

Wilson Group Limited

2016 Interim Results

For the six months ended 31 December 2015

25 February 2016

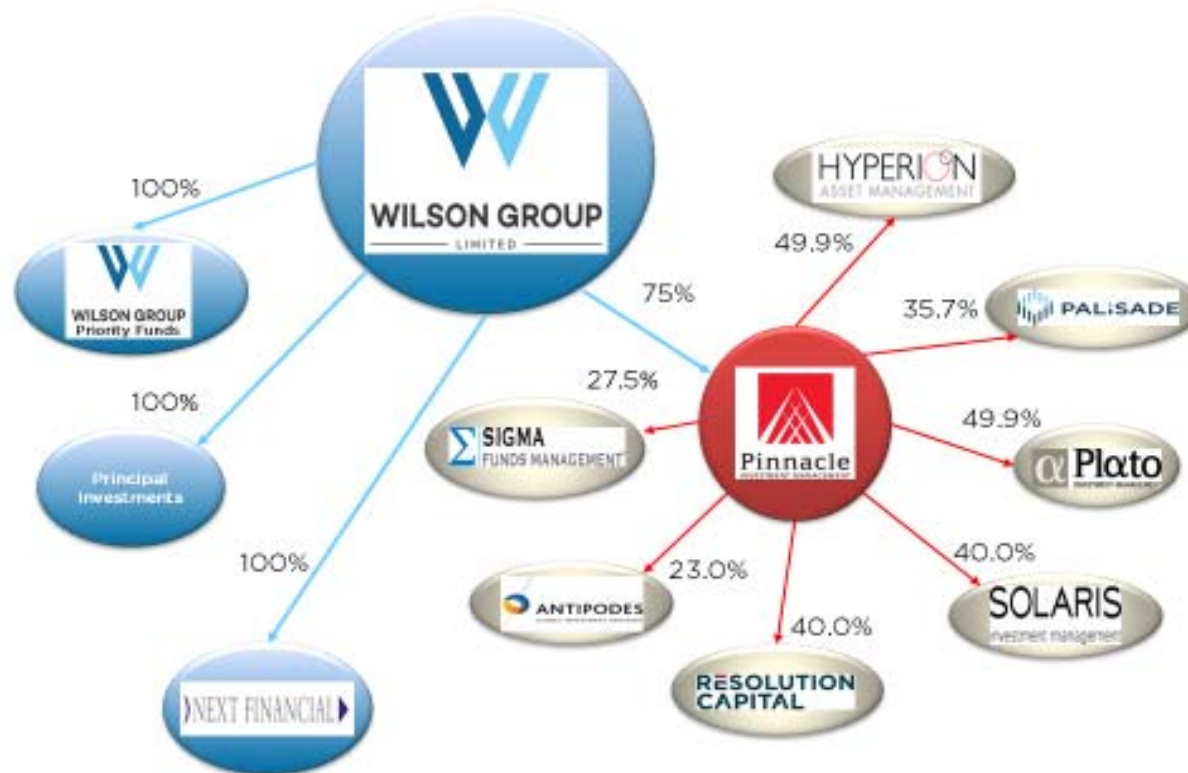


Agenda



- > Group – continuing transition...
- > WIG financials
- > Pinnacle update
- > 2H16 update

Wilson Group



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.



- > **Sigma Funds Management** (27.5% owned by Pinnacle) – a value style Australian equities manager.



- > **Antipodes Partners** (23.0% owned by Pinnacle) – an International Equities manager.

1H2016 Financial Highlights



- > PBT from continuing operations attributable to shareholders \$2.1m ↑ 40% from \$1.5m in PCP.
- > Diluted earnings per share from continuing operations of 1.8 cents ↓ 5% from 1.9 cents (tax effect).
- > Fully franked interim dividend per share of 1.4 cents ↓ 12.5% down from 1.6 cents.
- > Pinnacle NPAT \$4.7m ↑ 12% from \$4.2m.
- > Pinnacle's share of Boutiques NPAT \$8.0m ↑ 54% from \$5.2m.
- > Pinnacle FUM of \$18.9 billion ↑ 17.4% from \$16.1 billion at 30 June 2015*.
- > Consolidated Group cash** and PI of \$21.6m ↑ 9% from \$19.8m at 30 June 2015.

*Pinnacle FUM as at 31 Jan 2016 was \$18 billion reflecting recent market decline

** Including Pinnacle

Composition of 1H16 result



Composition of Group Results (\$m)	1H2016	1H2015
Pinnacle*	4.7	4.2
Principal Investments	0.5	(0.3)
Priority Funds	(0.2)	(0.1)
Next Financial	(0.4)	(0.4)
Wilson Group	(0.1)	(0.8)
Group Overhead (unallocated)	(1.3)	(1.0)
Profit before tax (PBT) from continuing operations	3.3	2.4
Minority Interests	(1.2)	(0.9)
PBT from continuing operations attributable to shareholders	2.1	1.5
Tax (expense)/benefit from continuing operations	(0.1)	0.6
NPAT from continuing operations attributable to shareholders	2.0	2.1
(Loss)/profit from discontinued operation - Securities business	(0.3)	0.5
Profit attributable to shareholders	1.8	2.6
 * Includes share of Pinnacle Boutiques profit after tax	 8.0	 5.2

Statement of assets and liabilities



As at:	31-Dec-16	30-Jun-16
	\$m	\$m
Assets		
Cash and cash equivalents	13.0	13.6
Financial assets at fair value through profit or loss	8.6	6.2
Trade and other receivables	5.0	3.2
Other current assets	2.2	4.0
Investments accounted for using the equity method	23.4	19.4
Other non-current assets	0.4	0.5
Assets classified as held for sale	-	17.1
Total assets	52.6	64.0
Liabilities		
Trade and other payables	4.5	5.1
Other current liabilities and provisions	2.6	2.0
Non-current liabilities	0.2	0.2
Liabilities classified as held for sale	-	12.2
Total liabilities	7.3	19.5
Net assets	45.3	44.5

Wilson HTM Securities



- > Costs associated with transition away from Securities business of \$0.3m taken up in 1H2016.
- > Full year outcome may be affected by profit share, tax recoveries and legacy costs.

Wilson Group Priority Funds



- > Priority Funds has started FY16 very well with alpha in the Priority Growth Fund to 31 January 2016 of 21.8% and Priority Core Fund of 12.6%.
- > 1H2016 does not include any accrued performance fees in accordance with Accounting Standards.
- > Had performance fees been accrued, after tax profit would have been greater by \$0.7m.

Wilson Group Priority Funds

- performance to Jan 2016



	1 Month %	3 Month %	1 Year %	2 Year % p.a.	3 Year % p.a.	5 Year % p.a.	Since Inception % p.a.**
Wilson Group Priority Growth Fund	-1.74	7.88	26.13	12.75	8.89	2.6	15.68
S&P/ASX Small Ords Accum Index	-5.11	-1.38	3.59	1.69	-1.43	-3.1	2.10
<i>Return in excess of benchmark*</i>	3.37	9.25	22.54	11.07	10.33	5.7	13.58
	1 Month %	3 Month %	1 Year %	2 Year % p.a.	3 Year % p.a.	5 Year % p.a.	Since Inception % p.a.**
Wilson Group Priority Core Fund	-2.63	3.71	13.2	8.81	12.45	11.21	12.67
All Ordinaries Accumulation Index	-5.11	-3.54	-4.69	2.98	5.50	5.35	6.25
<i>Return in excess of benchmark*</i>	2.48	7.26	17.89	5.83	6.95	5.85	6.42

*net of fees

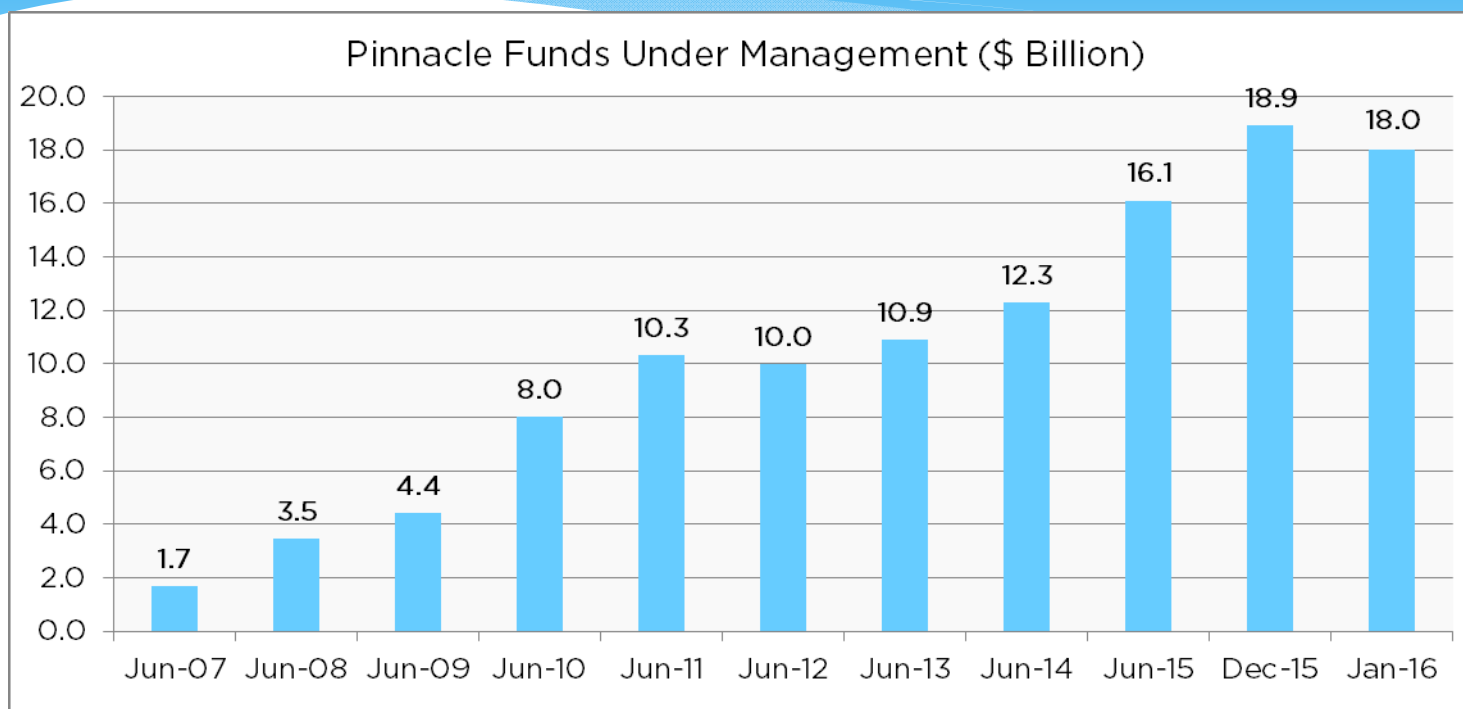
** Priority Growth inceptioned 4/7/05 and Priority Core inceptioned 22/6/10

Pinnacle Continues to Grow



- > FUM up 17.4% to \$18.9 billion from \$16.1 billion at 30 June 2015.
- > Improved profits in 1H2016. Unaudited Pinnacle NPAT of \$4.7 million up 12% from \$4.2 million due to increased boutiques' revenue and Pinnacle share of boutiques' profit.
- > Increased revenue offset to some extent by costs of Pinnacle parent investing in new growth initiatives.

Pinnacle – Financial Drivers



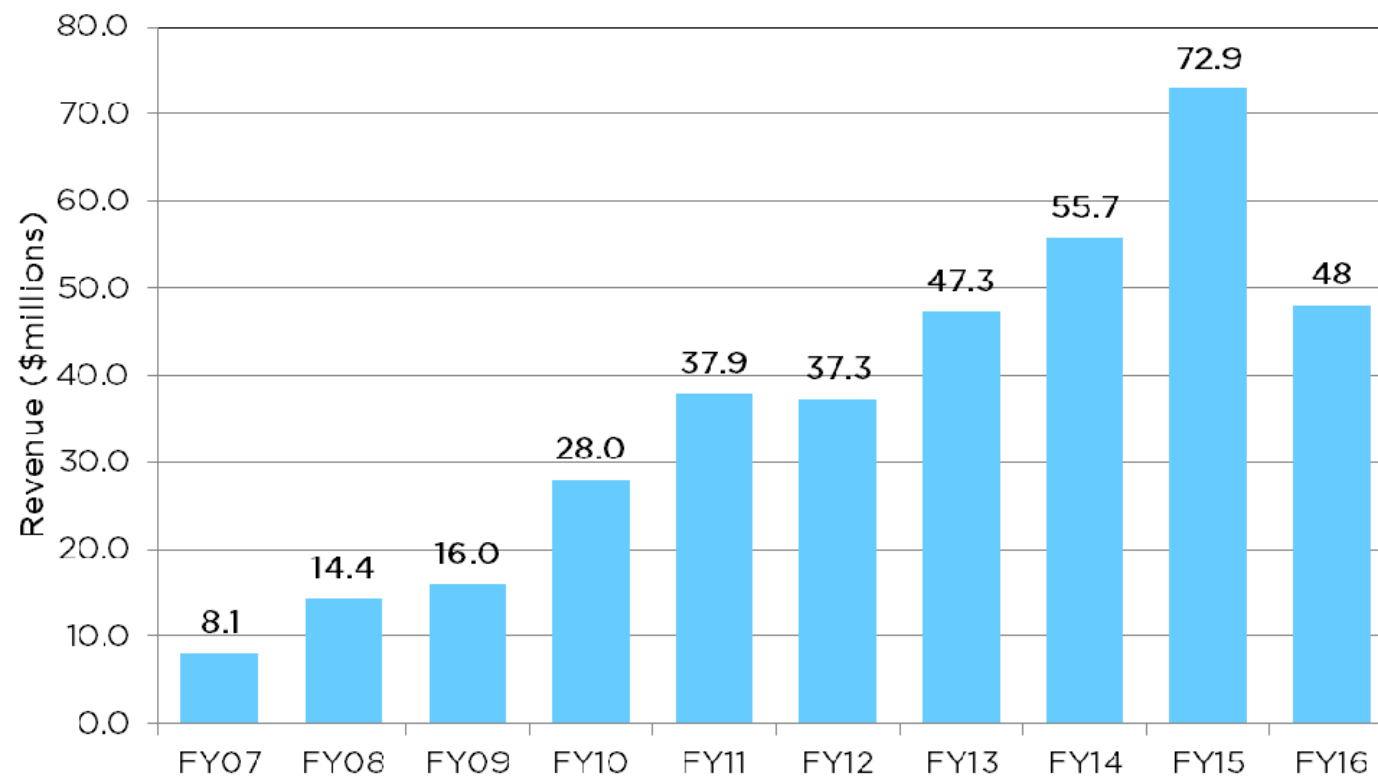
Note: Funds Under Management are shown as the aggregation of 100% of Pinnacle boutiques.

Pinnacle – Gross Boutique Revenues*

*half year to Dec-15



Pinnacle
INVESTMENT MANAGEMENT



Extract from Pinnacle Financials



	1HFY16	1HFY15
Pinnacle Boutiques (100% aggregate basis)		
FUM (\$billion)	18.9	14.5
Revenue (\$million)	48.0	31.8
Net profit before tax	25.1	16.4
Tax expense	(7.4)	(4.9)
Net profit after tax	17.7	11.5
Pinnacle		
Revenue	2.9	2.7
Expenses*	(6.2)	(3.7)
Share of Pinnacle Boutiques net profit after tax	8.0	5.2
Pinnacle Group statutory result **	4.7	4.2

*flat when compared with 2HFY15

**100% of Pinnacle (The Group had a 75.01% interest as at 31 December 2015).

Investment Performance - Boutiques

Performance to 31 December 2015



Pinnacle
INVESTMENT MANAGEMENT

Pinnacle Investment Management	1Y	3Y	Inception	Inception date
Hyperion Asset Management - Gross Performance				
Hyperion Australian Growth Companies Fund	18.16%	19.76%	13.43%	1/10/2002
<i>Returns in excess of benchmark</i>	15.36%	10.75%	4.39%	
Hyperion Small Growth Companies Fund	34.69%	27.36%	19.69%	1/10/2002
<i>Returns in excess of benchmark</i>	24.53%	25.67%	13.26%	
Plato Asset Management - Gross Performance				
Plato Australian Shares Core Fund	4.99%	12.05%	5.53%	30/10/2006
<i>Returns in excess of benchmark</i>	2.18%	3.04%	1.33%	
Plato Australian Shares Equity Income Fund - Class A	6.21%	13.89%	12.62%	9/09/2011
<i>Returns in excess of benchmark</i>	2.02%	3.02%	3.37%	
Solaris Investment Management - Gross Performance				
Solaris Core Australian Equity Fund	6.54%	12.78%	5.15%	9/01/2008
<i>Returns in excess of benchmark</i>	3.98%	3.59%	2.32%	
Solaris High Alpha Australian Equity Fund	5.43%	12.89%	5.84%	4/02/2008
<i>Returns in excess of benchmark</i>	2.87%	3.70%	2.50%	
Resolution Capital - Gross Performance				
Resolution Capital Core Plus Property Securities Fund	14.80%	16.49%	8.24%	30/09/2008
<i>Returns in excess of benchmark</i>	0.42%	0.62%	2.71%	
Resolution Capital Global Property Securities Fund	8.20%	14.81%	13.13%	30/09/2008
<i>Returns in excess of benchmark</i>	3.81%	2.52%	5.10%	

Investment Performance - Boutiques

Performance to 31 December 2015



Pinnacle Investment Management	1Y	3Y	Inception	Inception date
Palisade Investment Partners - Gross Performance				
Palisade Diversified Infrastructure Fund #	9.38%	15.34%	9.44%	1/08/2008
Palisade Australian Social Infrastructure Fund	11.10%	15.66%	17.30%	31/05/2011
Sigma Funds Management - Gross Performance				
Sigma Emerging Companies Fund	3.25%	3.17%	2.84%	10/10/2012
<i>Returns in excess of benchmark</i>	-6.90%	1.50%	1.17%	
Sigma Select Equities Fund	-1.78%	9.02%	6.64%	2/05/2011
<i>Returns in excess of benchmark</i>	-4.59%	0.00%	0.11%	
Antipodes Partners - Gross Performance				
Antipodes Global Fund			4.64%	1/07/2015
<i>Returns in excess of benchmark</i>			4.17%	
Antipodes Global Fund - Long Only			3.03%	1/07/2015
<i>Returns in excess of benchmark</i>			2.56%	
Antipodes Asia Fund ##			-2.69%	1/07/2015
<i>Returns in excess of benchmark</i>			6.32%	

Inception date is since commencement of Palisade management on 01 August 2008

Fund of fund, performance is net of fees

Pinnacle – Update for FY16



- > Continue to provide high quality distribution, Responsible Entity and infrastructure services.
- > Support affiliated fund managers' high standards.
- > Remain focused on investing to enable continued strong performance and FUM growth.
- > Grow retail FUM.
- > Continue to assess third party distribution and new boutique opportunities.

Group Strategy and Progress for FY2016



1. FUM Growth

- > Focus on growing funds management business through Pinnacle and Wilson Group Priority Funds.
- > Pinnacle is continuing to invest in establishing boutiques and other initiatives. FUM \$18.0b as at 31 January 2016.
- > Priority Funds FUM up 10.6% YTD with market and alpha gains.

2. Cost Control

- > Reduce group overheads -likely benefit of \$0.5 million annualised to begin in the second half.
- > Next Financial - likely ongoing costs post closure in the order of \$0.1 million pa.

3. Dividends

- > The company intends to pay regular fully franked dividends.

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- * The returns for Wilson Group Priority Growth Fund ARSN 117 083 762 (**Growth Fund**) and Wilson Group Priority Core Fund ARSN 144 032 431 (**Core Fund**) are stated as at 31 January 2016 (net of fees). The Growth Fund inception date is 4/7/2005 and the Core Fund inception date is 22/6/2010. Past performance is not a reliable indicator of future performance. Returns are net of management fees (1.25% p.a. for the Growth Fund and 1.5% p.a. for the Core Fund) and net of any performance fees (20% for the Growth Fund and 15% for the Core Fund) and assume distributions are reinvested. Returns do not include tax or entry fees of 0-2% or ongoing adviser service fees of 0-1% p.a. as these fees are not charged unless an investor agrees to pay them to an adviser. The Growth Fund's risk/return profile is High Growth and the Core Fund's is Growth. The S&P/ASX Small Ordinaries Accumulation Index and the All Ordinaries Accumulation Index assume 100% reinvestment of dividends. Interests in the Growth Fund and Core Fund are issued by Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371. The information provided is without reference to your objectives, financial situation or needs. Refer to the Wilson Group Priority Fund's Product Disclosure Statement available at www.wilsongrouplimited.com.au before making a decision.