



Pinnacle
INVESTMENT MANAGEMENT

Level 35
60 Margaret Street
Sydney, NSW 2000

www.pinnacleinvestment.com.au

14 February 2017

By Electronic Lodgement

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

Dear Sir/Madam

Takeover Bid by Pinnacle Ethical Investment Holdings Limited for Hunter Hall International Limited (ASX: HHL)

Pinnacle Ethical Investment Holdings Limited (**Bidder**), a wholly owned subsidiary of Pinnacle Investment Management Group Limited (**ASX: PNI**), confirms that it is today sending the attached First Supplementary Bidder's Statement to the shareholders of HHL in respect of the Bidder's takeover offer to acquire all of the ordinary shares in HHL (**Offer**).

The First Supplementary Bidder's Statement supplements and is to be read together with the Bidder's Statement dated 30 January 2017 and dispatched to HHL shareholders on 14 February 2017, and is lodged in accordance with section 647(3) of the *Corporations Act 2001* (**Act**). The First Supplementary Bidder's Statement was accompanied by, and we attach:

- (a) a notice of variation under section 650D of the Act, increasing the Offer consideration from \$1.50 to \$2.00 per HHL share, dated 14 February 2017; and
- (b) a notice under sections 650F and 630(3) of the Act dated 14 February 2017:
 - freeing the Bidder's Offer from all conditions;
 - confirming the status of the conditions under the Offer; and
 - confirming the Bidder's voting power in HHL as at the date of this announcement.

Please do not hesitate to contact me on +61 2 8970 7726 if you require further information.

Yours faithfully

Eleanor Padman
Company Secretary
eleanor.padman@pinnacleinvestment.com.au
+61 2 8970 7726



Pinnacle
INVESTMENT MANAGEMENT

First Supplementary Bidder's Statement

Introduction

This document is a supplementary bidder's statement dated 14 February 2017 (**First Supplementary Bidder's Statement**) issued by Pinnacle Ethical Investment Holdings Limited (ACN 616 932 711) (**Pinnacle**) under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

This First Supplementary Bidder's Statement supplements, and must be read together with, the Bidder's Statement dated and lodged with ASIC and ASX on 30 January 2017 (**Original Bidder's Statement**) in relation to Pinnacle's off-market takeover bid for all of the ordinary shares in Hunter Hall International Limited (ACN 059 300 426) (**Hunter Hall**).

Terms defined in the Original Bidder's Statement have the same meaning in this First Supplementary Bidder's Statement unless the context requires otherwise. This First Supplementary Bidder's Statement will prevail in the event of any inconsistency with the Original Bidder's Statement.

A copy of this document was lodged with ASIC and provided to ASX on 14 February 2017. Neither ASIC nor ASX, nor any of their respective officers, takes any responsibility for the contents of this document.

This First Supplementary Bidder's Statement has been approved by a resolution passed by the directors of Pinnacle.

Summary

On 10 February 2017 Pinnacle announced its intention to improve the Offer set out in the Original Bidder's Statement by doing the following things:

- varying the Offer to increase the Offer Price from \$1.50 to \$2.00;
- declaring the Offer free of all Conditions;
- accelerating payment for valid acceptances under the Offer, such that Pinnacle will send payment of the consideration due under the contracts formed on acceptance of the Offer within 5 business days of valid acceptances being received in accordance with the terms of the Offer; and
- allowing Acceptance Forms to be sent by email.

Further details of Pinnacle's improved Offer are set out in this First Supplementary Bidder's Statement.

A copy of the notice of variation lodged with ASIC on 14 February 2017 is attached to this First Supplementary Bidder's Statement as Annexure A.

A copy of the notice freeing the Offer from Conditions under section 650F of the Corporations Act and giving Hunter Hall Shareholders notice of the status of Conditions



under section 630(3) of the Corporations Act is attached to this First Supplementary Bidder's Statement as Annexure B.

1 Increase in Offer Price

Pinnacle varies its Offer by increasing the Offer Price by \$0.50 to \$2.00 per Hunter Hall Share (**Revised Offer Price**).

Pinnacle's Revised Offer Price represents a 33.3% premium to the Offer Price in the Original Bidder's Statement.

Pinnacle's Revised Offer Price of \$2.00 represents:

- a 38% discount to the closing price of Hunter Hall Shares on 23 December 2016, the last Trading Day before the announcement of the WHSP Bid and Peter Hall's resignation;
- an 11% discount to the closing price of Hunter Hall Shares on ASX on 9 February 2017, the last Trading Day before the date of WHSP BidCo's first supplementary bidder's statement in relation to the WHSP Bid; and
- an 18% discount to the closing price of Hunter Hall Shares on ASX on 13 February 2017, being \$2.43 per Hunter Hall Share on the last Trading Day before the date of this First Supplementary Bidder's Statement.

A copy of the notice of variation lodged with ASIC on 14 February 2017 is attached to this First Supplementary Bidder's statement as Annexure A.

2 Free from conditionality

The Offer, as set out in the Original Bidder's Statement, was subject to a number of Conditions. Pinnacle frees the Offer set out in the Original Bidder's Statement as varied by this Supplementary Bidder's Statement from all Conditions set out in section 8.7 of the Original Bidder's Statement.

A copy of the notice freeing the Offer from Conditions under section 650F of the Corporations Act and giving Hunter Hall Shareholders notice of the status of Conditions under section 630(3) of the Corporations Act is attached to this First Supplementary Bidder's Statement as Annexure B.

3 Accelerated 5 Business Day payment term

Pinnacle will pay you for Your Accepted Hunter Hall Shares within 5 Business Days after receiving your valid acceptance of the Offer in accordance with the terms of the revised Offer.

Please refer to sections 4 and 6 of this First Supplementary Bidder's Statement together with section 8 of the Original Bidder's Statement for details of how to accept the Offer.

4 Acceptances by email

Acceptance Forms may now be sent by email. Acceptance Forms sent by email will be treated as valid if the Acceptance Form is completed and signed in accordance with the instructions on it and a scanned version of:

- the Acceptance Form; and
- all other documents required by the instructions on the Acceptance Form,

are emailed to pinnacleoffer@computershare.com.au so that they are received before the end of the Offer Period.

The original Acceptance Form and all other documents required by the instructions on it must be returned to the postal address given on the Acceptance Form as soon as practicable afterwards.

Pinnacle is not obliged to pay you for Your Accepted Hunter Hall Shares until your original Acceptance Form, together with all other documents required by the instructions on it, is received at the postal address given on the Acceptance Form.

5 Why you may wish to accept the Offer at the Revised Offer Price

You may wish to accept the Offer at the Revised Offer Price for the reasons set out below, in addition to the reasons set out in section 1 of the Original Bidder's Statement.

- The Revised Offer Price is a 33.3% premium to the Offer Price under the Original Bidder's Statement.
- Pinnacle will pay accepting Hunter Hall Shareholders within 5 Business Days after Pinnacle receives their valid acceptance of the Offer.

You should be aware that the Revised Offer Price is at an 18% discount to the closing price of Hunter Hall Shares on ASX on 13 February 2017, being \$2.43 per Hunter Hall Share.

6 How to accept the Offer

Below is an outline of the steps you need to complete to accept the Offer for Your Hunter Hall Shares.

You should read section 8.3 of the Original Bidder's Statement for full details on how to accept the offer.



6.1 Issuer Sponsored Holdings

If you wish to accept the Offer and you hold Your Hunter Hall Shares as an Issuer Sponsored Holding (in which case your Holding Identification Number will begin with an “I”), you must complete the Acceptance Form enclosed with the Original Bidder’s Statement in accordance with the instructions set out on the form and return it (together with all documents required by the instructions in the Acceptance Form) so that it is received before 7:00pm (Sydney time) on the last day of the Offer Period.

6.2 CHESS Holdings

If you wish to accept the Offer and Your Hunter Hall Shares are in a CHESS Holding (in which case your Holding Identification Number will begin with an “X”), you must either:

- contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf so as to be effective before the end of the Offer Period; or
- complete and sign the enclosed Acceptance Form in accordance with the instructions set out on the form and return it so that it is received at the address given on the Acceptance Form in sufficient time for your Controlling Participant to act on your instructions before the end of the Offer Period.

6.3 Participants

If you are a Participant and wish to accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules.

6.4 Email Acceptances

To accept by email:

- complete and sign the enclosed Acceptance Form in accordance with the instructions on it and email it together with all other documents required by those instructions to pinnacleoffer@computershare.com.au so that they are received before the end of the Offer Period; and
- return the original Acceptance Form and all other documents required by the instructions on it must be returned to the postal address given on the Acceptance Form as soon as practicable afterwards.

If your Acceptance Form is returned by email it will be deemed to be valid if the email is received before the end of the Offer Period, but you will not be entitled to receive payment for Your Accepted Hunter Hall Shares until your original Acceptance Form, together with all other documents required by those instructions on it, are received at the postal address given on the Acceptance Form.

7 Purchase of Hunter Hall Shares outside of the Offer

Pinnacle intends to advise its broker to stand in the market on ASX and purchase Hunter Hall Shares for a price up to \$2.00 per Hunter Hall Share on Pinnacle's behalf, starting from the date of this First Supplementary Bidder's Statement.

If Pinnacle obtains a relevant interest in 20% of Hunter Hall it intends to exercise its rights under item 2 of section 611 of the Corporations Act and buy Hunter Hall Shares on-market at \$2.00 per Hunter Hall Share.

8 Funding the improved Offer

8.1 Maximum consideration payable

The consideration for the acquisition of Hunter Hall Shares under the Offer at the Revised Offer Price will be satisfied by the payment of cash.

As at the date of this Supplementary Bidder's Statement, Pinnacle is not aware of any securities on issue that are convertible into, or rights that entitle a person to be issued, Hunter Hall Shares.

The maximum amount of cash that Pinnacle will be required to pay under the Offer at the Revised Offer Price, if acceptances are received for all Hunter Hall Shares on issue as at the date of this Supplementary Bidder's Statement, is approximately \$54,619,632.

8.2 Sources of cash consideration

The cash required to fund the Offer at the Revised Offer Price, and pay costs associated with the Offer, will be sourced from:

- Pinnacle Group's existing uncommitted cash reserves; and
- the Debt Facility (as defined below in paragraph (b)).

(a) Cash reserves

Pinnacle Group has undertaken to provide, or procure the provision of, all cash amounts required by Pinnacle to fund the Offer and pay associated costs. Pinnacle intends to rely on this undertaking in conjunction with the amounts available to it under the Debt Facility described in paragraph (b) to pay the Offer consideration at the Revised Offer Price.

Pinnacle Group has sufficient unallocated cash reserves available to satisfy its undertaking to Pinnacle. These cash reserves include the proceeds of a \$30 million (pre-expenses) placement to sophisticated and institutional investors conducted in January 2017. Pinnacle Group's cash reserves are not subject to any security interests, rights of set-off or other arrangements that would materially affect Pinnacle's ability to use the cash to fund the Offer and associated costs.

Pinnacle Group's undertaking to Pinnacle is not subject to conditions and Pinnacle Group does not have a right to demand repayment.



(b) *Debt facility*

It is estimated that approximately \$15 million of the maximum amount of cash that Pinnacle will be required to pay under the Offer at the Revised Offer Price will be obtained from external debt funding provided to PIML by Commonwealth Bank of Australia (**Financier**) under a bilateral term facility on a certain funds basis for the purpose of funding the acquisition of Hunter Hall Shares pursuant to the Offer (**Debt Facility**). PIML has undertaken to Pinnacle to provide funds under the Debt Facility as and when those funds are required.

PIML and the Financier entered into a binding commitment letter dated 21 January 2017 (**Commitment Letter**). The Commitment Letter contains all of the conditions to funding and sets out the material terms of the Debt Facility. The events of default, undertakings and representations and warranties in respect of the Debt Facility are considered by Pinnacle to be customary for borrowing arrangements of this nature.

As at the date of this Bidder's Statement, Pinnacle is not aware of any event or circumstance which would give rise to a right to the Financier to terminate its commitment under the Commitment Letter. The availability of the Debt Facility is subject to conditions precedent, being evidence that Pinnacle has received acceptances under the Offer for at least 50.1% of Hunter Hall Shares and sufficient equity funding from PIML being available to acquire at least \$35 million worth of Hunter Hall Shares, the execution of finance documents, the provision of verification certificates and a post-Offer corporate structure diagram to the Financier, payment of fees and expenses, legal opinions addressed to the Financiers and any necessary 'know your customer' checks.

Pinnacle has a reasonable basis to expect that the conditions precedent to drawdown will be satisfied before Pinnacle requires funds to be drawn down under the Debt Facility.

8.3 Payment of consideration

On the basis of the arrangements set out in this section 8, Pinnacle is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required to all Hunter Hall Shareholders who accept the Offer and to satisfy all other obligations associated with the Offer.

9 Timetable and process

Pinnacle's Offer is scheduled to close at 7:00pm (Sydney time) on 15 March 2017 unless the Offer is withdrawn or the Offer Period is extended as permitted by the Corporations Act.

10 Additional information

For further details, please refer to the Original Bidder's Statement.

If you have any further questions on how to accept the Offer, please call the Offer Information Line on 1300 651 577 between 9:00am and 5:00pm (Sydney time) on Business Days.



Pinnacle
INVESTMENT MANAGEMENT

This First Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the board of Pinnacle.

Signed for and on behalf of Pinnacle Ethical Investment Holdings Limited by:

Ian Macoun
Director

Annexure A – Notice of variation

PINNACLE ETHICAL INVESTMENT HOLDINGS LIMITED (ACN 616 932 711)

TAKEOVER BID FOR HUNTER HALL INTERNATIONAL LIMITED

NOTICE OF VARIATION – INCREASE IN OFFER CONSIDERATION

To: Hunter Hall International Limited (ACN 059 300 426) (**Hunter Hall**)

Australian Securities and Investments Commission

Australian Securities Exchange

Each person shown on the Hunter Hall share register dated 31 January 2017

This is a notice given by Pinnacle Ethical Investment Holdings Limited (ACN 616 932 711) (**Pinnacle**) in relation to its off-market takeover bid for all of the ordinary shares in Hunter Hall made under the bidder's statement dated 30 January 2017 (**Bidder's Statement**) and dispatched to Hunter Hall shareholders on 14 February 2017 (the **Offer**).

Pinnacle gives notice under subsection 650D(1) of the *Corporations Act 2001* (Cth) (**Act**) that:

- 1 it varies its Offer by increasing the offer price from \$1.50 per Hunter Hall share to \$2.00 per Hunter Hall Share (the **Revised Offer Price**); and
- 2 the Bidder's Statement is varied by replacing, in each instance, "\$1.50" with "\$2.00". However, various calculations and statements in the Bidder's statement are based on the original offer price of \$1.50 per Hunter Hall Share and remain correct on this basis.

The supplementary bidder's statement lodged with ASIC and given to ASX on 14 February 2017 includes updated disclosure by Pinnacle in relation to the Revised Offer Price.

A copy of this notice was lodged with ASIC on 14 February 2017. Neither ASIC nor any of its officers take any responsibility for the contents of this notice.

This notice has been approved by a resolution of the directors of Pinnacle.

Dated: 14 February 2017

Signed for and on behalf of Pinnacle Ethical Investment Holdings Limited



Ian Macoun

Director



Alex Ihlenfeldt

Director



Pinnacle
INVESTMENT MANAGEMENT

Annexure B – Notice freeing Offer from Conditions

PINNACLE ETHICAL INVESTMENT HOLDINGS LIMITED (ACN 616 932 711)

TAKEOVER BID FOR HUNTER HALL INTERNATIONAL LIMITED

NOTICE FREEING TAKEOVER OFFER FROM DEFEATING CONDITIONS

To: Hunter Hall International Limited (ACN 059 300 426) (**Hunter Hall**)
Australian Securities Exchange

For the purposes of subsection 650F of the *Corporations Act 2001* (Cth) (the **Act**), Pinnacle Ethical Investment Holdings Limited (ACN 616 932 711) (**Pinnacle**) gives notice declaring that:

- 1 its off-market takeover bid for all of the ordinary shares in Hunter Hall made under the bidder's statement dated 30 January 2017 (**Bidder's Statement**) and dispatched to Hunter Hall shareholders on 14 February 2017 (the **Offer**) is free from all conditions set out in section 8.7 of the Bidder's Statement; and
- 2 as at the date of this notice, Pinnacle has voting power of 0% in Hunter Hall.

Pinnacle also gives notice in accordance with section 630(3) of the Act declaring that, as at the date of this notice:

- 1 the Offer has been freed from all conditions set out in section 8.7 of the Bidder's Statement;
- 2 so far as Pinnacle is aware, none of the conditions set out in section 8.7 of the Bidder's Statement have been satisfied; and
- 3 Pinnacle has voting power of 0% in Hunter Hall.

Dated: 14 February 2017

Signed for and on behalf of Pinnacle Ethical Investment Holdings Limited

Ian Macoun
Director

Alex Ihlenfeldt
Director