



**Wilson HTM**  
INVESTMENT GROUP

26 June 2015

***By Electronic Lodgement***

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

Level 38 Riparian Plaza  
71 Eagle Street  
Brisbane Qld 4000  
GPO Box 240  
Brisbane Qld 4001  
Telephone **07 3212 1333**  
Facsimile **07 3212 1399**  
ACN 100 325 184  
[www.wilsonhtm.com.au](http://www.wilsonhtm.com.au)

Dear Sir/Madam,

**Wilson HTM Investment Group Ltd (ASX: WIG) – 2014 Extraordinary  
General Meeting of Shareholders Address**

We attach attached the Chairman's address to be given at the Extraordinary General Meeting of Shareholders of Wilson HTM Investment Group Ltd to be held today, Friday 26 June 2015. The meeting commences at 9:00am and will be held at Level 38, Riparian Plaza, 71 Eagle Street, Brisbane.

Yours faithfully,

**Eleanor Padman**  
**Company Secretary**  
**Wilson HTM Investment Group Ltd**

**FOR MORE INFORMATION PLEASE CONTACT:**

**Sandy Grant**

Managing Director  
Wilson HTM Investment Group Ltd  
Ph: (07) 3212 1004

**Eleanor Padman**

Company Secretary  
Wilson HTM Investment Group Ltd  
Ph: (02) 8427 3165

**DRAFT**

## **EGM – CHAIRMAN’S ADDRESS**

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

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

Before we commence proceedings, could I ask that you please turn your mobile phones off or switch them to silent mode for the duration of the meeting.

Welcome to this Extraordinary General Meeting and thank you for your attendance in our Brisbane office.

I would also like to welcome other employee shareholders to our Sydney, Melbourne and regional offices who join us by teleconference. I trust that you can hear us clearly.

Formatted

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

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

I am 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.

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

- Mr Steven Wilson
- Mr Sandy Grant (MD) who joins us by telephone from the UK

Unfortunately, our remaining directors, Mr Chum Darvall and Mr Alan Watson are unable to join us today.

Also in attendance today is Mr Ian Macoun, the Chairman and Managing Director of Pinnacle Investment Management Limited and our Company Secretary, Mrs Eleanor Padman.

~~~~~

Today's extraordinary general meeting has been called to seek your approval for five resolutions. Three of those resolutions relate to the proposed sale of WIG's securities business and two relate to the remuneration arrangements for key management personnel of Pinnacle.

Of the eligible proxies received to date, and without including open-usable proxies which the Board may also vote in favour of the resolutions:

- 99.11% have voted in favour of the first resolution pertaining to the sale of the securities business;
- 92.04% have voted to approve the change of the Company's name;
- 99.35% have voted in favour of amending the constitution;
- 84% have voted in favour of the options to be issued to Pinnacle key executive management

Formatted  
Formatted

Formatted

Unless a number of those present in this room vote against any of the resolutions, we will have a special majority in favour of each resolution. We will therefore only be calling for a show of hands on each item of business requiring resolution and will not be calling for a poll on any resolution.

Beginning with the proposed sale of the securities business, the relevant resolutions in the notice of meeting are resolutions 1, 4 and 5. Resolution 1 seeks shareholder approval to proceed with the proposed sale. Resolutions 4 and 5 are consequent on Resolution 1. Resolution 4 seeks shareholder approval to change the name of Wilson HTM Investment Group Ltd to Wilson Group Limited in order to allow the transfer of various trade marks as part of the sale. Resolution 5 seeks shareholder approval to amend WIG's constitution to remove the rights of Deutsche Bank as a special shareholder in light of its participation as one of the new owners of the securities business and given that Deutsche Bank will have a different distribution and research partner in the newly separated Securities business.

Before I put the proposed sale to a vote, I think it would be appropriate to provide some background to the proposed sale and what the future holds for WIG should it proceed.

For some time your Board has been actively engaged in seeking a buyer for the Securities business. The earnings stream of the Securities business has been particularly volatile in the last few years and the business suffered heavy losses in FY12 and FY13 before returning to modest profit in FY14. The sale of the Securities business therefore reduces the exposure of shareholders to its earnings volatility.

In addition, the Board concluded that the future of the Securities business is best secured if key staff members have significant stakes in management, ownership and control. This is to ensure their interests are aligned with the business to help drive profitability.

During the course of exploring a potential sale, Craigs Investment Partners and Deutsche Bank joined the discussion. Deutsche Bank has been a long standing major shareholder and partner of WIG and is, for those of the Board entitled to consider the matter, a natural fit

for future ownership. Craigs Investment Partners is a well established New Zealand based stockbroking and investment advisory business, in which Deutsche Bank also holds a significant stake.

Whilst WIG had originally sought to maintain a minority interest in the Securities business, those members of the Board entitled to consider the matter decided that WIG's participation would result in there being insufficient equity available to staff to structure a meaningful transaction. Exiting the business also allows WIG to concentrate on its funds management business in Priority Funds, its shareholding in Pinnacle and to reduce its corporate overheads in due course. WIG has therefore decided to sell its entire interest.

Considerable further detail in relation to the transaction and its key features has been provided to shareholders, in both the Explanatory Memorandum and the Independent Expert's Report that accompanied the notice of meeting to shareholders.

The Independent Expert engaged by the Board, Lonergan Edwards, has concluded that the transaction is "fair and reasonable" to all

non-associated shareholders. After thorough consideration, those members of the Board entitled to do so, firmly consider that the transaction is in the best interests of shareholders. Those directors of WIG who are entitled to do so, unanimously recommend the transaction to shareholders. In addition, all directors who hold WIG shares have voted their shareholdings and any shareholdings in which they hold a relevant interest in favour of the resolutions supporting the transaction.

If the sale is approved by shareholders today then WIG's future will be focused on funds management primarily through its investment in 75% of Pinnacle, its 100% interest in Priority Funds, on finalising the operations of Next Financial, on managing our Principal Investments book and reducing overheads further. WIG's major asset, being its 75% interest in Pinnacle, is managed separately by the managing director of Pinnacle, Ian Macoun and his executive team.

WIG proposes, among other things, to re-focus on Priority Funds and grow its funds under management.



As to the second half of the current financial year there will be a number of one-off and group accounting entries associated with the divestment of the Securities business.

We expect incremental costs caused by the sale of the Securities business of the order of \$2 million including transaction costs, redundancy expenses and insurance. As previously indicated we also will formally review the carrying value of the remaining deferred tax asset of approximately \$9 million. Should this be written off, it will not impact on the ability to use the underlying tax losses against future profits in WIG subject to meeting the applicable income tax requirements.

The consequent complexity of these accounting treatments, allied with the usual unpredictability of performance fees, means the Board is unable to give any end of year financial guidance. It should be said that post this transaction and the associated accounting treatments, we will have a strong company with a full commitment to growth in funds management.

Next Financial's instalment book will reach maturity on the 30<sup>th</sup> of June, with the intention that the business be finalised within 6 months of that date. WIG's operating costs will reduce as the Next business is concluded. Property, insurance and other costs (including employee costs and professional services costs) will reduce over time.

After the transaction is completed, WIG will have around \$26 million in cash and principal investments and will focus on careful strategies for optimal utilisation of capital. All options will be on the table but obviously no decisions have been made.

I would now like to open the floor to any questions before putting Resolutions 1, 4 and 5 to shareholders.

Are there any questions ? {Yes/No}

I would now like to put Resolution 1 to the meeting, and move that for the purposes of Listing Rule 10.1 and for all other purposes, approval be given for the sale by the Company of the Securities Business under the Transaction Documents and on the terms

summarised in the Explanatory Memorandum accompanying this Notice.

Do I have a seconder for this resolution ? {Yes/No}

I note that a vote must not be cast on this resolution by Wilson HTM Holdings Pty Ltd, Wilson HTM NewCo 2015 Pty Ltd, Deutsche Australia Limited, Craigs Investment Partners and ACN 605 747 573 Limited, nor by an associate of those persons, regardless of the capacity in which the vote is cast. This means that staff members subscribing for a shareholding in the new venture may not vote.

Please can all shareholders in favour raise their hands ?

And all those against ?

{Call for a poll ?}

I now declare Resolution 1 {carried/defeated}.

{Assuming Resolution 1 is carried}, Turning to Resolution 4 and the change of company name, I move that for the purposes of sections 157(1) and 136(2) of the Corporations Act and for all other purposes, the Company adopts Wilson Group Limited as the name of the

Company and all references to the Company's name in the Constitution be amended to reflect the new name.

Do I have a seconder for this resolution ? {Yes/No}

Please can all shareholders in favour raise their hands ?

And all those against ?

{Call for a poll ?}

I now declare Resolution 4 {carried/defeated}.

Next we have Resolution 5, being changes to the constitution. I move that for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Company modify the constitution of the Company to take effect from Completion under the Transaction Documents:

(a) by deleting those parts which correspond to the struck-out parts of the constitution that has been tabled at today's meeting; and

(b) by inserting the underlined parts of the constitution tabled at today's meeting at the corresponding places in the constitution.

Do I have a seconder for this resolution ? {Yes/No}

Please can all shareholders in favour raise their hands ?

And all those against ?

{Call for a poll ?}

I now declare Resolution 5 {carried/defeated}.

~~~~~

I would now like to turn to Resolutions 2 and 3 and the proposed remuneration arrangements for Pinnacle key management personnel

As I have already mentioned, {and now that Shareholders have approved the sale of the securities business}, moving forward WIG's strategic focus will centre on its funds management strategy. This will be executed principally through its Priority Funds business and through its 75% holding in Pinnacle.

In relation to Pinnacle, on the 25th of February of this year, the Board announced to shareholders that it would be implementing a long term incentive scheme for senior Pinnacle executives to align those executives' interests with the interests of WIG shareholders.

The long term incentive scheme comprised two components being the sale to senior Pinnacle executives of 4.29% of WIG's equity in Pinnacle and the granting of long term options in WIG to senior executives of Pinnacle.

The sale of WIG's equity has already completed, such that WIG now holds 75.01% of Pinnacle. WIG has no intention to reduce this holding any further.

Shareholders are now being asked to approve the issue of options to Mr Ian Macoun, the Chairman and MD of Pinnacle, and to Mr Alexander Ihlenfeldt, its Chief Operating Officer. The Board considers that the issue of these options is critical to achieving two objectives:

- First, it incentivises important key management personnel for the next 5-6 years of growth of the Pinnacle business and aligns their interests with those of shareholders; and
- Secondly, it demonstrates to the funds management market in clear and unambiguous terms that WIG supports the need for Pinnacle key management personnel stability.

It is proposed to issue 1,175,000 WIG options to these two key management personnel, which is equal to 1.05% of the Company on a fully diluted basis after those options are issued. The exercise price for the options will be 98.6 cents per share, being the higher of the Company's NTA as at 1 January 2015 + 20% of the Company's volume weighted average price in the period 1 December 2014 to 31 March 2015.

50% of the options will vest after 3 years, with a 6 month window for exercise, with the remaining 50% to vest after 5 years, also with a 6 month window for exercise.

Under the terms of the options, if all the shares in Pinnacle are sold, vesting of the options is accelerated according to the date on which the shares are sold. If all the shares in Pinnacle are sold:

- prior to 31 December 2016, 60% of the options will immediately vest;
- prior to 31 December 2018, 75% of the total options will immediately vest; and

- after 31 December 2018, all of the options will immediately vest at that time.

Any residual unvested options following accelerated vesting of part only (for example, if Pinnacle were sold before 31 December 2018) will lapse.

If the key management personnel cease employment for any reason prior to 31 December 2017, the options will lapse unless otherwise determined by the Board. If the key management personnel cease employment after 31 December 2017, the options will immediately vest unless that employee is determined to be a Bad Leaver in accordance with the Plan rules.

The number of options proposed to be granted is 750,000 to Mr Ian Macoun and 425,000 to Mr Alex Ihlenfeldt.

The value of the options on the date they are granted will be determined by reference to the difference between the market price of Company Shares on that date and the exercise price of 98.6 cents per Share. The value of the benefit that may be payable to Mr



Macoun and Mr Ihlenfeldt if Pinnacle is sold in the future cannot be ascertained at this time and will depend on the point in time if and when Pinnacle is sold and the market price of Company Shares at the time of acceleration of vesting of the options.

It is relevant and important to note that there is no intention on the part of the Board to sell the Company's shares in Pinnacle.

Formatted

Accordingly, the potential for a benefit to arise is contingent on both a change of intention occurring and the date of any sale of Pinnacle.

The Board unanimously recommends that shareholders vote in favour of Resolutions 2 and 3.

I would now like to open the floor to any questions before putting Resolutions 2 and 3 to shareholders.

I note that a vote must not be cast on this resolution by or on behalf of a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report of the Company, and/or their closely related parties, unless the vote is cast as a proxy in accordance with the directions contained in the

Formatted

proxy and the vote is not cast on behalf of a member of the key management personnel or their closely related parties.

Are there any questions ? {Yes/No}

Formatted

Starting with Resolution 2, I move that that for the purposes of sections 200C and 200E of the Corporations Act, approval be given for the grant of 750,000 options in the ordinary shares of the Company to Macoun Generation Z Pty Ltd (ACN 121 357 720) as trustee for the Macoun Generation Z Family Trust under the Company's Employee Option Share Plan Rules (Employee Option Plan) and on the terms summarised in the Explanatory Memorandum accompanying the Notice of Meeting.

Do I have a seconder for this resolution ? {Yes/No}

Formatted

Please can all shareholders in favour raise their hands ?

And all those against ?

{Call for a poll ?}

Formatted

I now declare Resolution 2 {carried/defeated}.

Formatted

Finally, turning to Resolution 3, I move that for the purposes of sections 200C and 200E of the Corporations Act, approval be given for the grant of 425,000 options in the ordinary shares of the Company to Usinoz Pty Ltd (ACN 097 263 539) as trustee for Ihlenfeldt Family Trust under the Employee Option Plan and on the terms summarised in the Explanatory Memorandum accompanying the Notice of Meeting.

Do I have a seconder for this resolution ? {Yes/No}

Formatted

Please can all shareholders in favour raise their hands ?

And all those against ?

{Call for a poll ?}

Formatted

I now declare Resolution 3 {carried/defeated}.

Formatted

Ladies and gentlemen, fellow shareholders, staff and visitors, that now concludes the formal business of the meeting and I declare the meeting closed.

I would like to take this opportunity to wish the staff and future owners of the Securities business every success in their future

endeavours. I would also like to thank Sandy Grant, the managing director of WIG, Eleanor Padman, our Company Secretary and General Counsel, Todd Curby our Group Financial Controller, my fellow board members, Messrs Watson, Wilson and Darvall and the many staff members who all worked tirelessly and indefatigably in progressing the sale to its conclusion. It has been a long journey and it is now almost complete.

Finally, I would also like to invite all of you to join us for a cup of coffee and some refreshments.