

## **Slide 1 – Cover Page**

**Wilson HTM Investment Group Ltd (ASX: WIG)**

**Annual General Meeting**

**Wednesday 26th November 2014**

**Scheduled start time: 3 pm**

## **Slide 2 - Agenda**

Good afternoon ladies and gentlemen, fellow shareholders, staff and visitors.

My name is Steven Skala and I am the Chairman of Wilson HTM Investment Group.

Before we commence proceedings, could I ask that you turn your mobile phones either off or down during the meeting.

Welcome to our 2014 Annual General Meeting and thank you for your attendance in our Sydney office.

I would also like to welcome staff joining us via teleconference in Brisbane, Melbourne and our regional offices today and I trust you can hear us clearly.

I have been informed by the Company Secretary that we have a quorum present and I now declare the meeting open.

On the basis that the Notice of Annual General Meeting has been circulated, I propose it be taken as read.

I am also advised that there are no apologies recorded prior to the commencement of this meeting.

Are there any apologies that shareholders wish to have recorded in the Minutes of the Meeting?

[Yes/No], thank you.

In addition to those present here today, valid proxies have been received from 161 Shareholders who between them are the holders of approximately 28.49 million shares representing approximately 27.5% of the capital of the Company.

Before running through the Agenda of today's meeting, I would like to take the opportunity of introducing my fellow Board members:

Mr Alan Watson, lead independent director

Mr Chum Darvall

Mr Steven Wilson

Ms Erica Lane (by telephone in Melbourne) and

Mr Sandy Grant our Managing Director.

In attendance today is Mr Ian Macoun, the Chairman and Managing Director of Pinnacle Investment Management Limited and Mr Don Mackenzie our Company Secretary.

I would also like to welcome Mr Michael O'Donnell from PricewaterhouseCoopers, the Company's Auditor, who is unable to attend in person but is participating by teleconference.

His representative Paul Collins, also from PricewaterhouseCoopers, is present in the room.

This AGM is being held in Sydney as part of a broader commitment to hold AGMs in Brisbane every second year and in Sydney or Melbourne in the intervening year, so that over time this meeting is more conveniently accessible to a larger number of shareholders to attend in person.

Today, I will cover the Board's progress on various key strategic matters and then hand to Sandy Grant. Sandy will address the meeting in relation to:

- The Group's financial results for the 2014 financial year; and will provide an
- update for the four months to the end of October 2014;

Following Sandy, Ian Macoun will address the meeting in relation to the funds management activities of Pinnacle and its ongoing growth.

We will then have the formal part of the meeting followed by questions.

There are several matters of ordinary business, including voting on the Remuneration Report, resolutions proposing the re-election of Mr Alan Watson and Mr Steven Wilson and a resolution seeking approval for the grant of options to the Managing Director, Mr Sandy Grant.

Approximately 77% of the eligible proxies received to date have voted in favour of the resolution supporting the Remuneration Report.

Unless a number of those present in the room vote against the Resolution, we will have a majority of greater than 75% in favour of its adoption.

The Board acknowledges shareholders' previous concerns regarding the Remuneration Report and considers that these issues have been addressed, and will continue to be addressed in the future.

We will call for a show of hands on each item of business requiring resolution.

Shareholders will be invited to ask questions in relation to each resolution prior to the votes being cast.

### **Slide 3 - Chairman's Address**

Moving now to my Chairman's address. I would like to report on the following

- WIG Financials
- WIG's Transformational year
- Pinnacle growth continues
- Wilson HTM Securities
- Board update
- Shareholder returns

### **Slide 4 – WIG Financials**

The 2014 financial year was a year of significant improvement with the Group reporting a \$4.8 million net profit after tax attributable to shareholders or 4.7 cents per share.

The performance of our operating business segments evidences increasing stability and de-risking.

In particular the result reflected a breakthrough profit in our Pinnacle funds management business. Ian Macoun will

comment more on this and the way forward later in the presentation.

In the Wilson HTM business segment there was a substantial turnaround to profits.

In particular the Securities business recovered from a \$7 million loss before tax in the 2013 financial year to a profit before tax of \$1.2 million in the 2014 financial year.

With the improved profits our cash and principal investments increased 58% on the prior year to \$26.3 million.

We note in relation to the loan from WIG to Pinnacle, that Pinnacle has repaid \$2.6 million of its loan during the financial year taking the balance to \$14 million at June 2014.

Our balance sheet has improved materially with net tangible assets at 30 June 2014 \$54 million or 53 cents per share up from 46 cents per share at June 2013.

This represents an NTA per share increase of 15.2% on the previous year.

The improved balance sheet and Group profits have allowed a return to dividends with a fully franked dividend of 2.75 cents per share was declared in respect of the 2014 financial year and was paid to shareholders on 18 September 2014.

It is the Board's intention that through a stronger balance sheet and continuing profits dividends will be regular.

### **Slide 5 – WIG's Transformational year**

The Board sees a strong future for WIG as a strategic supporter of investment professionals operating in a range of financial services.

We wish to back leaders in their fields or those who have the capacity, the plan and the commitment to become so.

This company operates with a fundamental premise that ownership drives alignment, accountability and commitment to achieve the overarching ambition of good results for clients and shareholders.

This is worth repeating: our key investment thesis for shareholders is that operators of financial services businesses are best motivated to achieve better results for their clients if they have owner-like responsibilities and derive owner-like returns from the business.

This translates into a strategy for investors through WIG, where possible or sensible, to own shares or slices of suitable businesses operated by appropriate co-owners, with sensible governance overlays and risk management

The implementation of this strategy sees the continuing, transformation of WIG into a growing house of financial and investment service businesses.

Pinnacle maintains a disciplined and professional approach in how it manages and grows its business.

Its focus is on working with high quality affiliated investment boutiques.

Pinnacle will be adding one new boutique from December 2014 taking its group of boutiques to seven.

In Wilson HTM Securities we are advancing well towards the creation of an independently managed and controlled business.

The Board considers Securities has a strong future as a leading emerging company house with established wealth management expertise and plans to grow.

Priority Funds have the characteristics of a boutique within WIG. They have a small dedicated team and a profit based remuneration system that provides outcomes similar to equity participation.

WIG will continue to focus on growing this business as part of its strategic growth initiatives.

Next Financial is nearing run off completion but continues to honour its client service needs.

WIG overhead is still carrying one offs such as consultancies associated with the transformation of WIG and legacy costs of the past.

Upon the creation of an independent Securities business, WIG will be a backer of leading financial and investment service businesses through Pinnacle or directly, and will allocate its capital in accordance with the core strategy.

We propose that WIG will become a reliable source of dividends to shareholders.

### **Slide 6 – WIG businesses**

Looking into the future and following the creation of an independent Securities business and the run off of Next Financial, there will be nine businesses across Pinnacle and WIG.

The chart shows the effective ownerships and funds under management of each business at 31 October 2014.

## **Slide 7 – Key criteria in backing businesses**

In deliberating on whether to back a business, among other things, the Board considers the following:

- The commitment and calibre of its key staff
- Whether the business is or has the realistic capacity, plan and commitment to become a market leader within each speciality
- What the overall competitive landscape is within each speciality areas
- The prospective return on equity
- Whether the value the business can add to its clients is meaningful and competitive
- The costs to WIG (in terms of capital and management time) required to support the investment

## **Slide 8 – Pinnacle Continues to Grow**

I would like to take this opportunity to highlight the strong growth and performance of Pinnacle.

It began in 1996 with the creation of Hyperion Asset Management.

The business has grown from funds under management of \$1 billion in 2006, with the establishment of Pinnacle Investment Management, to \$13.7 billion at October 2014.

The Pinnacle business segment recorded a 97% improvement in its net profit after tax taking profits from \$3 million in the 2013 financial year to \$5.9 million in financial year 2014.

Led by Ian Macoun, it's Chairman and Managing Director, Pinnacle maintains a disciplined and professional approach in how it manages and grows its business. Its focus is ensuring the high standards of its affiliated boutiques and continuing to provide high quality distribution, Responsible Entity and infrastructure services.

As part of Pinnacle's strategy of growing funds under management Pinnacle will be adding one new boutique in international equities in December 2014, taking its group of boutiques to seven.

The Board remains confident in Pinnacle's capacity to continue its success.

Industry projections for growth in superannuation and funds management will continue to support the growth of this business segment in the future.

## **Slide 9 – Wilson HTM Securities**

In relation to Wilson HTM Securities, I would like particularly to congratulate our management team for an \$8.2 million turnaround to a \$1.2 million profit before tax in the 2014 financial year.

The turnaround in profits was through increased revenues and reduction in the cost base.

Equity capital market activity was up and there was an increase in broking revenues which drove the higher revenues.

This turnaround to profitability provides stability and a base from which to grow the business.

There is good progress around the creation of an independently managed and controlled Securities business.

The Board is supportive of this process.

## **Slide 10 – Board post AGM**

I have spoken about WIGs transformation to a house of financial and investment services businesses.

As WIG changes, it is important that the nature and skills of its Board match that transformation and development.

With this in mind, Alan Watson has been appointed lead independent director and the company has commenced a process to recruit two new independent directors.

Due to other commitments and as contained in the Notice of Annual General meeting despatched in October 2014, Erica Lane has decided to not seek election as a director at this annual general meeting.

On behalf of the Board I would like to thank Erica sincerely for her valuable contribution as a director since November last year.

Chum Darvall has indicated that he proposes to resign from the Board of WIG towards the end of March 2015.

Around this time, I propose to stand aside as Chairman of the Company.

We will, of course undertake a sensible process in the appointment of a new Chairman and shareholders will be advised in a timely manner in accordance with the ASX Listing rules.

## **Moving to the Outlook for the financial year**

At this stage it is too early to predict the outcome for the year ended 30 June 2015.

Funds under management in Pinnacle continue to grow across the Pinnacle boutiques providing a growing annuity type income stream.

The proposed Securities restructure will provide for greater alignment.

In the Securities business, markets remain volatile however. Current forecasts indicate that there is a reasonably strong corporate pipeline to carry forward into the second half of the financial year.

Sandy Grant will provide some colour on the Securities profitability of the business later in the presentation.

## **Slide 11 – Shareholder returns**

As a Board our task is to deliver for shareholders.

The best measure of this is profits in the businesses, growth strategies and ultimately total shareholder returns.

We therefore show the results if you had invested in WIG over the period July 2013 to October 2014 versus benchmark and the overall market.

It is pleasing to see significant improvement but we still acknowledge that we have far to go.

With that I will now hand you over to Sandy Grant Managing Director of WIG

## **Slide 12 – Managing Director's Address**

Thank you Chairman.

Good afternoon shareholders, staff and visitors.

In my address today, I will speak to you on four main areas:

- Business Segmentation
- Financial Performance of the Group for financial year 2014
- WIG 4 months to October 2014
- Alpha Generation

## **Slide 13 – Wilson HTM Investment Group Segments**

Transparency of the businesses within the Group has improved with the results of each major component part of the business clearly displayed.

Currently the Group reports on two business segments Pinnacle and Wilson HTM.

Pinnacle has now reached \$13.7 billion of funds under management across its six boutiques and is continuing to contribute materially to the Group's profitability and cashflow.

Within the Wilson HTM segment, is the Securities business, comprising its Capital Markets and Wealth Management businesses, Priority Funds, the Group's Principal Investments and Next Financial Limited.

Next Financial now has only \$3 million of instalment product maturing by June 2015.

## **Slide 14 – Group 2014 Financials versus 2013 Financials**

### Turning to Financial Performance

The Group reported a consolidated net profit after tax attributable to shareholders of \$4.8 million in the 2014 financial year. The result was a significant turnaround from the \$1.6 million loss attributable to shareholders with both business segments contributing to profit.

Earnings per share were 4.7 cents for the 2014 financial year up from a loss of 1.6 cents per share in the 2013 financial year.

The Company declared a final fully franked dividend of 2.75 cents per share.

Pinnacle funds under management increased by 13% across the year to \$12.3 billion. Pinnacle's share of net profit after tax from its equity interest in boutiques was \$8.4 million. This is a 37% increase from the previous year.

The Pinnacle segment reported a \$5.9 million net profit after tax which was a 97% improvement on the 2013 financial year result. These metrics clearly display the financial leverage in the Pinnacle business model.

### **Moving to the Wilson HTM business segment.**

Wilson HTM excluding the impact from the consolidation of the Priority Core Fund returned to profits with a \$2 million net profit

before tax. To highlight, this was a \$6.4 million turnaround from the \$4.4 million loss in the 2013 financial year.

The turnaround was achieved through increased revenues from stronger corporate deal flow, market share gain in broking and a reduction in the fixed cost base across the Securities business.

The Securities business reported a \$1.2 million profit before tax. This was an \$8.2 million turnaround to profits from the \$7 million loss before tax in the 2013 financial year.

Through the healthier equity markets Principal Investment gains were \$1.2 million for the 2014 financial year. This was down on the \$1.8 million gains in the 2013 financial year however with a much reduced exposure.

Following a strong year in 2013 the Priority Funds business suffered from negative alpha in the Priority Growth Fund and outflows of funds under management. The Priority Core Fund however outperformed and attracted modest inflows. The net result was that performance fees were substantially reduced in the period pushing that business into a small loss for the year.

## **Slide 15 – Group 2014 Financials**

If you refer to the slide on the screen you will see that the first half 2014 profit was notably supported by \$1.3 million in Principal Investment gains.

The Securities business returned to profitability with consistent profits across both halves driven by a 13% increase in revenues and 18% reduction in the fixed cost base.

The Securities business benefitted from better conditions prevailing in equity markets (at least in the first half) with investor sentiment remaining cautious. By the end of the financial year however investors were starting to explore some different ideas other than the yield focused big cap plays.

In the Pinnacle segment, profits increased by 27% in the second half due to stronger performance across the boutiques through increased funds under management and realisation of performance fees.

Changes in the accounting standards required us to consolidate the Priority Core Fund into our financial statements. The fund was then de-consolidated in December 2013 following the partial redemption of our investment towards the end of the first half of the financial year.

## **Slide 16 – Fixed Costs**

As we reported last year cost reduction has been a major focus of the business over the past few years. In the 2014 financial year we further reduced fixed costs by 18.9% following a 11.4% reduction in the 2013 financial year.

The reduction in fixed costs was through the relocation of office premises in Sydney and Melbourne, headcount reduction, wind down of non-core businesses and reducing the costs of supplier contracts.

We continue to make sure the cost base remains stable but further large gains on the cost base will be centred on lowering longer term supplier agreements as contracts expire and are re-negotiated. This is more likely to have a positive effect in the 2016 financial year.

## **Slide 17 – Balance Sheet**

Moving to our Balance Sheet.

Our Group's net tangible assets increased by 13% to \$54 million from \$48 million.

Liquidity grew through the year with cash and principal investments increasing by almost \$17 million to \$26 million at June 2014.

The increase in cash was the result of dividends received from the Pinnacle boutiques, operating cashflows from the Securities business and performance fees from the Priority Funds in respect of the 2013 financial year.

To highlight the Group had no corporate debt during the financial year and continues to have no corporate debt.

Our financial assets at fair value through profit or loss or simply our Principal Investments decreased quite significantly. The main reason was through the de-consolidation of the Priority Core Fund which I spoke to before. In addition we also redeemed \$4.5 million from our direct investment in the Priority Core Fund in October 2013 which reduced our exposure to equity markets.

Our investment in Pinnacle continues to grow with the investment in our Pinnacle Boutiques increasing in the 2014 financial year. The movement for the 2014 financial year

comprised of \$8.4 million in equity accounted profits offset by \$7.9 million in dividends received from the Boutiques.

The commentary shown on the slide highlights the Next Financial client product related assets and liabilities. As we have stated before, the business is in run down as can be seen in the balance sheet between each period.

## **Slide 18 – WIG 4 months to Oct 14**

Financially the year has started soundly, especially given the recent volatility of markets that affect both our Securities and Funds Management businesses. I can say that the Group is profitable year to date with an unaudited \$1.2 million profit before tax.

The year to date result is down on last year however I would like to point out the \$1.3 million Principal Investment gains for the same period last year.

Unlike like last year mark to market gains from the Group's investment in the Priority Core Fund has been negligible in the year to date.

The current periods result reflects strong contribution from the Pinnacle segment however the Wilson HTM business segment is loss making.

Despite improved profits in the Securities business there are small losses in Priority Funds and Next Financial.

Although we are profitable year to date we have in the past been careful to remind shareholders that the Group's financial performance is impacted by market conditions and as such we are not providing any further guidance.

In addition profitability will be subject to the costs and the accounting effects associated with the creation of an independent Securities business.

### **Slide 19 - Alpha Generation – Research, Corporate July 2002- October 2014**

An emphasis will be placed on focussing on our strengths and what we do best such as alpha generation through Research and Corporate Finance.

The firm has developed a top down approach for the development of tactical asset allocation and model portfolios.

### **Slide 20 - Alpha Generation – Research, Corporate July 2013 – October 2014**

Both our Research and Corporate Indexes continue to show outperformance against the benchmarks and have been further supported by transactions such as the Bellamy's IPO earlier in the financial year.

## **Finally**

We maintain strong relations with a leading global investment bank in Deutsche Bank, who provide quality research and corporate deal flow for our clients, and we thank them for their support.

Our people remain dedicated to the direction and future of the business. I would like to thank them for the support and encouragement they have provided to me and the firm in the last year.

Our other main business, Pinnacle, is proving to be a wise, long term strategic investment for the Group and its shareholders.

I would now like to hand over to Ian Macoun who will speak about Pinnacle.

## **Slide 21 Pinnacle Managing Director's Address**

**Thank you Sandy.**

Pinnacle boutiques' total Funds under Management at the end of the 2014 financial year (at \$12.3 Billion) were about 13% higher than they were at the beginning of the year (\$10.9 Billion at 30 June 2013). By 31st October 2014, these had increased by a further 11% to \$13.7 Billion – 25% above the level at the beginning of the 2013/14 financial year.

The growth in our Funds under Management over the past several years is shown in the next slide

## **Slide 22 Pinnacle Financial Drivers - FUM**

The growth in boutiques' revenues over the same period is shown in the following slide.

## **Slide 23 Pinnacle Financial Drivers - Revenue**

Pinnacle's statutory financial results are shown in the next slide.

## **Slide 24 Pinnacle statutory financial results – FY14 and FY13**

Pinnacle's share of boutiques' net after tax profit increased by 35% from \$6.2 million in the year ended 30 June 2013 to \$8.4 million in the year ended 30 June 2014. Pinnacle's overall Group net profit after tax increased by 51% from \$4.3 million to \$6.5 million.

## Slide 25 Pinnacle Boutiques

Wilson HTM Investment Group has a 79.3% interest in Pinnacle Investment Management, which in turn has an interest in six boutiques –

- **Hyperion Asset Management** (49.9% owned by Pinnacle) – a specialist manager of Australian equities following a growth style;
- **Palisade Investment Partners** (35.7% owned by Pinnacle) – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors;
- **Plato Investment Management** (currently 49.9% owned by Pinnacle) – a specialist manager of Australian equities following a quantitative style;
- **Solaris Investment Management Limited** (40.0% owned by Pinnacle) – a specialist manager of Australian equities following a style-neutral approach to investing;
- **Resolution Capital** (40.0% owned by Pinnacle) – a specialist manager of Australian and global listed real estate securities portfolios; and

- **Sigma Funds Management** (25.0% owned by Pinnacle) – a value style Australian equities manager.

We at Pinnacle are pleased that there will be a seventh boutique – initially to be called Pinnacle International Equities Limited – when on 1st December 2014 we acquire 100% of the Perennial International Equities business. We are excited that, following an initial period during which we will seek to bring about a smooth transition across from Perennial, we will have the opportunity to adapt and grow this business, into a ‘fully fledged’ Pinnacle boutique, with the investment professionals owning a majority of the equity and Pinnacle retaining a minority equity share.

Following our usual model, Pinnacle will provide distribution services to this boutique funds management firm, in both the institutional and retail markets, as well as all ‘infrastructure’ services including Responsible Entity, compliance and risk, middle office, tax and financial reporting, technology, legal, HR and office accommodation services.

These seven boutiques, together with our ‘third party distribution’ partners, offer a variety of styles and asset classes to the Australian funds management marketplace. This provides substantial growth opportunities for Pinnacle and, by

diversification of our business offerings, reduces the risk of the performance of the business.

### **Slide 26 Investment Performance**

Investment performance is at the heart of the Pinnacle boutiques' funds management offerings and strong performance against market benchmarks and strong ratings by asset consultants, research houses and Superannuation Funds underpins future growth in Funds under Management and profits.

### **Slide 27 Investment Performance continued**

I am delighted once again to report that the investment performance of our boutiques has continued to be very strong. The following 3 slides set out the performance of the key boutique offerings, in both tabular and graphical formats, over the one year and three year periods to 31<sup>st</sup> October, 2014, and since the inception of each.

### **Slide 28 Investment Performance Graph**

Consistent with this important theme, Perennial International Equities has also had strong performance, as indicated in the following slide.

## **Slide 29 Investment Performance of Perennial International Equities**

## **Slide 30 - Pinnacle Strategy FY15**

The 2014 financial year was another year in which we did not add new boutiques, although – as I indicated earlier, we are now about to add our seventh boutique, in an asset class which is new to Pinnacle. We focused during the financial year on supporting the growth of our existing boutiques and our ‘third party distribution’ partnerships.

I am pleased to report that our distribution partnership with Metrics Credit Partners, which commenced during the 2013 financial year, has continued to progress well, with Funds Under Management increasing strongly during the year, with further commitments expected on an ongoing basis. Led by experienced bankers Graham McNamara, Andrew Lockhart and Justin Hynes, Metrics Credit is a specialist loans manager which provides investors with access to the Australian corporate loan market and an opportunity to share in attractive risk-adjusted returns that until recently had been available only to traditional banks.

**I will now hand you over to the Chairman of the meeting  
Steven Skala**

**[ENDS]**

# Wilson HTM Investment Group Ltd

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## 2014 Annual General Meeting

*3:00pm  
26 November 2014  
Sydney*



# Agenda

- Chairman's Address – Steven Skala AO
- Managing Director Address – Sandy Grant
- Pinnacle Managing Director Address – Ian Macoun
- Q & A
- Ordinary Business

# Chairman's Address

- WIG Financials
- WIG's Transformational Year
- Pinnacle Growth Continues
- Wilson HTM Securities
- Board Update
- Shareholder Returns



# WIG Financials



	FY2014	FY2013	
Profit/(loss) after tax attributable to shareholders	\$4.8m	(\$1.6m)	↑
Fully Franked Dividend	2.75 cents	-	↑
Net Tangible Assets	\$54.4m	\$48.0m	↑
Share price (WIG)	\$0.61	\$0.19	↑↑
Cash and Principal Investments	\$26.3m	\$16.7m	↑
Pinnacle Debt to WIG*	\$14.0m	\$16.6m	↓
Corporate debt	\$nil	\$nil	=
Group Funds under Management	\$13.8b	\$12.3b	↑

\*Not shown on the balance sheet as eliminated on consolidation.

# WIG's Transformational Year



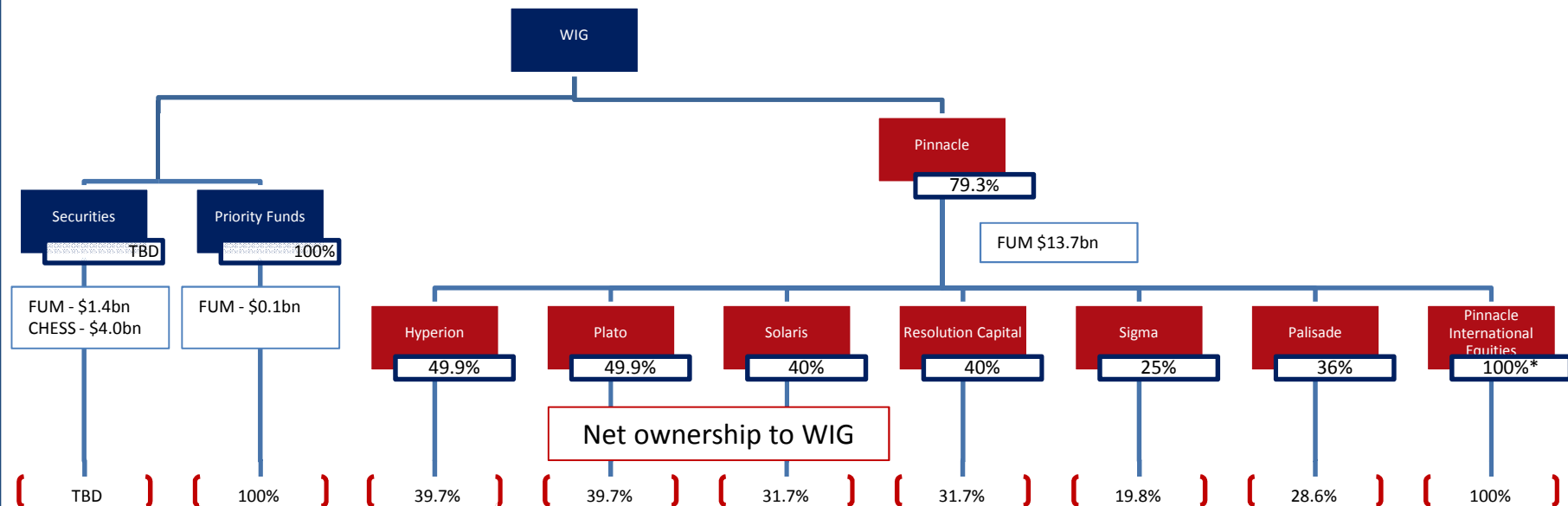
- Transformation to a growing house of financial and investment service businesses
- Strategic supporter of excellent people in the investment industry
- Fundamental belief in the power of ownership to drive alignment, accountability and commitment
- Overarching ambition of achieving top results for clients and shareholders

# WIG's businesses



Following the proposed creation of an independent Securities business and the run off of Next Financial there will be 9 businesses across Pinnacle and WIG

Note: FUM balances are as at 31 October 2014  
\*Pinnacle shareholding on completion at 1 December 2014



# WIG's key criteria in backing businesses



- Commitment and calibre of key staff
- Market leadership within each speciality
- Overall competitive landscape within each speciality area
- Prospective return on equity
- Demonstrated “value add” to clients is meaningful and competitive
- Capital and opportunity cost to WIG to support investment

# Pinnacle Continues to Grow



- Significantly improved profits in FY2014 up 97%
- Addition of a new boutique in December 2014 specialising in international equities
- FUM up 11% to \$13.7 billion from \$12.3 billion at 30 June 2014
- Projections for superannuation and funds management remain strong

# Wilson HTM Securities



- \$8.2 million turnaround to profit before tax of \$1.2 million
- Strong ECM activity and higher broking revenues
- Business stabilised and a base from which to grow
- Good progress for the creation of a independently managed and controlled Securities business

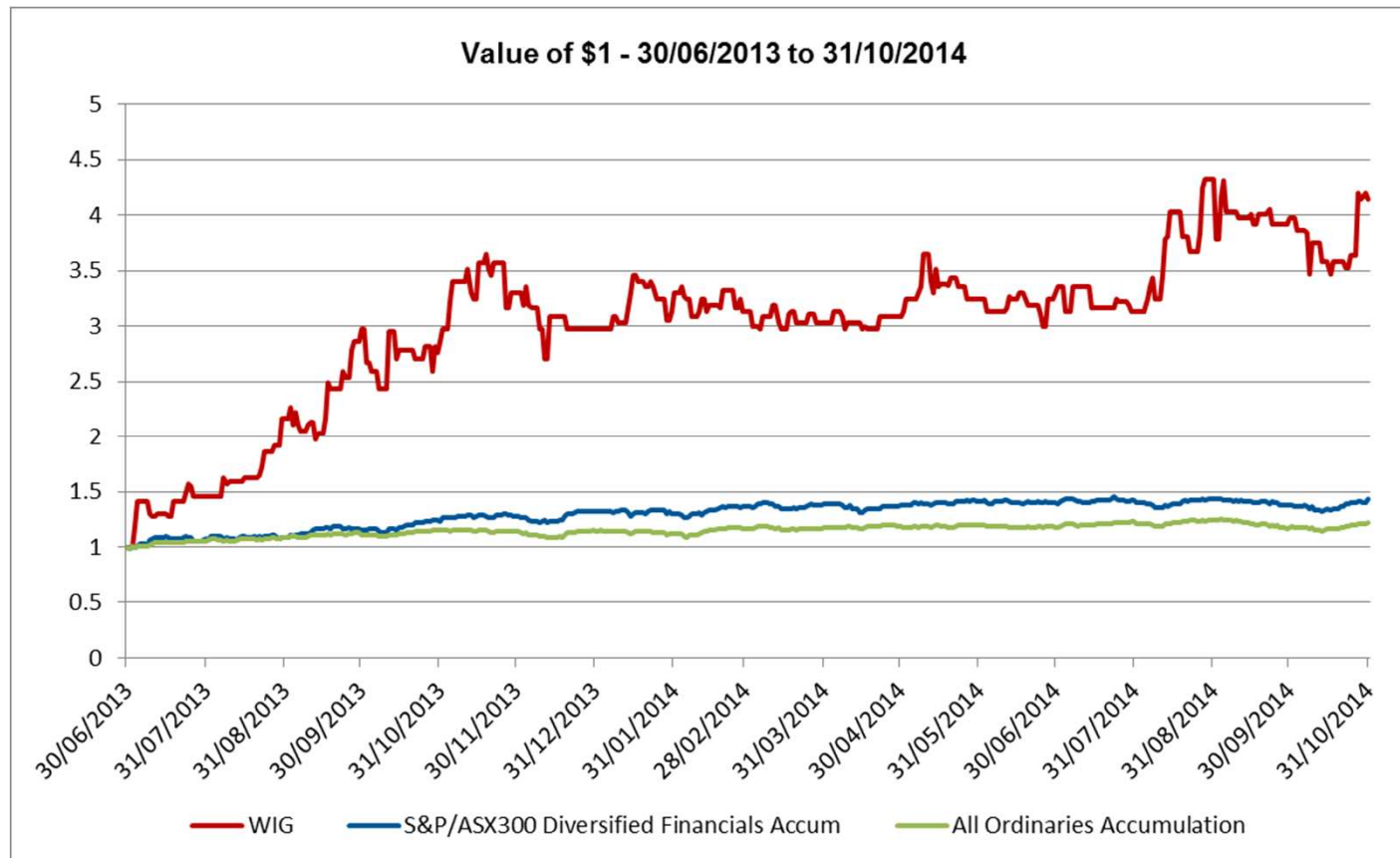
# Board post AGM



	Board	Audit & Risk Committee	Remuneration & Nominations Committee	Proposed WHTM Securities new entity	Next Financial Limited	Pinnacle Investment Management Limited	Priority Funds Investment Committee
Steven Skala AO	✓				✓		
Chum Darvall AM	✓	✓	✓			✓	
Alan Watson	✓		✓	✓			
Steven Wilson AM	✓	✓			✓	✓	✓
Sandy Grant - Managing Director	✓				✓	✓	✓

- Plus addition of two new independent non-executive directors

# Shareholder returns



# Managing Director's Address

- Business Segmentation
- Financial Performance FY2014
  - FY2014 Profit and Loss
  - Fixed Costs
  - FY2014 Balance Sheet
- WIG - 4 months to October 2014
- Alpha Generation



# WIG Business Segments



# Group FY2014 Financials versus FY2013



- Group NPAT \$4.8 million attributable to WIG shareholders ↑ from NLAT of \$1.6 million
- Basic earnings per share 4.7 cents ↑ from a loss per share of 1.6 cents
- Fully franked dividend per share of 2.75 cents ↑ from nil cents
- NTA of \$54.4 million or \$0.53 per share ↑ from \$0.46 per share
- Group Fixed Costs of \$46.1 million ↓ 19%
- Pinnacle segment NPAT \$5.9 million ↑ 97% from \$3.0 million
- Pinnacle's share of the Boutiques' NPAT of \$8.4 million ↑ 37% from \$6.2 million
- Wilson HTM NPBT\* \$2.0 million ↑ \$6.4 million from NLBT of \$4.4 million
- Securities \$1.2 million NPBT & \$8.2 million ↑ from NLBT of \$7 million
- Cash and Principal Investments totaling \$26.3 million ↑ 58% from \$16.7 million\*\*
- Group FUM of \$13.8 billion ↑ 12% from \$12.3 billion

\*Excludes the profit before tax attributable to non-controlling interests in the Wilson HTM Priority Core Fund required to be consolidated into the Group's results.

\*\*Excludes the consolidation of cash and Principal Investments from Wilson HTM Priority Core Fund

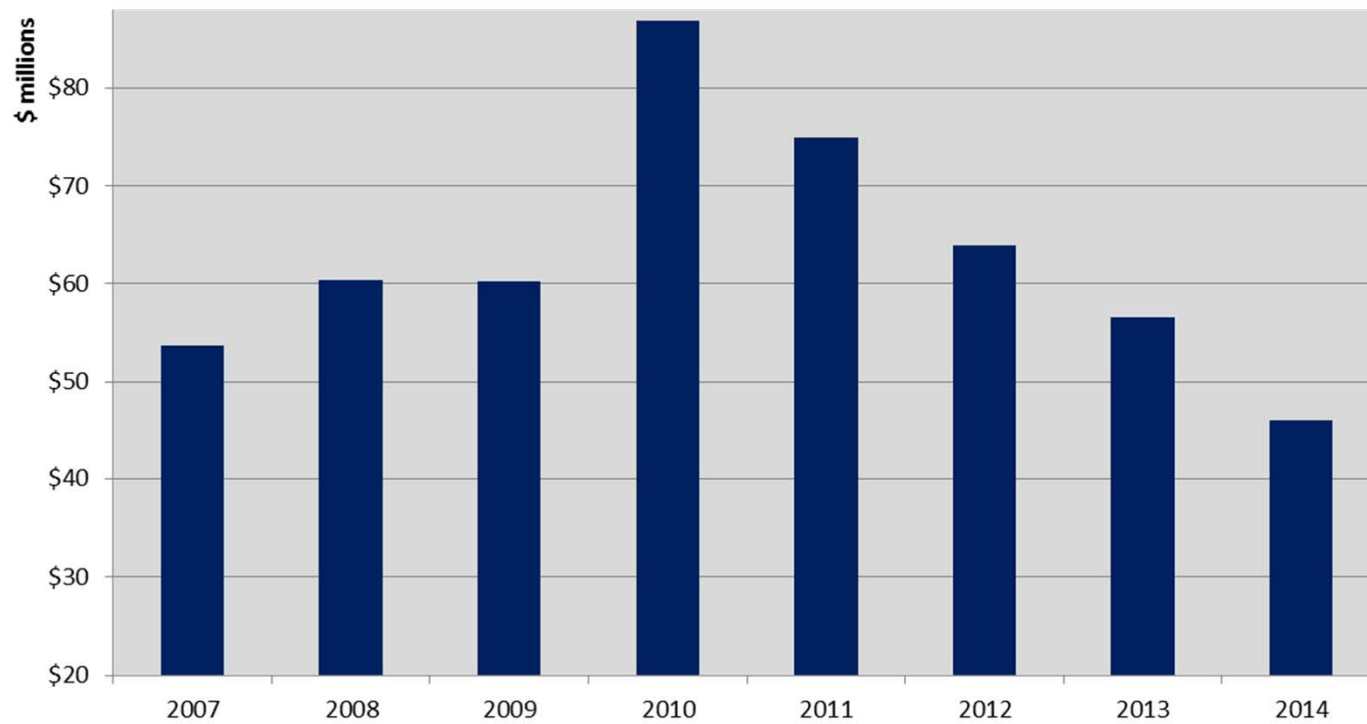
# Group FY2014 Financials



Composition of Group Results (\$million)	1H2014	2H2014	FY2014
<b>Pinnacle ^</b>	<b>2.6</b>	<b>3.3</b>	<b>5.9</b>
Securities	0.6	0.6	1.2
Principal Investments	1.3	(0.1)	1.2
Priority Funds	(0.3)	(0.2)	(0.5)
Next Financial	(0.2)	0.3	0.1
<b>Wilson HTM (pre consolidation of Wilson HTM Priority Core Fund)</b>	<b>1.4</b>	<b>0.6</b>	<b>2.0</b>
Consolidation of Wilson HTM Priority Core Fund *	2.3	0.0	2.3
<b>Wilson HTM</b>	<b>3.7</b>	<b>0.6</b>	<b>4.3</b>
Group Overhead (unallocated)	(0.9)	(0.9)	(1.8)
<b>Gross Profit / (Loss) before Tax</b>	<b>5.4</b>	<b>3.0</b>	<b>8.4</b>
Tax benefit / (expense)	(0.2)	0.2	0.0
Less: Minority Interests	(2.9)	(0.7)	(3.6)
<b>Group Net Profit / (Loss) after Tax attributable to shareholders</b>	<b>2.3</b>	<b>2.5</b>	<b>4.8</b>
^ Includes share of Pinnacle Boutiques profit after tax	3.5	4.9	8.4

\* Relates to profit before tax attributable to non-controlling interests in the Wilson HTM Priority Core Fund required to be consolidated into the Group's results.

# WIG Financials – Fixed cost control



# Group Balance Sheet



As at:	30 June 2014	30 June 2013
	\$million	\$million

## Assets

Cash and cash equivalents	20.6	7.9
Financial Assets at fair value through profit or loss	5.7	9.2
Financial Assets at fair value through profit or loss*	-	11.9
Trade and other receivables	5.6	10.5
Derivative financial assets	0.4	1.0
Loans to investors	4.0	8.4
Other current assets	0.0	0.3
Deferred tax assets	13.3	13.6
Investments accounted for using the equity method	19.4	18.8
Other non-current assets	7.0	5.1
<b>Total assets</b>	<b>76.0</b>	<b>86.7</b>

Value of Principal Investments.

Relates to Next Financial client product related assets and offset by product related debt

Book value of Pinnacle's investment in Boutiques

## Liabilities

Trade and other payables	9.0	10.4
Trade and other payables*	-	13.5
Borrowings	3.2	6.5
Derivative financial liabilities	0.4	1.1
Other current liabilities	3.9	4.0
Deferred tax liabilities	1.0	1.3
Non-current liabilities	4.1	1.9
<b>Total liabilities</b>	<b>21.6</b>	<b>38.7</b>

Relate to Next Financial clients product related debt. Borrowings are not corporate debt and with derivative financial liabilities are offset by the Next Financial product related assets

<b>Net assets</b>	<b>54.4</b>	<b>48.0</b>
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\*Attributable to the consolidation of the Wilson HTM Priority Core Fund which was de-consolidated 31Dec2013

# WIG – Unaudited 4 months to Oct14



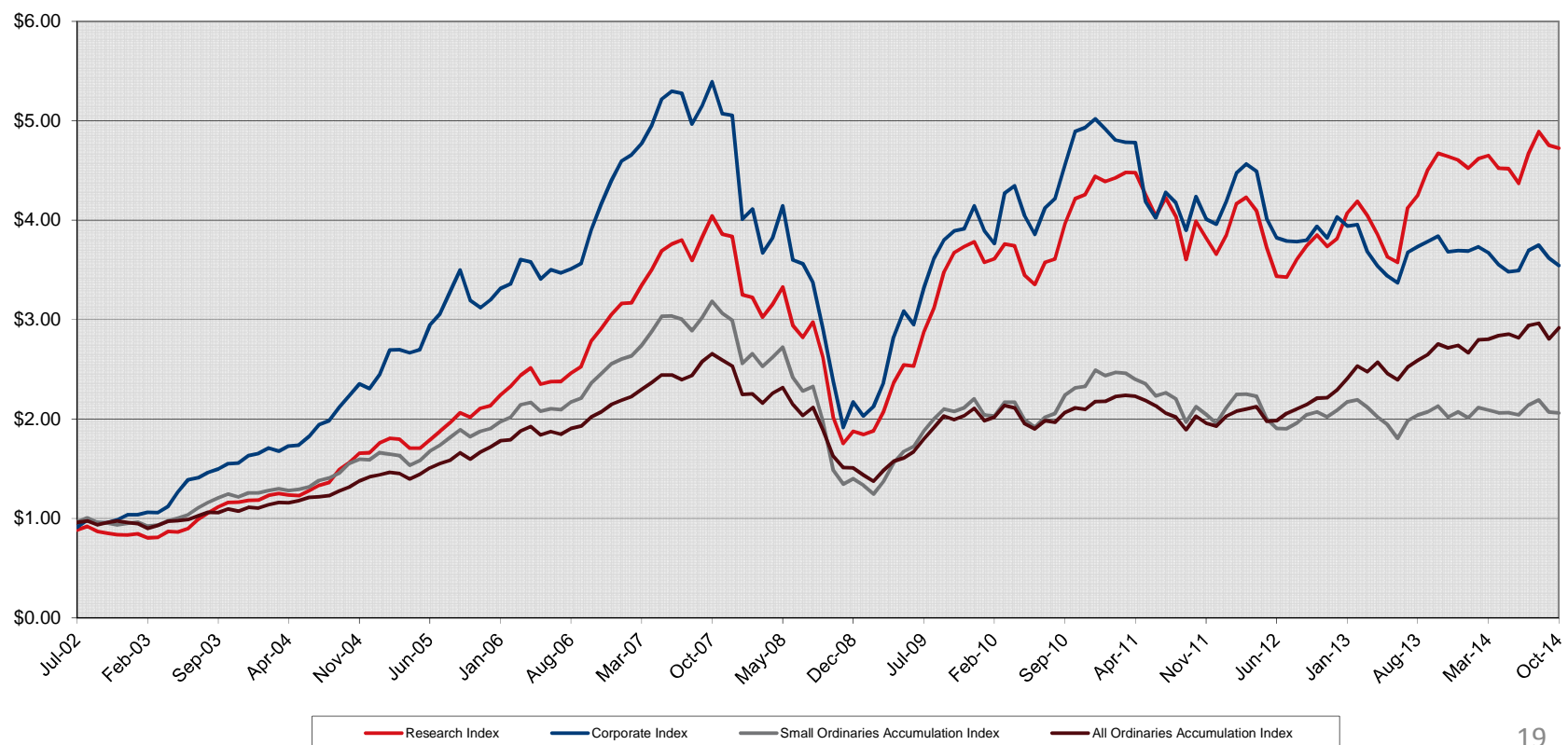
Composition of Group results (\$million)	4 months ended 31Oct14	4 months ended 31Oct13
<b>Pinnacle*</b>	<b>2.1</b>	<b>1.4</b>
Securities	0.4	(0.2)
Priority Funds	(0.1)	(0.1)
Principal Investments	(0.2)	1.3
Next Financial	(0.3)	(0.2)
<b>Wilson HTM</b>	<b>(0.2)</b>	<b>0.7</b>
Group Overhead (unallocated)	(0.7)	(0.5)
<b>Group Profit before Tax</b>	<b>1.2</b>	<b>1.6</b>
<i>* Includes share of Pinnacle Boutiques Profit after Tax</i>	<i>3.1</i>	<i>2.5</i>

# Alpha Generation

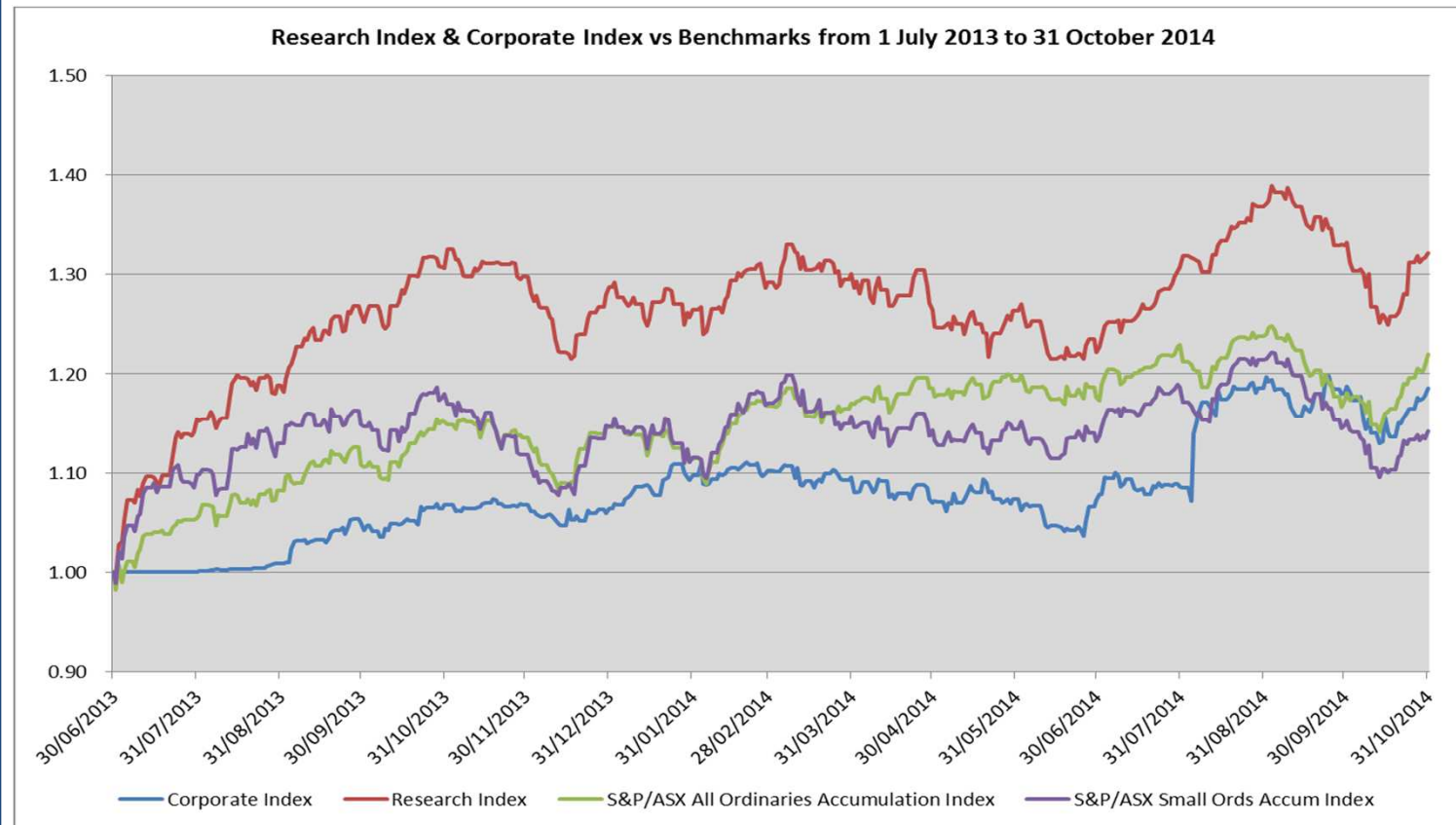


Wilson HTM  
INVESTMENT GROUP

Research & Corporate Index vs Benchmarks from 1 July 2002 to 31 October 2014



# Alpha Generation



# Pinnacle Managing Director's Address

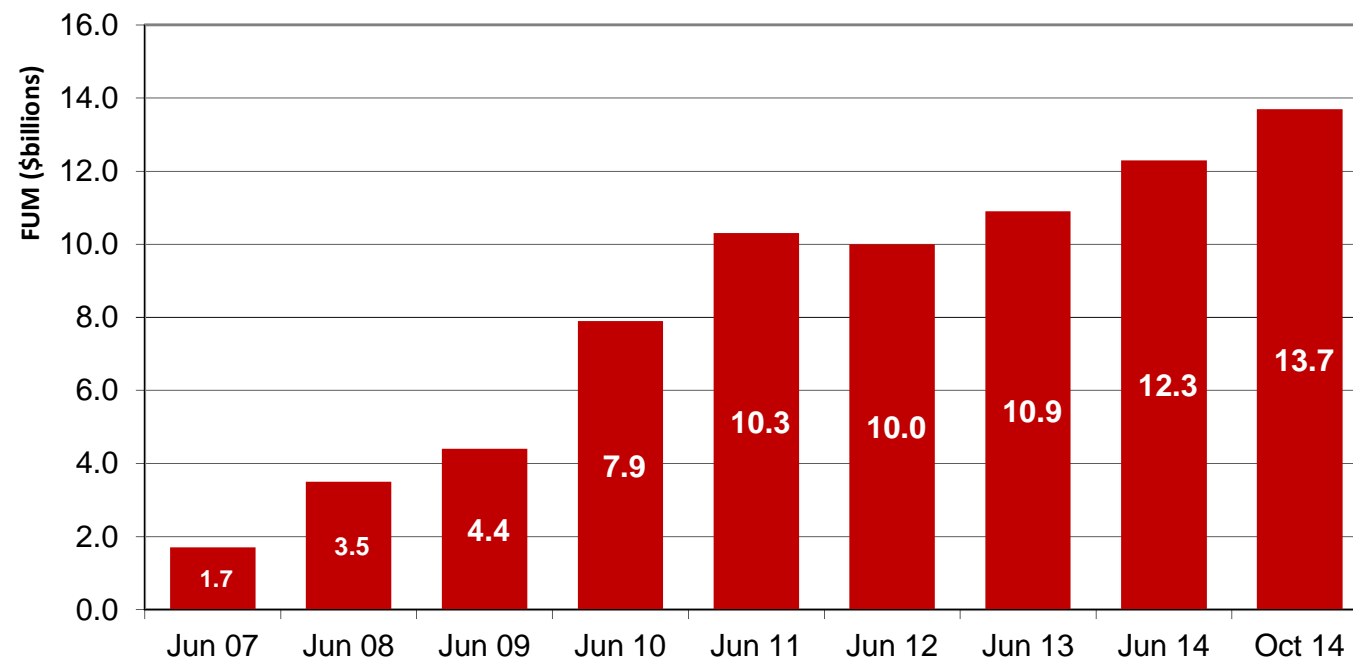


- Aggregate FUM of boutiques now \$13.7 billion
- Diversification of managers and strategies provides growth opportunities and seeks to mitigate risk
- Performance of boutiques remains strong, underpinning growth expectations
  - Above market benchmarks
  - Strong consultant ratings
- Economics are compelling
  - Breakeven at modest FUM levels
  - Significant profits with incremental FUM inflow

# Pinnacle – Financial Drivers

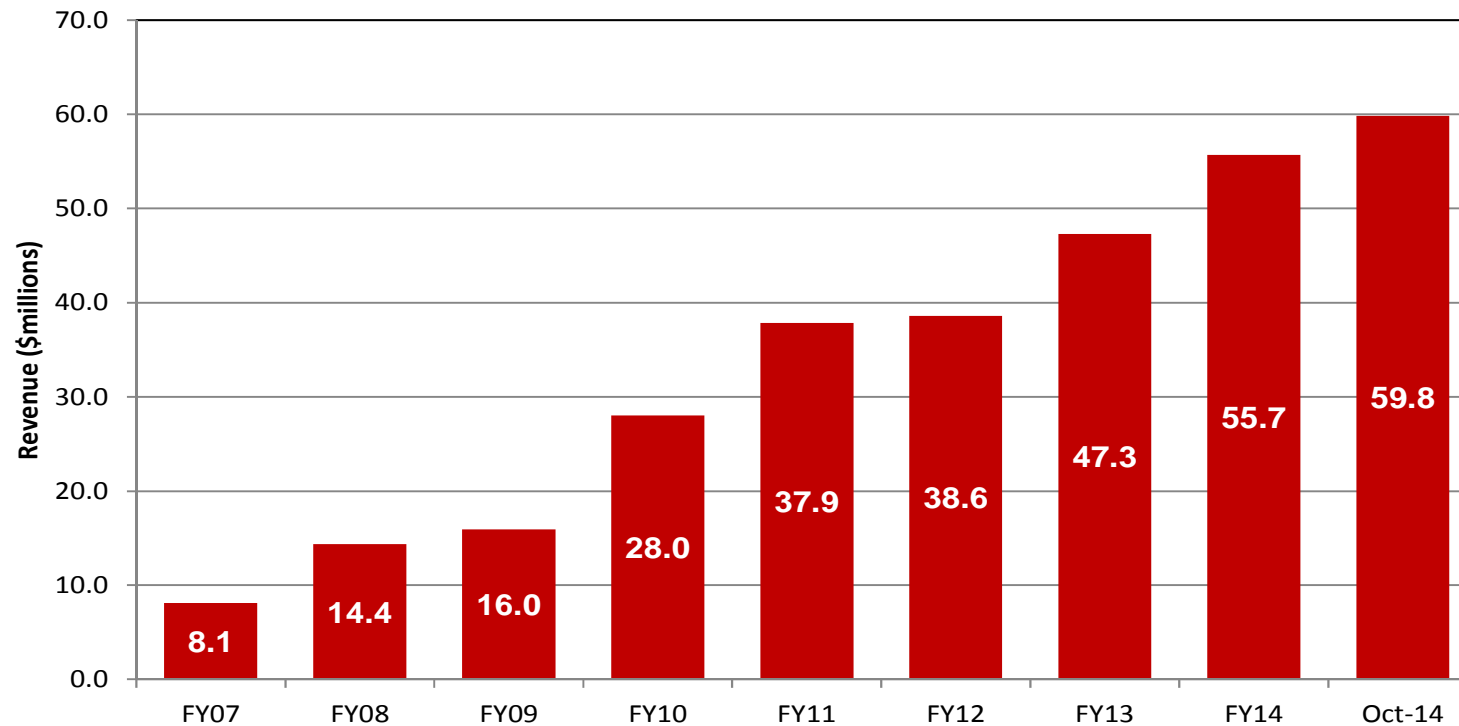


Funds Under Management (\$billion)



Note: Funds Under Management are shown as the aggregation of 100% of Pinnacle boutiques.

# Pinnacle – Gross Boutique Revenues



Note: Revenue is shown as the aggregation of 100% of Pinnacle boutiques. Revenue excludes revenue derived by Pinnacle itself.

# Pinnacle – Statutory Financials



	FY2014	FY2013
<b>Pinnacle Boutiques (100% aggregate basis)</b>		
FUM (\$billion)	12.3	10.9
<i>(\$million)</i>		
Revenue	55.7	47.3
<b>Net profit before tax</b>	<b>26.2</b>	<b>18.3</b>
Tax expense	(8.2)	(5.9)
<b>Net profit after tax</b>	<b>18.0</b>	<b>12.4</b>
Pinnacle's share of Pinnacle Boutiques NPAT statutory result	8.4	6.2
<b>Pinnacle</b>		
Revenue	4.3	4.4
Expenses	(6.2)	(6.3)
Share of Pinnacle Boutiques net profit after tax statutory result	<b>8.4</b>	<b>6.2</b>
<b>Pinnacle Group statutory result<sup>#</sup></b>	<b>6.5</b>	<b>4.3</b>

<sup>#</sup> 100% of Pinnacle (The Group has a 79.3% interest as at 30 June 2014). Excludes Wilson HTM costs related to Pinnacle

# Pinnacle Boutiques



- **Hyperion Asset Management** (49.9% owned by Pinnacle) – a specialist manager of Australian equities following a growth style;
- **Palisade Investment Partners** (35.7% owned by Pinnacle) – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors;
- **Plato Investment Management** (49.9% owned by Pinnacle) – a specialist manager of Australian equities following a quantitative style;
- **Solaris Investment Management Limited** (40.0% owned by Pinnacle) – a specialist manager of Australian equities following a style-neutral approach to investing;
- **Resolution Capital** (40.0% owned by Pinnacle) – a specialist manager of Australian and global listed real estate securities portfolios; and
- **Sigma Funds Management** (25.0% owned by Pinnacle) – a value style Australian equities manager.

# Investment Performance - Boutiques



Performance as at 31 October 2014

	1 year	3 years (p.a.)	Since inception (p.a.)	Inception date
Hyperion Australian Growth Companies Fund	9.1%	19.9%	13.1%	1 Oct 2002
<i>Returns in excess of benchmark</i>	<b>3.0%</b>	<b>6.6%</b>	<b>3.3%</b>	
Hyperion Small Growth Companies Fund	8.6%	26.2%	18.7%	1 Oct 2002
<i>Returns in excess of benchmark</i>	<b>11.8%</b>	<b>27.2%</b>	<b>12.2%</b>	
Plato Australian Shares Core Fund	7.1%	15.2%	5.7%	30 Oct 2006
<i>Returns in excess of benchmark</i>	<b>1.0%</b>	<b>1.9%</b>	<b>1.0%</b>	
Plato Australian Shares Equity Income Fund - Class A	11.2%	19.1%	19.6%	9 Sep 2011
<i>Returns in excess of benchmark</i>	<b>3.1%</b>	<b>3.5%</b>	<b>3.7%</b>	
Solaris Core Australian Equity Fund	8.6%	15.8%	5.2%	9 Jan 2008
<i>Returns in excess of benchmark</i>	<b>2.2%</b>	<b>2.1%</b>	<b>2.1%</b>	
Solaris High Alpha Australian Equity Fund	8.3%	15.9%	6.2%	4 Feb 2008
<i>Returns in excess of benchmark</i>	<b>1.9%</b>	<b>2.2%</b>	<b>2.5%</b>	

All investment performance reflected above is Gross ie. before fees.

# Inception date is since commencement of Palisade management on 01 Aug 2008.

# Investment Performance - Boutiques



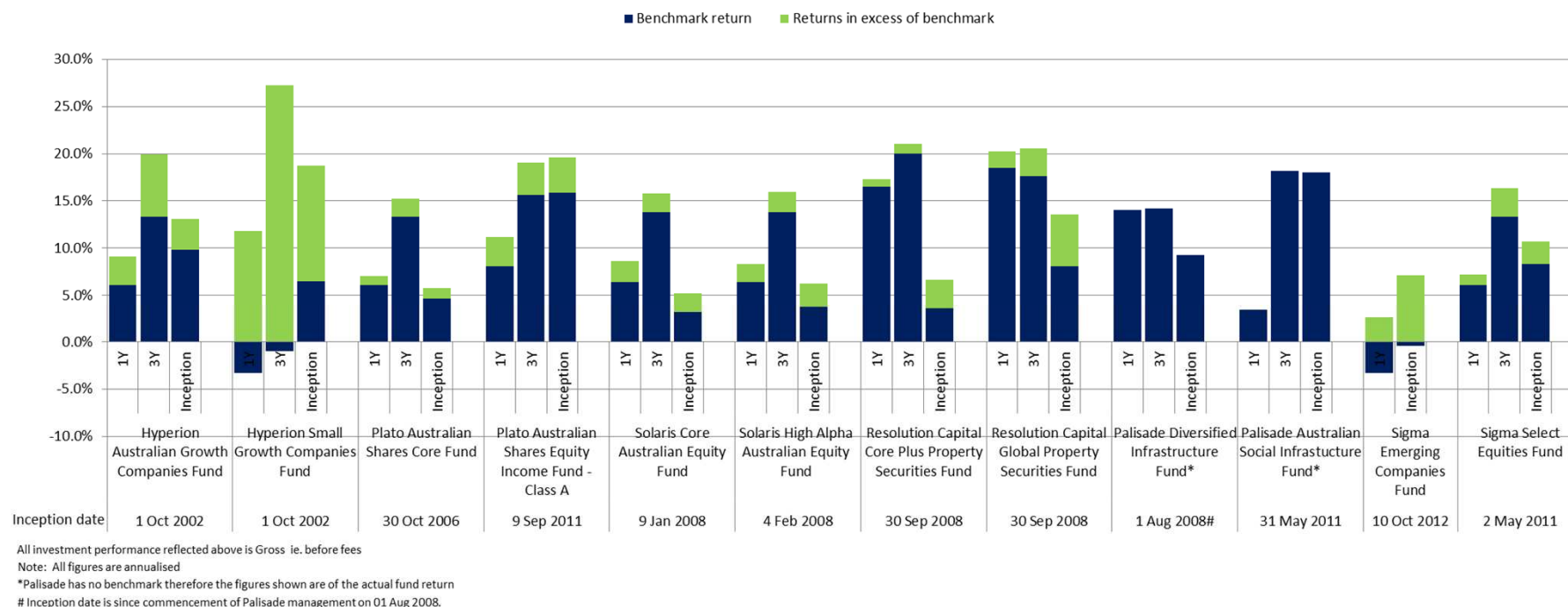
Performance as at 31 October 2014

	1 year	3 years (p.a.)	Since inception (p.a.)	Inception date
Resolution Capital Core Plus Property Securities Fund	17.3%	21.0%	6.7%	30 Sep 2008
<i>Returns in excess of benchmark</i>	<b>0.8%</b>	<b>1.0%</b>	<b>3.1%</b>	
Resolution Capital Global Property Securities Fund	20.2%	20.6%	13.6%	30 Sep 2008
<i>Returns in excess of benchmark</i>	<b>1.8%</b>	<b>2.9%</b>	<b>5.5%</b>	
Palisade Diversified Infrastructure Fund	14.0%	14.2%	9.3%	1 Aug 2008 <sup>#</sup>
Palisade Australian Social Infrastructure Fund	3.4%	18.2%	18.0%	31 May 2011
Sigma Emerging Companies Fund	-0.7%		6.6%	10 Oct 2012
<i>Returns in excess of benchmark</i>	<b>2.6%</b>		<b>7.1%</b>	
Sigma Select Equities Fund	7.2%	16.3%	10.7%	2 May 2011
<i>Returns in excess of benchmark</i>	<b>1.2%</b>	<b>3.0%</b>	<b>2.4%</b>	

All investment performance reflected above is Gross ie. before fees.

<sup>#</sup> Inception date is since commencement of Palisade management on 01 Aug 2008.

# Investment Performance - Boutiques

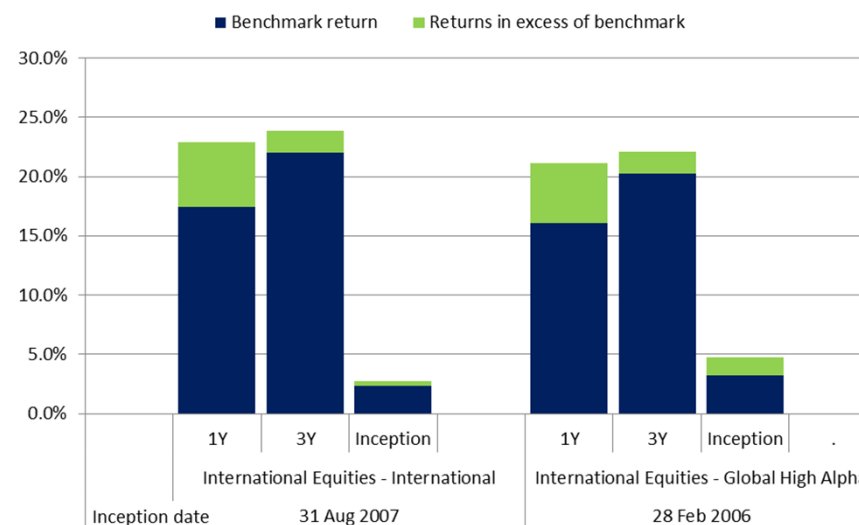


# Pinnacle – Perennial International Equities



	1 year	3 years (p.a.)	Since inception (p.a.)	Inception date
International Equities - International	22.9%	23.9%	2.7%	31 Aug 2007
<i>Returns in excess of benchmark</i>	<i>5.4%</i>	<i>1.8%</i>	<i>0.4%</i>	
International Equities - Global High Alpha	21.2%	22.1%	4.8%	28 Feb 2006
<i>Returns in excess of benchmark</i>	<i>5.1%</i>	<i>1.8%</i>	<i>1.5%</i>	

All investment performance reflected above is Gross ie. before fees.



All investment performance reflected above is Gross ie. before fees  
Note: All figures are annualised

# Pinnacle - Strategy for FY15



- Continue to provide high quality distribution, Responsible Entity and infrastructure services
- Maintain its affiliated fund managers' high standards
- Remain focused on investing to enable continued strong performance and FUM growth
- Grow proportion of retail FUM
- Drive selected third party distribution and new boutique opportunities