



Pinnacle
INVESTMENT MANAGEMENT

Level 35
60 Margaret Street
Sydney, NSW 2000

www.pinnacleinvestment.com.au

9 November 2016

By Electronic Lodgement

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

Dear Sir/Madam

Pinnacle Investment Management Group Limited – Presentation

Pinnacle Investment Management Group Limited is pleased to attach a copy of a presentation that will be given to investors and analysts at a Rapid Insights conference to be hosted by Wilson's Advisory tomorrow.

Please do not hesitate to contact me if you require any further information.

Yours faithfully

Eleanor Padman
Company Secretary

eleanor.padman@pinnacleinvestment.com.au
+61 2 8970 7726



Pinnacle
INVESTMENT MANAGEMENT

Pinnacle Investment Management Group Limited

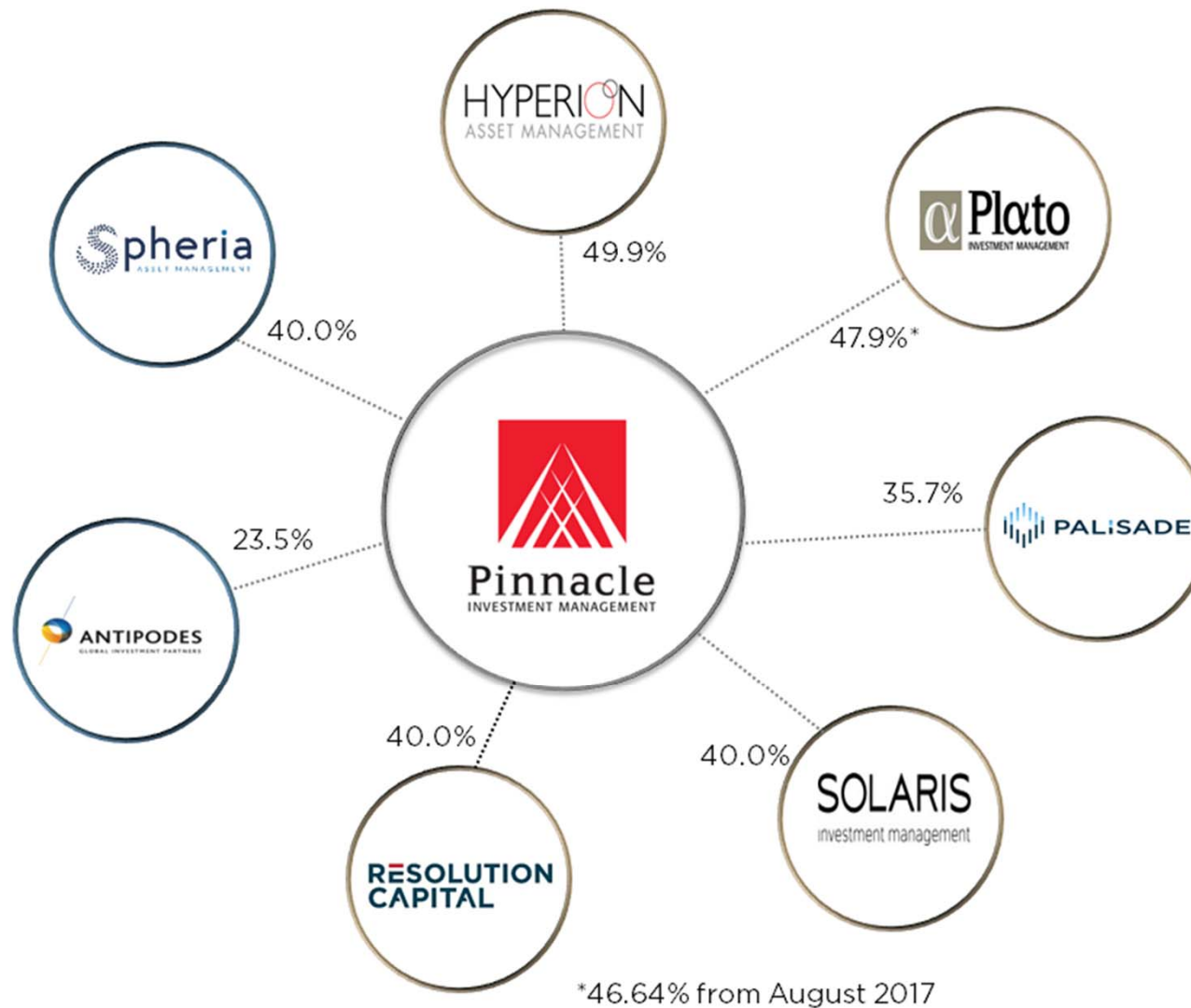
Wilson's Advisory – Rapid Insights Conference

10 November 2016

- Corporate reorganisation complete
- FY16 financial performance and financial statements
- Shareholder returns
- Pinnacle and affiliated investment managers – Pinnacle model, philosophy and investment styles of affiliates and update on affiliates' performance
- Aggregate FUM and revenue update
- Outlook for remainder of FY17
- Future growth
- FY17 Priorities

- Transaction review
 - Transaction closed on 25 August 2016
 - Issue of ~37m shares to acquire the remaining 25% of Pinnacle
 - Ian Macoun announced as Managing Director on 17 August 2016 following Alexander Grant's resignation
 - Deborah Beale, Gerard Bradley, Andrew Chambers and Adrian Whittingham joined board on 1 September 2016
 - Special dividend of 5 cents per share, paid on 9 September 2016
 - Name changed to Pinnacle Investment Management Group Limited (ASX: PNI)

New corporate structure – 100% ownership via PNI



Board Member	Classification	Equity Ownership	Committees	
			Audit, Compliance and Risk	Remuneration and Nominations
Alan Watson (Chair)	Independent, Non-executive	Yes		✓ (Chair)
Ian Macoun (MD)	Executive	Yes		
Deborah Beale	Independent, Non-executive	Yes	✓	✓
Gerard Bradley	Independent, Non-executive	Yes	✓ (Chair)	✓
Andrew Chambers	Executive	Yes		
Adrian Whittingham	Executive	Yes		
Steve Wilson	Non-executive	Yes	✓	✓

Financial summary – FY16

(A\$m) Year ending	30 Jun 2016	30 Jun 2015
Pinnacle (100%)	10.6	7.4⁽¹⁾
Principal Investments	0.7	0.1
Priority Funds	0.5	(0.3)
Next Financial	(0.6)	(0.7)
Wilson Group	0.6	(0.9)
Group Overhead (unallocated)	(2.7)	(2.2)
Profit before tax from continuing operations	8.5	4.3
Tax benefit/(expense)	(0.1)	1.2
Profit after tax from continuing operations before minorities before DTA de-recognition in FY2015	8.4	5.5
Minorities	(2.6)	(1.6)
Profit/(loss) from continuing operations attributable to shareholders before DTA de-recognition in FY2015	5.8	3.9
Discontinued operations/DTA recognition (2)	(1.2)	(12.9)
Profit/ (loss)	4.5	(9.0)
Earnings per share		
- Continuing operations ⁽³⁾	5.2	3.6
- Total including discontinued operations and DTA de-recognition in FY2015	4.1	(8.5)

- Strong growth in Pinnacle earnings
- Increase in group overhead includes one off costs
- 49% increase in profit after tax from continuing earnings
- PNI to receive 100% of its share in affiliated investment managers profits in FY17

(1) In FY2015 \$0.1m of Group costs allocated to Pinnacle.

(2) For FY2015 loss from discontinued operations was \$3.4m and deferred tax asset de-recognition of \$9.4m.

(3) Excludes de-recognition of the deferred tax asset.

Pinnacle financial highlights – FY16

(A\$m) Year ending	30 Jun 2016	30 Jun 2015	Variance
FUM (\$bn; end of year)	19.8	16.1	23.0%
Total Affiliated Investment Managers revenues	92.8	72.0	28.9%
Pinnacle revenue	6.0	5.9	2.4%
Share of Affiliated Investment Managers	15.9	11.9	33.4%
Expenses	(11.3)	(10.3)	10.1%
Total Pinnacle profit	10.6	7.4	43%
Pinnacle minorities	(2.7)	(1.6)	
Net Pinnacle profit attributable to shareholders	8.0	5.9	34.4%

- Strong FUM and revenue growth for affiliated investment managers
- Total Affiliated Investment Managers Revenues of \$92.8m, including \$17.8m (or 19.2%) in performance fees (FY15: \$11.1m – 15.5% of \$72.0m in Performance Fees)
- Pinnacle NPAT of \$10.6m, 43% increase over prior year

Balance sheet – 30 June 2016

A\$m – 30 June 2016

Current assets

Cash and equivalents	13.6
Financial assets	10.9
Total cash and financial assets	24.5
Other current assets	8.3
Total current assets	32.8

Non-current assets

Investment in affiliated IMs	24.5
Other	1.1
Total non-current assets	25.6
Total assets	58.4

Total liabilities	8.8
--------------------------	-----

Net assets	49.6
-------------------	-------------

Pinnacle minorities	6.5
---------------------	-----

Net shareholders equity	43.1
--------------------------------	-------------

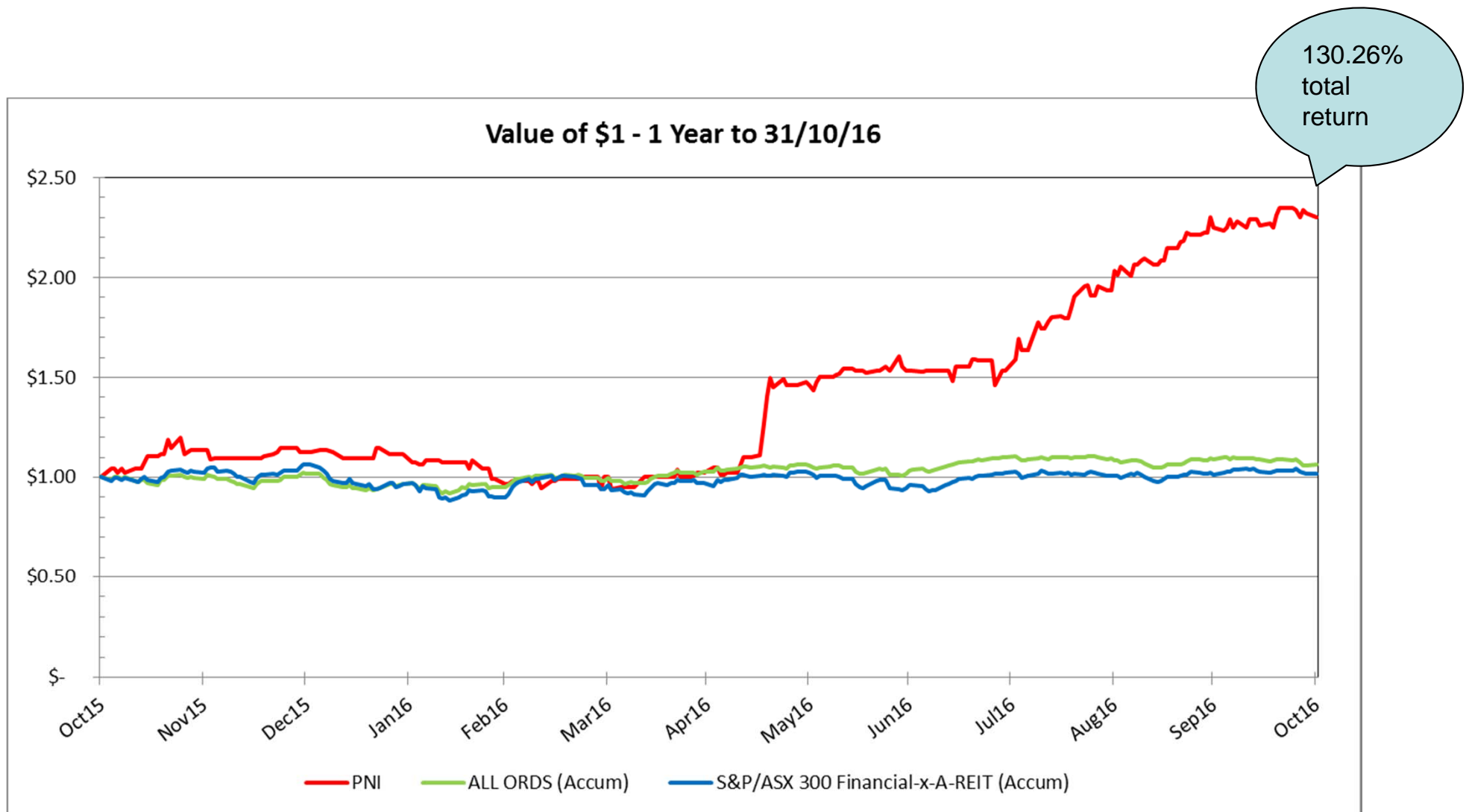
- Cash and Principal Investments of \$24.5
- Excludes post balance date impacts including:
 - special dividend of \$5.5m (5 cents per share)
 - final dividend of \$2.8m (1.9 cents per share)
 - employee loans of \$3m associated with acquisition of shares from Deutsche Bank

- Pinnacle NPAT of \$10.6 million in FY16, up 43% from \$7.4 million
- Pinnacle's share of NPAT of \$15.9 million from Pinnacle Affiliates in FY16, up 34% from \$11.9 million
- FUM of \$21.8 billion as at 30 September 2016
- Antipodes LIC listed on ASX in October 2016 – approximately \$313 million raised

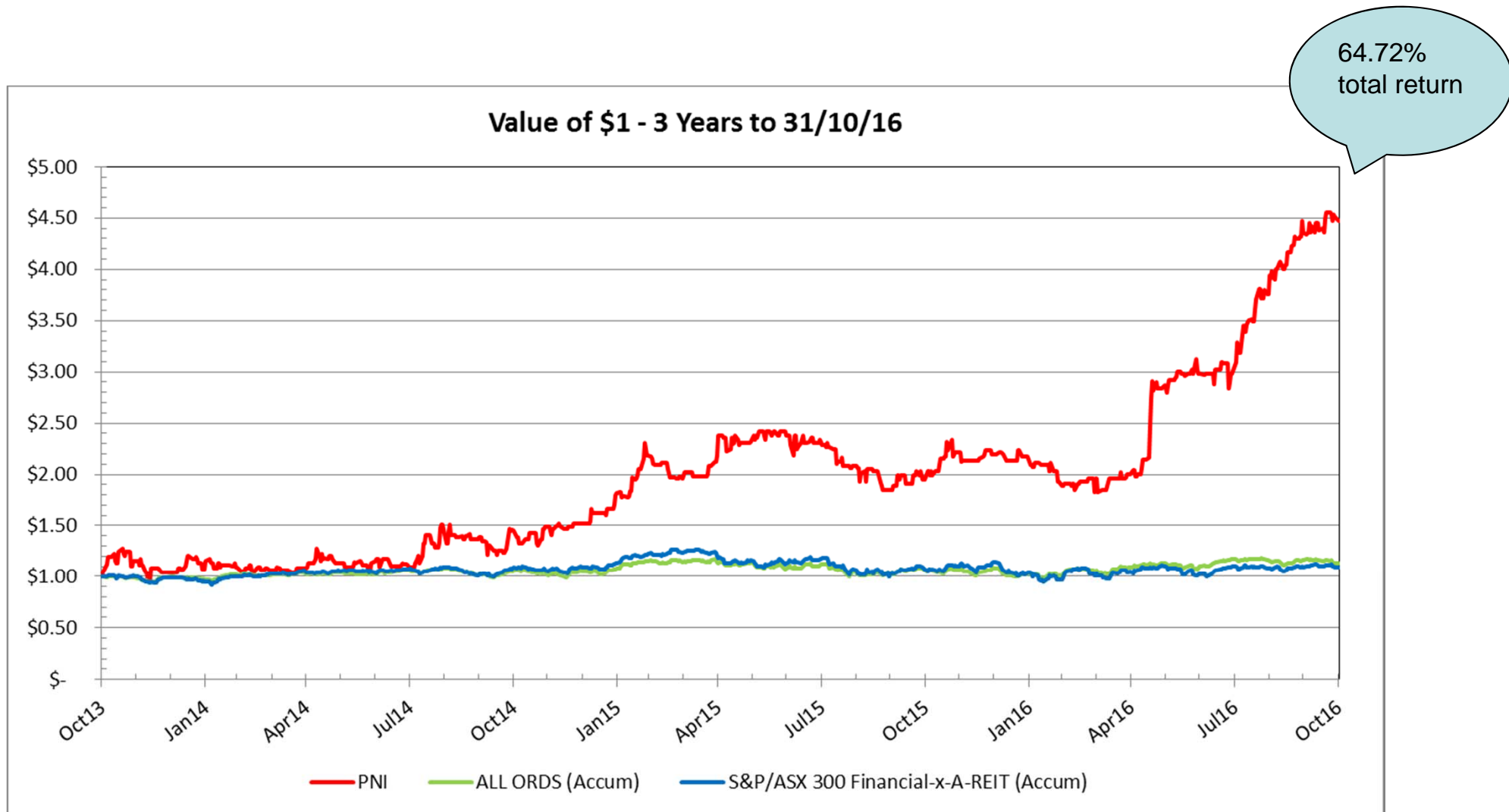
- Outlook for superannuation and managed funds remains strong:
 - 4th largest domestic system
 - \$2 trillion under management
 - Estimated \$8 trillion by 2035*
- Prospects for investment markets less certain
 - Political uncertainty – Brexit, Post US election, paralysis of Australian parliament
 - Interest rate uncertainty
 - Growth rate uncertainty
 - Historically high equity valuations

*Source : Financial Services Council/UBS Asset Management “State of the Industry” report, February 2016

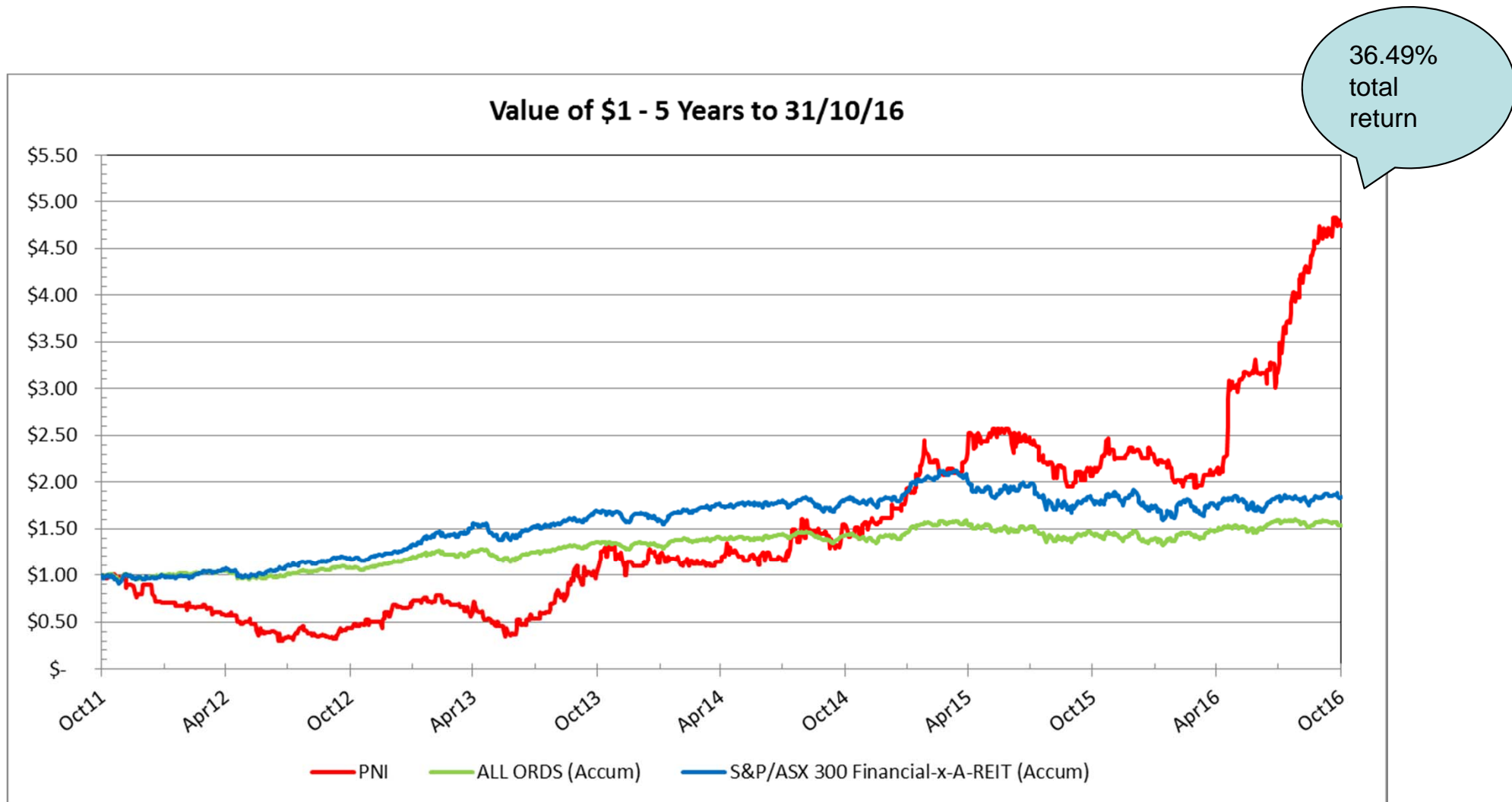
Total shareholder returns – 1 year, value of \$1



Total shareholder returns – 3 years, value of \$1



Total shareholder returns – 5 years, value of \$1



Australia's leading investment "house of affiliated investment managers" (IM)



Structure promotes independence, accountability, focus and longevity



- Executives of both Pinnacle and affiliated IM have significant equity interests
- Equity ownership enhances alignment with shareholders

Seed FUM and working capital

RE, compliance, finance, legal

Distribution and client services

Technology and other firm 'infrastructure'

Middle office and fund administration

Interface for outsourced services

49%

47%

40%

35%

40%

23%

40%

HYPERION
ASSET MANAGEMENT

Plato
INVESTMENT MANAGEMENT

RESOLUTION
CAPITAL

PALISADE

SOLARIS
investment management

ANTIPODES
GLOBAL INVESTMENT PARTNERS

Spheria
ASSET MANAGEMENT

Global & Australian
Growth equities
1996

Global & Australian
Quant equities
2006

Global REITs
2007

Unlisted infrastructure
2007

Australian
Core equities
2008

Global & Asia long/short
& long only equities
2015

Small / Microcaps
2016

Third party distribution

METRICS CREDIT
PARTNERS

SIGMA
FUNDS MANAGEMENT

Overview of Affiliated IM



- » Hyperion Asset Management (49% owned by Pinnacle) – a specialist manager of Australian equities following a growth style.



- » Palisade Investment Partners (35% owned by Pinnacle) – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors.



- » Plato Investment Management (47% owned by Pinnacle) – a specialist manager of Australian equities following a quantitative style.



- » Solaris Investment Management Limited (40% owned by Pinnacle) a specialist manager of Australian equities following a style-neutral approach to investing.



- » Resolution Capital (40% owned by Pinnacle) – a specialist manager of Australian and global listed real estate securities portfolios.



- » Antipodes Partners (23.5% owned by Pinnacle) – an International Equities manager.



- » Spheria Asset Management (40% owned by Pinnacle) - a fundamental-based investment manager with a bottom-up focus specialising in small and microcap companies.

- Zenith – Professional Planner Fund Manager of the Year Awards, September 2016:
 - Pinnacle – Fund Distributor of the Year
 - Resolution Capital – Global REIT Fund Manager of the Year
 - Antipodes – International Equities – Alternative Strategies Fund Manager of the Year
- Morningstar Fund Manager of the Year Award, 2016:
 - Hyperion – Australian Fund Manager of the Year
 - Hyperion – Domestic Equities Category Winner, Australia
 - Hyperion – Domestic Equities Small Caps Category Winner, Australia

- Hyperion's long term track record remains outstanding.
- Hyperion Australian Growth Companies Fund produced absolute performance of 24.2% after fees (10.7% above the S&P ASX 300 Accumulation Index) on 12 months to 30 September 2016
- Hyperion Small Growth Companies Fund with an absolute performance of 22.9% after fees ended the 12 months to 30 September (6.3% below the S&P ASX Small Ordinaries Accumulation Index).
- Hyperion Global Growth Companies Fund produced a 9.8% gross return for the year to 30 September (an outperformance of 7% over its benchmark the MSCI World Accumulation Index in AUD).
- Further growth in FUM will come from the global equities strategy. PDS available next month

- Specialist manager of unlisted infrastructure assets :
 - Palisade's Diversified Infrastructure Fund - diversified portfolio of assets
 - Palisade's Australian Social Infrastructure Fund - assets with Government availability-based revenue streams
 - Separately managed accounts for a variety of superannuation funds
- Palisade's Renewable Energy Fund:
 - two windfarms
 - focus on development of wind and solar energy generation assets
- Palisade Asset Management – subsidiary established to undertake asset management services for some of the assets in the various portfolio managed by Palisade
- As at 30 September 2016 funds under management and investor commitments totalled in excess of \$2.3 billion (2015: \$2.0 billion)
- Palisade funds have provided high yields and gross returns between 12.2% per annum and 17.4% per annum over the past 5 years.

- FUM has risen to \$3.2 billion (end Sept, including FUA \$3.5 billion).
- Beta one strategies continue to outperform over the past three years, with the income strategies delivering on their income targets.
- Plato Australian Shares Income Fund has delivered 9.1% income (net of fees gross of franking) in the 12 months to 30 September
- New Plato Global Shares Income Fund has already distributed 6.6% income (Class F, net of fees) in its first 10 months since inception.
- Plato Low Volatility Income strategy outperformed its after tax benchmark by 4.9%pa before fees.

- FUM has risen to \$4.8 billion as at 30 September 2016
- Solaris' clients benefited from solid investment out-performance in the year to 30 September, with the Core strategy outperforming the S&P/ASX200 by 1.52%. Solaris' core strategy has outperformed the S&P/ASX 200 Index by 2.82% per annum over the past 3 years and 2.14% p. a. since inception on 9 January 2008 (to 30 Sept 2016).

- Funds under management grew to \$4.7 billion to 30 Sep 2016, up strongly over the past year.
- Zenith – Professional Planner Global REIT Fund Manager of the Year Award in September 2016 (third consecutive year).
- Long term out-performance remains pleasing.
- Business continues to make good progress on ambition to diversify its client base.

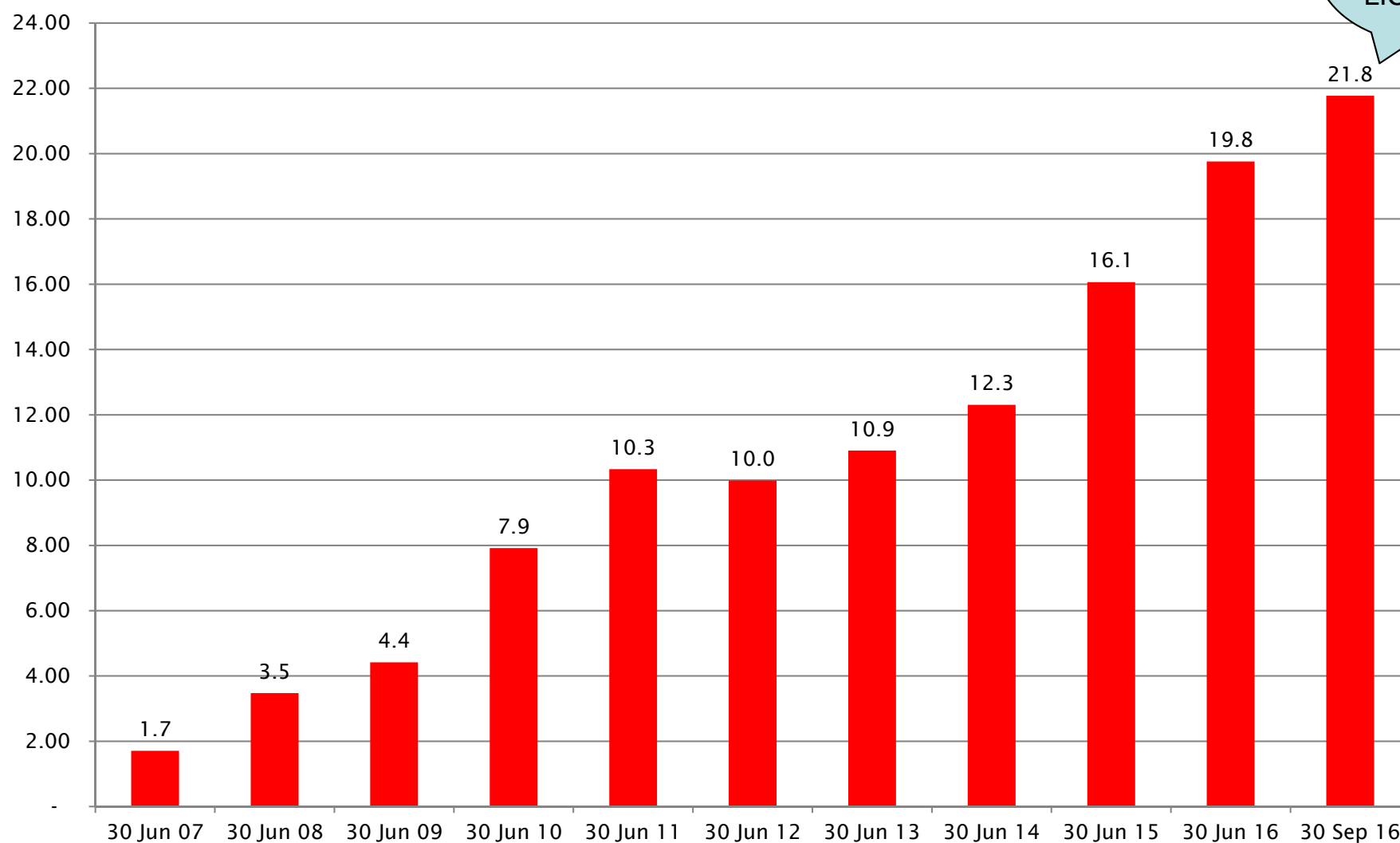
- Pragmatic value manager of global and Asian equities (long only and long-short) founded in 2015 by Jacob Mitchell, formerly Deputy Chief Investment Officer of Platinum Asset Management, together with a number of former colleagues and like-minded value investors.
- Successful IPO of the Antipodes Global Investment Company Limited (ASX: APL) which raised \$313 million.
- Winner of Zenith - Professional Planner Fund Manager of the Year Award in the 'International Equities – Alternative Strategies' category and winner of 'Emerging Manager of the Year' at the Hedge Funds Rock Awards.
- Funds under management have grown quite rapidly at this early stage of the company's development, exceeding \$1.2 billion at 30 September. This number does not include the Listed Investment Company funds which were received during October.

- Commenced operations in April 2016.
- Launched Spheria Micro Cap Fund in May 2016
- Appointed as investment manager to Priority Growth Fund (now Spheria Australian Smaller Companies Fund) and Priority Core Fund (now Spheria Australian Mid Cap Fund) in July 2016
- More than \$160 million in funds under management already.

- FUM net inflows strong – \$1.2 billion for FY17 to 30 Sep
- Retail net inflows of \$411 million for FY17 to 30 Sep (not including \$313 million for Antipodes LIC received in Oct 2016)
- Shareholder discussions – benefits of multi affiliate model well understood
- By and large an ‘article of faith’ reputation – all ‘best of breed’
- Reasonably diversified/robust
- Critical to maintain highest standards of service and support to affiliated investment managers

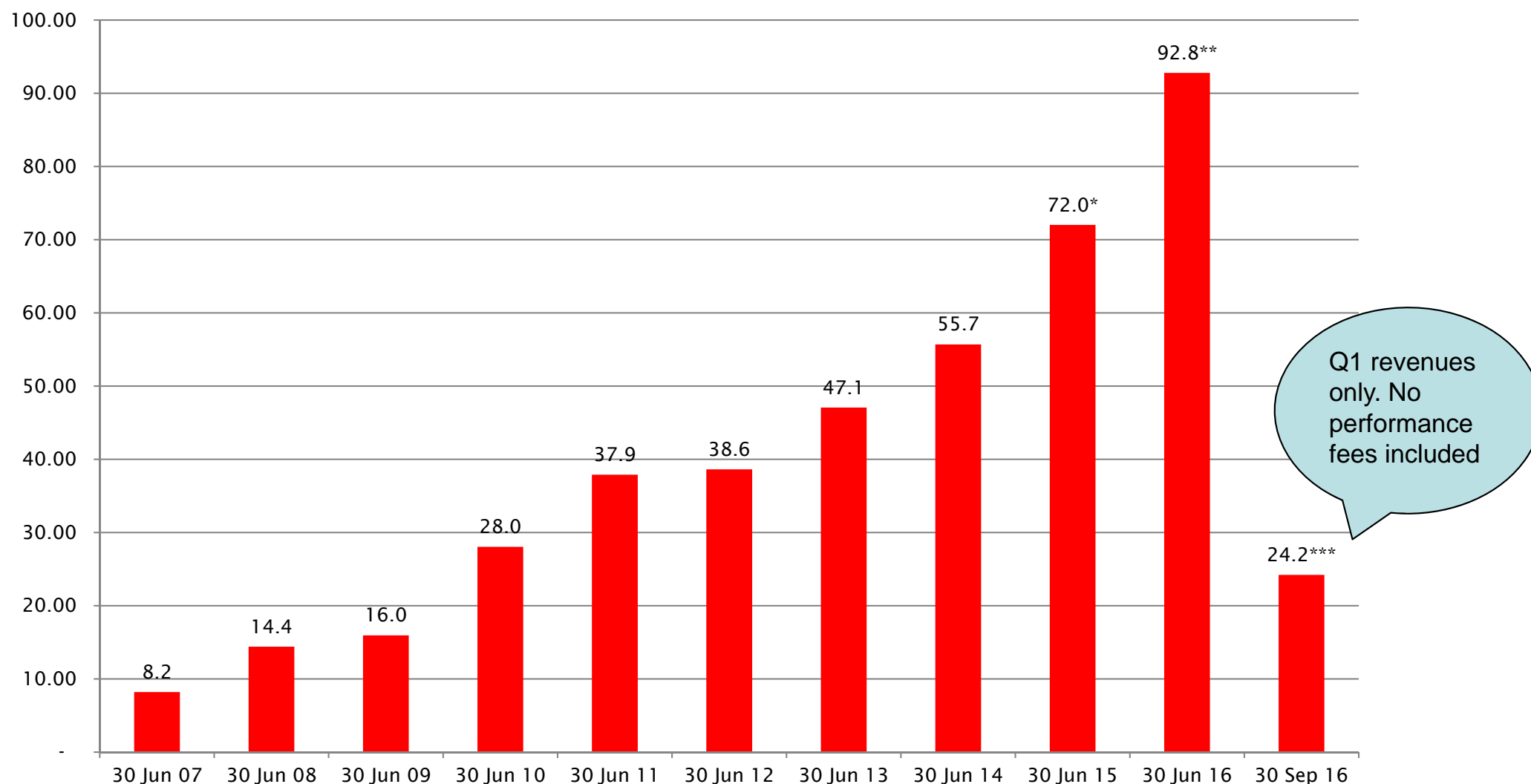
Consistent growth in FUM

Pinnacle funds under management (\$bn)



Consistent growth in affiliated IM revenues

Total Affiliated IM revenues (\$m at 100%) – 12 month periods and FY17 YTD



*2015 -includes performance fees of \$11.1m - 15.5%

**2016 - includes performance fees of \$17.8m - 19.2%

*** No performance fees included for 3 months to Sept 2016 – see following slide for further detail

- Performance fees for affiliates are typically earned half yearly or annually, 31 December or 30 June
- Only included in PNI's financial statements once 'definitely earned' – on 'beyond any doubt at all' crystallisation
- No performance fees are included in the revenue number for the 3 months to 30 Sep 2016
- Because significant likely performance fees in certain affiliates are scheduled to crystallise on 30 June 2017, Pinnacle NPAT is likely to be a lower % of the FY17 total in 1H2017 and a higher % of the FY17 total in 2H2017
- Actual amounts too difficult to estimate
- Shareholders should be aware of this likely 'within year variability' in Pinnacle's results, with 2H results proportionately larger and 1H proportionately smaller than in FY16

Affiliated IM investment performance (to 30 Sep 2016)

	1Y	3Y	5Y	10Y	Inception	Inception date
Pinnacle Investment Management - Gross Performance						
Hyperion Asset Management						
Hyperion Australian Growth Companies Fund	25.35%	12.53%	19.02%	10.03%	13.18%	1/10/2002
Alpha	11.85%	6.50%	8.00%	5.04%	4.15%	
Hyperion Small Growth Companies Fund	25.73%	16.18%	24.14%	15.72%	18.86%	1/10/2002
Alpha	-3.43%	9.11%	18.87%	14.29%	11.66%	
Hyperion Australian Equities Composite	24.69%	12.28%	18.76%	9.96%	14.17%	1/11/1996
Alpha	11.19%	6.25%	7.74%	4.97%	5.33%	
Hyperion Australian Equities ASX300 Composite	25.04%	12.01%	18.62%	10.45%	14.34%	1/05/2003
Alpha	11.54%	5.98%	7.60%	5.46%	5.19%	
Hyperion Global Growth Companies Fund	9.79%				19.03%	22/05/2014
Alpha	7.01%				6.01%	
Plato Asset Management						
Plato Australian Shares Core Fund	10.34%	6.94%	12.50%		5.54%	30/10/2006
Alpha	-3.16%	0.91%	1.48%		0.96%	
Plato Australian Shares Equity Income Fund - Class A	14.11%	9.37%	15.51%		14.41%	9/09/2011
Alpha	-0.79%	1.70%	2.48%		2.72%	
Plato Global Shares Income Fund					-0.60%	30/11/2015
Alpha					1.46%	
Solaris Investment Management						
Solaris Core Australian Equity Fund	14.72%	8.83%	13.60%		5.46%	9/01/2008
Alpha	1.55%	2.84%	2.41%		2.16%	
Solaris High Alpha Australian Equity Fund	14.79%	8.94%	13.84%		6.31%	4/02/2008
Alpha	1.61%	2.95%	2.65%		2.54%	
Solaris Total Return Fund (including franking credits)	15.96%				9.37%	13/01/2014
Alpha	1.12%				1.95%	

Affiliated IM investment performance (to 30 Sep 2016)

Pinnacle Investment Management - Gross Performance						
	1Y	3Y	5Y	10Y	Inception	Inception Date
Resolution Capital						
Resolution Capital Core Plus Property Securities Fund	21.31%	18.12%	20.31%		9.25%	30/09/2008
Alpha	0.43%	0.46%	0.76%		2.52%	
Resolution Capital Global Property Securities Fund	12.09%	15.03%	18.59%		12.87%	30/09/2008
Alpha	-1.95%	1.86%	2.51%		4.52%	
Palisade Investment Partners						
Palisade Diversified Infrastructure Fund	18.15%	13.92%	14.08%		10.51%	1/08/2008
Palisade Australian Social Infrastructure Fund	17.60%	16.90%			17.90%	31/05/2011
Antipodes Partners						
Global Fund	10.50%				12.10%	1/07/2015
Alpha	7.76%				10.65%	
Global Long Only	11.25%				10.00%	1/07/2015
Alpha	8.51%				8.55%	
Asia Fund	10.96%				4.50%	1/07/2015
Alpha	3.74%				6.61%	
Spheria Asset Management						
Microcap Fund					15.52%	16/05/2016
Alpha					7.06%	
Smaller Companies Fund					5.13%	1/07/2016
Alpha					1.89%	
Midcap Fund					2.29%	1/07/2016
Alpha					-2.33%	

- FUM and revenue continue to grow – both retail and institutional
- We are expanding our distribution team to cope with ongoing growth including new strategies and markets
- Legacy cost impact substantially diminished on FY16 and cost savings have been achieved
- ‘Underlying’ profitability expected to continue to grow, with FUM and revenue growth
- But we will continue to add some costs so as to resource future growth, and it is not possible to forecast the impact of variables such as volatile markets and performance fee revenues over the short term
- 2H2017 likely to be substantially better than 1H2017 due to the pattern of performance fee crystallisation

- Reporting on consistency of investment performance for the first time – will report this measure routinely in the future
- 100% of Pinnacle Affiliated Investment Manager strategies and products have out performed their benchmarks over the 5 years to 30 Sep 2016:
 - Weighted by FUM
 - Including all strategies and products that have a 5 year record at 30 Sep 2016



Horizon 1

- Sustain organic growth of the existing business of each affiliated IM

Horizon 2

- New affiliated boutiques and 'non-capital' parent growth initiatives (direct-to-retail, offshore)
- Reasonable limits to be set given 'drag' on Pinnacle financials

Horizon 3

- Must not place the company at risk
- Only consider if low risk and high return on invested capital
- Exercise great care and careful due diligence
- Must be synergistic with existing core
- Few will meet this test

Any costs internally funded by the affiliated IM



- Continue to provide high quality distribution, Responsible Entity and infrastructure services
- Support the affiliated investment managers in their maintenance of high standards
- Investment managers to remain focused on investing to enable continued strong performance and FUM growth
- Continue to grow both retail and institutional FUM
- Organic Growth and new initiatives within affiliated investment managers
- Continue to assess selected opportunities to add new affiliated boutiques

- Ian Macoun, Managing Director

ian.macoun@pinnacleinvestment.com.au

- This presentation has been prepared by Pinnacle Investment Management Group Limited (PNI). The information in this presentation is current as at 14 November 2016.
- This presentation is not an offer or invitation for subscription or purchase of securities or a recommendation with respect to any security. Information in this presentation should not be considered advice and does not take into account the investment objectives, financial situation and particular needs of an investor. Before making an investment in PNI, any investor should consider whether such an investment is appropriate to their needs, objectives and circumstances and consult with an investment adviser if necessary. Past performance is not a reliable indication of future performance.
- PNI has prepared this presentation based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of PNI, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.
- Pinnacle Fund Services Limited (ABN 29 082 494 362 AFSL 238371) is the product issuer of funds in this presentation that are managed by Plato Investment Limited (ABN 77 120 730 136, AFSL AR 304964 of Pinnacle Investment Management Limited AFSL 322140), Spheria Asset Management Pty Limited (ABN 42 611 081 326 AFSL AR 1240979 of Pinnacle Investment Management Limited AFSL 322140), Antipodes Partners Limited (ABN 29 602 042 035 AFSL 481580), Hyperion Asset Management Limited (ABN 80 080 135 897 AFSL 238380) and Resolution Capital Limited (ABN 50 108 584 167 AFSL 274491). Pinnacle Fund Services Limited is not licensed to provide financial product advice. The product disclosure statements of funds issued by Pinnacle Fund Services Limited are accessible on the relevant investment manager's website via www.pinnacleinvestment.com.au/investment-managers. Any potential investor should read the relevant product disclosure statement in its entirety and consult their financial adviser before making an investment decision. Past performance is not a reliable indicator of future performance.
- Morningstar Awards 2016 (c). Morningstar, Inc. All Rights Reserved. Awarded to Hyperion Asset Management for Australian Fund Manager of the Year, Domestic Equities Category Winner and Domestic Equities Small Caps Category Winner, Australia.