



9 December 2022

*By Electronic Lodgement*

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## Market update – Performance fees

Following a review of Affiliate investment performance relative to benchmarks and high-water mark levels as at 30 November 2022 for those strategies that have the potential to deliver performance fees during the first half each year, Pinnacle Investment Management Group Limited (**ASX: PNI**)(**Pinnacle**) advises that it expects its net share of performance fees, after tax payable by Affiliates on this revenue, to be potentially less than \$1 million. This compares with \$6.4 million for the corresponding period ending 31 December 2021.

Several strategies which had the potential to produce performance fees during the 6 month period outperformed their benchmarks but earned nil or lower performance fees as they entered the period behind the relevant high-water marks. In some cases, style-related performance below benchmark was the reason performance fees have not been earned. Performance fees are expected to be higher in the second half as additional strategies have the potential to deliver performance fees over the full 12 month period.

Shareholders should note that performance can vary significantly over short periods of time. From a longer term perspective, over the 5 years to 31 October 2022, 85% of Pinnacle Affiliate strategies which have a track record exceeding 5 years have outperformed their benchmarks.

It is emphasised that these performance fee estimates are preliminary, formed without knowledge of performance during the majority of the month of December 2022.

The Company will provide more specific estimates of performance fees for the 6 month period ending 31 December 2022 by 9 January, 2023, together with the net return on Principal Investments for the period. The Company expects to report its audit-reviewed financial results for the 6 month period ending 31 December 2022 on 2 February, 2023.

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

This announcement was authorised for release by the Board of Directors.