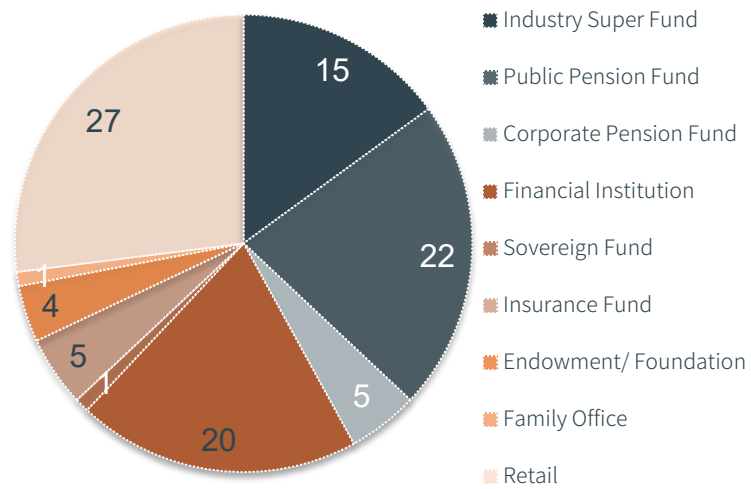
Total FUM at 30 June 2016 (%)



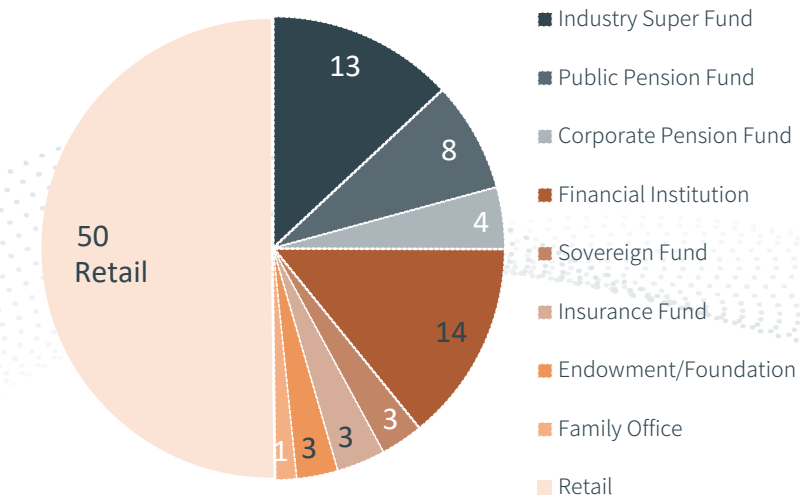
Total FUM at 30 June 2021(%)



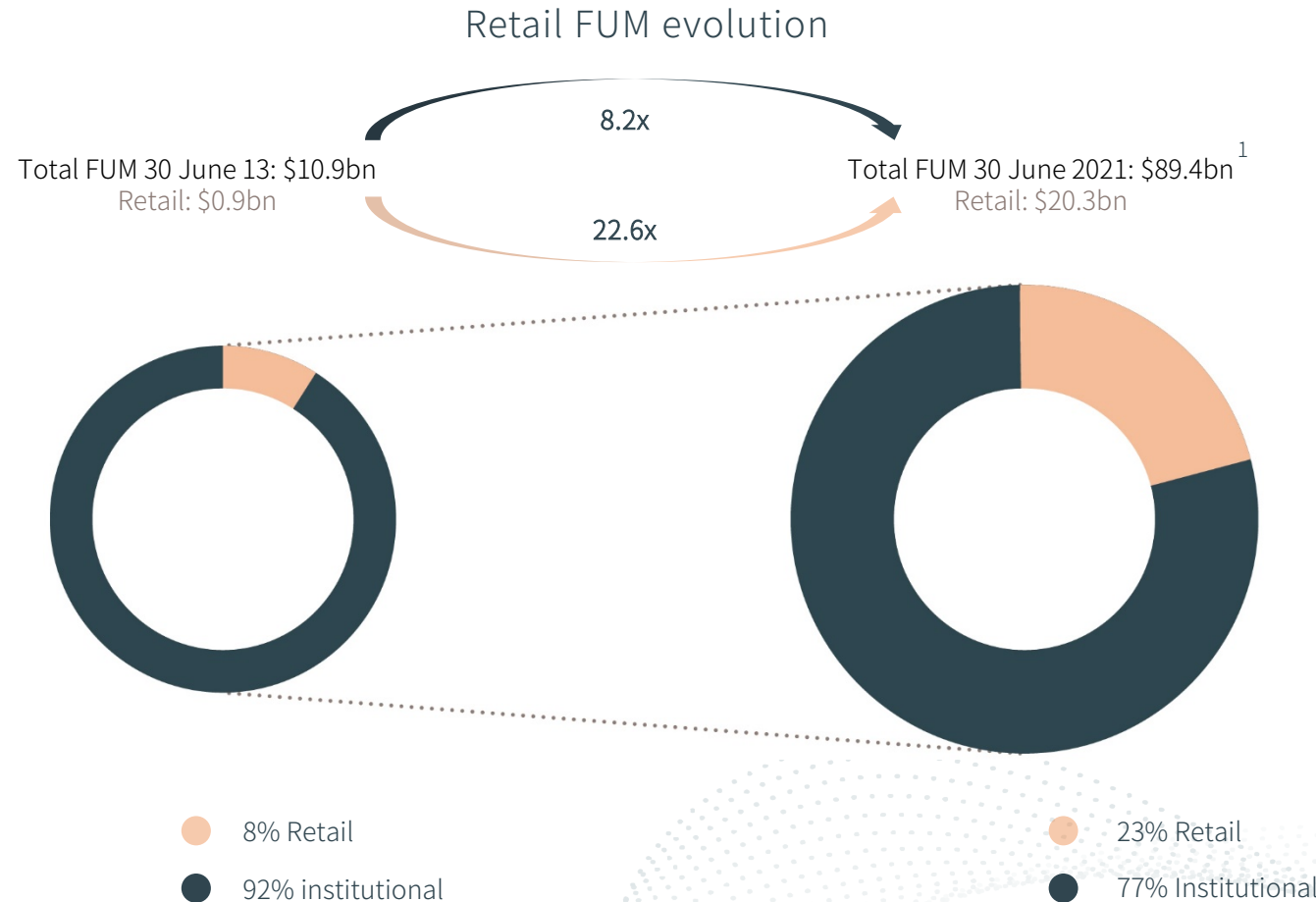
Total Affiliate Revenues at 30 June 2016 (%)



Total Affiliate Revenues at 30 June 2021 (%)



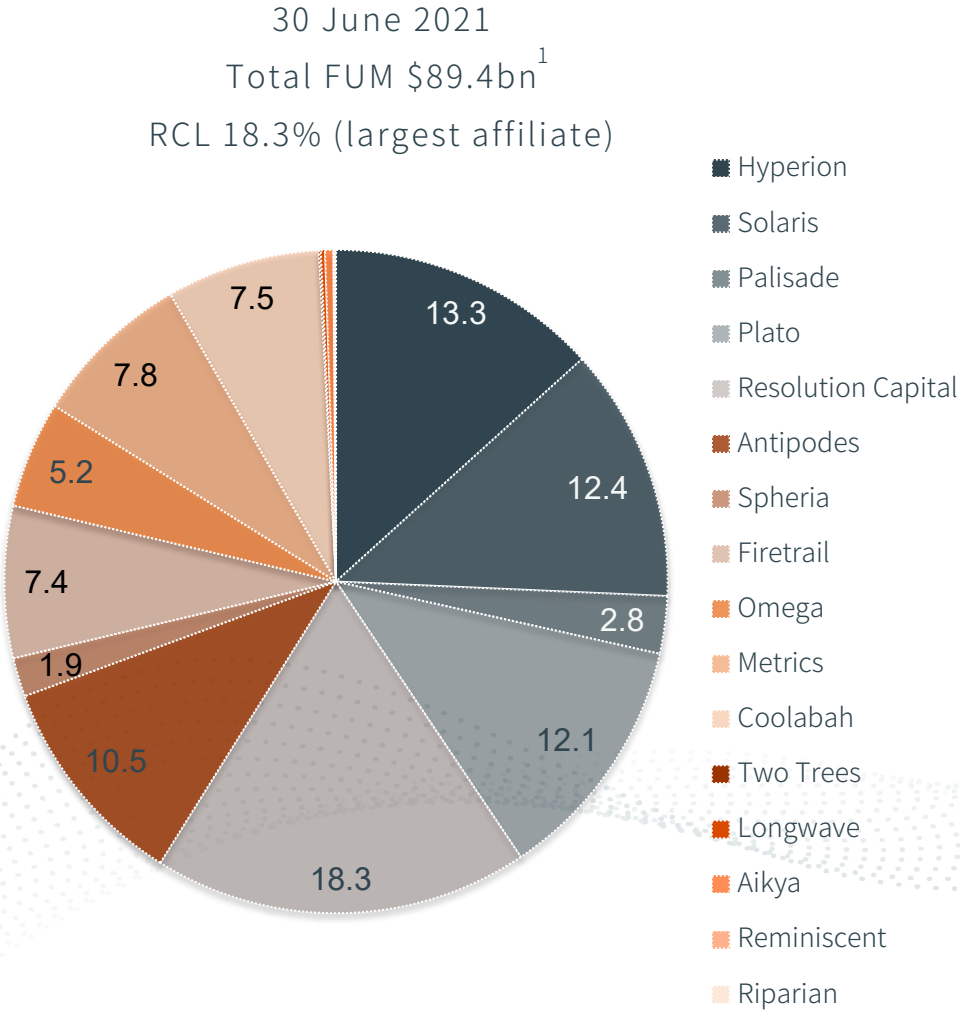
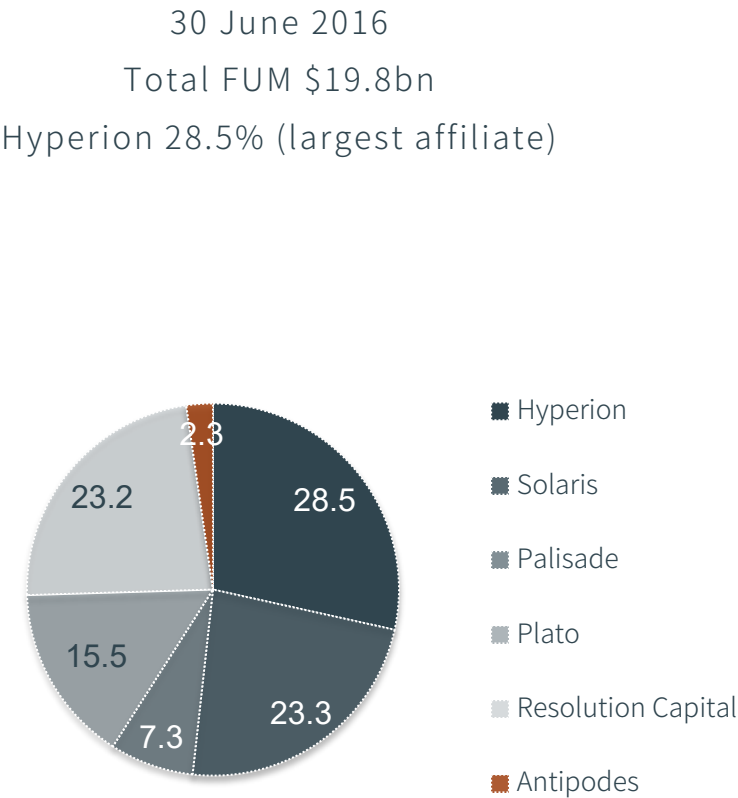
- 230+ individual institutional clients (some with whom we have multiple relationships) at 30 June 2021, compared with ~60 at 30 June 2016
- Growth in Retail as a proportion of total FUM (at 100%) and as a proportion of total revenues (at 100%)
- Increasingly diversified client base



- Pinnacle has invested significantly in retail distribution and has generated substantial retail FUM in the last 8 years (~\$20bn of retail FUM growth)
- Initiatives include growth of internal and external sales teams, LIC/LITs and exchange traded funds (open & closed ended)
- Significant increase in absolute retail FUM over FY21, with net inflow rate averaging close to \$400m per month over the FY. Slight decrease in relative proportion given the extremely large institutional flows over the FY

<sup>1</sup>\$85.5bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021.



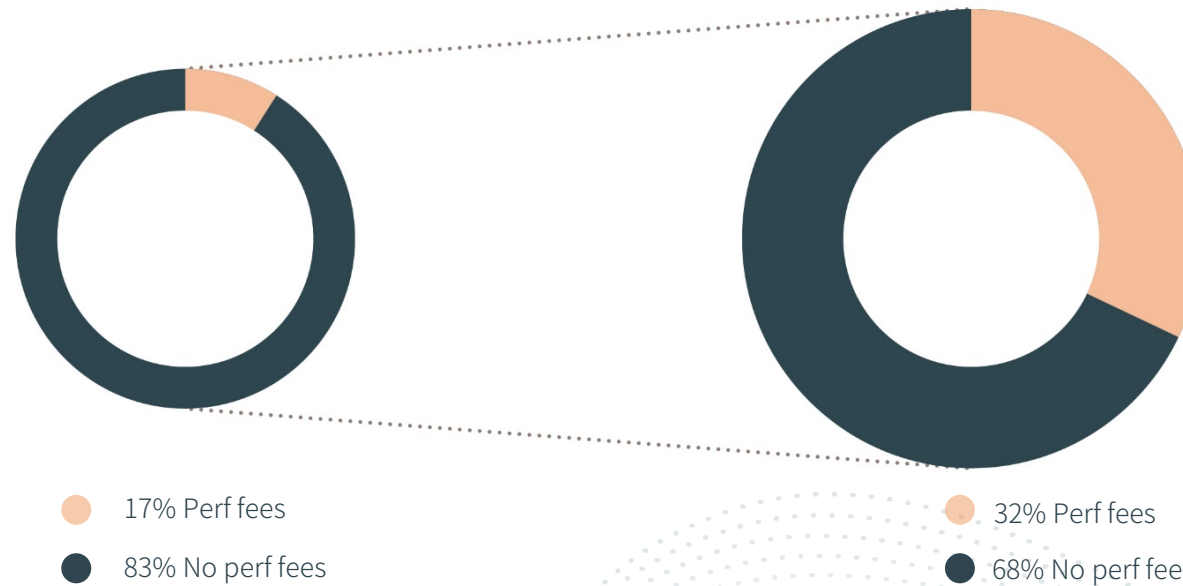


<sup>1</sup>\$85.5bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021.

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

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

Total FUM 30 June 2021: \$89.4bn<sup>1</sup>  
Subject to performance fees: \$28.7bn

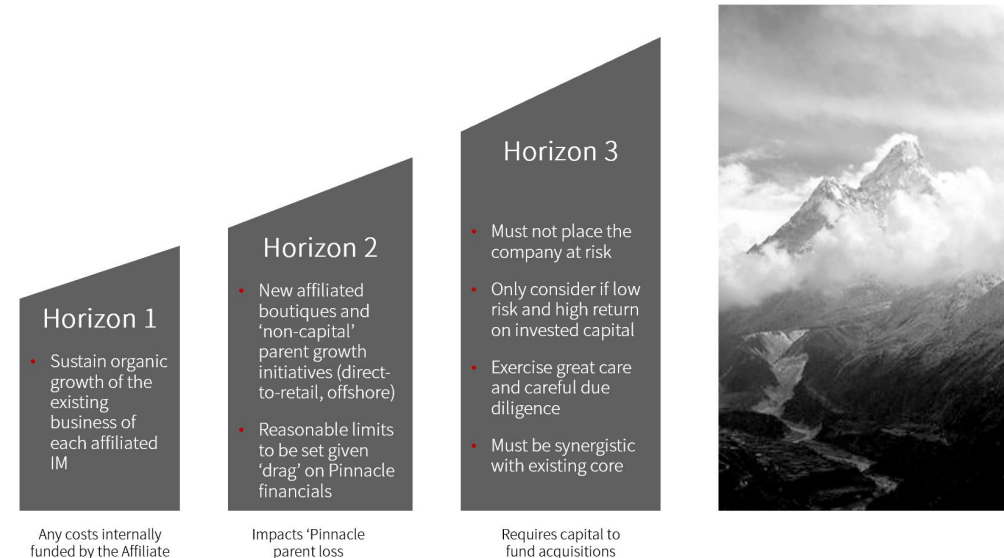


- Significant growth in both absolute and percentage of FUM subject to performance fees
- Diversification across asset classes
- Performance fees add diversity to revenue sources, being uncorrelated with market movements and each Affiliate's performance being uncorrelated with the others' and with other revenue<sup>2</sup>
- FUM subject to performance fees entering FY22 is 28% higher than the average during FY21

<sup>1</sup>\$85.5bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021.

<sup>2</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 strategies currently impacted by market movements.

- 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:
    - Sustainability and Impact strategies
    - Global equities (developed & emerging markets)
    - Private capital (debt & equity)
    - Absolute return (single & multi-asset)
    - Alternative fixed income
- M&A will follow a rigorous evaluation process
- Offshore opportunities are becoming compelling – ability to ‘export our model’ – delayed somewhat to date by COVID-19



- 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
- Status
  - Res Cap acquisition in 2007
  - Metrics acquisition 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
  - Platform is strong and sufficiently adaptable to consider both organic and inorganic growth, both domestic and offshore
  - Offshore opportunities are becoming compelling – ability to ‘export our model’

- 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
  - Sustainability and Impact strategies
  - Alternative fixed income
  - Global equities (developed & emerging markets)
  - Alternative 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
- Offshore provides a large range of Horizon 2 and Horizon 3 opportunities, carefully ‘exporting our model’
- 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**



## Record \$12.2bn institutional net inflows<sup>1</sup>

- \$9.2bn Australian sourced FUM
- \$3bn International sourced FUM

## Diverse blend of flows by asset class

- \$10bn Public markets
- \$2.2bn Private markets
- \$4.3bn Global real estate securities
- \$3.9bn Australian equities
- \$3.7bn Credit (private and public)
- \$500m Global equities

## Key themes driving search activity

- ‘Pursuit of scale benefits’
  - Australian regulatory-driven market consolidation
  - Global growth of fiduciary outsourcing / OCIO
- ‘Reopening, reflation and style-rotation’
  - Building defence by unconventional means
  - The great value-rotation?
- ‘Institutional herding on green pastures’
  - Decarbonisation
  - ESG

<sup>1</sup>\$8.3bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021.

- **Fundamentals in place for sustained sales growth**
  - Highly regarded Affiliates with strong local and international investment consultant ratings
  - Diverse stable of Affiliates (asset class, style, strategy, maturity) ensures ‘all-weather’ relevance to asset owners
  - Private and public credit expected to sustain current growth trajectory
  - Global equities and global emerging markets expected to emerge as bigger drivers of FUM growth
  - Australian equities and global real estate securities growth expected to moderate given active capacity management
- **Australian institutional consolidation will continue to present ongoing risk ... and opportunity**
  - Incumbency provides Pinnacle Affiliates a seat at the table in portfolio rationalizations
  - ‘Supported’ start-ups offer the capacity, fees, alpha potential and financial viability that large, growing investors need
  - 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 ‘engine of growth’**
  - Over a decade organically building global investor networks, strategies and infrastructure
  - International distribution making a material contribution to net flows
  - Fiduciary outsourcing, virtual due diligence and northern hemisphere distribution/investment hubs bridging distance between Australian based Pinnacle Affiliates and the world's largest pools of capital
  - Incremental expansion of offshore distribution hubs planned in FY22





*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 during FY21 continued with 11% decline (vs 15% decline in FY20)<sup>1</sup>
- Regulatory reforms and 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

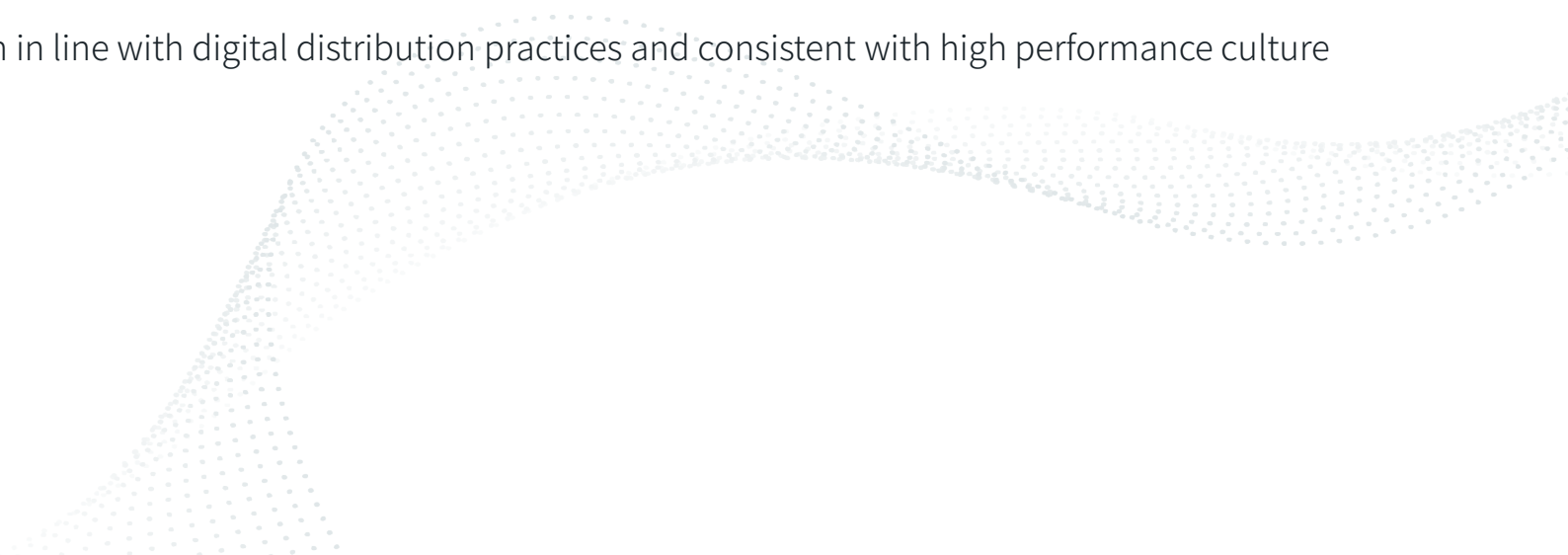
- Rise of managed accounts, SMAs and quoted unit products (dual structure)
- Opportunity for highly-rated boutiques to participate (scale) with better margins than institutional market
- Strong results for Pinnacle Affiliates participating in discrete Managed Accounts/SMAs with \$293m net new flows during FY21 and total FUM of \$826m as at 30 June 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 FY22
- Enhanced consumer-centric approach to the design and distribution of solutions to ensure we deliver best practice product governance

1- Adviser Ratings, “Adviser Musical Chairs Report”, Quarter 2, 2021.

### 3. 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

### 4. '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 (>21k advisers are currently on CRM)
  - Focusing on talent growth and acquisition in line with digital distribution practices and consistent with high performance culture
- 

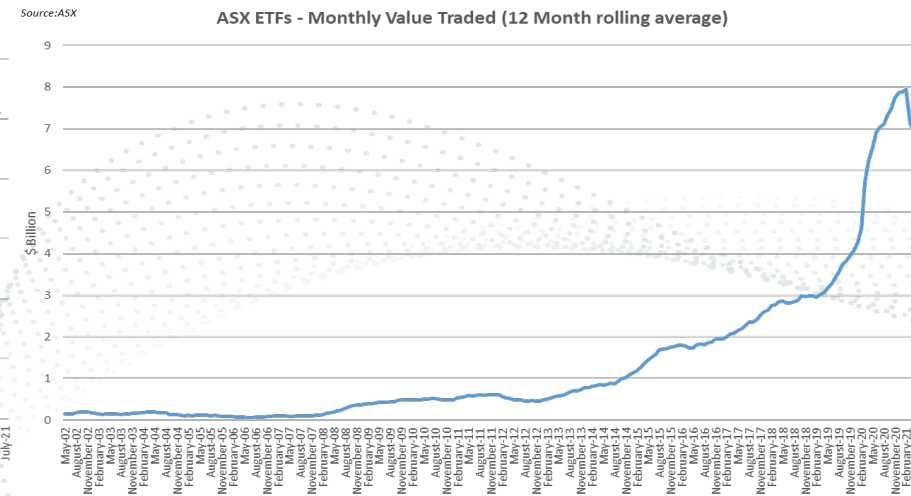
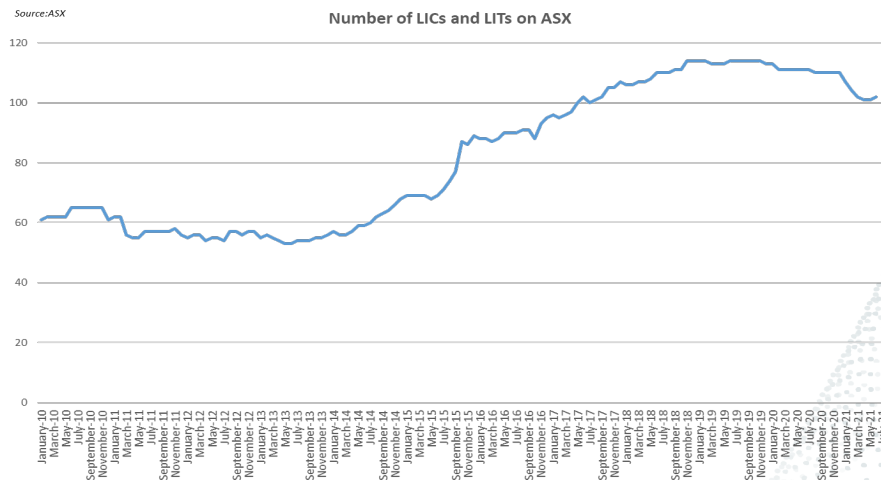
## Active ETFs

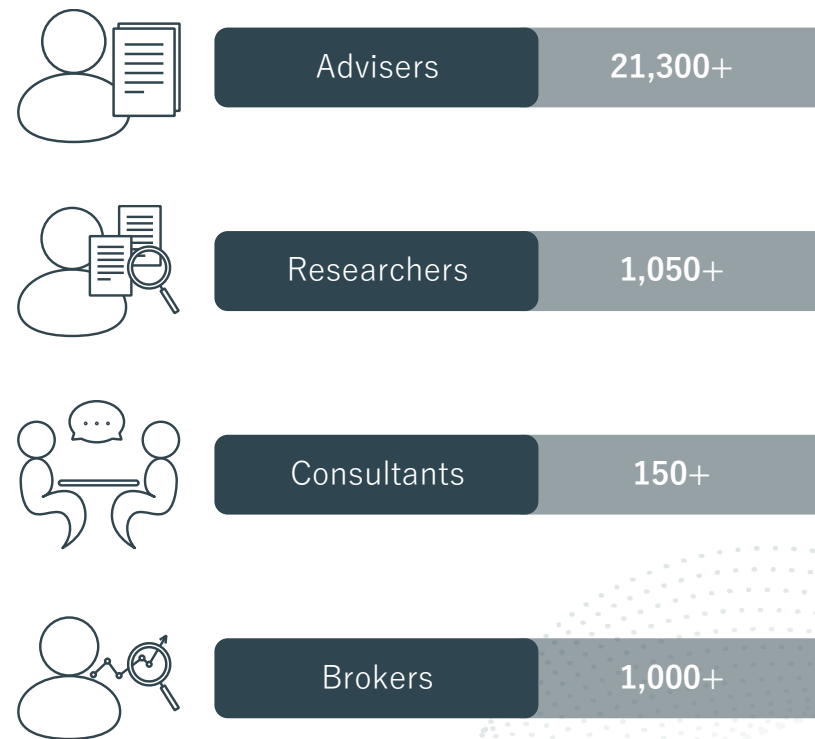
- \$3.5 billion<sup>1</sup> of listed FUM as at 30 June 2021 across 8 active ETFs, LICs and LITs

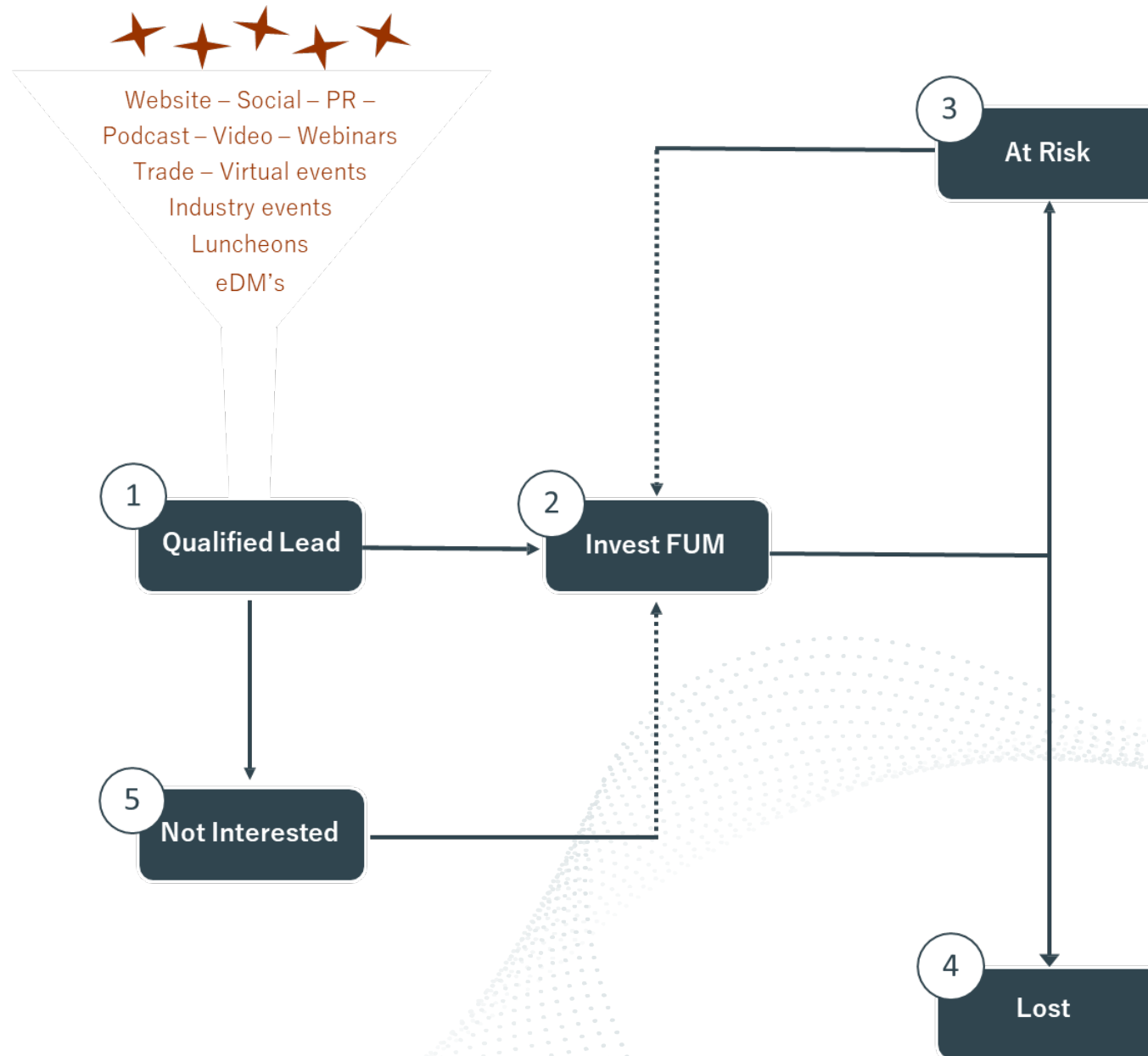
- ETFs reached a tipping point in March 2020 as ETF adoption had a step change (as seen in monthly ETF value traded)
- Active global equities and fixed income dominate active ETF flows
- Pinnacle embraces new dual/quoted unit structure as a potential active ETF 'game changer'
- HYG and FIXD both play to these themes

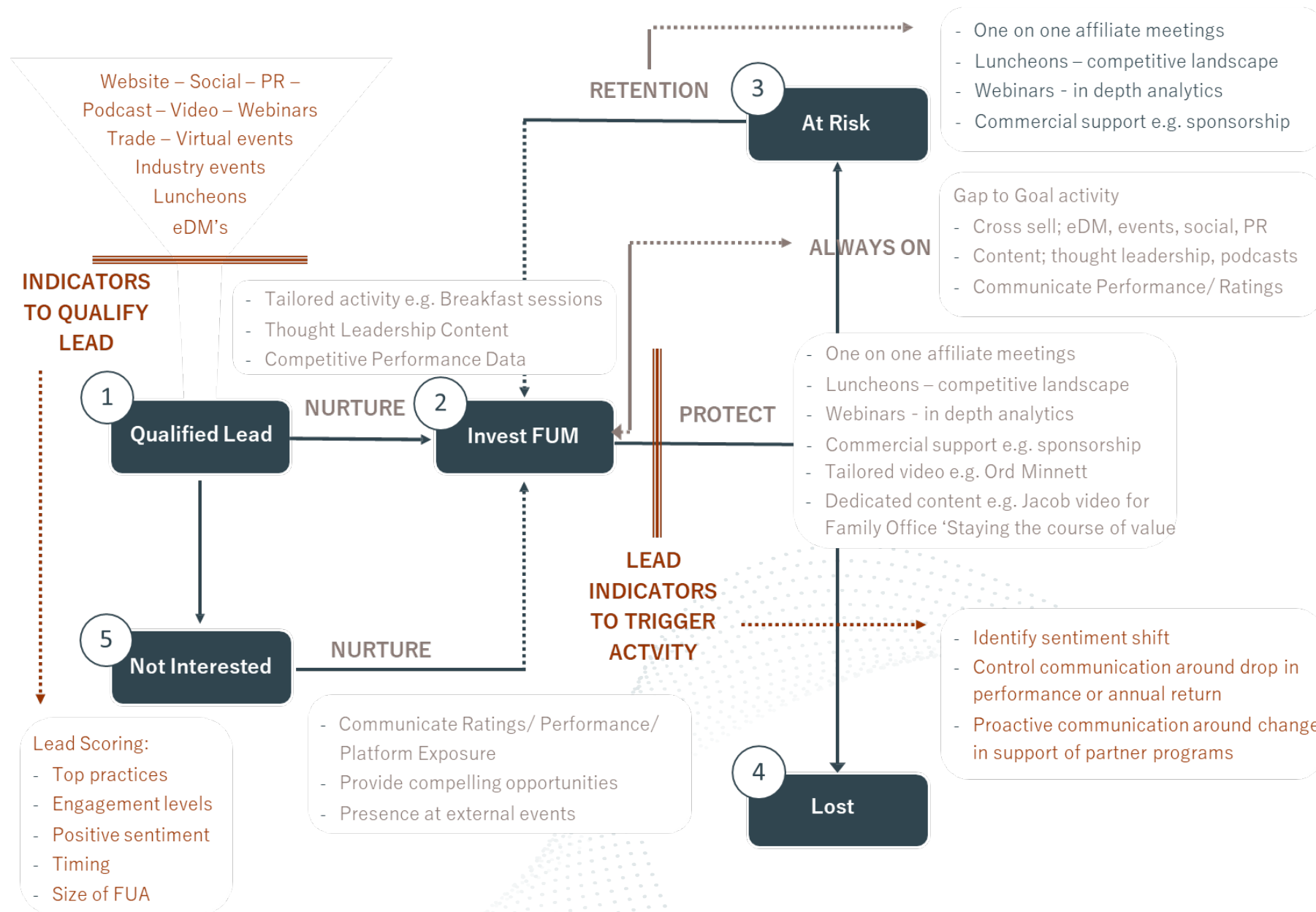
## LICs / LITs

- LIC sector consolidates through M&A and conversions to open ended funds (as shown by a reduction in the number of ASX listed LICs and LITs)
- MXT successfully raises \$192 million in April 2021, one of the first LIC/LITs to re-open the capital raising by LICs/LITs after a hiatus in 2020









## Optimised Sales Process Qualified Leads

The Perfect Persona - What does a qualified lead look like to the sales team?  
Type of practice & portfolio construct | FUA | Sales Stage | Affiliate | Engagement levels

Lead Scoring & Grading System – What do the scores represent?

Deep dive into scoring attributed model

Develop key segments for target marketing  
& Comms tactics for each segment and sales stage

Workflow Vision

Access points | Configuration | Frequency of analytics | Effectiveness

Determine Lead Indicators to trigger activity  
Sentiment shift attributes | Engagement data

## Engagement Dashboard Workshop

Facilitating better ‘Know your client’ intel

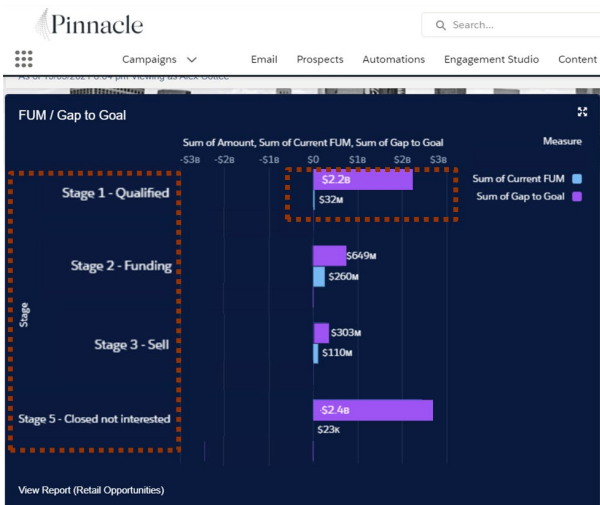
Data supporting ‘next best action’ decision making

## ROI Model & Metrics

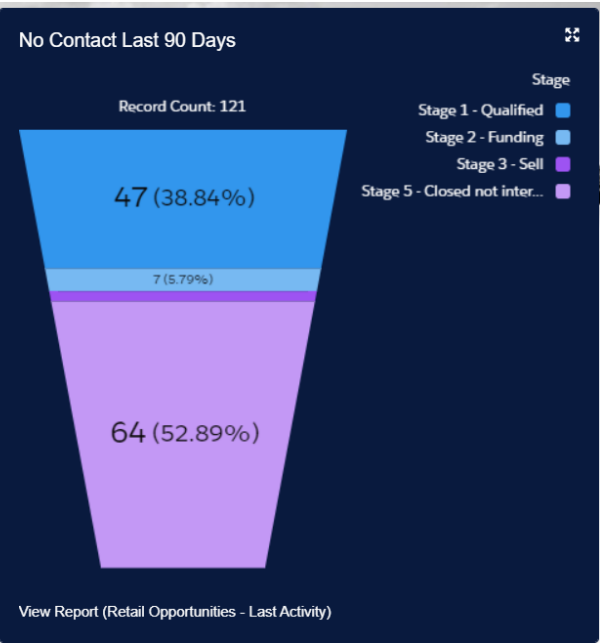
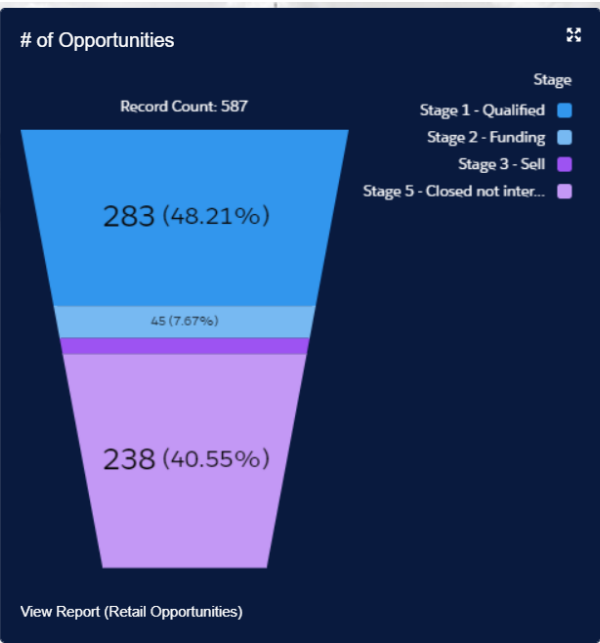
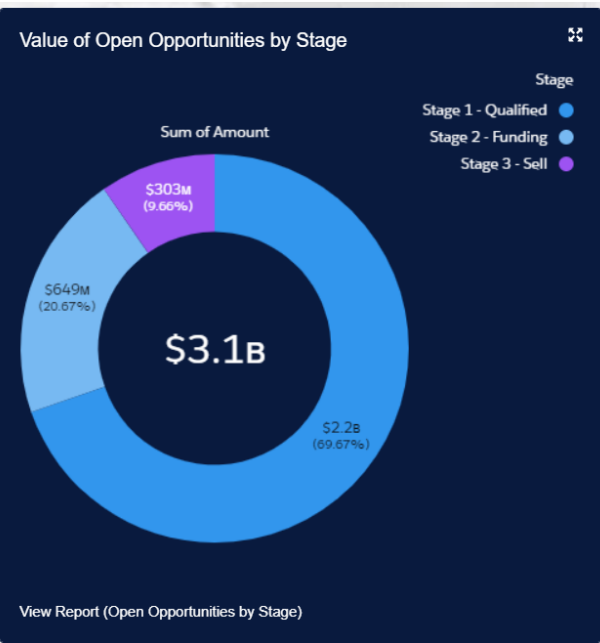
“Data is the new oil”: Insights to drive future planning and activity

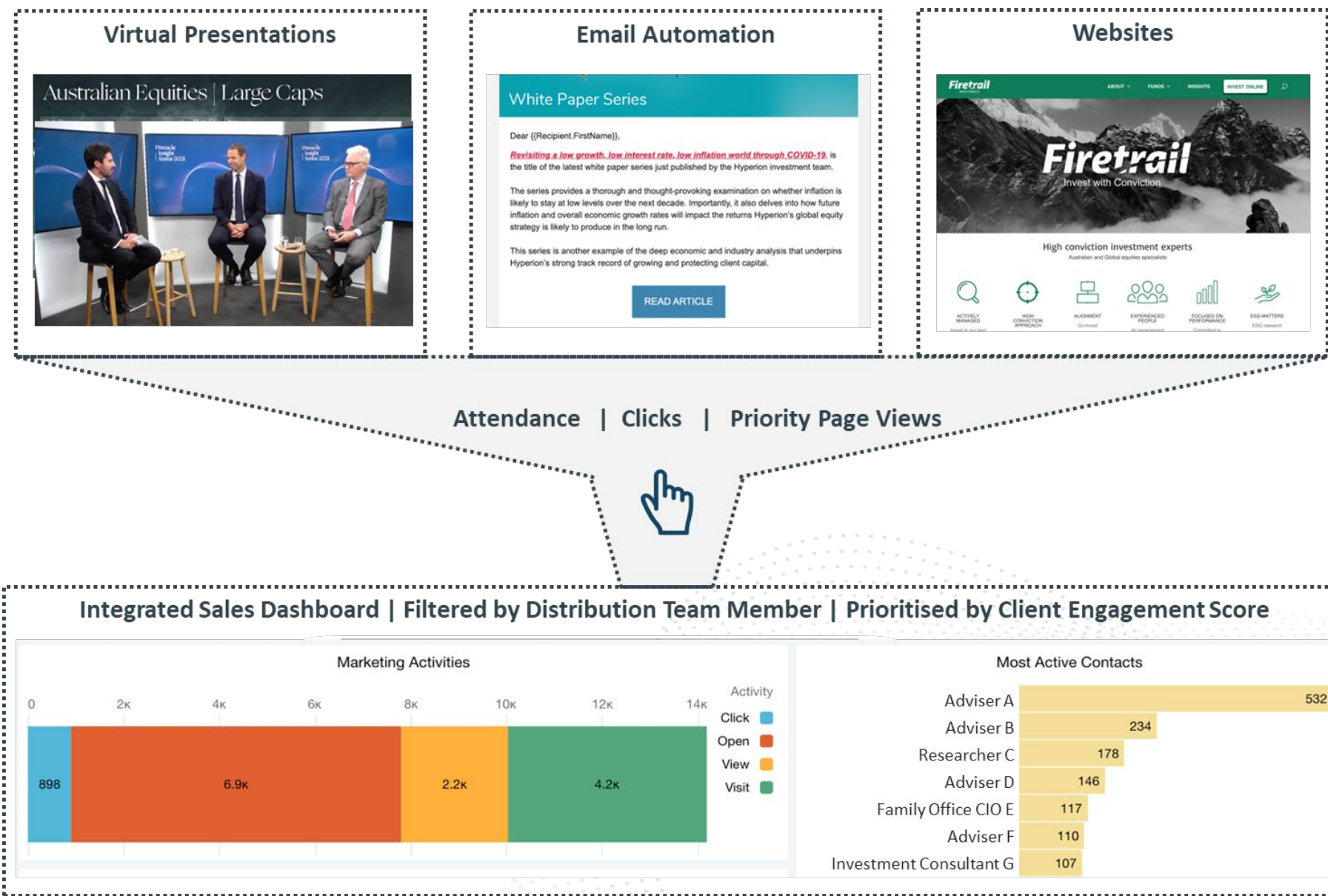
Identify which levers have more impact across the sales stages

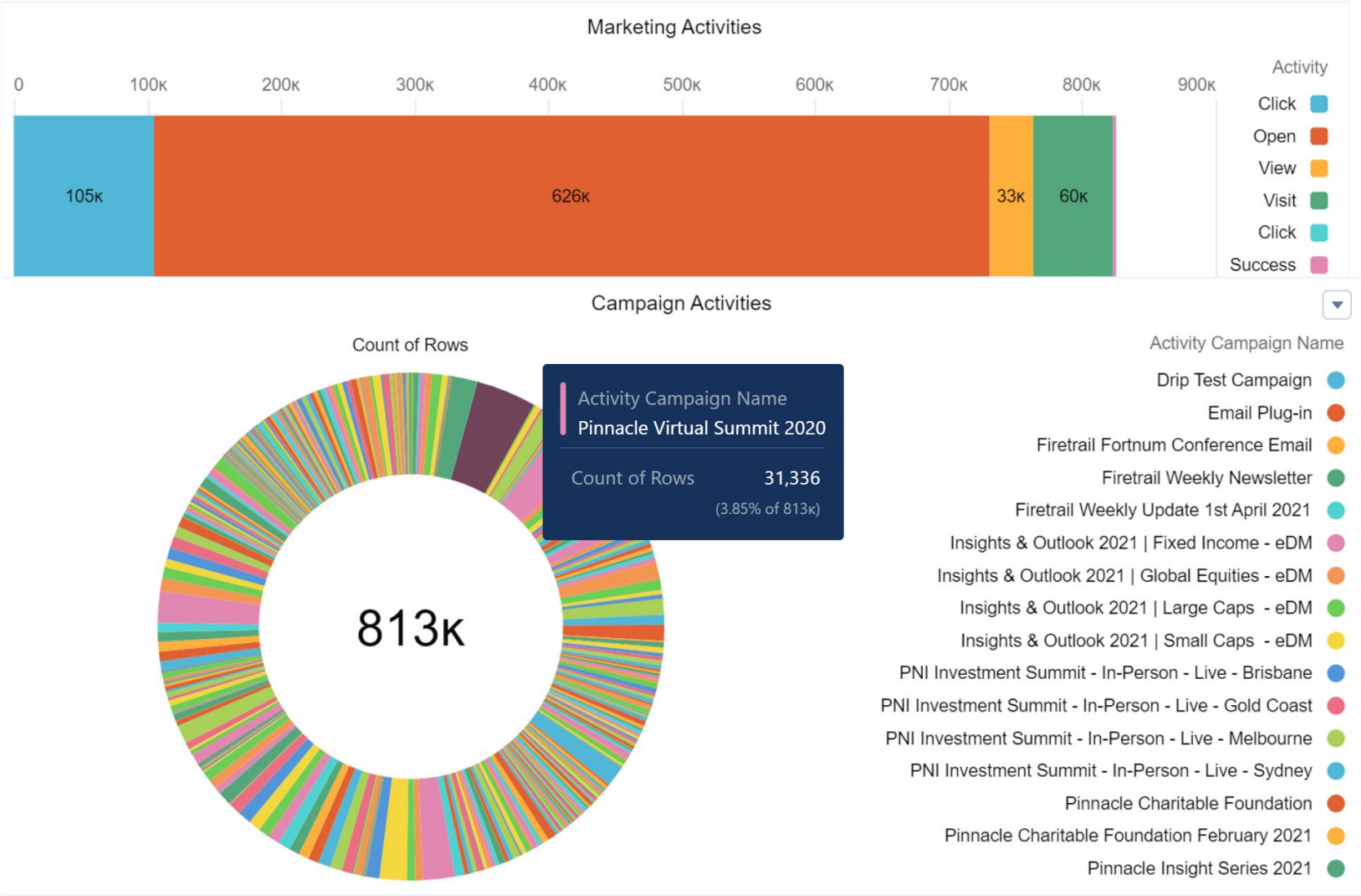




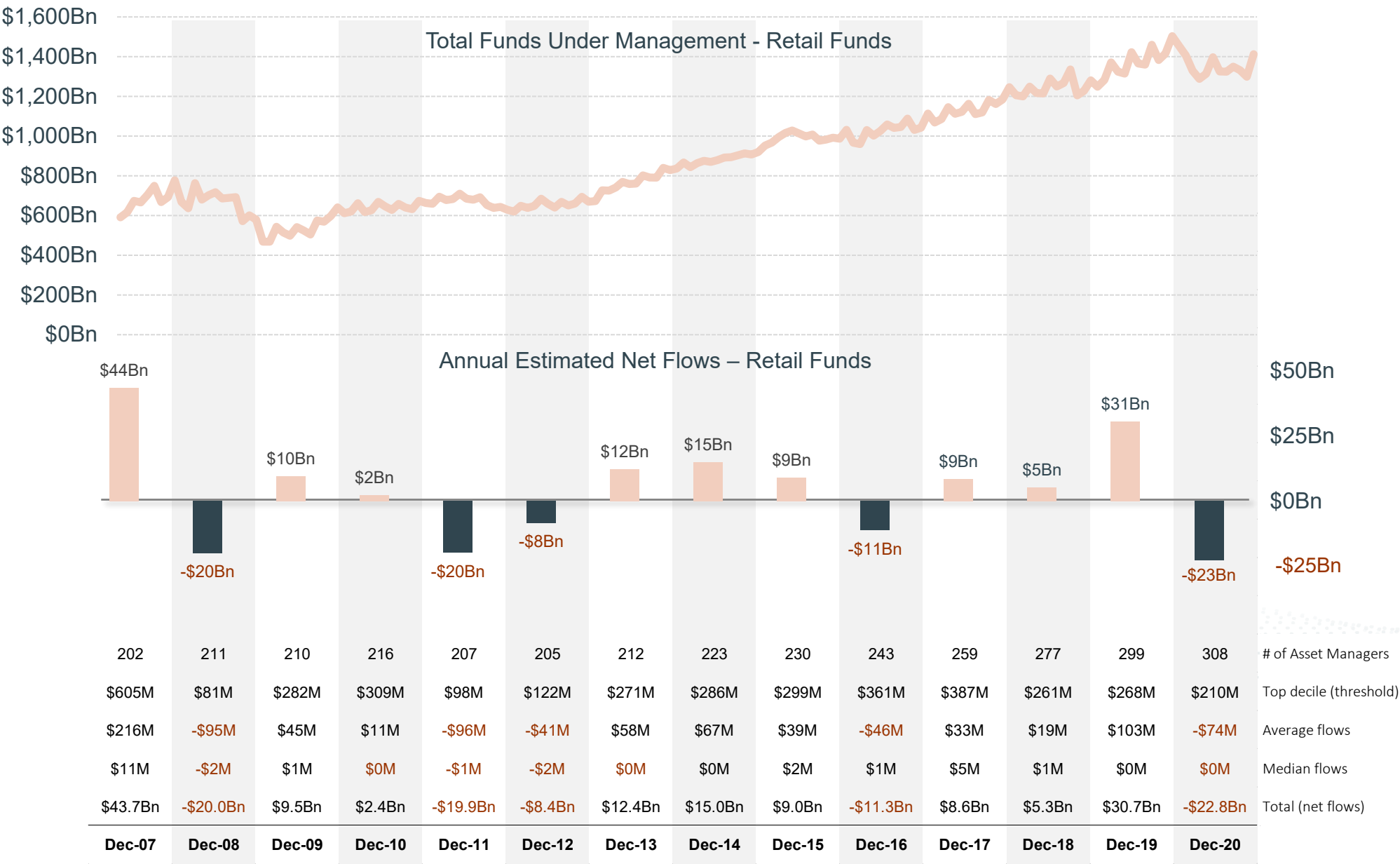
- Investors bucketed by the 'stage' in their investment cycle
- 'Gap to Goal' used to prioritise activities and sales approach







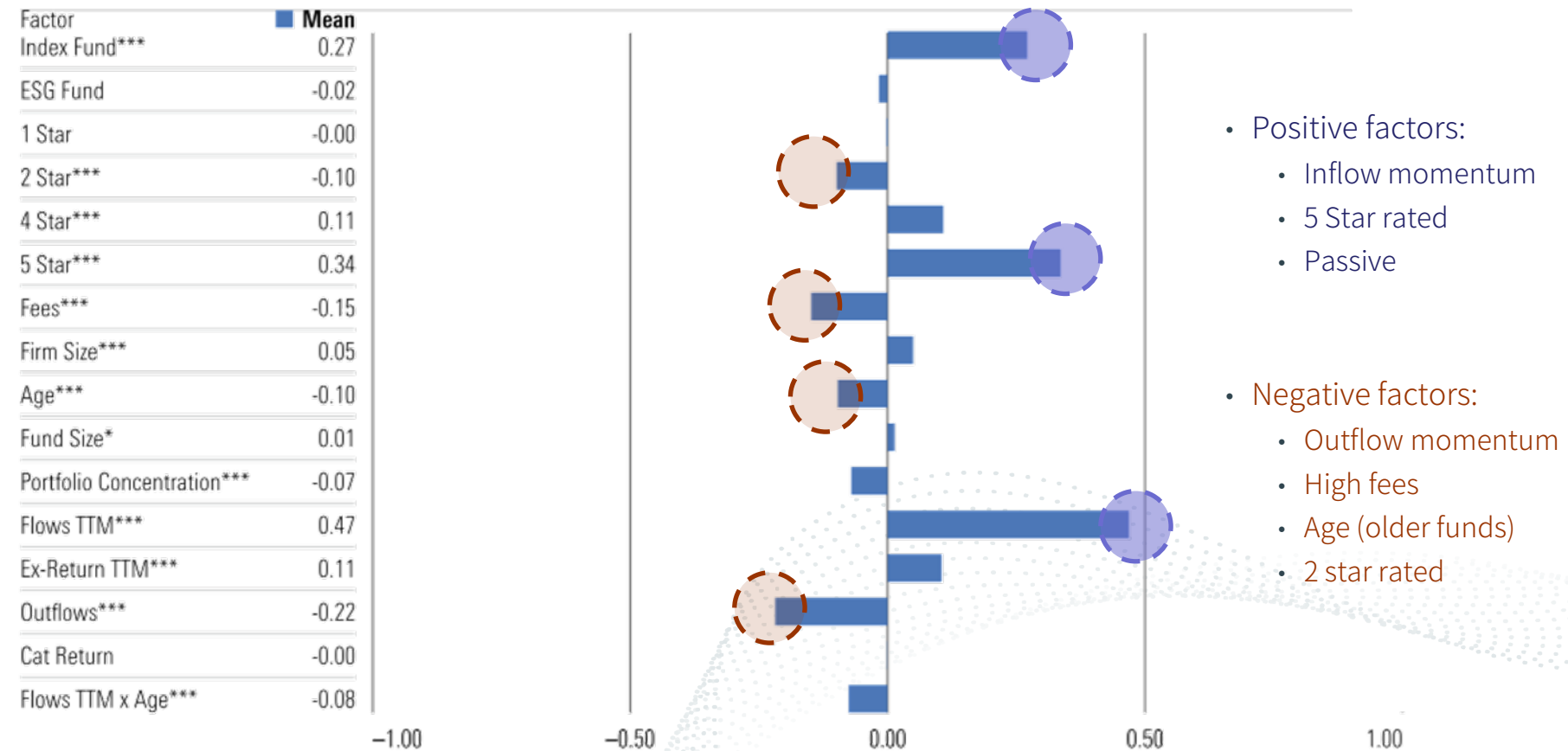
# Total size and net flows in retail asset management industry – narrower range of winners!



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.

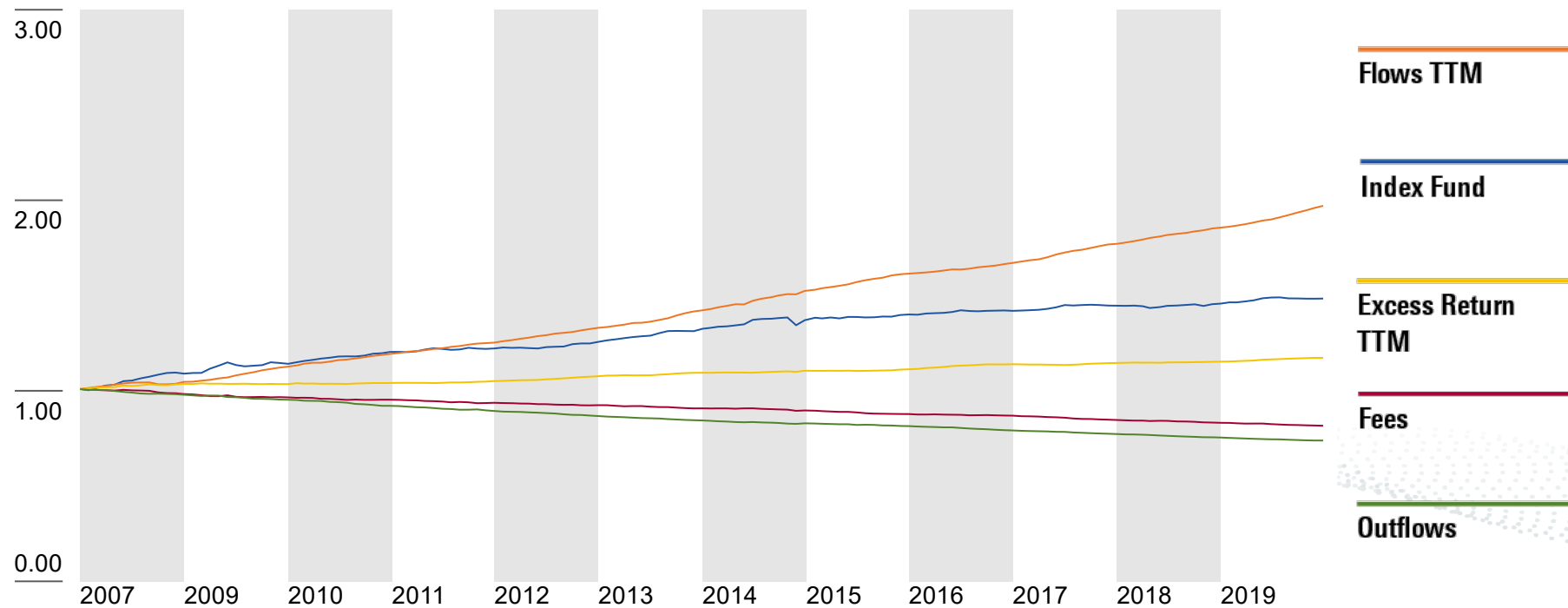


Source: Morningstar. Inc Data as of October 2020

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.



		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 Overall (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 Small Growth Companies	Equity Australia Mid/Small Growth	5	★★★★★	★★★★★	Gold	Below Average
<input type="checkbox"/>	3 Hyperion Global Growth Companies B	Equity World Large Growth	6	★★★★★	★★★★★	Bronze	High
<input type="checkbox"/>	4 Hyperion Global Growth Companies ETF	Equity World Large Growth	6	★★★★★	★★★★★	–	–
<input type="checkbox"/>	5 MCP Real Estate Debt	High Yield Credit	10	★★★★★	–	–	–
<input type="checkbox"/>	6 Resolution Capital Real Assets	Equity Australia Real Estate	14	★★★★★	★★★★★	–	Low
<input type="checkbox"/>	7 MCP Secured Private Debt II	High Yield Credit	19	★★★★	–	–	–
<input type="checkbox"/>	8 Smarter Money Platform Investor	Australian Short Term Fixed Interest	24	★★★★	–	–	High
<input type="checkbox"/>	9 Resolution Capital Gbl Ppty Secs UH SII	Equity Global Real Estate	25	★★★★★	★★★★★	Gold	Average
<input type="checkbox"/>	10 BetaShares Active Australian Hybrids ETF	Diversified Credit	28	★★★★	–	–	–
<input type="checkbox"/>	11 Spheria Australian Microcap	Equity Australia Mid/Small Blend	35	★★★★	–	–	Average
<input type="checkbox"/>	12 MCP Wholesale Investments Trust	High Yield Credit	37	★★★★	–	–	–
<input type="checkbox"/>	13 Spheria Australian Smaller Companies	Equity Australia Mid/Small Blend	44	★★★★	★★★★★	Neutral	Low
<input type="checkbox"/>	14 Antipodes Global Fund - Long P	Equity World Large Value	45	★★★★	★★★★★	Bronze	Average
<input type="checkbox"/>	15 Solaris Australian Equity Income	Equity Australia Large Value	50	★★★★	★★★★★	–	Low
<input type="checkbox"/>	16 Resolution Capital Global Property Secs	Equity Global Real Estate	55	★★★★	★★★★★	Gold	Low
<input type="checkbox"/>	17 Antipodes Asia P	Equity Asia Pacific w/o Japan	59	★★★	★★★★★	–	Below Average
<input type="checkbox"/>	18 Plato Australian Shares Income	Equity Australia Large Blend	64	★★	★★★★★	–	Low
<input type="checkbox"/>	19 Smarter Money Higher Income Assisted Inv	Multi-Strategy Income	66	★★★★	–	–	Average
<input type="checkbox"/>	20 Solaris Core Australian Equity PA	Equity Australia Large Blend	71	★★★★	★★★★★	Gold	Low

Source: Morningstar Direct, data as at August 2021





- Seeking quality partnerships that meet the criteria of Horizon 2 (incubation) or Horizon 3 (transactions)
- Our expansion will not compromise the Pinnacle model and success will require us to act locally
- Minority ownership, supported independence and non compulsion a significant differentiator and attracting attention
- Pipeline strong, diversified across asset classes; most traction in North America at this stage
- Success requires significant due diligence and multiple levels of engagement
- It is about quality.....not quantity

After more than 10 years travelling to North America and having many meetings with market participants, we are yet to see a firm that has the uniqueness of the Pinnacle model

- Global Asset Management FUM is USD\$100 Trillion\*
- North America comprises USD\$48.6 Trillion\*
- The 20 largest managers in the United States manage more than USD\$40 Trillion. None of these are a multi-affiliate
- USD\$1.8 Trillion of inflows in 2020 in North America
- North American asset management market is ripe for disruption:
  - a) Large scale mergers creating dislocation;
  - b) Key investors/teams seeking greater alignment;
  - c) Succession challenges for incumbents

- Opportunities being generated from:
  - Trusted industry experts
  - Proactive screening of strategies/capabilities
  - Asset class focus combined with performance filtering
  - Nimbleness allowing us to pivot and engage quickly as opportunities arise
  - As we globalise, advocates of our model are providing leads/introductions
- Status since 1 June 2021:

Opportunities reviewed: 32  
Transactions: 15  
Incubations/partnerships: 17

DECLINED: 12

DISCOVERY PHASE: 20

RESEARCH PHASE: 3

PROSPECTIVE (DUE  
DILIGENCE): 2

Asset Classes




Credit, Real Estate, Infrastructure, Global Equity, Quant Equity, High Yield, US Smalls/Micro, Asia/China Equities, Canadian Smalls, Global Smalls, EMD, Absolute Return Fixed Income, Canada Large Cap, US All Cap, US Value Equities

Locations



United States, Canada, Singapore, Hong Kong, United Kingdom and Nordics



- Total Affiliate FUM (at 100%) at 31 August 2021 of \$91.2 billion; up \$1.8 billion or 2.0% from \$89.4 billion at 30 June 2021 – includes the expected \$3.9 billion outflow of the Omega Morningstar mandate on very modest fees during August, which was discussed with our year-end results
  - Total Affiliate Retail FUM at 31 August 2021 (at 100%) was \$22.3 billion; up \$2.0 billion or 9.9% from \$20.3 billion at 30 June 2021
  - Maiden offshore mandate funded for Hyperion in July 2021, from the US
  - Enhancement of Pinnacle's investment in Coolabah
- 

- Acquired additional 10% equity, taking equity interest to 35%
- Secured commitments from Founders for further 10% equity recycling over coming years
- Acquired Winston Capital – enhancing Pinnacle's retail distribution strength (including in WA) and combining all Coolabah retail distribution under Pinnacle



# Continuing strong investment performance of Affiliates to 31 August 2021

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77% of Pinnacle Affiliates' strategies and products (with a track record exceeding 5 years) have out-performed their benchmarks over the 5 years to 31 August 2021

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	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	17.91%	17.56%	14.61%	1/10/2002
<i>Outperformance</i>	6.86%	7.30%	5.04%	
Hyperion Small Growth Companies Fund	18.50%	21.18%	19.06%	1/10/2002
<i>Outperformance</i>	7.51%	14.46%	10.92%	
Hyperion Australian Equities Composite	18.56%	17.83%	15.10%	1/11/1996
<i>Outperformance</i>	6.91%	7.10%	5.61%	
Hyperion Global Growth Companies Fund (Class B Units)	30.64%		27.20%	22/05/2014
<i>Outperformance</i>	14.56%		12.14%	
<b>Plato Investment Management - Gross Performance</b>				
Plato Australian Shares Equity Income Fund - Class A	12.92%		13.68%	9/9/2011
<i>Outperformance</i>	0.50%		1.19%	
Plato Global Shares Income Fund	9.05%		7.80%	30/11/2015
<i>Outperformance</i>	-6.53%		-5.46%	
<b>Solaris Investment Management - Gross Performance</b>				
Solaris Core Australian Equity Fund	10.69%		7.31%	9/01/2008
<i>Outperformance</i>	-0.25%		1.31%	
Solaris Total Return Fund (including franking credits)	12.18%		11.20%	13/01/2014
<i>Outperformance</i>	-0.24%		0.55%	
<b>Resolution Capital - Gross Performance</b>				
Resolution Capital Real Assets Fund	10.35%	15.20%	10.12%	30/09/2008
<i>Outperformance</i>	3.22%	2.06%	2.83%	
Resolution Capital Global Property Securities Fund	8.43%	12.43%	11.37%	30/09/2008
<i>Outperformance</i>	3.19%	2.90%	4.07%	
Resolution Capital Core Plus Property Securities Fund - Series II	9.25%	14.28%	9.62%	31/08/1994
<i>Outperformance</i>	2.12%	1.11%	1.24%	
Resolution Capital Global Property Securities Fund - Series II	7.25%	10.60%	5.19%	30/04/2006
<i>Outperformance</i>	2.01%	0.77%	-0.71%	
Resolution Capital Global Property Securities Fund (Unhedged) - Series II	9.55%		14.68%	30/11/2011
<i>Outperformance</i>	3.39%		2.35%	
<b>Palisade Investment Partners - Gross Performance</b>				
Palisade Diversified Infrastructure Fund	11.78%	12.18%	10.28%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.36%		13.43%	31/05/2011
<b>Antipodes Partners - Gross Performance</b>				
Antipodes Global Fund	10.72%		11.30%	1/07/2015
<i>Outperformance</i>	-4.21%		-1.20%	
Antipodes Global Fund - Long	13.86%		13.28%	1/07/2015
<i>Outperformance</i>	-1.07%		0.79%	
Antipodes Asia Fund	13.20%		11.81%	1/07/2015
<i>Outperformance</i>	1.14%		2.58%	
<b>Spheria Asset Management - Gross Performance</b>				
Spheria Australian Microcap Fund	16.53%		18.50%	16/05/2016
<i>Outperformance</i>	5.53%		6.76%	
Spheria Australian Smaller Companies Fund	14.92%		15.27%	11/07/2016
<i>Outperformance</i>	3.92%		4.23%	
Spheria Opportunities Fund	13.72%		14.06%	11/07/2016
<i>Outperformance</i>	1.58%		1.31%	
<b>Omega Global Investors - Gross Performance</b>				
Omega Global Corp Bonds Fund	3.35%	5.46%	5.97%	11/03/2010
<i>Outperformance</i>	-0.82%	-0.76%	-0.79%	
Omega Global Listed Infrastructure Fund	5.94%		10.20%	6/08/2012
<i>Outperformance</i>	0.20%		0.68%	
<b>Metrics Credit Partners - Gross Performance</b>				
MCP Diversified Australian Senior Loan Fund	4.82%		5.14%	4/06/2013
<i>Outperformance</i>	3.63%		3.46%	
MCP Secured Private Debt Fund	8.29%		8.17%	26/11/2015
<i>Outperformance</i>	7.11%		6.84%	
<b>Coolabah Capital Investments - Gross Performance</b>				
Smarter Money (Active Cash) Fund Assisted	2.97%		4.22%	20/02/2012
<i>Outperformance</i>	1.99%		2.48%	
Smarter Money Higher Income Fund Assisted	3.59%		3.81%	8/10/2014
<i>Outperformance</i>	2.60%		2.53%	

# Affiliates' investment performance – 31 August 2021

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	1Y	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	40.30%	22.59%	17.91%	17.56%	14.61%	1/10/2002
<i>Outperformance</i>	11.71%	12.46%	6.86%	7.30%	5.04%	
Hyperion Small Growth Companies Fund	41.83%	23.28%	18.50%	21.18%	19.06%	1/10/2002
<i>Outperformance</i>	12.32%	13.19%	7.51%	14.46%	10.92%	
Hyperion Australian Equities Composite	42.19%	24.12%	18.56%	17.83%	15.10%	1/11/1996
<i>Outperformance</i>	12.43%	12.62%	6.91%	7.10%	5.61%	
Hyperion Global Growth Companies Fund (Class B Units)	29.74%	29.76%	30.64%		27.20%	22/05/2014
<i>Outperformance</i>	-2.15%	14.61%	14.56%		12.14%	
<b>Plato Investment Management - Gross Performance</b>						
Plato Australian Shares Equity Income Fund - Class A	25.83%	12.23%	12.92%		13.68%	9/9/2011
<i>Outperformance</i>	-3.64%	0.97%	0.50%		1.19%	
Plato Global Shares Income Fund	32.12%	6.26%	9.05%		7.80%	30/11/2015
<i>Outperformance</i>	0.75%	-8.41%	-6.53%		-5.46%	
<b>Solaris Investment Management - Gross Performance</b>						
Solaris Core Australian Equity Fund	24.97%	7.72%	10.69%		7.31%	9/01/2008
<i>Outperformance</i>	-3.18%	-2.15%	-0.25%		1.31%	
Solaris Total Return Fund (including franking credits)	25.20%	9.15%	12.18%		11.20%	13/01/2014
<i>Outperformance</i>	-4.27%	-2.11%	-0.24%		0.55%	
Solaris Australian Equity Long Short Fund	20.15%	5.93%			12.06%	1/03/2017
<i>Outperformance</i>	-8.00%	-3.94%			1.57%	
Solaris Australian Equity Income Fund	26.88%	10.41%			12.24%	12/12/2016
<i>Outperformance</i>	-2.58%	-0.85%			-0.03%	
<b>Resolution Capital - Gross Performance</b>						
Resolution Capital Real Assets Fund	28.38%	12.88%	10.35%	15.20%	10.12%	30/09/2008
<i>Outperformance</i>	-3.37%	3.53%	3.22%	2.06%	2.83%	
Resolution Capital Global Property Securities Fund	25.96%	9.21%	8.43%	12.43%	11.37%	30/09/2008
<i>Outperformance</i>	-6.92%	3.19%	3.19%	2.90%	4.07%	
Resolution Capital Core Plus Property Securities Fund - Series II	32.86%	11.79%	9.25%	14.28%	9.62%	31/08/1994
<i>Outperformance</i>	1.11%	2.44%	2.12%	1.11%	1.24%	
Resolution Capital Global Property Securities Fund - Series II	24.74%	8.03%	7.25%	10.60%	5.19%	30/04/2006
<i>Outperformance</i>	-8.14%	2.01%	2.01%	0.77%	-0.71%	
Resolution Capital Global Property Securities Fund (Unhedged) - Series II	27.74%	10.60%	9.55%		14.68%	30/11/2011
<i>Outperformance</i>	-7.19%	3.42%	3.39%		2.35%	
<b>Palisade Investment Partners - Gross Performance</b>						
Palisade Diversified Infrastructure Fund	10.84%	9.53%	11.78%	12.18%	10.28%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.91%	9.99%	10.36%		13.43%	31/05/2011
<b>Antipodes Partners - Gross Performance</b>						
Antipodes Global Fund	22.81%	7.65%	10.72%		11.30%	1/07/2015
<i>Outperformance</i>	-7.36%	-6.29%	-4.21%		-1.20%	
Antipodes Global Fund - Long	29.04%	9.89%	13.86%		13.28%	1/07/2015
<i>Outperformance</i>	-1.13%	-4.05%	-1.07%		0.79%	
Antipodes Asia Fund	19.64%	11.51%	13.20%		11.81%	1/07/2015
<i>Outperformance</i>	0.63%	1.65%	1.14%		2.58%	
<b>Spheria Asset Management - Gross Performance</b>						
Spheria Australian Microcap Fund	74.24%	18.55%	16.53%		18.50%	16/05/2016
<i>Outperformance</i>	44.73%	8.46%	5.53%		6.76%	
Spheria Australian Smaller Companies Fund	52.34%	15.06%	14.92%		15.27%	11/07/2016
<i>Outperformance</i>	22.83%	4.97%	3.92%		4.23%	
Spheria Opportunities Fund	43.39%	11.93%	13.72%		14.06%	11/07/2016
<i>Outperformance</i>	13.16%	0.62%	1.58%		1.31%	
Spheria Global Microcap Fund	48.88%				27.91%	1/03/2019
<i>Outperformance</i>	-11.40%				5.51%	
<b>Two Trees Investment Management - Gross Performance</b>						
Two Trees Global Macro Fund - USD Composite	-0.48%	-4.35%			-3.42%	7/03/2018
<i>Outperformance</i>	-0.55%	-5.45%			-4.64%	



# Affiliates' investment performance – 31 August 2021

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	1Y	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Firetrail Investments - Gross Performance</b>						
Firetrail Australian High Conviction Fund	37.66%	9.22%			9.17%	14/03/2018
<i>Outperformance</i>	9.51%	-0.46%			-1.56%	
Firetrail Absolute Return Fund	14.82%	10.15%			9.29%	14/03/2018
<i>Outperformance</i>	14.69%				8.49%	
Firetrail Australian Small Companies Fund	66.69%				48.81%	20/02/2020
<i>Outperformance</i>	37.18%				36.16%	
<b>Omega Global Investors - Gross Performance</b>						
Omega Global Corp Bonds Fund	0.92%	4.81%	3.35%	5.46%	5.97%	11/03/2010
<i>Outperformance</i>	-1.64%	-1.11%	-0.82%	-0.76%	-0.79%	
Omega Global Listed Infrastructure Fund	16.96%	6.59%	5.94%		10.20%	6/08/2012
<i>Outperformance</i>	1.54%	0.40%	0.20%		0.68%	
<b>Metrics Credit Partners - Gross Performance</b>						
MCP Diversified Australian Senior Loan Fund	4.14%	4.82%	4.82%		5.14%	4/06/2013
<i>Outperformance</i>	4.10%	4.06%	3.63%		3.46%	
MCP Secured Private Debt Fund	7.55%	8.27%	8.29%		8.17%	26/11/2015
<i>Outperformance</i>	7.51%	7.52%	7.11%		6.84%	
MCP Secured Private Debt Fund II	7.13%	7.97%			8.40%	9/10/2017
<i>Outperformance</i>	7.10%	7.21%			7.37%	
MCP Real Estate Debt Fund	7.63%	8.53%			8.50%	9/10/2017
<i>Outperformance</i>	7.59%	7.77%			7.48%	
MCP Wholesale Investments Trust	5.42%	6.20%			6.24%	9/10/2017
<i>Outperformance</i>	5.30%	5.52%			5.36%	
MCP Credit Trust	11.49%				11.39%	26/12/2018
<i>Outperformance</i>	11.45%				10.74%	
MCP Master Income Trust (MXT)	4.37%	5.14%			5.15%	5/10/2017
<i>Outperformance</i>	4.24%	4.45%			4.27%	
MCP Income Opportunities Trust (MOT)	7.24%				7.39%	23/04/2019
<i>Outperformance</i>	7.12%				6.90%	
Metrics Direct Income Fund	5.36%				7.44%	1/07/2020
<i>Outperformance</i>	5.24%				7.29%	
<b>Longwave Capital Partners - Gross Performance</b>						
Longwave Australian Small Companies Fund	28.54%				18.07%	1/02/2019
<i>Outperformance</i>	-0.97%				1.86%	
<b>Reminiscent Investment Management - Gross Performance</b>						
Reminiscent Asia Macro Master Fund - Class Z	-3.50%				3.32%	1/02/2019
<i>Outperformance</i>	-3.63%				2.77%	
<b>Coolabah Capital Investments - Gross Performance</b>						
Smarter Money (Active Cash) Fund Assisted	1.77%	2.63%	2.97%		4.22%	20/02/2012
<i>Outperformance</i>	1.72%	1.99%	1.99%		2.48%	
Smarter Money Higher Income Fund Assisted	2.25%	3.22%	3.59%		3.81%	8/10/2014
<i>Outperformance</i>	2.20%	2.57%	2.60%		2.53%	
Smarter Money Long Short Credit Fund Assisted	5.68%	6.33%			6.20%	31/08/2017
<i>Outperformance</i>	5.63%	5.69%			5.34%	
Coolabah Active Composite Bond Strategy	2.57%	6.99%			6.07%	7/03/2017
<i>Outperformance</i>	1.52%	2.47%			1.74%	
Coolabah Long-Short Active Credit Alpha Strategy	7.78%	7.62%			7.25%	14/02/2017
<i>Outperformance</i>	4.23%	3.47%			2.81%	
BetaShares Active Australian Hybrids Fund (HBRD)	5.22%	4.76%			4.94%	13/11/2017
<i>Outperformance</i>	2.67%	1.61%			1.62%	
<b>Aikya Investment Management - Gross Performance</b>						
Aikya Global Emerging Markets Fund - Class A	26.38%				12.00%	5/03/2020
<i>Outperformance</i>	3.81%				0.42%	
<b>Riparian Capital Partners - Gross Performance</b>						
Riparian Water Fund	12.96%				5.17%	1/12/2019
<i>Outperformance</i>	1.09%				-0.78%	

## 2021 Zenith Fund Awards (winners to be announced on 15 October 2021):

- Metrics – Australian Fixed Interest Category (Nominated Finalist)
- Metrics – Listed Entities Category (Nominated Finalist)
- Firetrail – Alternative Strategies Category (Nominated Finalist)
- Spheria - Australian Equities – Small Cap Category (Nominated Finalist)
- Distributor of the Year (Finalists still to be announced)
- Fund Manager of the Year (Finalists still to be announced)

## 2021 Money Management Fund Manager of the Year:

- Hyperion – Fund Manager Of The Year Winner
- Hyperion – Australian Large Cap Equities Winner
- Hyperion – Australian Small/Mid Cap Equities Winner
- Hyperion – Global Equities Highly Commended

## 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



- Strong financial outcome, resumption of strong growth in profitability, FUM and net inflows
- Continuing benefits of growing diversity of:
  - Asset class and investment strategies of Affiliates
  - Client type and domicile
  - Performance Fee exposure
- Entering FY22:
  - Anticipate growth – starting FUM >20% ahead of FY21 average FUM
  - Recognise possibility of further external adversity – but resilient
  - Prepared for, and seeking, further expansion opportunities

- Net profit after tax (NPAT) attributable to shareholders of \$67.0 million for the financial year ended 30 June 2021 (FY21), up 108%<sup>1,2</sup> from \$32.2 million in the financial year ended 30 June 2020 (FY20)
- Basic earnings per share (EPS) attributable to shareholders of 38.2 cents, up 103% from 18.8 cents in FY20<sup>4</sup>
- Diluted EPS attributable to shareholders of 36.5 cents, up 104% from 17.9 cents in FY20<sup>4</sup>
- Share of NPAT from Pinnacle Affiliates of \$66.4 million, up 75% from \$38.0 million in FY20
  - including share of performance fees earned by Pinnacle Affiliates post-tax of \$19.5 million in FY21 (\$6.6 million in FY20)<sup>3</sup>; and
  - share of Coolabah Capital Investments Pty Limited (CCI) NPAT for the full year (from December '19 in FY20)
- Cash and Principal Investments (PI) of \$155.0 million at 30 June 2021
  - CBA facility increased from \$30.0 million to \$100.0 million at 30 June 2021, providing 'dry powder' for potential business investments. Additional funds meanwhile deployed in liquid strategies managed by Affiliates, commencing in early July 2021
- Fully franked final dividend per share of 17.0 cents (up 100% from the fully franked FY20 final dividend of 8.5 cents), payable on 17 September 2021, taking total fully franked dividends for the financial year to 28.7 cents (up 86% from the fully franked FY20 total dividends of 15.4 cents)

<sup>1</sup>Adjusting for the net return on PI, NPAT (excluding the positive net return on PI of \$2.2 million in FY21) of \$64.8 million is up 98% on the \$32.7 million NPAT in FY20 (excluding the negative net return on PI of \$0.5 million in FY20)

<sup>2</sup>Adjusting for the net return on PI and Pinnacle's share of Affiliate performance fees, NPAT (excluding the positive net return on PI of \$2.2 million and share of Affiliate performance fees post-tax of \$19.5 million in FY21) of \$45.2 million is up 73% on the \$26.1 million NPAT in FY20 (excluding the negative net return on PI of \$0.5 million and share of Affiliate performance fees of \$6.6 million in FY20)

<sup>3</sup>Adjusting for Pinnacle's share of performance fees earned by Affiliates, share of NPAT from Pinnacle Affiliates of \$46.9 million (excluding Pinnacle's share of performance fees post-tax of \$19.5 million) is up 49% on the \$31.4 million share of NPAT from Pinnacle Affiliates in FY20 (excluding Pinnacle's share of performance fees post-tax of \$6.6 million)

<sup>4</sup>Adjusting for the net return on PI, Basic EPS attributable to shareholders of 37.0 cents is up 93% on 19.1 cents in FY20 and Diluted EPS of 35.3 cents is up 95% on 18.1 cents in FY20. Adjusting for the net return on PI and Pinnacle's share of Affiliate performance fees, Basic EPS attributable to shareholders of 25.8 cents is up 69% on 15.3 cents in FY20 and Diluted EPS of 24.7 cents is up 70% on 14.5 cents in FY20

	FY21 (\$M)	FY20 (\$M)	% Change
<b>PINNACLE</b>			
Revenue <sup>1</sup>	32.5	22.4	45%
Expenses <sup>2,3</sup>	(31.9)	(28.0)	14%
Share of Pinnacle Affiliates net profit after tax <sup>4</sup>	66.4	38.0	75%
Net profit before tax (NPBT) from continuing operations	67.0	32.4	107%
Taxation	-	-	
NPAT from continuing operations	67.0	32.4	107%
Discontinued operations	-	(0.2)	-100%
<b>NPAT attributable to shareholders</b>	<b>67.0</b>	<b>32.2</b>	<b>108%</b>
<i>NPAT attributable to shareholders - excluding net gains/losses on PI</i>	64.8	32.7	98%
<i>NPAT attributable to shareholders - excluding net gains/losses on PI and Pinnacle net share of Affiliate performance fees</i>	45.2	26.1	73%
<b>Basic earnings per share:</b>			
From continuing operations	38.2	18.9	102%
Total attributable to shareholders	38.2	18.8	103%
<b>Diluted earning per share:</b>			
From continuing operations	36.5	18.0	103%
Total attributable to shareholders	36.5	17.9	104%

<sup>1</sup>Includes dividends and distributions received on PI. These were \$2.3 million in FY21, compared with \$0.8 million in FY20

<sup>2</sup>Includes interest cost on the CBA facility of \$0.5 million in FY21 (\$0.4 million in FY20) and amortization of the PL8 offer costs of \$0.9 million in FY21 (\$0.7 million in FY20)

<sup>3</sup>Includes mark-to-market and realized gains/losses on PI, net of hedging. These were total net losses of \$0.1 million in FY21 (increases 'expenses'), compared with total net losses of \$1.3 million in FY20 (increases 'expenses'). Adjusting for these, expenses increased by \$5.1 million, or 19%

<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 \$19.5 million in FY21 (\$6.6 million in FY20)

- Aggregate Affiliates' FUM of \$89.4 billion at 30 June 2021 (at 100%)<sup>1,2</sup>
  - Up \$18.9 billion or 27% from \$70.5 billion at 31 December 2020
  - Up \$30.7 billion or 52% from \$58.7 billion at 30 June 2020
  - Aggregate Retail FUM (at 100%) now \$20.3 billion; up 22% from \$16.7 billion at 31 December 2020; up 55% from \$13.1 billion at 30 June 2020
- Equities markets rallied strongly during FY21, following the dislocation in the latter part of FY20:
  - S&P/ASX 300 index up 11.1% in the six months to 30 June 2021 (**2H FY21**); up 24.7% for FY21
  - MSCI World Index up 11.4% in 2H FY21; up 37.2% for FY21
- Of the \$30.7 billion increase in FUM in FY21:
  - FUM increases due to net inflows were \$16.7 billion<sup>4</sup> (\$4.5 billion of which was retail)
  - FUM increases due to market movements/investment performance were \$14.0 billion (\$2.7 billion of which was retail)
- Increasingly diversified client base - 230+ institutional clients (some with whom we have multiple relationships) at 30 June 2021, compared with ~60 at 30 June 2016<sup>3</sup>
- Closing FUM of \$89.4 billion is 28% higher than average FUM through FY21 (23% excluding \$3.9 billion one-off low-fee Plato mandate funded in April 2021)

<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>\$85.5bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

<sup>3</sup>see Slide 21 for further detail

<sup>4</sup>\$12.8bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

- Net inflows for FY21 of \$16.7 billion<sup>1</sup>
  - \$5.5 billion in the six months ended 31 December 2020 (1H FY21)
  - \$11.2 billion in 2H FY21<sup>2</sup>
- Retail net inflows for FY21 of \$4.5 billion (\$0.2 billion from LICs/LITs)
  - \$1.9 billion 1H FY21
  - \$2.6 billion 2H FY21, including \$192 million wholesale investor placement in April in the MCP Master Income Trust (ASX: MXT))
  - Hyperion has been a particularly strong performer, with significant contributions from Coolabah, Res Cap, Metrics, Firetrail and Solaris
- Institutional net inflows for FY21 of \$12.2 billion<sup>3</sup>
  - \$3.6 billion 1H FY21
  - \$8.6 billion in 2H FY21, including Plato mandate secured in April of \$3.9 billion, at low fee levels<sup>4</sup>
  - Recognising that institutional flows can be large and uncertain, we are delighted by the result for the year and the momentum with which we enter FY22, both within Australia and offshore

<sup>1</sup>\$12.8bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

<sup>2</sup>\$7.3bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

<sup>3</sup>\$8.3bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

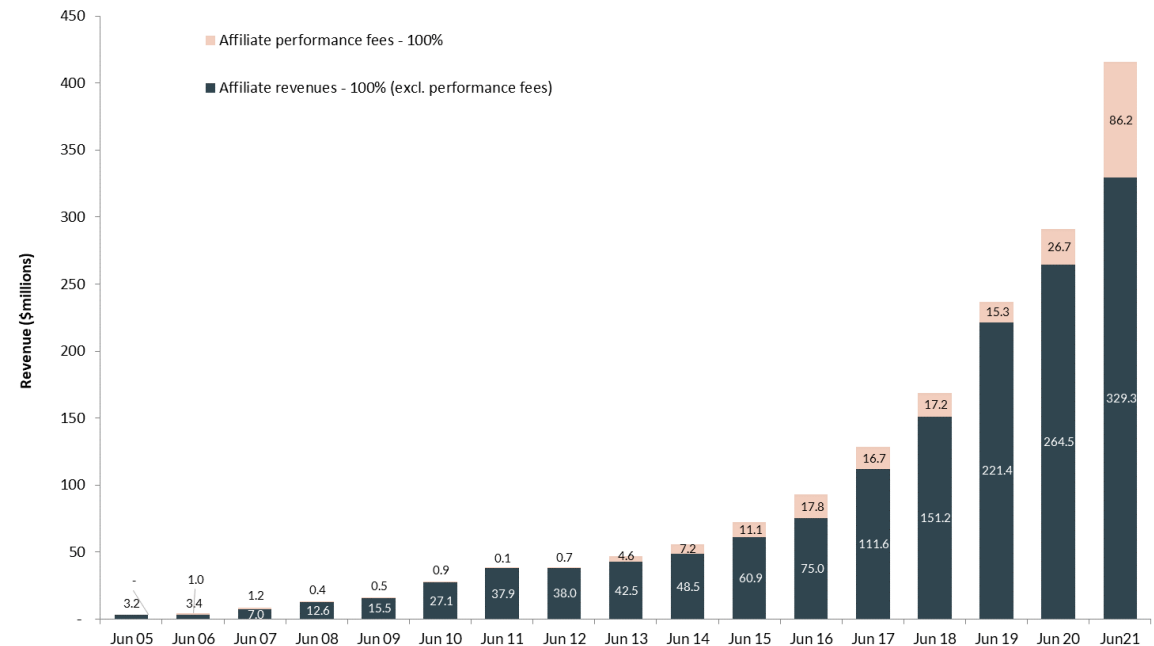
<sup>4</sup>\$4.3bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021



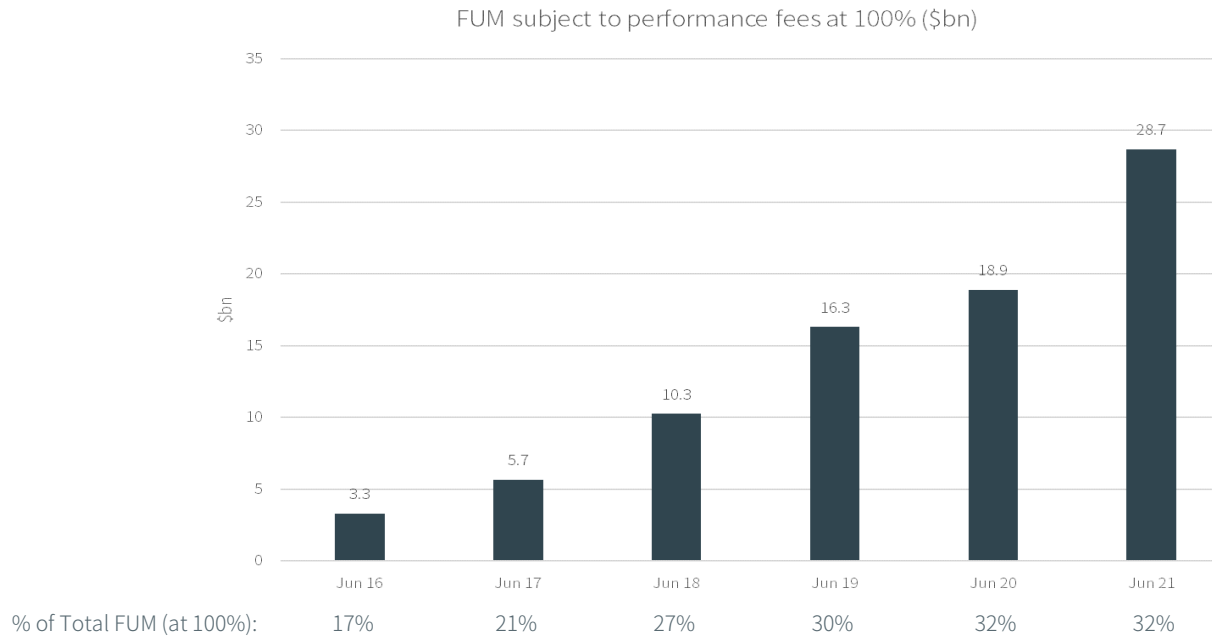
- Seven Affiliates earned performance fees totalling \$86.2 million (at 100%; Pinnacle post-tax share \$19.5 million) in FY21 (in FY20, five Affiliates earned performance fees totaling \$26.7 million (at 100%; Pinnacle share \$6.6 million)), demonstrating the increasing growth and diversity of strategies with performance fee potential. Performance fees of virtually every strategy are also distinct from each other (performance fees are based on individual strategy alpha, not on market gains)
- Other highlights during FY21 include:
  - Metrics launched its Direct Income Fund, an unlisted trust available to retail investors, in July 2020
  - Solaris Australian Equity Income Fund made available to retail investors in August 2020
  - Longwave secured its maiden institutional mandate in September 2020
  - Aikya secured its maiden institutional mandate in October 2020
  - Hyperion secured its maiden internationally-sourced global equity mandate in October 2020
  - Res Cap won the Global REIT category at the Zenith Fund Awards for the seventh consecutive year in October 2020
  - Spheria's Global Microcap Fund received its inaugural research rating in October 2020
  - Hyperion Global Growth Companies Fund (Managed Fund) listed its units on the ASX (ASX: HYGG) in March 2021
  - Antipodes Global Equity Collective Investment Trust, for US-qualified plans, launched in April 2021 with its first client
  - Firetrail secured its maiden Australian Small Companies institutional mandate in April 2021
  - Plato secured the largest single mandate in its history at approximately \$3.9 billion (at low fee levels) in April 2021
  - Riparian secured its maiden institutional mandate, funding in May 2021
  - Coolabah listed its Active Composite Bond Fund on Chi-X (FIXD) in June 2021, bringing that strategy to retail investors for the first time
  - Palisade established a Real Assets subsidiary to consider global investment into infrastructure-like assets in June 2021

- Total Affiliate revenues<sup>1</sup> were \$415.5 million during FY21, including \$86.2 million (21%) in performance fees; in FY20, total Affiliate revenues were \$291.1 million, which included \$26.7 million (9%) in performance fees
- This represents 43% growth in total Affiliate revenue (25% excluding performance fees)

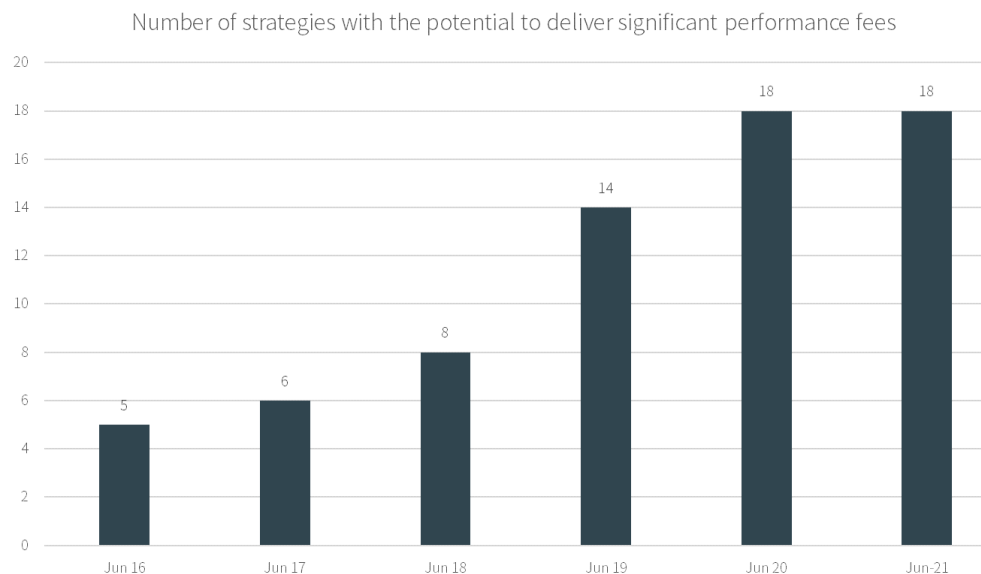
	FY21 (\$M)	FY20 (\$M)	% Change
PINNACLE AFFILIATES (100% aggregated basis)			
FUM (\$billion)	89.4	58.7	52%
Revenue (\$million)	415.5	291.1	43%
<b>Net profit before tax</b>	<b>245.4</b>	<b>142.7</b>	<b>72%</b>
Tax expense	(65.9)	(42.5)	55%
<b>Net profit after tax (NPAT)</b>	<b>179.5</b>	<b>100.2</b>	<b>79%</b>
<i>Pinnacle share of Affiliates' NPAT</i>	<i>66.4</i>	<i>38.0</i>	<i>75%</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

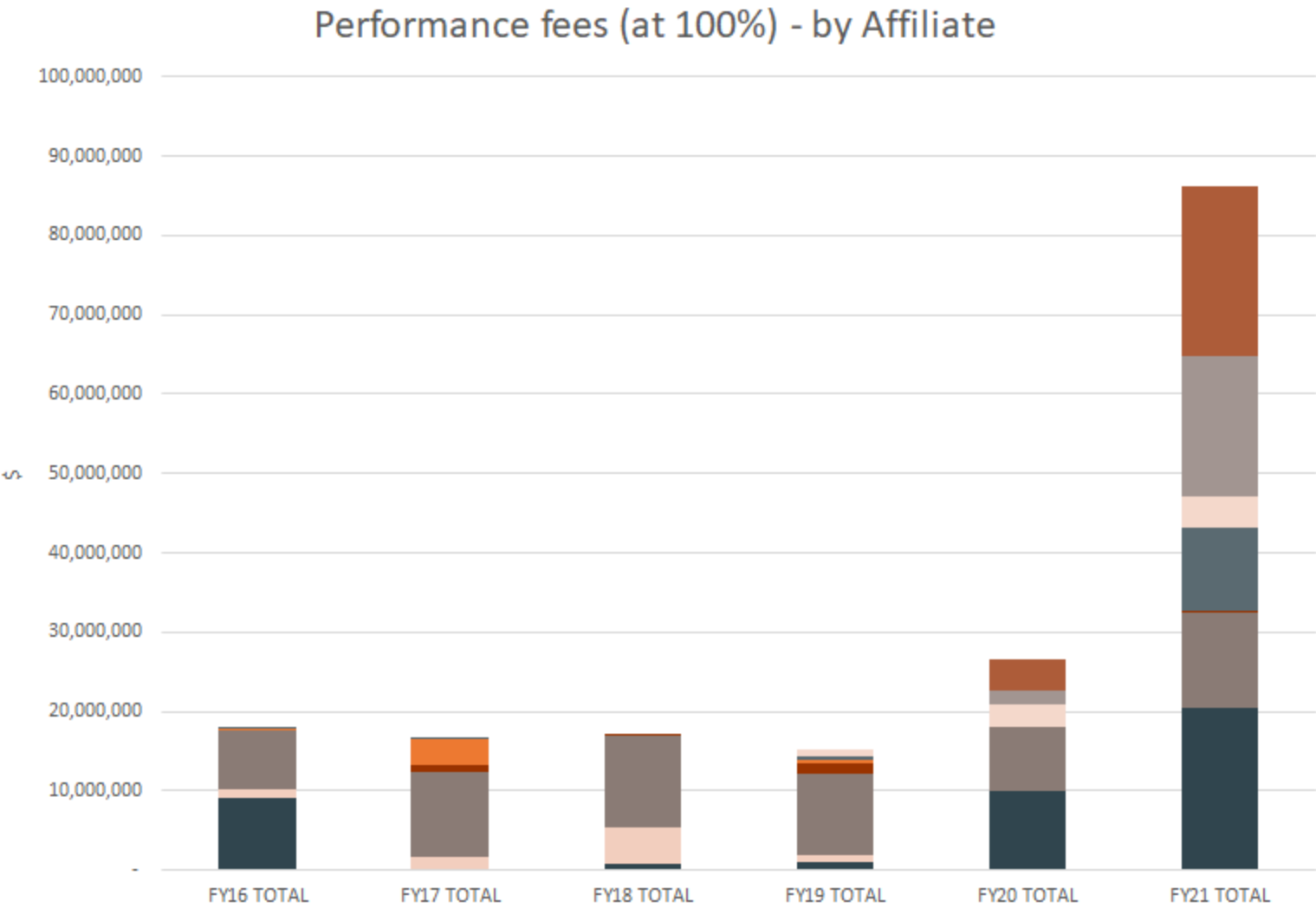


- The volume of FUM with performance fee potential has increased significantly
- FUM subject to performance fees entering FY22 is 28% higher than the average during FY21
- The number and diversity of strategies with significant performance fee potential has increased in recent years (improving the annual reliability of overall performance fee revenue)



- Likelihood of performance fee success is not correlated to equity market levels – 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 strategies currently impacted by market movements.



- Significant revenue growth in Pinnacle Parent, costs controlled:
  - Revenues have grown 45% compared with FY20, driven by strong inflows and revenue-sharing fees
  - ‘P&L investment’ in support of Horizon 2 initiatives somewhat restrained during FY21; we deliberately stayed fully resourced throughout the COVID-19 period to support our Affiliates and existing initiatives, but did not consummate substantial new initiatives. In FY22 Horizon 2 investment is likely to increase, adding expense to Pinnacle Parent P&L
  - Pinnacle Parent revenues are generally stronger in the second-half, when certain ‘success-based’ distribution fees crystallize and become payable. 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 2H FY20
  - Revenues in 1H FY21 were 26% higher than 1H FY20; revenues in 2H FY21 were 65% higher than in 2H FY20
  - Positive net return on PI of \$2.2 million in FY21; negative net return of \$0.5 million in FY20<sup>1</sup>
  - Interest cost on the CBA facility (\$495k) and amortization of the costs associated with the PL8 top-up in FY21 (\$858k) included within ‘other expenses’ for FY21. These commenced part-way through FY20 and were \$408k and \$691k respectively in FY20. Revenues associated with the PL8 top-up (which ‘offset’ against the amortization) were \$909k<sup>2</sup> in FY21
  - Expenses are up \$3.9 million or 14% on FY20. Adjusting for realised and unrealised gains/losses on PI of a net \$0.1 million loss in FY21 and a net \$1.3 million loss in FY20, expenses increased by \$5.1 million, or 19% (note that these losses on PI include losses on hedging equity market exposures). The major factor in the increase in expenses was STI returning to ‘normal’ levels in FY21, having been significantly reduced in FY20

<sup>1</sup>Includes realised and unrealised 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 (\$28.4 million, or 75%) in Pinnacle's share of Affiliate profits compared with FY20<sup>1</sup>:
  - Performance fees (at 100%) of \$86.2 million in FY21, across seven Affiliates (Pinnacle share post-tax of \$19.5 million); \$26.7 million (at 100%) in FY20 across five Affiliates (Pinnacle share post-tax of \$6.6 million)
  - Adjusting for Pinnacle's share of performance fees earned by Affiliates, share of NPAT from Pinnacle Affiliates of \$46.9 million (excluding Pinnacle's share of performance fees post-tax of \$19.5 million) is up 49% on the \$31.4 million share of NPAT from Pinnacle Affiliates in FY20 (excluding Pinnacle's share of performance fees post-tax of \$6.6 million)
  - Growth in underlying Affiliate revenues of 25% (at 100%) compared with FY20, excluding performance fees, and aggregate Affiliate profitability of 37% (at 100%) compared with FY20, excluding performance fees
  - Continuing investment in additional resourcing by certain Affiliates ahead of future growth (including Metrics, Firetrail, Coolabah, Resolution Capital, Plato and Antipodes)
  - Direct cost of Two Trees, Longwave, Riparian, Reminiscent and Aikya included as negative NPAT

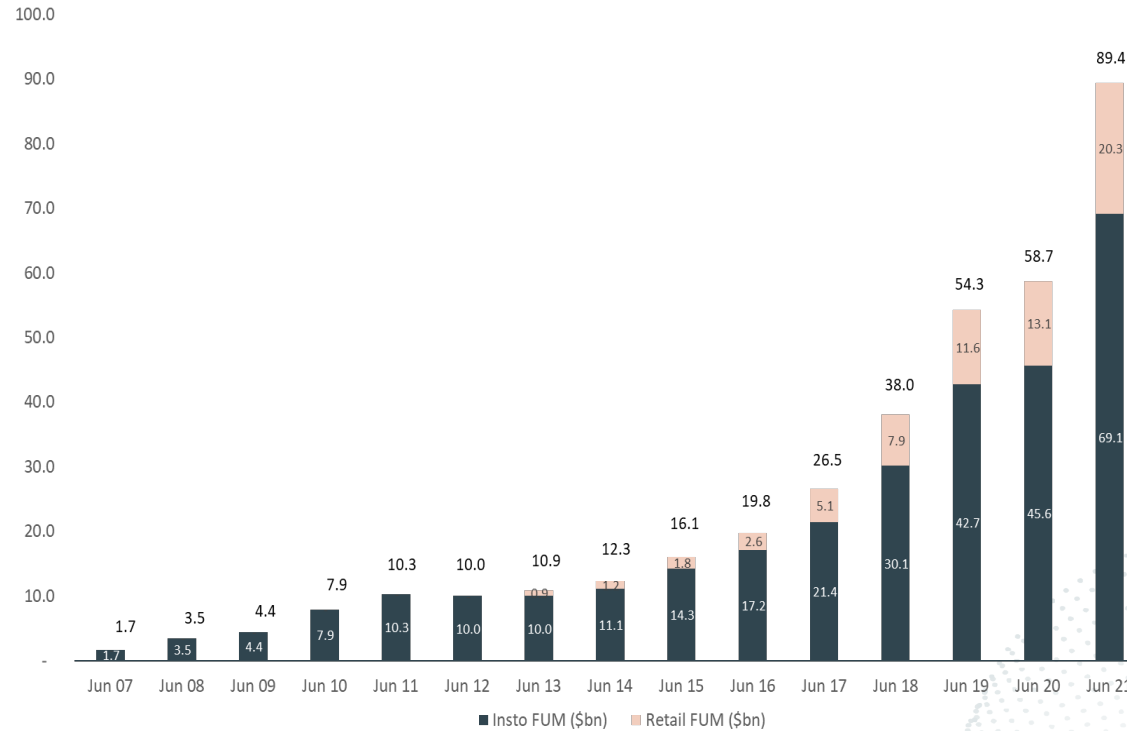
<sup>1</sup>Includes share of CCI profits from 16<sup>th</sup> December 2019

	30 Jun 2021 (\$M)	30 Jun 2020 (\$M)	Change
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	96.1	16.1	497%
Financial assets	58.9	34.0	73%
<b>Total cash and financial assets</b>	<b>155.0</b>	<b>50.1</b>	<b>209%</b>
Other current assets	18.4	17.3	6%
<b>Total current assets</b>	<b>173.4</b>	<b>67.4</b>	<b>157%</b>
<b>NON-CURRENT ASSETS</b>			
Investments in affiliates	187.0	161.9	16%
Other non-current assets	5.8	9.3	(38%)
<b>Total non-current assets</b>	<b>192.8</b>	<b>171.2</b>	<b>13%</b>
<b>Total Assets</b>	<b>366.2</b>	<b>238.6</b>	<b>53%</b>
<b>LIABILITIES</b>			
Debt facility	100.0	30.0	233%
Other liabilities	22.3	20.1	(11%)
<b>Total liabilities</b>	<b>122.3</b>	<b>50.1</b>	<b>(144%)</b>
<b>Net assets</b>	<b>243.9</b>	<b>188.5</b>	<b>29%</b>
<b>Net shareholders' equity</b>	<b>243.9</b>	<b>188.5</b>	<b>29%</b>

- Cash and PI of \$155.0 million
  - Includes \$56.4m invested in strategies managed by Pinnacle Affiliates
  - Excludes \$9.6m of cash applied for Affiliate equity recycling loans, working capital loans and additional Affiliate equity purchased
  - CBA facility expanded to \$100.0 million, fully drawn on 30 June 2021. Invested into liquid funds managed by Affiliates on 1 July 2021
- Excludes impact of final dividend of 17.0 cents per share payable on 17 September 2021 and dividends (including dividends derived from performance fees) received or to be received from Affiliates since 30<sup>th</sup> June
- Franking credit balance (\$29.1m) at 30% company tax rate would enable potential fully franked dividends of \$67.9m
- 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. Pinnacle's share of Affiliate performance fees that crystallized during FY21 (\$19.5m, post-tax; \$8.5m post-tax in 2H FY21) 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





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

- FUM of \$89.4bn as at 30 June 2021<sup>2</sup>
- FUM has grown at a CAGR of 24.1% p.a. over the last ten years (22.6% excluding \$6.8bn ‘acquired’ in July 2018 and 3.0 billion ‘acquired’ in December 2019)
- Increase in FUM of \$18.9bn in 2H FY21
  - Net inflows of \$11.2bn<sup>3</sup>
  - Increases due to market movements/investment performance of \$7.7bn
- Of the \$11.2bn<sup>3</sup> of net inflows in 2H FY21, \$2.6bn was retail, of which \$0.2bn was in LICs/LITs
- Retail flows averaging over \$400m per month in 2H FY21
- 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

<sup>2</sup>\$85.5bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

<sup>3</sup>\$7.3bn excluding \$3.9 billion one-off low fee Plato mandate funded in April 2021

	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%)																	
30 Jun 21	89,371	11,887	10,826	11,099	16,372	2,512	9,356	1,736	69	6,587	6,986	4,615	197	28	6,735	28	340
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 Dec 20 - 30 Jun 21	26.8%	19.5%	72.8%	11.3%	44.7%	5.4%	9.5%	12.8%	10.1%	19.8%	37.3%	4.3%	10.6%	607.7%	34.7%	25.7%	40.0%
30 Jun 20 - 30 Jun 21	52.3%	51.5%	109.2%	29.8%	82.3%	11.9%	17.6%	43.5%	-24.1%	60.3%	57.4%	7.2%	6455.9%	923.3%	80.2%	13.8%	18323.4%
PNI ownership <sup>3</sup>																	
		49.9%	42.7%	40.0%	44.5%	37.6%	23.5%	40.0%	49.0%	23.5%	35.0%	45.0%	40.0%	40.0%	25.0%	40.0%	32.5%
PNI effective FUM - 30 June 2021	34,113	5,932	4,623	4,440	7,285	944	2,199	694	34	1,548	2,445	2,074	79	11	1,684	11	110

<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 \$8bn including leverage, at 30 June 2021. 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 people, customers and shareholders as well as the communities in which we engage*

- Sustainability Strategy
  - Established a Sustainability Committee
    - The Committee provides coordination and guidance on the integration of sustainable strategies and practises into the broader business
  - Established a specific ESG Risk Management Framework (RMF)
    - The ESG RMF identifies and defines Pinnacle's ESG risks and guides corporate planning and decision making to ensure that Pinnacle operates within the ESG risk appetite set by the Pinnacle Board
  - Aligned ESG initiatives with the United Nation's Sustainable Development Goals (SDGs)
  - Enhanced ESG transparency through the release of Pinnacle's inaugural Corporate Sustainability Report, with climate-related disclosures aligned with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations
- Carbon Management
  - Pinnacle has achieved carbon neutrality since FY19. In FY21, Pinnacle's FY20 carbon inventory was certified Climate Active Carbon Neutral. Pinnacle will continue to have its carbon inventory assessed for accuracy each year against the Climate Active Carbon Neutral Standard (for organisations).
  - Continuing to pursue virtual interactions wherever feasible, in order to minimise all unnecessary travel, with a target to reduce air-travel emissions per revenue in financial year 2022 and beyond
  - Pinnacle's largest office space operates on 100% green energy
- Responsible Partnerships
  - Continuing to support Affiliates to innovate and adopt best practice carbon management and ESG integration
  - Pinnacle's Outsourcing Policy has been updated to specifically identify and address modern slavery risks
  - Pinnacle will partner only with software and hardware providers that have a clear climate reduction strategy that aligns with the Company

Pinnacle recognises the need for strategies that foster economic development, reduce inequities and transition towards a more sustainable future. By aligning our sustainable initiatives with the UN SDGs and through the support of the Pinnacle Charitable Foundation, we can begin to turn global challenges into opportunities.

Sustainable Development Goals																	
	 1	 2	 3	 4	 5	 6	 7	 8	 9	 10	 11	 12	 13	 14	 15	 16	 17
Responsible Investment								x								x	
Diversity & Inclusion				x	x			x									
Approach to Climate Risk							x		x			x	x		x		
University & Society Partnerships				x	x												
Employee Wellbeing			x													x	
The Pinnacle Charitable Foundation	x		x	x	x					x	x				x	x	
Donations & Workplace Giving	x	x	x	x	x					x	x				x	x	

 1 NO POVERTY	No Poverty	 2 ZERO HUNGER	Zero Hunger	 3 GOOD HEALTH AND WELL-BEING	Good Health and Wellbeing	 4 QUALITY EDUCATION	Quality Education	 5 GENDER EQUALITY	Gender Equality	 6 CLEAN WATER AND SANITATION	Clean Water and Sanitation
 7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy	 8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure	 10 REDUCED INEQUALITIES	Reduced Inequalities	 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production
 13 CLIMATE ACTION	Climate Action	 14 LIFE BELOW WATER	Life Below Water	 15 LIFE ON LAND	Life on Land	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, Justice and Strong Institutions	 17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals	 SUSTAINABLE DEVELOPMENT GOALS	

### Diversity

- Pinnacle is committed to strengthening business innovation and decision-making through workplace diversity. Pinnacle recognises the benefits of a diverse group of employees reflecting different backgrounds, attributes, perspectives, styles, knowledge, experience and abilities.
- In FY21, Pinnacle implemented a Pinnacle-wide KPI to address inclusivity at all business levels
- 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. This year, Pinnacle increased scholarships from eight to fourteen. Six former scholars are currently employed within the broader Pinnacle group
    - Continuing as a founding Sponsor of the University of Queensland Women's Network and extending this focus to include the Macquarie University Women's Network
  - Applying the principle of equality when:
    - setting salaries, and considering the short-term and long-term incentives of all employees
    - considering internal promotions and succession planning
  - Facilitating a strong return to work and retention rate of employees on parental leave
  - Comprehensive employee behaviour and grievance resolution policy
- As at 30 June 2021 Pinnacle had a total of 33% 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
- Committed to instilling a culture that values rest and family time. We have embraced flexible working across the business to assist employees to balance their work, personal and family responsibilities
- Pinnacle has a strong focus on the development of its staff and facilitates practical development initiatives such as secondments, on the job rotational assignments and on demand learning programs.
- 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 30 June 2021, approximately 29% of employees had an individual shareholding in the Company

### Community

- The Pinnacle Charitable Foundation and engaged Affiliates supported key not-for-profit partners to address a number of social priorities by donating in excess of \$770k during FY21. See slides 80-81 for further details

Thirteen 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	Yes	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	No	N/A
ResCap	Yes	Yes	Yes
Riparian	Yes	Yes	Yes
Solaris	Yes	Yes	Yes
Spheria	Yes	Yes	Yes
Two Trees	No	No	Yes




- 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 annual 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, and has proven to be highly effective in protecting the corpus during the unpredictable environment of FY21. 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
- Total donations by the Foundation in FY21 were \$541,000 (an increase of 41% from FY20), with Affiliates providing a further \$230,000 via direct support to several jointly funded charity partners (an increase of 70% from FY20)
- These funds of circa \$770,000 were predominantly directed to 9 not-for-profit partners across five identified priority areas, plus in support of emergency flood relief in April 2021
- In addition, a matched employee workplace giving program offered by Pinnacle and several Affiliates in FY21 resulted in further donations of over \$106,000 to 50 charities

- Key focus areas and partners for FY21 were 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
  - Support for children and young people from a range of environments who face acute and / or systemic disadvantage, with partnerships in place with the Mirabel Foundation and Yalari
  - Legal assistance and strong advocacy for victims of sexual abuse and domestic violence, through a multi-faceted relationship with the Full Stop Foundation
  - 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)
  - Building awareness amongst children in a COVID-19 world of the critical need for kindness, empathy, community and resilience through a partnership with the Kindness Factory



*“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’ – have embraced a fully-flexible working model
  - Continuing close attention paid to the health and well-being of our people. Ensuring extensive contact particularly within teams, very regular 'catch-ups'/communications using appropriate technology
  - Increasing interactions with clients and their advisors
  - Our approach: work very hard, return to strong growth and continue to strengthen our core capabilities to ensure that we are ready to take advantage of opportunities that may materialise, and to react to any possible further external adversity
- 





### Global Emerging Market Equities

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



### Global, Asian and Emerging Markets equities

- 'Pragmatic value' investment approach
- Strategies accessible via listed (ASX: APL, AGX1), unlisted and offshore (UCITS, Cayman, CIT) vehicles
- Founded 2015
- 30+ staff
- Headquartered in Sydney, Australia, with office in 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 CCI believes it has the biggest team in investment-grade fixed-income with 27 execs, including 14 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



### Australian, Global, Small-Cap & Long/Short Equities

- Deep fundamental research approach consistently applied for 15+ years
- Experts in high conviction investing
- 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
- 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
- Predictable long-term earnings and low debt
- Concentrated portfolios
- Low portfolio turnover



### 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, office 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
- Recently established a Real Assets subsidiary to consider global investment into infrastructure-like assets
- 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
- Launching Enhanced Low Carbon and Net-Zero strategies in August 2021
- 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
- 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

- Specialist Real Estate and Infrastructure securities investment manager
- Concentrated portfolios of 'high conviction ideas'
- Multi Portfolio Manager approach
- Sector based research
- Centralised, proprietary research mitigates regional biases
- PRI and UN Global Compact signatory
- >25-year investment track record
- Headquartered in Sydney, Australia, investment office in New York, USA





### Australasian Private Agriculture, Food & Water

- Real asset backed investments across the food and agriculture sector
- Participation throughout the value chain investing in assets that are critical to the production of essential goods; water, farmland, agricultural infrastructure and agribusinesses.
- Deep agriculture, finance and asset management experience.
- Agriculture sector assets have the potential to generate attractive returns, demonstrate low correlation to traditional asset classes and offer the potential of portfolio diversification
- PRI Signatory and supporter of the Task Force of Climate-Related Financial Disclosures (TCFD)
- 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- and Mid-Cap Equities, Global 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

