



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

# FY23 RESULTS PRESENTATION

2<sup>nd</sup> August 2023

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# 01 Introduction and Highlights

Ian Macoun, Managing Director

### **Investment for future growth continued, performance fees show benefits of diversified platform, new business conditions remain challenging, particularly in retail**

- Benefits of Pinnacle's diversified platform continue to be demonstrated
- Strong performance rebound across multiple Affiliates in 2H FY23
- Net inflows into private market strategies have remained resilient, with a growing product set offering these strategies to more end markets, in Australia and overseas
- Growing success offshore
- Horizon 2 investment program continued and set to deliver future growth, within Pinnacle and Affiliates – significant, short-term profit impacts
- Market and style-shift significantly impacted Funds Under Management (FUM), and therefore revenues, in certain areas
- Domestic retail market remains challenging. Pinnacle has further increased investment in this capability to ensure that we are well positioned to prosper as confidence returns

## 1. Benefits of Pinnacle's diversified platform continue to be demonstrated

- Diversified base of Affiliates – by asset class and style – and investors – by channel and geography – has delivered positive net inflows, solid performance fees and steady revenues in a challenging and volatile market
- Horizon 2 investment across Affiliates has established further strategies and products, which will deliver additional growth over the medium term

## 2. Strong performance rebound across multiple Affiliates in 2H FY23

- Performance fees disappointed in 1H FY23 with the volatility in equities markets and rapid changes in lending rate
- Rebounded strongly in 2H FY23, demonstrating the value of Pinnacle's diversified platform of Affiliates

## 3. Net inflows into private market strategies have remained resilient, with a growing product set offering these strategies to more end markets, in Australia and overseas

- \$2bn+ of committed and/or drawn capital for private markets Affiliates in FY23
- \$900m+ of the \$2bn was raised from wholesale/retail investors

## 4. Growing success offshore

- \$10.5bn of FUM from 43 countries outside of Australia
- \$5bn+ net international flows over past 3 years
- Offshore domiciled 'start-up' Affiliates experiencing early success: Aikya (London) \$1.5bn FUM in ~3 years; Langdon (Toronto) \$100m of wholesale/retail FUM in 12 months; Palisade Americas (New York) acquired first 2 American infrastructure assets in FY23

5. **Horizon 2 investment program continued and set to deliver future growth, within Pinnacle and Affiliates – significant, short-term profit impacts**
  - Pinnacle and Affiliates have continued to invest – will drive strategic growth over the medium term
  - Short-term profit impact in FY23 (Pinnacle share, after tax, of investment equivalent to ~\$14m of NPAT)
  - These initiatives create additional capacity, providing medium-term growth opportunities and have historically delivered high returns on investment
  - Co-investment from Affiliates reinforces focus from our partners on growing their businesses and delivering superior growth through the cycle
  - ‘Core’ business remains in good shape, notwithstanding challenging flow environment during the year
6. **Market and style factors significantly impacted Funds Under Management (FUM), and therefore revenues, in certain areas**
  - Style shift away from high growth stocks impacted FUM in 1H FY23, but recovered strongly in 2H FY23
  - REIT markets underperformed major equities markets throughout the year
  - Whilst most equities markets (but not REITs) ended the year ahead, there was significant volatility throughout
7. **Domestic retail market remains challenging. Pinnacle has further increased investment in this capability to ensure that we are well positioned to prosper as confidence returns**
  - Industry-wide flow environment has been negative
  - Whilst retail net inflows were modest in aggregate, Pinnacle and Affiliates were able to deliver a positive net result in both halves
  - We have invested and continue to invest in our retail capability to ensure that we have the right people and processes to capitalize on a market recovery

**Diversified platform demonstrating resilience in challenging market conditions. Investments made to support earnings growth in the future**

## Affiliate FUM / Revenue (100%)

Affiliate FUM (100%)	30 Jun 23	30 Jun 22	Change
Aggregate Affiliate FUM (at 100%)	\$91.9bn	\$83.7bn	10%
Aggregate Retail FUM (at 100%)	\$22.7bn	\$21.1bn	8%
Aggregate Affiliate Performance fee FUM (at 100%)	\$34.0bn	\$30.2bn	13%
Affiliate Revenue (100%)	FY23	FY22	Change
Aggregate Affiliate Revenue (at 100%)	\$511.6m	\$505.5m	1%
Aggregate Affiliate Base Fees (at 100%)	\$453.4m	\$447.7m	1%
Aggregate Affiliate Performance Fees at (100%)	\$58.2m	\$57.8m	1%
<i>Pinnacle share of performance fees, after tax</i>	<i>\$14.7m</i>	<i>\$16.6m</i>	<i>-11%</i>

## NPAT / EPS

	FY23	FY22	Change
NPAT	\$76.5m	\$76.4m	0%
<b>Diluted EPS</b>	<b>39.0c</b>	<b>39.5c</b>	<b>-1%</b>
<b>DPS</b>	36.0c	35.0c	3%
DPR	92%	89%	
Franking	100%	100%	

## Cash / Investments

	30 Jun 23
Cash	\$27.6m
Principal Investments (PI)	\$159.6m
<b>Total cash &amp; PI</b>	<b>\$187.2m</b>

## Fund Flows

	FY23
Retail	\$0.6bn
International	\$1.1bn
Institutional – Australia	-\$0.2bn
<b>Total net inflows</b>	<b>\$1.5bn</b>

## Investment Performance

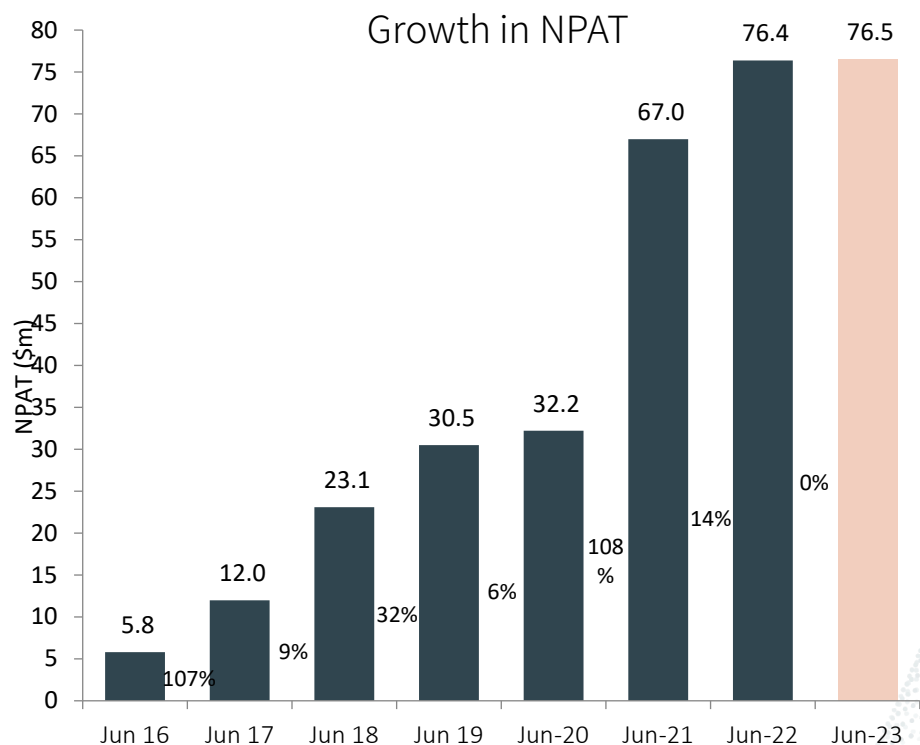
	30 Jun 23
% strategies outperforming over 5 years to 30 Jun 2023	81%
<i>ASX300</i>	<i>+9.4%</i>
<i>MSCI World</i>	<i>+14.4%</i>
<i>NASDAQ</i>	<i>+25.0%</i>
<i>FTSE NAREIT</i>	<i>-11.4%</i>



The strength of our platform and award-winning brands generates material earnings growth for our shareholders over the long-term

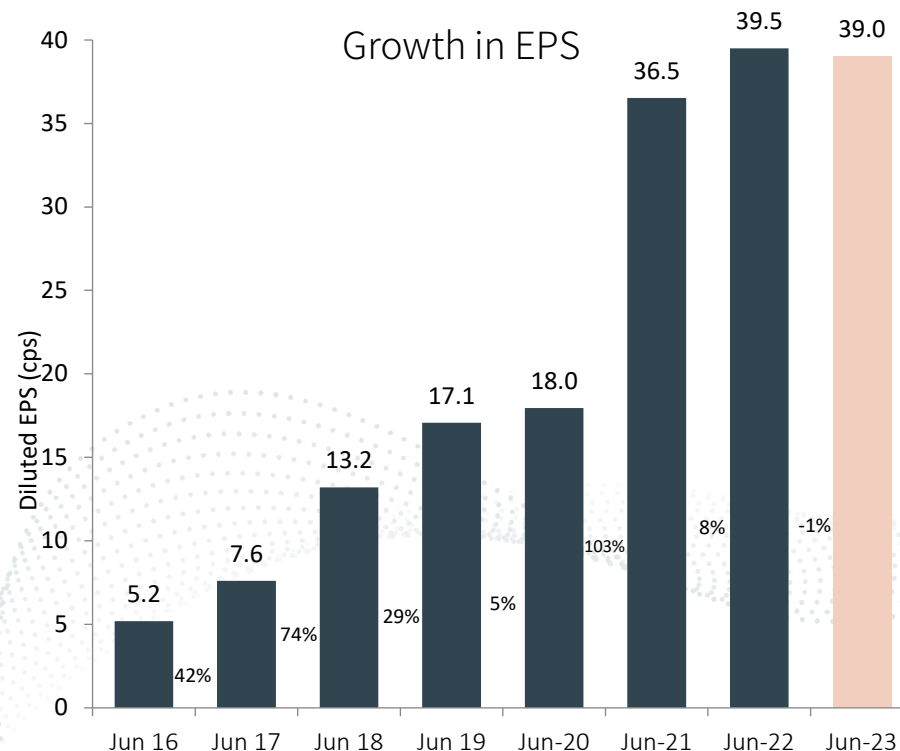
## NPAT growth: 2016 - 2023

CAGR (five years to  
30 June 2023): 27.1%



## Diluted EPS growth: 2016 - 2023

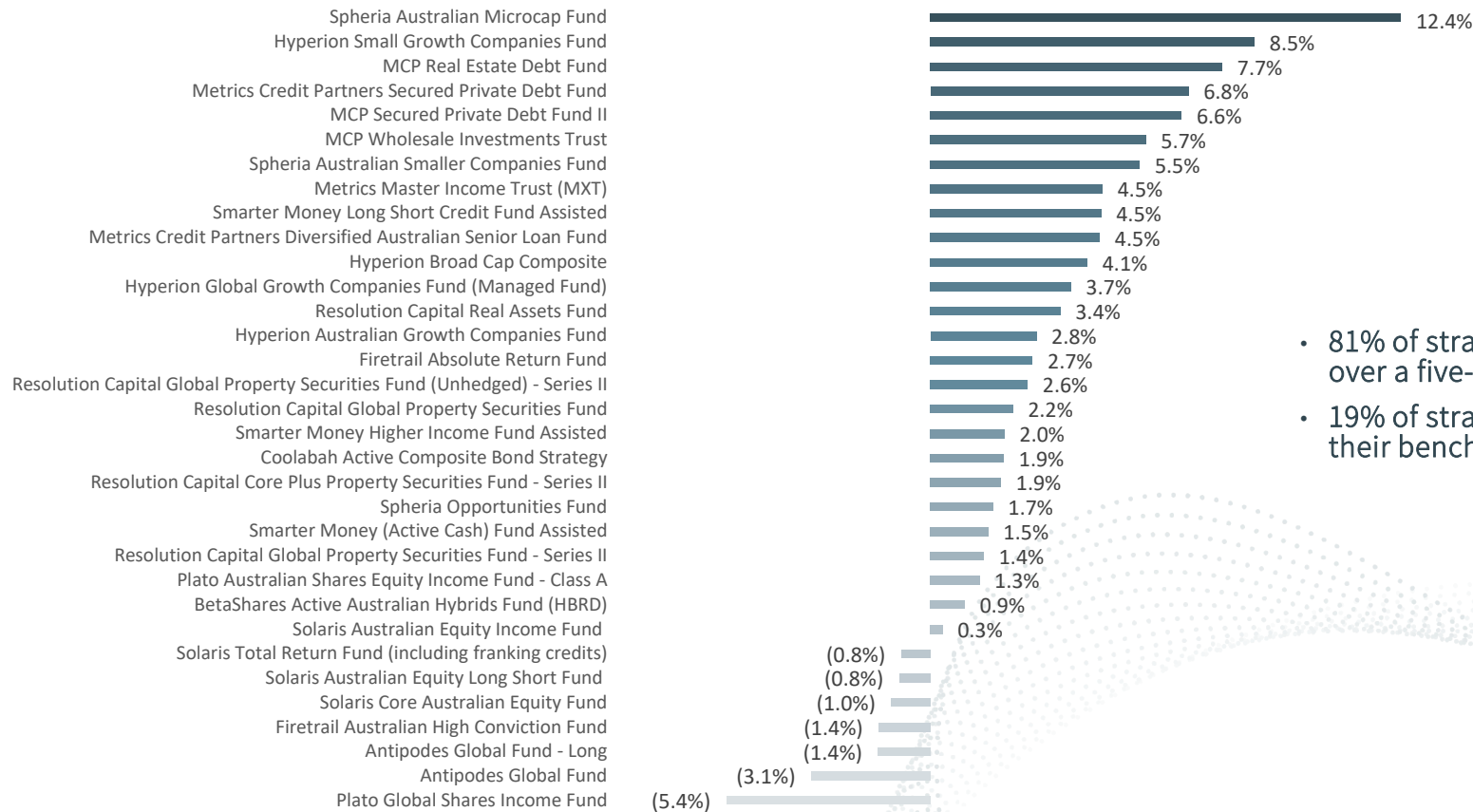
CAGR (five years to  
30 June 2023): 24.2%



Fully franked dividends have grown at a CAGR of 25.4% over the same five-year period

**Our industry leading portfolio of high performing Affiliates continues to outperform benchmarks and provides an engine for continued FUM growth and performance fee generation**

**Affiliate strategies outperformance over benchmarks (alpha) – over 5-year period, p.a.**



- 81% of strategies have outperformed over a five-year period<sup>1</sup>
- 19% of strategies have outperformed their benchmarks by > than 5% p.a.

1. With track records exceeding 5 years

## Track record of investing to deliver medium-term growth



Executives of both Pinnacle and Pinnacle Affiliates have significant equity interests.  
Equity ownership enhances alignment with shareholders.

Seed FUM and working capital	Middle office and fund administration	Technology and other firm infrastructure
Distribution and client services	RE, compliance, finance, legal	Interface for outsourced services
<p><b>49.9%</b></p> <p><b>\$12.7bn</b> Global &amp; Australian Growth Equities 1998</p>	<p><b>42.6%</b></p> <p><b>\$11.5bn<sup>6</sup></b> Systematic Equities, Credit and Alternatives 2006</p>	<p><b>35.9%</b></p> <p><b>\$3.4bn</b> Private Infrastructure 2007</p>
<p><b>40.0%<sup>4</sup></b></p> <p><b>\$1.5bn</b> Global &amp; Australian Small &amp; Micro-Cap Equities 2016</p>	<p><b>23.5%<sup>4</sup></b></p> <p><b>\$7.3bn</b> High Conviction &amp; L-S Australian &amp; Global Equities 2018</p>	<p><b>49.5%</b></p> <p><b>\$14.3bn</b> Global Real Estate &amp; infrastructure Securities 2007</p>
<p><b>40.0%</b></p> <p><b>\$0.2bn</b> Water, Agricultural Private Equity 2019</p>	<p><b>40.0%<sup>4</sup></b></p> <p><b>\$0.2bn</b> Australian Small Cap Equities 2018</p>	<p><b>44.5%</b></p> <p><b>\$8.4bn</b> Core &amp; L-S Australian Equities 2008</p>
<p><b>24.2%</b></p> <p><b>\$10.1bn</b> Global L-S &amp; long only Equities 2015</p>	<p><b>35.0%</b></p> <p><b>\$15.2bn<sup>1</sup></b> Private Credit 2011 (2)</p>	<p><b>35.0%</b></p> <p><b>\$7.6bn</b> Alternative Public Credit 2011 (3)</p>
<p><b>32.5%</b></p> <p><b>\$1.5bn</b> Global Emerging Market Equities 2019</p>	<p><b>25.0%</b></p> <p><b>\$1.4bn</b> Private Equity, Growth Equity &amp; Venture Capital 2013 (5)</p>	<p><b>32.5%</b></p> <p><b>\$0.1bn</b> Global and Canadian Small Cap Equities 2022</p>

### FY23 Highlights:

- Metrics concluded its acquisition of Navalo Financial Services Group (formerly Payright) and will continue to invest in its private direct lending businesses through Navalo and Metrics Business Finance in the SME and consumer markets
- Five V's Horizons Fund, making its private equity strategy available to a significantly broader market, opened to investors
- Langdon reached over \$100m in FUM, entirely from wholesale/retail investors
- Aikya reached profitability, managing in excess of \$1.5bn at 30 June 2023
- Palisade's expansion continued
  - Palisade Impact exceeded \$500m of committed capital (vs. a \$250m target raise) for its maiden fund (note that these figures do not form part of reported FUM and flows until such time as the funds are drawn, but they do represent irrevocable commitments to invest)
  - Palisade Real Assets acquired UK bioenergy asset management company Eco2 and first biogas asset in Malaby, Wiltshire, UK, funded initially by Pinnacle's balance sheet
  - Palisade Americas entered into agreements to acquire their first 2 US infrastructure assets: Rainier Connect, a last mile broadband and fibre platform; Amp US (renamed 'PureSky Energy'), a leading community solar and storage platform
- Completion of \$85m Share Purchase Plan for the Plato Income Maximiser Limited LIC (PL8) in December 2022

FUM shown for each Affiliate is Gross FUM at 30 June 2023, at 100%

- The reported number for Metrics from 30 June 2023 is Assets Under Management. Metrics earns fees on the full AUM figure
- Founded in 2011. Pinnacle acquired equity in August 2018

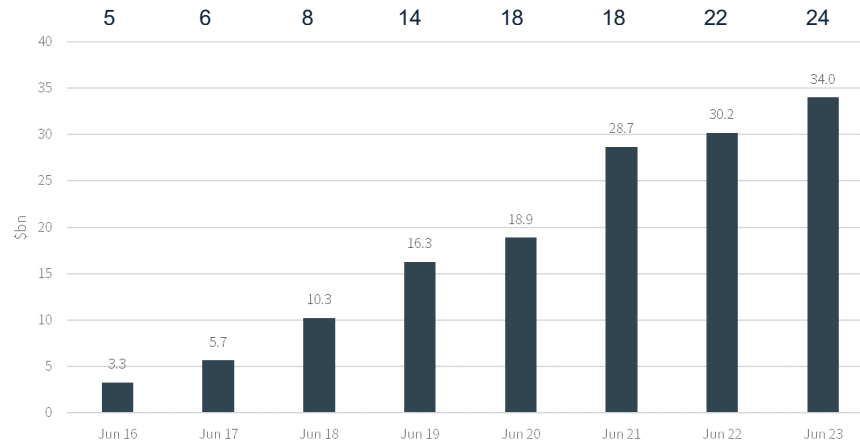
- Founded in 2011. Pinnacle acquired 25% equity in December 2019 and an additional 10% in September 2021
- The percentage represents Pinnacle's total shareholding in the Affiliate. Pinnacle currently holds less than 1% of the voting shares in the Affiliate, however, it has full economic rights in respect of its holding

- Founded in 2013. Pinnacle acquired a 25% interest in November 2021 via convertible redeemable preference shares, which convert into ordinary equity in certain situations
- FUM for Omega and Two Trees is reported under Plato, following their integration in FY22

- Pinnacle Affiliate revenues are linked, in part, to movements in equity markets. Whilst markets ended the year predominantly in positive territory, there was significant volatility throughout, with REIT markets in particular remaining under pressure across the financial year
- Pinnacle has pursued a deliberate strategy of diversification, incubating new Affiliates and strategies, enhanced by careful acquisitive growth into new asset classes and markets. This is a significant drag on short-term profitability, but we expect these initiatives to begin contributing to our earnings in FY24, and meaningfully in FY25 and beyond
- This diversification has allowed us to deliver continued growth in profitability throughout market cycles, albeit at lower rates during periods of market downturn/turbulence
- Growth in FUM and profitability were suppressed in 2020 and again during calendar 2022 due to the dislocation in equity markets, but Pinnacle has grown strongly, on average, over the 3-year period to 30 June 2023, which encompasses both the COVID-19 'crisis period', the sell-off during 2022 and the sharp rise in cash rates over FY23:
  - NPAT CAGR of 33% over the three-year period to 30 June 2023
  - Diluted EPS CAGR of 29% over the three-year period to 30 June 2023
  - FUM CAGR of 16% over the three-year period to 30 June 2023
- Since listing as a 'pure play' funds management business in 2016, Pinnacle has delivered strong profit growth. Whilst we make no prediction for what lies ahead, we are confident that we have the platform in place to deliver continuing earnings growth over the medium to long term

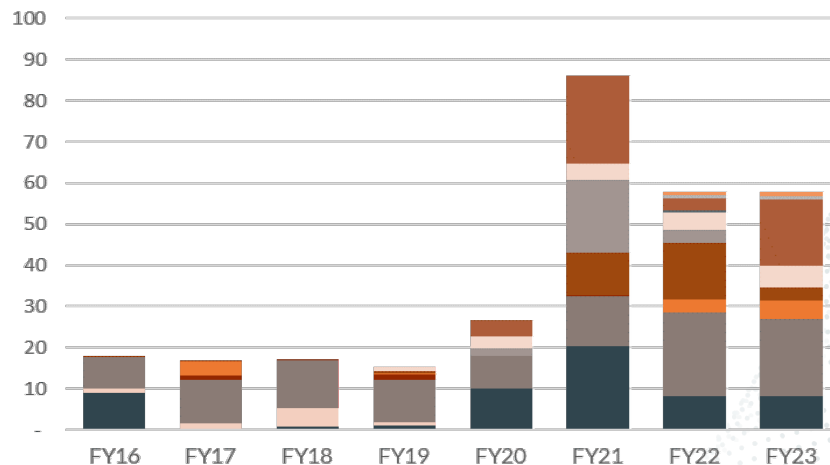
## 24 strategies with the potential to deliver performance fees – solid result for the FY after a very modest 1H FY23

### Closing FUM & number of strategies subject to performance fee



- The annual reliability of overall performance fee revenue has been improved by:
  - Volume of FUM with performance fee potential
  - Number and diversity of strategies with performance fee potential
- Likelihood of performance fee success is generally not correlated to equity markets – based on performance relative to individual hurdles
- Likelihood of performance fees is distinct between individual strategies
- Performance relative to benchmarks can vary significantly over even quite short periods of time
- Strong performance in 2H FY23 delivered a solid overall performance fee result, notwithstanding the very modest contribution in 1H FY23

### Performance fees (at 100%) by Affiliate



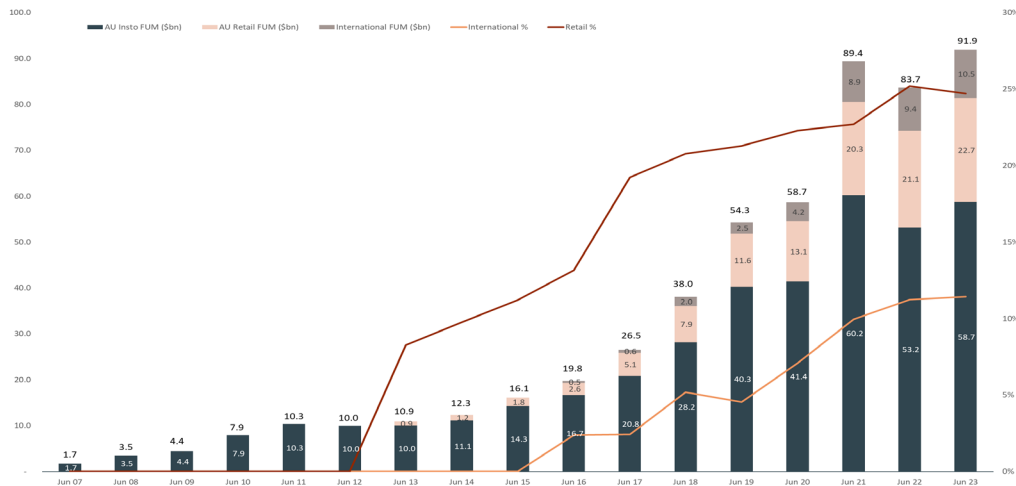
- Eleven Affiliates earned performance fees totalling \$58.2m (at 100%; Pinnacle post-tax share \$14.7m) in FY23, with \$55.0m generated in 2H following a very modest outcome in 1H. In FY22, ten Affiliates earned performance fees totalling \$57.8m (at 100%; Pinnacle share post-tax \$16.6m)
- Of the now 24 strategies that have the potential to deliver significant performance fees, 13 crystallize at least half yearly, with all 24 crystallizing on at least an annual basis
- Performance fees crystallizing only in June each year include Metrics, Palisade and Res Cap
- Of the 24 strategies that have the potential to deliver meaningful performance fees, sixteen are at their high watermarks as at 30 June 2023, representing 57% of FUM that has the potential to generate performance fees

**Performance fees disappointed in 1H FY23 with the volatility in equities markets and rapid changes in lending rates, but rebounded in 2H FY23, demonstrating the value of Pinnacle's diversified platform of Affiliates**

Of particular note:

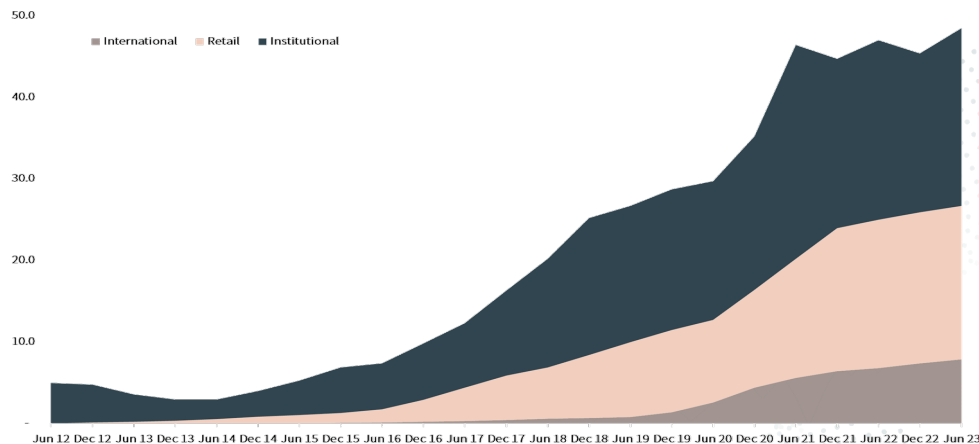
- **Coolabah** delivered class-leading returns over FY23, much of which was delivered in 2H following the dislocation caused by rapidly rising cash rates in the first half
- **Palisade's** portfolio demonstrated resilient returns over FY23, with the majority of yields linked to rises in CPI and valuations largely unaffected
- **Hyperion** rebounded strongly in 2H following the sell-off in growth stocks in 1H, as inflation broadly stabilized and valuations returned to fundamentals
- **Langdon** delivered exceptional alpha over their first twelve months
- **Metrics** continued to deliver above-benchmark yields and capital stability across their portfolio
- Across our portfolio, long-term performance has remained very strong, with 81% of strategies with a track record of five years or longer outperforming their benchmarks

## Gross FUM (\$bn)<sup>1</sup>



- FUM has grown at a CAGR of 23.8% p.a. over the last ten years (22.2% excluding \$6.8bn 'acquired' in July 2018, \$3.0bn 'acquired' in December 2019 and \$1.1bn 'acquired' in December 2021)
- Markets were mixed over FY23:
  - S&P/ASX 300 index up 9.4%
  - MSCI World Index up 14.4%
  - NASDAQ up 25.0%
  - FTSE/EPRA NAREIT down 11.4%
  - Style shift away from high growth global stocks impacted substantially in 1H, but reversed sharply in 2H
  - REIT market has been under pressure across FY23
  - Market movements/investment performance added \$6.7bn to total FUM during FY23 (\$5.6bn in 2H) and added \$1.0bn to retail FUM during FY23 (market movements/investment performance reduced Retail FUM by \$0.6bn in 1H)
- Cycling to higher rate business still evident – revenues (excluding performance fees) were similar to the PCP despite lower average FUM resulting from depressed markets, especially in REITs and global growth stocks
- Some revenues did not come through fully at the rates initially expected

## Cumulative net flow history (\$bn)

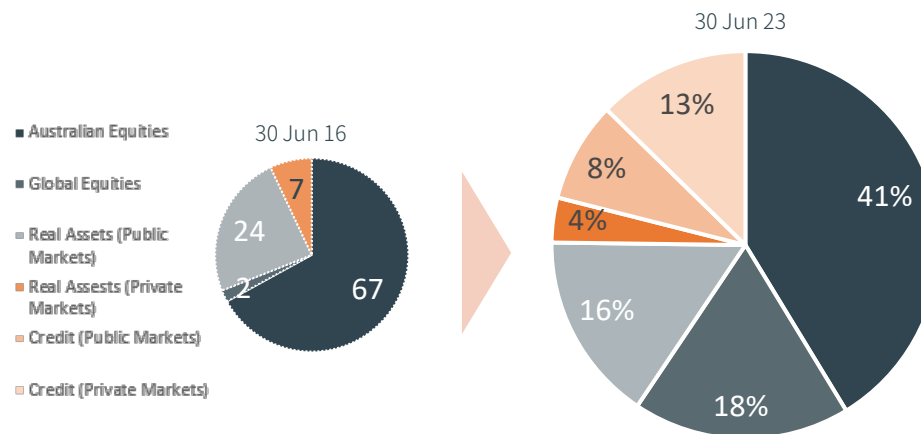
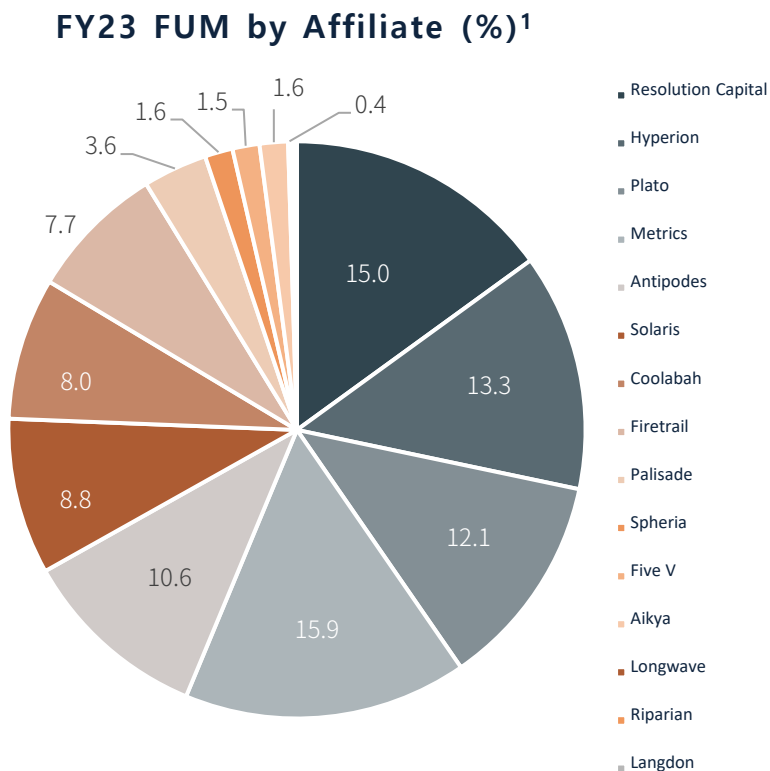


- FUM increases due to net flows were \$1.5bn (domestic institutional net outflows were \$0.2bn; but retail net inflows were \$0.6bn, and offshore net inflows were \$1.1bn)
- Positive retail flows amidst market dislocation, albeit significantly lower than might be expected in 'normal' market conditions
- Institutional pipeline remains strong and diversified – onshore and offshore – despite recent pressures in the domestic market
- Continuing to win business into private market asset classes and from international investors

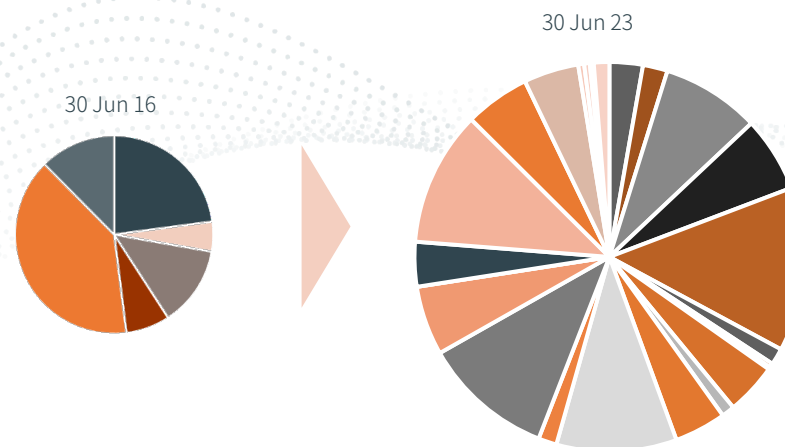
1. FUM is 100% of FUM managed by Pinnacle Affiliates. Includes \$6.8bn 'acquired' in July 2018, \$3.0bn 'acquired' in December 2019 and \$1.1bn 'acquired' in December 2021

A broadly diversified platform in place to move ahead with sustained growth

## Change in FUM by Asset Class (%)



## Growth in FUM subject to performance fees by Strategy



1. The reported number for Metrics from 30 June 2023 is Assets Under Management. Metrics earns fees on the full AUM figure



# 02 Financial Performance

Dan Longan



### 2023 Financial Newswire/SQM Research Fund Manager Awards:

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- Hyperion – ETF Provider Finalist
- Langdon – Emerging Funds Finalist
- Resolution Capital – A-REITs Finalist
- Spheria – Australian Equities Small/Mid Cap Finalist (Spheria Australian Microcap Fund)
- Spheria – Australian Equities Small/Mid Cap Finalist (Spheria Australian Smaller Companies Fund)



### 2023 Money Management Annual Fund Manager of the Year Awards, partnering with Lonsec:

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- Aikya – Emerging Manager of the Year Finalist
- Spheria – Australian Small Cap Equity Fund of the Year Finalist



### 2022 Zenith Fund Awards:

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- Resolution Capital - Global Real Estate Investment Trust Winner
- Metrics Credit Partners – Australian Fixed Interest Winner
- Spheria – Australian Equities - Small Cap Finalist
- Pinnacle Distributor of the Year Finalist



### 2022 Financial Standard Investment Leadership Awards 2022:

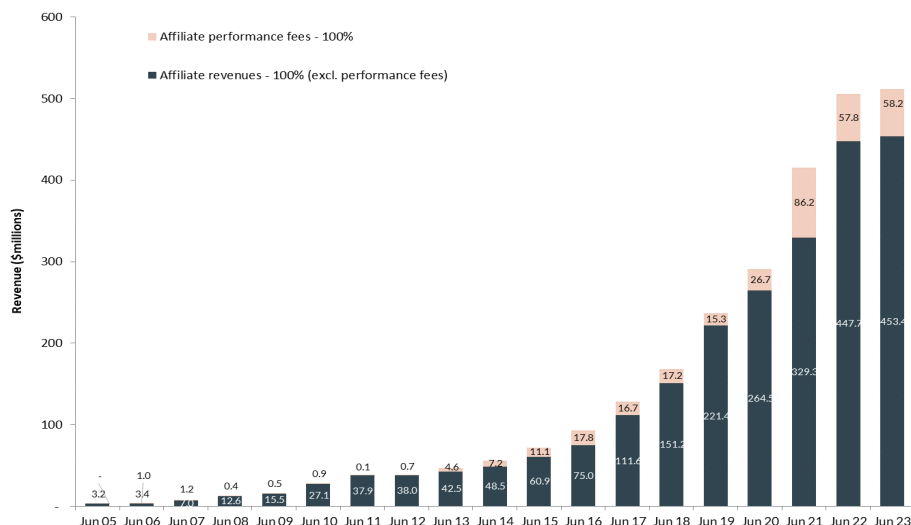
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- Plato - Australian Equities - Income Focused Winner
- Hyperion – International Equities High Performance Finalist
- Metrics – Fixed Income – Credit Finalist

The awards referred to above are determined using proprietary methodologies. Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. Awards are generally current for 12 months from the date awarded and are subject to change at any time. Awards for previous years are referenced for historical purposes only.

## Continuing improvement in average base rate fees and client diversity; Horizon 2 investment in growth initiatives moderates profits in the short term, but will drive strategic growth through the cycle

### Revenue (Pinnacle and Affiliates)<sup>1</sup>



- Total Affiliate revenues<sup>1</sup> (at 100%) were \$511.6m in FY23, including \$58.2m (11.4%) of performance fees; in FY22, total Affiliate revenues (at 100%) were \$505.5m, including \$57.8m (11.4%) in performance fees
- Cycling to higher rate business still evident – revenues (excluding performance fees) were slightly higher than in FY22 despite lower average FUM resulting from depressed markets, especially in REITs and, in 1H, global growth stocks
- Some revenues have not come through fully at the rates initially expected

### Summary results – Affiliates (at 100%)

	FY23 (\$M)	FY22 (\$M)	% Change
PINNACLE AFFILIATES (100% aggregated basis) <sup>2</sup>			
FUM (\$billion) <sup>2</sup>	91.9	83.7	10%
Revenue (\$million)	511.6	505.5	1%
Net profit before tax	228.4	264.0	-13%
Tax expense	(61.1)	(70.9)	-14%
Net profit after tax (NPAT)	167.3	193.1	-13%
Pinnacle share of Affiliates' NPAT	67.4	75.7	-11%

- Horizon 2 spending is continuing in all Affiliates, for example:
  - Metrics – Consumer Lending, Business Finance and Sustainable Finance
  - Firetrail – Small Caps, Global S3
  - Plato – Global Income, Global Alpha, Low Carbon, Credit
  - Palisade – Real Assets, Impact and Global Infrastructure
  - Res Cap – GLI and Real Assets
  - Spheria – Global Opportunities
  - Antipodes – Climate Delta, Emerging Markets
- These investments significantly moderate short-term profitability, but will contribute meaningfully to future growth
- Includes losses from early-stage Affiliates, such as Longwave, Riparian, and Langdon

<sup>1</sup>Affiliate revenues are shown at 100% to indicate trend. Includes Five V revenues from 1<sup>st</sup> December 2021. Pinnacle owns significant minority stakes in each Affiliate and accounts for its share of Affiliates' NPAT

<sup>2</sup>Includes \$6.8bn 'acquired' in July 2018, \$3.0bn 'acquired' in December 2019 and \$1.1bn 'acquired' in December 2021. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM

	FY23 (\$M)	FY22 (\$M)	% Change
<b>PINNACLE</b>			
Revenue <sup>1</sup>	45.5	46.0	-1%
Expenses <sup>2,3</sup>	(36.4)	(43.5)	-16%
Write-down of investment in Reminiscent Capital	-	(1.8)	0%
Share of Pinnacle Affiliates net profit after tax	67.4	75.7	-11%
Net profit before tax	76.5	76.4	0%
Taxation	-	-	
NPAT from continuing operations	76.5	76.4	0%
Discontinued operations	-	-	0%
<b>NPAT attributable to shareholders</b>	<b>76.5</b>	<b>76.4</b>	<b>0%</b>
<i>NPAT attributable to shareholders - excluding net gains/losses on PI and interest cost</i>	68.2	78.5	-13%
<i>NPAT attributable to shareholders - excluding net gains/losses on PI, interest cost and Pinnacle net share of Affiliate performance fees</i>	53.5	61.9	-14%
<b>Basic earnings per share:</b>			
From continuing operations	39.3	40.2	-2%
Total attributable to shareholders	39.3	40.2	-2%
<b>Diluted earnings per share:</b>			
From continuing operations	39.0	39.5	-1%
Total attributable to shareholders	39.0	39.5	-1%
<b>Dividends per share:</b>	<b>36.0</b>	<b>35.0</b>	<b>3%</b>

- NPAT attributable to shareholders of \$76.5m (marginal increase on FY22)
  - Performance fees earned by Pinnacle Affiliates, post-tax, contributed \$14.7m of Pinnacle's NPAT in FY23 (\$16.6m in FY22)
  - Positive net return on Principal Investments (PI) of \$14.2m in FY23 compared with \$0.1m in FY22
  - Includes interest cost of the CBA facility of \$5.9m in FY23 (\$2.2m in FY22)
- Pinnacle Parent fee revenues broadly similar to the PCP
  - Retail flows, that drive certain distribution fee revenues, have continued to be positive (but very modest)
  - Market dislocation and style-shift away from REITs impacted certain FUM-linked revenues
- Pinnacle and Affiliates continue to actively pursue growth initiatives, recognizing that these will moderate profits in the short term
  - The aggregate annual net cost to Pinnacle of these initiatives, within Pinnacle and Affiliates, was approximately \$14m (Pinnacle share, after tax) in FY23 (FY22: \$12m, Pinnacle share, after tax)
- Diluted EPS attributable to shareholders of 39.0 cents, -1% from 39.5 cents in PCP
- Share of NPAT from Pinnacle Affiliates of \$67.4m, -11% from \$75.7m in PCP (-12% excluding performance fees)
- Fully franked final dividend per share of 20.4 cents (up 17% from the fully franked FY22 final dividend of 17.5 cents), payable on 15 September 2023, taking total fully franked dividends for the financial year to 36.0 cents (up 3% from the fully franked FY22 total dividends of 35.0 cents), which represents a payout ratio of 92% of diluted EPS

1. Includes dividends and distributions received on PI. These were \$6.1m in FY23, compared with \$3.9m in FY22

2. Includes interest cost on the CBA facility of \$5.9m in FY23 (\$2.2m in FY22) and amortization of the PL8 offer costs of \$0.2m in FY23 (\$0.9m in FY22)

3. Includes mark-to-market and realized gains/losses on PI, net of hedging. These were total net gains of \$8.1m in FY23 (decreases 'expenses'), compared with total net losses of \$3.8m in FY22 (increases 'expenses')

	30 Jun 2023 (\$M)	30 Jun 2022 (\$M)	Change
<b>CURRENT ASSETS</b>			
<b>Cash and cash equivalents</b>	<b>27.6</b>	<b>38.3</b>	<b>(28%)</b>
Financial assets	159.6	139.9	14%
<b>Total cash and financial assets</b>	<b>187.2</b>	<b>178.2</b>	<b>5%</b>
Other current assets	25.6	24.0	7%
<b>Total current assets</b>	<b>212.8</b>	<b>202.2</b>	<b>5%</b>
<b>NON-CURRENT ASSETS</b>			
Investments in affiliates	328.5	325.3	1%
Financial assets	3.6	3.0	20%
Other non-current assets	7.8	6.3	24%
<b>Total non-current assets</b>	<b>339.9</b>	<b>334.6</b>	<b>2%</b>
<b>Total Assets</b>	<b>552.7</b>	<b>536.8</b>	<b>3%</b>
<b>LIABILITIES</b>			
Debt facility	120.1	120.1	0%
Other liabilities	10	14.5	(31%)
<b>Total liabilities</b>	<b>130.1</b>	<b>134.6</b>	<b>(3%)</b>
<b>Net assets</b>	<b>422.6</b>	<b>402.2</b>	<b>5%</b>
<b>Net shareholders' equity</b>	<b>422.6</b>	<b>402.2</b>	<b>5%</b>

- Cash and PI of \$187.2m
  - Includes \$148.5m invested in strategies managed by Pinnacle Affiliates
- CBA facility of \$120m fully-drawn, with \$100m deployed into liquid funds managed by Affiliates until required and \$20m used to provide seed for Palisade Real Assets
- Total cash and PI, net of the CBA debt facility, was \$67.2 million at 30 June 2023, compared with \$58.2 million at 30 June 2022
- Excludes impact of final dividend of 20.4 cents per share payable on 15 September 2023 and dividends received or to be received from Affiliates since 30 June
- Investments in Affiliates represents the 'equity accounted' value, i.e., investment cost, plus Pinnacle's share of profits, less Pinnacle's share of dividends received. The balance is tested for impairment at each reporting period. Pinnacle's share of Affiliate performance fees that crystallized during FY23 are included in Pinnacle's share of profits and increases the carrying value of the investments; any associated dividends will reduce the carrying value when paid
- Balance sheet strength provides ~\$110 million of 'dry powder' for future opportunities

# 03 Market Update – Institutional & International

Andrew Chambers

## International flows exceed \$1bn; Domestic flows rebound in second half

### Australia

- -\$150m net flows in FY23
- \$2.3bn net flows in 2H 23
- Robust 2H inflows into Australian equities offsetting outflows in 1H
- Noteworthy inflows into public and private credit, new commitments and drawn capital into Infrastructure
- Outflows from public real estate reflects asset allocation rebalancing in the absence of private real estate liquidity

### International

- \$1.1bn net flows in FY23
- \$420m net flows in 2H 23
- \$370m of FY23 net flows sourced from European and North American wholesale/retail channels
- Largest inflows from Canada, Japan, Luxembourg, New Zealand, South Africa, South Korea, United Kingdom
- Inflows into global emerging markets, global equities, global small caps, private credit and agriculture
- Outflows from public real estate reflects asset allocation rebalancing in the absence of private real estate liquidity

## Asset Allocation Trends

- Institutions retaining higher cash holdings in the absence of compelling expected returns from other asset classes
- Institutions maintaining neutral or underweight positions in public equities, both Australian and global, particularly in the context of recent market rallies, higher discount rates and uncertain earnings outlook
- Increased allocations to bonds for first time in many years given starting yields and expectations of terminal cash rates
- Private credit remains appealing given floating rate returns and attractive credit spreads
- Private infrastructure viewed positively given inflation hedging characteristics; investors in Australia fully allocated, US investors still early in their journey
- Investors continuing to trim and remix their real estate portfolios; liquidity of REITs used as release value for private markets
- Mid-market private equity still viewed favorably; venture capital demand continuing to soften

## Robust sales pipeline, diverse demand

### Australia

- Australian equities (large & small cap)
- Global value equities
- Global emerging market equities
- Public bonds and credit
- Low carbon and energy transition portfolios
- Private equity

### International

- Global emerging market equities
- Global value equities
- Global small caps
- Private credit
- Private infrastructure
- Private real assets

## Market Themes

- Rising preference for active management over passive given lower expected market returns and higher expected stock dispersion caused by higher rates, regulatory risk, inflation, de-globalization, populism, energy transition and geopolitical instability
- Ongoing institutional investor consolidation in Australia across super, wealth and insurance creates both opportunity and risk
- Consolidation of global and US institutional investment consultants and expansion into non-traditional channels (wealth management and insurance)
- Consolidation of private wealth around the world in pursuit of the mass affluent
- Fiduciary outsourcing continuing to grow in major developed markets across corporate pension plans, endowments and foundations and private wealth
- Strong interest in energy transition investing given the Inflation Reduction Act and net zero targets
- Geopolitical conflict and mercantilist policies between East and West causing a rethink on portfolio construction (public and private markets exposures to China in particular)

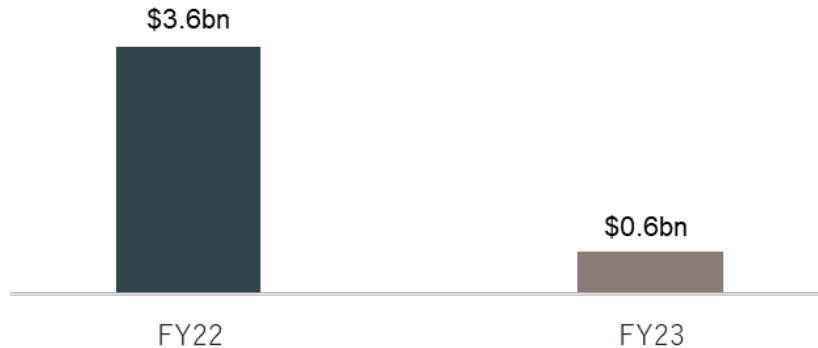


# 04 Market Update – Wholesale & Retail

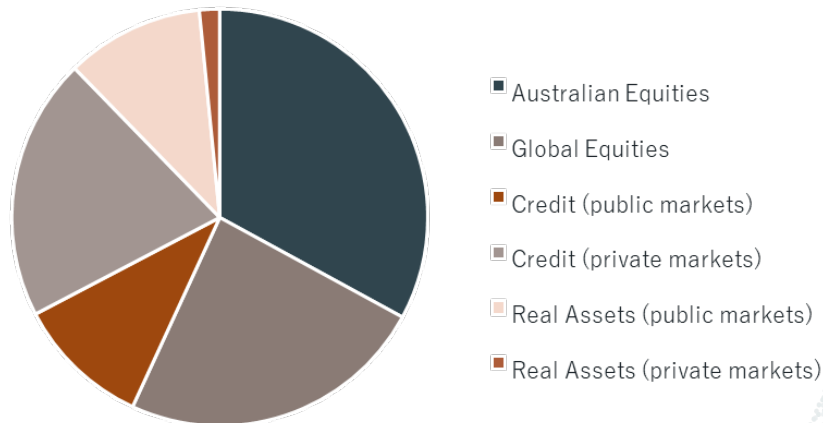
Kyle Macintyre

## Wholesale and Retail flows subdued, albeit positive in FY23 due to volatile market conditions

### Wholesale and Retail flows (Net)



**\$22.7bn in Wholesale and Retail FUM**  
(\$21.1bn as of 30 June 2022)



- **Australian and Global equities**
  - Outflows elevated in FY23
  - Global equities have experienced elevated outflows with a risk off sentiment in retail (similar experience to offshore markets)
  - Australian equities in outflow, but have been more resilient than global
  - Emerging market equities receiving early interest from wholesale and private wealth clients
- **Small cap equities**
  - Small cap outflows elevated, with select competitors going into substantial retail outflows
  - Pinnacle affiliated small cap flows have been resilient given relative outperformance
- **Real assets (public markets)**
  - Australian REITs in outflow. Dominated by passive managers
  - Global REIT flows have held up despite tough macro conditions
- **Real assets (private markets)**
  - Strong demand for new private assets
  - Pinnacle well positioned with Palisade and Five V products coming to market
  - New product structures designed for wholesale investors have been well received by the market
- **Fixed Income**
  - Market conditions favourable for bonds and high yield products
  - Short-term fixed interest flows subdued in higher cash rate environment
  - Coolabah well positioned with market leading performance across its strategies
- **Private Credit**
  - Demand for private credit continues
  - Metrics well positioned with strong performance and market leading position in private credit

Public market flows subdued in FY23. Strong demand for private markets in wholesale channel.

## Pinnacle is well positioned to meet the evolving needs of Australian investors

### Pinnacle affiliated private asset managers



Five V / Capital



METRICS



PALISADE



RIPARIAN  
CAPITAL PARTNERS

### New Affiliates gaining early traction in retail

AIKYA

Emerging market equities



Global small companies



Five V / Capital

Australian mid-market private equity

- **Investor demand for private assets is driving innovation**
  - Strong demand for private assets in the wholesale market
    - Attractive risk adjusted returns
    - Uncorrelated assets
  - Pinnacle has innovated to meet investor demand for private assets
    - Investor friendly fund structures
    - Improved liquidity profiles (products with no capital calls)
    - Products now becoming available on select platforms (to wholesale investors)
  - Pinnacle is well positioned for increased demand for private assets in Australian wholesale and retail market
    - Market leading private credit, private equity and real asset managers
    - Deep relationships with large wholesale clients
    - Wholesale and retail investors' exposure to private assets is low relative to institutional investors (room to grow)
    - Innovative product structures designed for retail investors
- **\$4.1bn in listed FUM**
  - Six existing active ETFs - well placed to benefit from the structural increase in ETF usage by advisers and direct investors.
  - Continue to support the LIC/LIT structure where it makes sense for investors (illiquid asset classes, paying of fully franked dividends)
- **Pinnacle Affiliates well positioned to take market share in FY24**
  - 81% of Affiliates outperforming their benchmarks
  - Private Credit, Fixed Income and Real Assets seeing strong investor interest and resilient demand
  - Wholesale and retail investor enquiries for long/short strategies emerging
  - Heightened volatility and uncertainty has created elevated opportunities for active managers

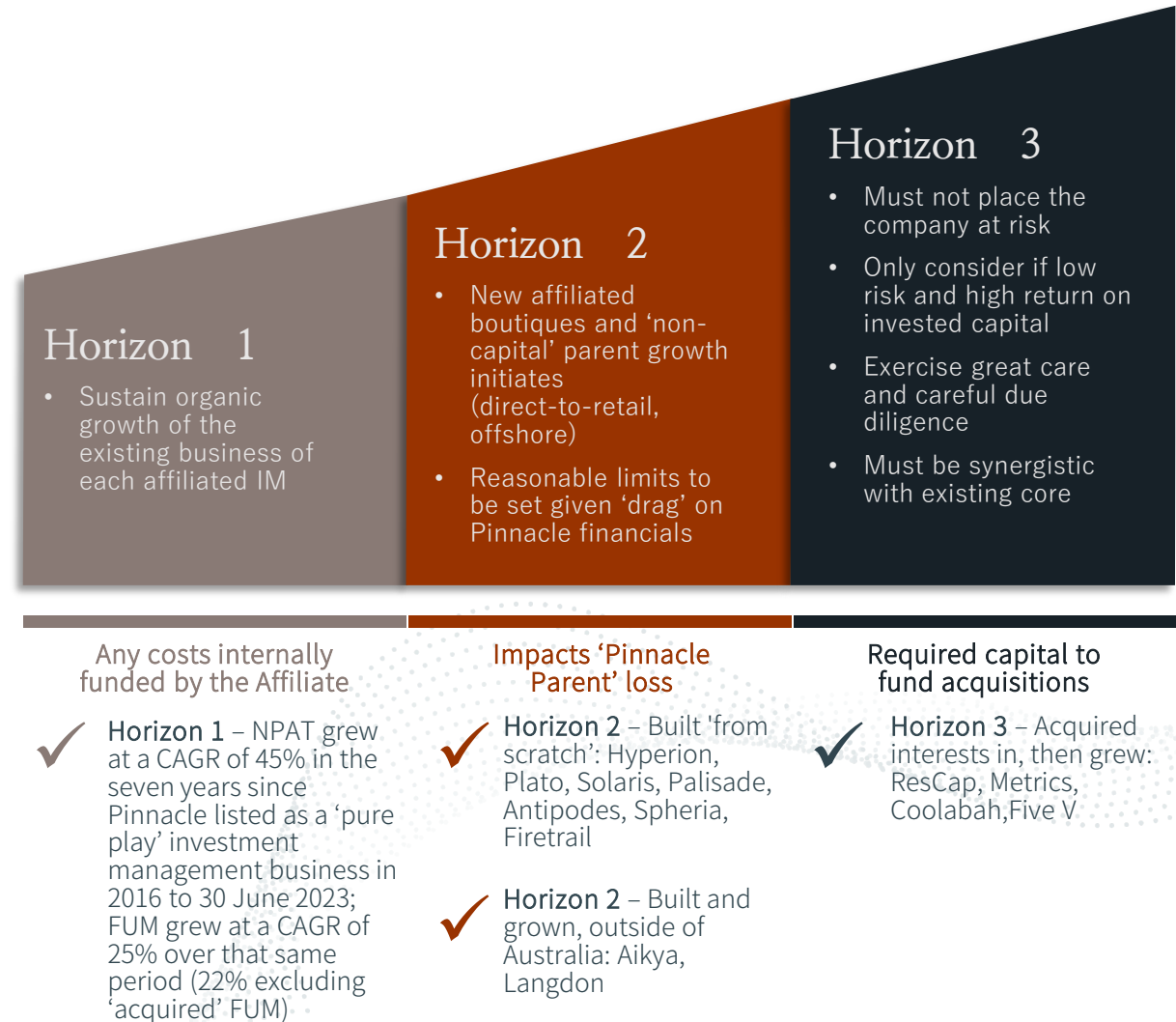
Pinnacle well positioned for emerging trends in Australian wholesale & retail market.

# 05 Growth Agenda





Ian Macoun, Managing Director

Prepared for, and seeking, further expansion opportunities – committed to taking advantage of the significant offshore opportunity to evolve into a global multi-affiliate by ‘exporting our model’ – but maintaining discipline on quality and valuation

- Continue to build Pinnacle by taking a measured approach to growth
- Support the growth of current Affiliates with increased investment in distribution channels (e.g., international and listed markets)
- Invest in / seed new Affiliates and strategies where management teams have a strong track record and growth potential
- Seeking to diversify into asset classes with substantial growth potential
- Offshore opportunities are becoming compelling – ability to ‘export our model’
- Disparity between trading multiples for public and private businesses



## An excellent platform in place to move ahead with sustained growth

Distribution Platform Expansion	Robust, Flexible, Operating Platform	Start-Up Affiliate Enablement	Existing Affiliate Expansion	Acquisitive Growth
<ul style="list-style-type: none"> <li>Investment in (and continuing to evolve and grow in size and sophistication) our distribution platform</li> <li>Investment in high growth, high margin retail and international channels</li> <li>Adoption of advanced digital marketing tools</li> <li>Listen to clients and move quickly to meet their evolving needs</li> </ul>	<ul style="list-style-type: none"> <li>Stable / robust, diversified platform enabling strong further growth</li> <li>Continuing investment excellence (strong reputation for such)</li> <li>Widespread industry recognition and support</li> <li>'Article of faith' reputation for performance, quality and capability excellence – significantly improves 'speed to market' for new Affiliates</li> </ul>	<ul style="list-style-type: none"> <li>Develop investment capability and support growth</li> <li>Significant opportunity to launch new strategies to further diversify FUM</li> <li>Gaining traction as strategies mature and performance record established</li> </ul> <div>     </div>	<ul style="list-style-type: none"> <li>Investment in new strategies adds diversification and further growth</li> <li>Sustainability and Impact strategies</li> <li>Global equities (developed &amp; emerging markets)</li> <li>Alternative Fixed income</li> <li>Private capital (debt &amp; equity)</li> <li>Absolute return (single &amp; multi-asset)</li> </ul>	<ul style="list-style-type: none"> <li>Existing Affiliates are increasingly able to build or buy (with Pinnacle backing) then grow additional new businesses - 'Affiliates within Affiliates'</li> <li>Offshore provides a large range of opportunities, carefully 'exporting our model'</li> </ul>

**Result:** additional growth, corporate stability/robustness, better meeting clients' evolving and expanding needs

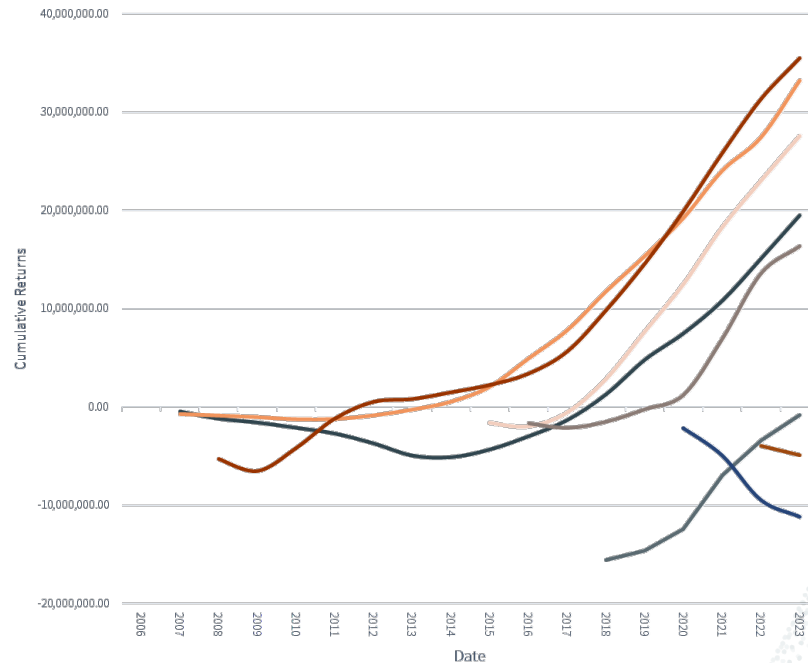
## Horizon 2 – deliberate investment drives high returns over time

Pinnacle and Affiliates continue to actively pursue growth initiatives, recognizing that these will moderate profits in the short-term but provide extremely lucrative growth opportunities over the medium-term

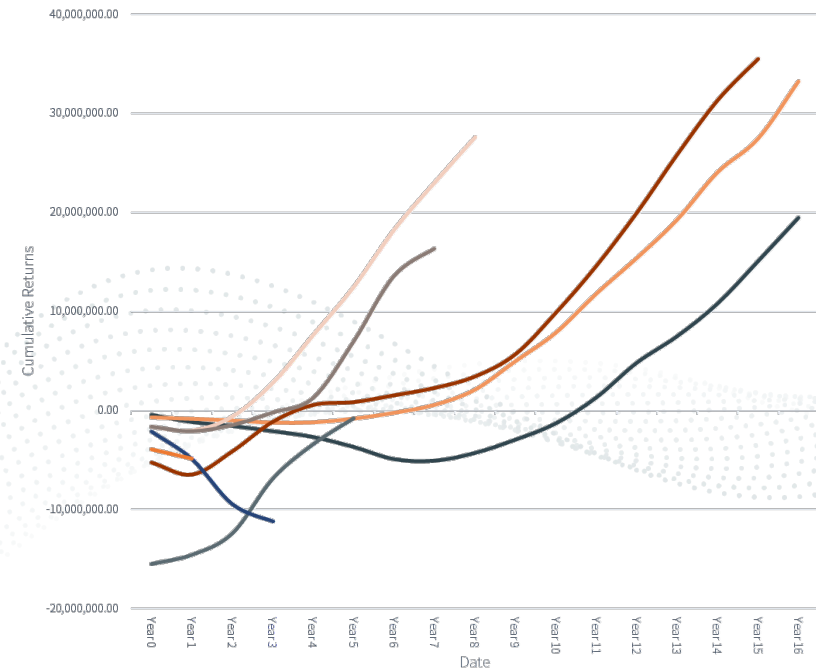
Examples of previous Horizon 2 initiatives, within Pinnacle, include:

- Supporting start-up Affiliates (e.g., Plato, Palisade, Antipodes, Solaris, Spheria, Firetrail)
- Pinnacle Parent growth initiatives (built ‘from scratch’) – institutional distribution, retail distribution, Responsible Entity services, domestic infrastructure

Return profile - sample of previous H2 initiatives - continuing investment over time



Return profile - sample of previous H2 initiatives - paths to profitability may differ



1. Costs shown represent capital outlaid, plus any service fees foregone during the pre-profitability period
2. Returns represent share of profits, plus service fees. Does not include any unrealized capital appreciation
3. Charts show start-up Affiliates

## Horizon 2 – current status

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Pinnacle and Affiliates continue to actively pursue growth initiatives, recognizing that these will moderate profits in the short-term but provide extremely lucrative growth opportunities over the medium-term

Current Horizon 2 initiatives, within Pinnacle, include:

- Supporting new Affiliates – Pinnacle provides all distribution and infrastructure services for no cost, until Affiliates are profitable. During FY23, Pinnacle supported the following Affiliates in this way:
  - Aikya – *managing in excess of A\$1.5bn at 30 June 2023. Now profitable*
  - Riparian – *now run-rate profitable*
  - Langdon – *in excess of A\$100m FUM at 30 June 2023, all of which is retail. Very strong early performance*
  - Longwave – *momentum building. Recommended ratings from Research Houses and platform availability lay the groundwork for future success*
- Pinnacle has deliberately ‘resourced up’ ahead of growth, and revenues, in three key areas:
  - Offshore distribution
  - Offshore infrastructure
  - International expansion



## Horizon 2 – broad range of diversified initiatives

Examples of previous Horizon 2 initiatives, within Affiliates, include:

- Hyperion Global Equity, Palisade Renewable Infrastructure, Plato Australian Income, ResCap Global REITS, Solaris Equity Long/Short

Current initiatives, within Affiliates, include:

Affiliate	Initiative
Antipodes	Climate Delta Emerging Markets
Coolabah	Global Credit
Firetrail	Global S3 Australian Small Caps
Five V	Horizons Fund Growth Equity
Metrics	Business & Consumer Finance Real Estate Equity Sustainability-Linked Finance
Palisade	Impact Real Assets Global Infrastructure
Plato	Global Income Global Alpha Global Credit
Resolution Capital	Global Listed Infrastructure Real Assets
Riparian	Sustainable Agriculture
Solaris	Equity Income
Spheria	Global Small Caps

## Horizon 2 – highly valuable accelerator for new Affiliates and strategies

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- The aggregate net cost to Pinnacle of these initiatives, within Pinnacle and Affiliates, was **approximately \$14m in FY23** (Pinnacle share, after tax)
- Investment made in partnership with Affiliates, demonstrating the commitment made by Affiliates to growth and strong degree of incentivization and alignment to achieving growth objectives
- Each initiative is only entered into after careful consideration of the longer-term benefits and with reasonable limits set on both time to success and size of ‘investment’ required, given the drag on profitability
- Past Horizon 2 initiatives have delivered exceptional returns, within Pinnacle itself and through its share of the profits from Affiliate initiatives – to date, contribution to Pinnacle profit has been over 10x the capital outlay (not including any consideration of increased capital value)
- Pinnacle and Affiliates will continue to pursue these initiatives where it is commercially sensible to do so
- Pinnacle is in continual dialogue with Affiliates and very supportive of these initiatives
- Pinnacle and Affiliates also provide seed capital for new strategies (Pinnacle itself hedges a proportion of its direct market exposure). During FY22, given the market conditions, Pinnacle and Affiliates made aggregate losses on these seed commitments of approximately \$5.7m (in aggregate, Pinnacle share after tax). These mostly unrealized losses impacted Pinnacle’s NPAT negatively in FY22. During FY23, aggregate investment gains within Affiliates were \$7.7m, which increased profit by in the order of \$2m (Pinnacle share after tax)

Incubations remain a highly attractive investment proposition for Pinnacle. We are continuing to look to incubate more outside of Australia and leverage off the operational infrastructure we have developed in the UK/Europe and in Canada

### Aikya (London)

- Commenced 2020
- Highly regarded investment team
- Profitable within 3 years with strong momentum
- FUM A\$1.5bn+ at 30 June 2023
- Well regarded by major global asset consultants with support and interest coming from investors in UK, Europe, South Africa, North America and Australia
- Leader in sustainability – Certified B Corporation, Signatory to UNPRI, UK Stewardship Code and Carbon Disclosure Project, Aikya Global Emerging Markets Fund is Article 9 SFDR compliant

### Langdon Partners (Toronto)

- Commenced 2022
- Registered with the Ontario Securities Commission in June 22
- Launched Global Smaller Companies AUT and Global Smaller Companies and Canadian Smaller Companies Canadian mutual funds
  - \$100m+ FUM (all retail investors) at 30 June 2023
  - Both Canadian funds added to 5 largest local wealth platforms inside 6 months

### **Metrics continues to invest heavily to further diversify and grow their business and create additional origination capability**

- Metrics has +120 employees including 70+ origination professionals located in Sydney, Melbourne and Auckland
- Metrics also continues to diversify and grow both its product base and end client mix, increasing its ability to both raise and deploy capital
- Metrics has accelerated the pace of Horizon 2 investment, with the costs associated with the development of each of these initiatives coming ahead of revenue and profit growth
- During FY23, Metrics acquired an 85.2% interest in the ASX listed entity Navalo Financial Services Group Limited (formerly Payright Limited) (ASX: PYR), which operates as a consumer finance provider
- Metrics will continue to invest in its private direct lending businesses through Navalo and Metrics Business Finance in the SME and consumer markets
- Other Metrics business initiatives over FY23 included:
  - Continued investment in the Sustainable Finance team and capability
  - Investment in Offshore and Domestic distribution capability
  - Investment in growing Metrics Real Estate Partners

### **Metrics continues to invest heavily to further diversify and grow their business and create additional origination capability**

- Metrics' profit in FY23, particularly 2H, was negatively impacted by these Horizon 2 investments, as well as the impact of consolidating Payright:
  - Metrics become a 52.5% owner of Payright on 9 January 2023 and increased its interest to 85.2% on 15 March 2023
  - Metrics consolidated its effective interest in Payright from 9 January 2023
  - The impact of this on Metrics' results over FY23 was negative \$4.2m after tax (Pinnacle share, after tax, \$1.5m)
  - Post Metrics' assumption of control, Board/management have been refreshed, an upsize of the warehousing facilities has been completed, shareholder approval has been granted to delist and the business has been rebranded as Navalo Financial Services Group
- These initiatives provide Metrics the capacity to originate credit assets to meet the growing demand of investors for private market assets, broadening their origination activities into small and medium business and consumer customers
- Metrics has an established base and highly-regarded team. These Horizon 2 investments present the opportunity for growth on attractive terms with regards to risk and cost
- Metrics has demonstrated strong, long-term performance across all strategies

- Our most recent Horizon 3 transaction was the acquisition of a 25% interest in private equity and venture capital firm **Five V Capital** in December 2021. Since acquisition:
  - Expanded team to over 30 professionals; enlarged buyout team and established New Zealand team
  - Launched Five V Capital Horizons Fund for platform market – ‘Recommended’ ratings from Lonsec and Zenith
  - 2 portfolio exits achieved for Fund III (Zenith, 2.1x MoM, 46% IRR; Monson 2.4x MoM, 51% IRR)
  - 6 portfolio companies acquired for Fund IV
  - Fund V capital raise slated for Q4 2023 / Q1 2024
- We have explored many Horizon 3 opportunities with the following characteristics:
  - Strategically attractive and diversifying relative to current Affiliate composition
  - Internationally-based, plus select opportunities in Australia
  - High demand asset classes including infrastructure, real estate, credit and hedge funds
- We have remained disciplined with quality and valuations
  - **Quality** – While the universe of potential firms is significant, we remain focused on partnering only with founders and teams of the highest quality with the potential for a significant runway of growth
  - **Valuations** – Transaction multiples remained elevated (especially in private markets asset classes)
  - This is an important strategic initiative and we are prepared to be patient and judicious with our capital. Our hurdle is high, but we continue to work on opportunities, both domestically and internationally

# 06 Corporate Responsibility

Ian Macoun, Managing Director

We are committed to building a sustainable, inclusive and resilient firm.

This means fostering a work environment that attracts and retains exceptional people, aligning firm growth with our climate ambitions, expanding the reach and impact of our philanthropic partnerships and supporting Affiliate transitions to a more sustainable future.

Purpose.	People.	Planet.
Ensure sustainability principles and practices are integrated into the way we conduct business.	Recruit, retain and support talented people who understand and contribute strongly to our Purpose and Values.	Acknowledge and act on the risk that climate change poses to the economy, financial markets and society as a whole.

Our Progress

- We submitted our inaugural **voluntary Modern Slavery Statement** to the Australian Border Force for the FY22 reporting period to demonstrate our progress in addressing modern slavery risk in our operations and supply chain.
  - We formed the **Pinnacle Group Supplier Engagement Group** as a collaboration within the Group aiming to maximise leverage in supplier engagements and promote key sustainable themes within our corporate supply chain, with a strong focus on modern slavery and climate change.
- We offered **20 Women in Finance Scholarships** across 4 universities. Since the program commenced, 14 scholarship recipients have been actively employed within Pinnacle or the Affiliates.
  - We introduced a **Public Holiday Swap Policy** to help create a more inclusive workplace.
  - We **formed a Women and Allies Network** to foster a supportive, diverse and inspiring community of women and their supporters across Pinnacle and Affiliates.
  - Pinnacle and Affiliates donated **\$900k in community contributions** through partnerships with 16 not for profit (NFP) organisations and workplace giving.
- We set a **new GHG emission reduction target** to hold us accountable for emission reductions while accounting for company growth.
  - We **reduced emissions by 15%** across scope 1, 2 and 3 emissions in FY22, from a FY20 baseline.



Our business activities, guided by our strategy and climate goals have supported a 15% reduction in total emissions since our FY20 base year.

## We enhanced our GHG emission reduction target.

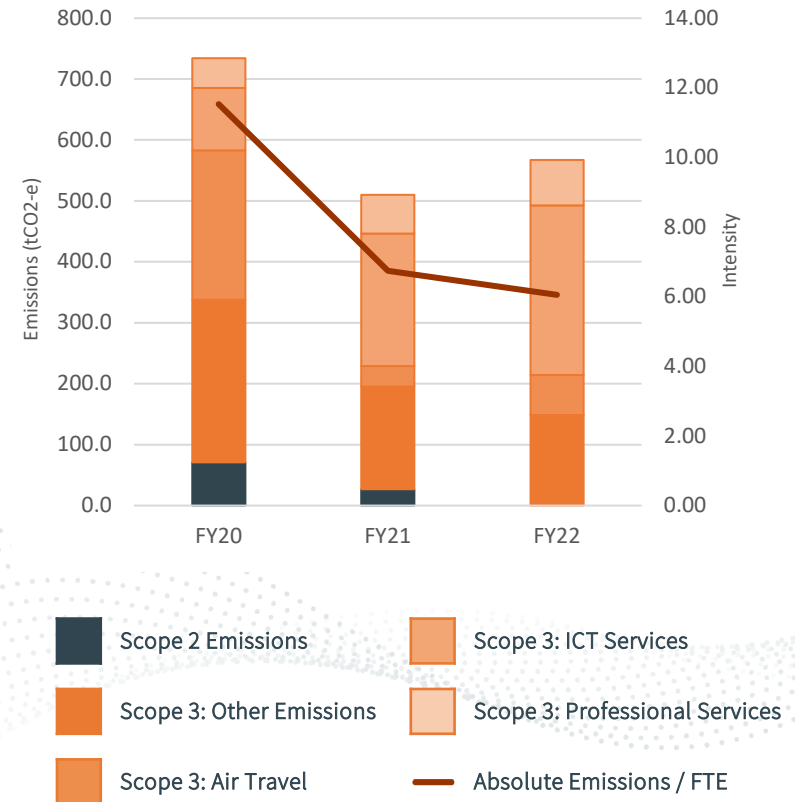
We set an intensity target to reduce our tonnes of CO<sub>2</sub>-e emitted per full-time equivalent (FTE) employee by 60% by FY30, from a FY20 base year. This target aims to hold us accountable for emission reductions while accounting for company growth.

Although absolute GHG emissions increased in FY22, the intensity of our emissions per FTE reduced by 9%, compared to FY21.

The dip in our emissions in FY21 was primarily due to global travel restrictions reducing emissions associated with business travel. Restrictions eased in FY22 and thus business travel increased, however, not to pre-pandemic levels.

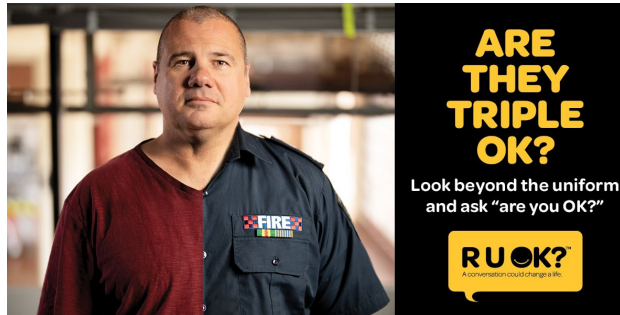
## We remain committed to maintaining our carbon neutral status.

Our commitment to carbon neutrality enables us to accelerate climate action in the near term, as an interim solution. We remain committed to reducing our operational impact and will continue to transition our operating model, where feasible, to be less carbon intensive.



- Pinnacle is passionate about enabling better lives through investment excellence. This belief is strongly reflected in Pinnacle's commitment – together with Affiliates – to the Pinnacle Charitable Foundation
- The Foundation's focus is on growing the reach, sustainability and impact of creative and clever Australian not-for-profit organisations. Partnerships align with the Foundation's six dedicated focus areas, which in turn reflect the Group's sustainability approach and address specific UN Sustainability Development Goals (SDGs) where the Group believes it can make a tangible impact
- Partners are actively sought out and invited to apply for support based around exploring new projects, programs, and services. In each case the aim is to facilitate the delivery of solutions which can be analysed and assessed, scaled and strengthened, with early stage backing often provided
- Financially underpinned by Pinnacle and with access to extensive in-house pro bono services across investment management, portfolio reporting, finance, marketing, compliance and IT, the Foundation operates with low overheads and high impact. Its investment strategy is designed to tolerate significant volatility, given the long-term horizon of the Foundation's corpus and the diversified nature of the investment portfolio. The focus is on longer-term investment strategies which can provide reasonable capital protection, whilst aiming to drive growth over an extended period
- Investments are held in a range of Affiliate strategies which offer Australian and global equity exposure, franking credits, monthly income streams, plus a range of non-equity exposed assets. As part of their broad commitment to the Foundation, all Affiliates donate the equivalent of management fee rebates back to the Foundation, through cash or additional units in investments, and the portfolio is managed on a pro bono basis by Pinnacle.

- Total donations by the Foundation in FY23 were over \$620,000, primarily directed towards 14 long term not-for-profit (NFP) partners as well as two additional recipients of the 2023 PNI employee choice one-off donations. Support was also provided for initiatives aligned with employee volunteering and fundraising.
- Affiliates provided a further \$290,000 via direct support to 11 jointly funded charity partnerships, with employees actively taking part in major events and celebrations.
- In addition, established Workplace Giving Programs across the Group which offer employer matching, resulted in a further \$82,000 being donated to more than 60 charities across Australia.



- Multiple partnerships with 14 NFPs are driving long term sustainable impact across six core categories:

Mental wellbeing – supporting positive mental health together with illness prevention and early intervention



**REACHOUT**

Sexual, domestic and family violence – facilitating legislative reform, advocacy and legal support for sufferers



Disadvantaged children and young people – providing education and welfare



Specialised medical research – seeking new treatments for children and the elderly



Current issues – addressing longer term social issues heightened by pandemic lockdowns



Environmental sustainability – focussing on water resource management, disaster recovery and drought mitigation



\*You Matter and We Are Mobilise are the recipients of the 2023 PNI employee choice one-off donations of \$25k each

# 07 Conclusion

Ian Macoun, Managing Director



## Australia's leading 'multi-affiliate' investment firm

1. Distinguished from competitors by comprising the highest quality investment management firms

2. High quality, experienced, dedicated, passionate investment professionals – strongly focused on performance; with substantial equity in their own business and their interests thus aligned with clients

3. All the advantages, benefits and superior conditions of a 'boutique environment'

4. Plus, high quality shared common 'infrastructure', including major distribution capability (the 'best of both worlds')

5. Importance of succession planning within Affiliates; long term sustainable businesses

Investors want their investment management firms to be long term, enduring and sustainable

## Pinnacle's diverse Affiliate stable and extensive distribution channels fosters resilience and growth

### Fundamentals in place for organic sales growth and improving the underlying FUM composition

- Highly regarded Affiliates with strong local and international investment consultant and research house ratings
- Diverse stable of Affiliates (asset class, style, strategy, maturity) aims to achieve 'all-weather' relevance to asset owners as the market conditions change through time
- Australian institutional fund consolidation creates risk to mandate retention; however, 'supported' start-ups offer the capacity, fees, alpha potential, operational hygiene and financial viability that mega-funds seek
- Global equities, global emerging markets and private capital asset classes expected to drive ongoing FUM growth
- Retail and international distribution platforms enable us to 'recycle liberated capacity', particularly in Australian equities and global REITs, from domestic institutions into a more diverse and higher margin client base

### New Affiliates, strategies, channels and geographies provide new levers for expansion

- Launching of new Affiliates and product extensions create opportunities for further expansion
- 'Horizon 2' investments within Affiliates foster resilience and growth by leveraging existing capabilities, brands and infrastructure into adjacent, complementary asset classes
- Retail distribution leaning into under-penetrated investor verticals via private capital asset classes and exchange-traded funds (closed-end and open-end)
- International distribution emerging as an engine of growth following organic, multi-year build-out of global investor networks, strategies and infrastructure
- Northern hemisphere distribution hubs, fiduciary outsourcing and virtual due diligence 'bridging the distance' between Australian-based Pinnacle Affiliates and the world's largest pools of capital

### Balance sheet capacity and flexibility is an important enabler of growth

- \$120m CBA facility provides additional balance sheet capacity and flexibility, but Pinnacle maintains a strong net cash position (\$67m at 30 June 2023)
- Balance sheet capacity and flexibility places Pinnacle in a stronger competitive position when negotiating new Affiliate acquisitions
- Seed capital commitments are proving to be an invaluable commercial accelerator for start-ups, particularly in private markets asset classes, where acquisition multiples for established businesses are elevated
- Primary capital investments in private markets firms gives them capacity to accelerate their growth by acquiring complementary platforms/businesses, moving into new market segments and adjacent asset classes
- Balance sheet capacity is an enabler of succession and equity recycling within Affiliates and a source of low-risk earnings accretion for Pinnacle

Q&A



# Appendix

## Continuing strong investment performance of Affiliates to 30 June 2023

81% of Pinnacle Affiliates' strategies and products (with a track record exceeding 5 years) have outperformed their benchmarks over the 5 years to 30 June 2023

The investment returns for each fund or strategy shown are for information purposes only. Unless otherwise stated, the investment returns have been calculated for the relevant period in AUD (with distributions reinvested) and are gross of applicable fees, costs and taxes. Past performance is not indicative of future performance.

	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>				
<b>Hyperion Asset Management - Gross Performance</b>				
Hyperion Australian Growth Companies Fund	9.92%	11.81%	12.09%	1/10/2002
<i>Outperformance</i>	2.80%	3.26%	3.26%	
Hyperion Small Growth Companies Fund	10.79%	13.53%	16.15%	1/10/2002
<i>Outperformance</i>	8.54%	6.73%	9.75%	
Hyperion Broad Cap Composite	11.26%	12.25%	13.19%	1/11/1996
<i>Outperformance</i>	4.14%	3.71%	4.45%	
Hyperion Global Growth Companies Fund (Managed Fund)***	15.65%		19.45%	1/06/2014
<i>Outperformance</i>	3.71%		6.66%	
<b>Plato Investment Management - Gross Performance</b>				
Plato Australian Shares Equity Income Fund - Class A	9.94%	11.42%	12.42%	9/9/2011
<i>Outperformance</i>	1.30%	1.30%	1.66%	
Plato Global Shares Income Fund	6.09%		6.79%	30/11/2015
<i>Outperformance</i>	-5.37%		-4.08%	
<b>Solaris Investment Management - Gross Performance</b>				
Solaris Core Australian Equity Fund	6.13%	9.57%	6.79%	9/01/2008
<i>Outperformance</i>	-1.03%	1.01%	1.26%	
Solaris Total Return Fund (including franking credits)	7.87%		9.97%	13/01/2014
<i>Outperformance</i>	-0.77%		0.72%	
Solaris Australian Equity Long Short Fund	6.34%		10.24%	1/03/2017
<i>Outperformance</i>	-0.82%		2.28%	
Solaris Australian Equity Income Fund	8.97%		10.40%	12/12/2016
<i>Outperformance</i>	0.33%		0.64%	
<b>Resolution Capital - Gross Performance</b>				
Resolution Capital Real Assets Fund	7.31%	10.46%	8.46%	30/09/2008
<i>Outperformance</i>	3.43%	2.51%	2.92%	
Resolution Capital Global Property Securities Fund	1.63%	6.66%	8.36%	30/09/2008
<i>Outperformance</i>	2.18%	2.44%	3.61%	
Resolution Capital Core Plus Property Securities Fund - Series II	5.75%	9.22%	8.64%	31/08/1994
<i>Outperformance</i>	1.87%	1.27%	1.24%	
Resolution Capital Global Property Securities Fund - Series II	0.87%	5.08%	3.37%	30/04/2006
<i>Outperformance</i>	1.42%	0.89%	-0.52%	
Resolution Capital Global Property Securities Fund (Unhedged) - Series II	4.57%	8.55%	11.08%	30/11/2011
<i>Outperformance</i>	2.57%	2.34%	2.20%	
<b>Palisade Investment Partners - Gross Performance</b>				
Palisade Diversified Infrastructure Fund	10.39%	11.95%	8.19%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.52%	12.24%	13.95%	31/05/2011
Palisade Renewable Energy Fund	11.84%		13.14%	30/09/2016
<b>Antipodes Partners - Gross Performance</b>				
Antipodes Global Fund	7.24%		10.02%	1/07/2015
<i>Outperformance</i>	-3.14%		-0.08%	
Antipodes Global Fund - Long	9.00%		11.66%	1/07/2015
<i>Outperformance</i>	-1.38%		1.56%	

\*\*\* The fund changed its name from Hyperion Global Growth Companies Fund - Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 in order to facilitate quotation of the fund on the ASX

## Continuing strong investment performance of Affiliates to 30 June 2023

81% of Pinnacle Affiliates' strategies and products (with a track record exceeding 5 years) have outperformed their benchmarks over the 5 years to 30 June 2023

The investment returns for each fund or strategy shown are for information purposes only. Unless otherwise stated, the investment returns have been calculated for the relevant period in AUD (with distributions reinvested) and are gross of applicable fees, costs and taxes. Past performance is not indicative of future performance.

	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>				
<b>Spheria Asset Management - Gross Performance</b>				
Spheria Australian Microcap Fund	14.65%		15.73%	16/05/2016
<i>Outperformance</i>	12.39%		10.01%	
Spheria Australian Smaller Companies Fund	7.78%		9.85%	11/07/2016
<i>Outperformance</i>	5.52%		4.75%	
Spheria Opportunities Fund	7.32%		9.84%	11/07/2016
<i>Outperformance</i>	1.66%		1.77%	
<b>Firetrail Investments - Gross Performance</b>				
Firetrail Australian High Conviction Fund	5.80%		6.66%	14/03/2018
<i>Outperformance</i>	-1.36%		-1.12%	
Firetrail Absolute Return Fund	3.78%		4.35%	14/03/2018
<i>Outperformance</i>	2.70%		3.25%	
<b>Metrics Credit Partners - Gross Performance</b>				
Metrics Credit Partners Diversified Australian Senior Loan Fund	5.69%		5.51%	4/06/2013
<i>Outperformance</i>	4.47%		3.78%	
Metrics Credit Partners Secured Private Debt Fund	8.03%		8.03%	26/11/2015
<i>Outperformance</i>	6.80%		6.56%	
MCP Secured Private Debt Fund II	7.85%		8.13%	9/10/2017
<i>Outperformance</i>	6.62%		6.82%	
MCP Real Estate Debt Fund	8.92%		8.86%	9/10/2017
<i>Outperformance</i>	7.69%		7.55%	
MCP Wholesale Investments Trust	6.78%		6.71%	9/10/2017
<i>Outperformance</i>	5.68%		5.56%	
Metrics Master Income Trust (MXT) *	5.63%		5.55%	5/10/2017
<i>Outperformance</i>	4.54%		4.40%	
<b>Coolabah Capital Investments - Gross Performance</b>				
Smarter Money (Active Cash) Fund Assisted	2.57%	3.30%	3.90%	20/02/2012
<i>Outperformance</i>	1.54%	1.80%	2.18%	
Smarter Money Higher Income Fund Assisted	2.99%		3.54%	8/10/2014
<i>Outperformance</i>	1.96%		2.19%	
Smarter Money Long Short Credit Fund Assisted	5.54%		5.40%	31/08/2017
<i>Outperformance</i>	4.50%		4.30%	
Coolabah Active Composite Bond Strategy	2.45%		2.71%	7/03/2017
<i>Outperformance</i>	1.94%		1.54%	
BetaShares Active Australian Hybrids Fund (HBRD)	4.45%		4.35%	13/11/2017
<i>Outperformance</i>	0.91%		0.76%	

\*Metrics MXT, Mot, and MDIF performance figures are net

# Affiliates' investment performance

30 June 2023

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	1Y	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Hyperion Asset Management - Gross Performance</b>						
Hyperion Australian Growth Companies Fund	22.21%	8.13%	9.92%	11.81%	12.09%	1/10/2002
<i>Outperformance</i>	7.81%	-2.94%	2.80%	3.26%	3.26%	
Hyperion Small Growth Companies Fund	33.45%	8.94%	10.79%	13.53%	16.15%	1/10/2002
<i>Outperformance</i>	25.00%	3.79%	8.54%	6.73%	9.75%	
Hyperion Broad Cap Composite	22.43%	9.56%	11.26%	12.25%	13.19%	1/11/1996
<i>Outperformance</i>	8.04%	-1.51%	4.14%	3.71%	4.45%	
Hyperion Global Growth Companies Fund (Managed Fund) ***	37.43%	12.13%	15.65%		19.45%	1/06/2014
<i>Outperformance</i>	14.36%	-1.86%	3.71%		6.66%	
<b>Plato Investment Management - Gross Performance</b>						
Plato Australian Shares Equity Income Fund - Class A	16.79%	13.42%	9.94%	11.42%	12.42%	9/9/2011
<i>Outperformance</i>	0.16%	0.79%	1.30%	1.30%	1.66%	
Plato Global Shares Income Fund	21.04%	13.10%	6.09%		6.79%	30/11/2015
<i>Outperformance</i>	-1.56%	-0.37%	-5.37%		-4.08%	
Plato Global Alpha Fund	38.74%				15.46%	1/09/2021
<i>Outperformance</i>	16.31%				11.48%	
<b>Solaris Investment Management - Gross Performance</b>						
Solaris Core Australian Equity Fund	14.18%	10.47%	6.13%	9.57%	6.79%	9/01/2008
<i>Outperformance</i>	-0.60%	-0.65%	-1.03%	1.01%	1.26%	
Solaris Total Return Fund (including franking credits)	15.83%	12.07%	7.87%		9.97%	13/01/2014
<i>Outperformance</i>	-0.80%	-0.56%	-0.77%		0.72%	
Solaris Australian Equity Long Short Fund	14.39%	11.10%	6.34%		10.24%	1/03/2017
<i>Outperformance</i>	-0.39%	-0.02%	-0.82%		2.28%	
Solaris Australian Equity Income Fund	16.98%	13.13%	8.97%		10.40%	12/12/2016
<i>Outperformance</i>	0.35%	0.50%	0.33%		0.64%	
<b>Resolution Capital - Gross Performance</b>						
Resolution Capital Real Assets Fund	8.53%	10.02%	7.31%	10.46%	8.46%	30/09/2008
<i>Outperformance</i>	1.03%	1.50%	3.43%	2.51%	2.92%	
Resolution Capital Global Property Securities Fund	-6.72%	2.09%	1.63%	6.66%	8.36%	30/09/2008
<i>Outperformance</i>	-0.78%	-1.02%	2.18%	2.44%	3.61%	
Resolution Capital Core Plus Property Securities Fund - Series II	9.09%	10.01%	5.75%	9.22%	8.64%	31/08/1994
<i>Outperformance</i>	1.60%	1.50%	1.87%	1.27%	1.24%	
Resolution Capital Global Property Securities Fund - Series II	-6.89%	1.59%	0.87%	5.08%	3.37%	30/04/2006
<i>Outperformance</i>	-0.95%	-1.52%	1.42%	0.89%	-0.52%	
Resolution Capital Global Property Securities Fund (Unhedged) - Series II	-1.20%	3.91%	4.57%	8.55%	11.08%	30/11/2011
<i>Outperformance</i>	0.21%	-0.59%	2.57%	2.34%	2.20%	
Resolution Capital Global Listed Infrastructure Fund	7.55%				5.85%	30/09/2021
<i>Outperformance</i>	5.58%				-0.23%	
<b>Palisade Investment Partners - Gross Performance</b>						
Palisade Diversified Infrastructure Fund	12.34%	11.29%	10.39%	11.95%	8.19%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.77%	11.09%	10.52%	12.24%	13.95%	31/05/2011
Palisade Renewable Energy Fund	16.36%	12.43%	11.84%		13.14%	30/09/2016
<b>Antipodes Partners - Gross Performance</b>						
Antipodes Global Fund	15.66%	11.59%	7.24%		10.02%	1/07/2015
<i>Outperformance</i>	-4.72%	-0.65%	-3.14%		-0.08%	
Antipodes Global Fund - Long	22.12%	14.33%	9.00%		11.66%	1/07/2015
<i>Outperformance</i>	1.74%	2.09%	-1.38%		1.56%	
Antipodes Emerging Markets (Managed Fund)					13.80%	3/10/2022
<i>Outperformance</i>					2.60%	
<b>Sphera Asset Management - Gross Performance</b>						
Sphera Australian Microcap Fund	14.54%	33.16%	14.65%		15.73%	16/05/2016
<i>Outperformance</i>	6.09%	28.00%	12.39%		10.01%	
Sphera Australian Smaller Companies Fund	10.80%	16.19%	7.78%		9.85%	11/07/2016
<i>Outperformance</i>	2.35%	11.04%	5.52%		4.75%	
Sphera Opportunities Fund	5.74%	14.21%	7.32%		9.84%	11/07/2016
<i>Outperformance</i>	-7.70%	4.77%	1.66%		1.77%	
Sphera Global Opportunities Fund	23.51%	14.04%			13.82%	1/03/2019
<i>Outperformance</i>	6.84%	2.34%			6.27%	

# Affiliates' investment performance

30 June 2023

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	1Y	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Firetrail Investments - Gross Performance</b>						
Firetrail Australian High Conviction Fund	14.52%	13.54%	5.80%		6.66%	14/03/2018
<i>Outperformance</i>	-0.26%	2.42%	-1.36%		-1.12%	
Firetrail Absolute Return Fund	-1.93%	4.64%	3.78%		4.35%	14/03/2018
<i>Outperformance</i>	-4.85%	3.56%	2.70%		3.25%	
Firetrail Australian Small Companies Fund	8.65%	18.58%			14.05%	20/02/2020
<i>Outperformance</i>	0.20%	13.42%			14.33%	
<b>Metrics Credit Partners - Gross Performance</b>						
Metrics Credit Partners Diversified Australian Senior Loan Fund	9.25%	6.01%	5.69%		5.51%	4/06/2013
<i>Outperformance</i>	5.99%	4.83%	4.47%		3.78%	
Metrics Credit Partners Secured Private Debt Fund	8.48%	7.53%	8.03%		8.03%	26/11/2015
<i>Outperformance</i>	5.23%	6.35%	6.80%		6.56%	
MCP Secured Private Debt Fund II	8.65%	7.41%	7.85%		8.13%	9/10/2017
<i>Outperformance</i>	5.39%	6.22%	6.62%		6.82%	
MCP Real Estate Debt Fund	11.09%	8.91%	8.92%		8.86%	9/10/2017
<i>Outperformance</i>	7.83%	7.73%	7.69%		7.55%	
MCP Wholesale Investments Trust	9.49%	6.89%	6.78%		6.71%	9/10/2017
<i>Outperformance</i>	6.48%	5.79%	5.68%		5.56%	
MCP Credit Trust	12.13%	14.41%			13.42%	26/12/2018
<i>Outperformance</i>	8.87%	13.22%			12.26%	
Metrics Master Income Trust (MXT)*	8.00%	5.69%	5.63%		5.55%	5/10/2017
<i>Outperformance</i>	4.99%	4.58%	4.54%		4.40%	
Metrics Income Opportunities Trust (MOT)*	9.14%	9.24%			8.71%	23/04/2019
<i>Outperformance</i>	6.13%	8.14%			7.69%	
Metrics Direct Income Fund*	7.93%	6.77%			6.77%	1/07/2020
<i>Outperformance</i>	4.92%	5.67%			5.67%	
<b>Longwave Capital Partners - Gross Performance</b>						
Longwave Australian Small Companies Fund	14.23%	10.09%			9.25%	1/02/2019
<i>Outperformance</i>	5.78%	4.93%			4.70%	
<b>Coolabah Capital Investments - Gross Performance</b>						
Smarter Money (Active Cash) Fund Assisted	4.91%	2.34%	2.57%	3.30%	3.90%	20/02/2012
<i>Outperformance</i>	2.02%	1.32%	1.54%	1.80%	2.18%	
Smarter Money Higher Income Fund Assisted	5.25%	2.59%	2.99%		3.54%	8/10/2014
<i>Outperformance</i>	2.36%	1.58%	1.96%		2.19%	
Smarter Money Long Short Credit Fund Assisted	10.43%	4.90%	5.54%		5.40%	31/08/2017
<i>Outperformance</i>	7.54%	3.89%	4.50%		4.30%	
Coolabah Active Composite Bond Strategy	4.51%	-2.02%	2.45%		2.71%	7/03/2017
<i>Outperformance</i>	3.27%	1.49%	1.94%		1.54%	
Floating-Rate High Yield Fund (Assisted)					7.26%	5/12/2022
<i>Outperformance</i>					4.64%	
BetaShares Active Australian Hybrids Fund (HBRD)	6.78%	4.09%	4.45%		4.35%	13/11/2017
<i>Outperformance</i>	1.39%	0.58%	0.91%		0.76%	
Coolabah Long-Short Opportunities Fund	8.65%	6.63%			6.85%	1/05/2020
<i>Outperformance</i>	5.76%	5.61%			5.88%	
<b>Aikya Investment Management - Gross Performance</b>						
Aikya Global Emerging Markets Fund - Class A	7.11%	7.63%			4.41%	5/03/2020
<i>Outperformance</i>	2.00%	4.15%			3.61%	
Aikya Emerging Markets Opportunities Fund - Class A	8.03%				-0.81%	12/01/2022
<i>Outperformance</i>	2.92%				6.88%	
<b>Riparian Capital Partners - Gross Performance</b>						
Riparian Water Fund	2.47%	9.09%			6.12%	1/12/2019
<i>Outperformance</i>	-4.53%	2.09%			-0.88%	
<b>Langdon Equity Partners - Gross Performance</b>						
Langdon Global Smaller Companies Fund	34.21%				29.21%	28/06/2022
<i>Outperformance</i>	17.54%				15.59%	

\*Metrics MXT, MOT, and MDIF performance figures are net

\*\*\* The fund changed its name from Hyperion Global Growth Companies Fund - Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 in order to facilitate quotation of the fund on the ASX

	Pinnacle (total)	Hyperion	Plato	Solaris	RCL	Palisade	Antipodes	Spheria	Two Trees <sup>5</sup>	Firetrail	Metrics <sup>4</sup>	Omega <sup>3,5</sup>	Longwave	Riparian	Coolabah	Akya	Five V <sup>6</sup>	Langdon
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m) <sup>1</sup>	(\$m) <sup>1</sup>	(\$m)	(\$m)	(\$m) <sup>2</sup>	(\$m)	(\$m)	(\$m)
<b>FUM History (at 100%)</b>																		
30 Jun 23	<b>91,915</b>	12,684	11,528	8,356	14,320	3,435	10,104	1,489	-	7,310	15,170	-	161	196	7,599	1,516	1,445	113
31 Dec 22	<b>83,190</b>	10,346	10,079	7,536	13,819	3,032	9,628	1,427	-	6,836	14,380	-	163	157	6,452	924	1,416	36
30 Jun 22	<b>83,712</b>	10,405	10,144	8,228	15,291	3,172	9,196	1,408	-	6,466	12,100	-	166	122	7,013	808	1,340	3
31 Dec 21	<b>93,564</b>	13,957	10,893	10,532	19,240	2,706	8,990	1,753	71	7,073	10,640	-	197	94	7,995	354	1,114	
30 Jun 21	<b>89,343</b>	11,887	10,826	11,099	16,372	2,512	9,356	1,736	69	6,587	8,050	4,615	197	28	6,735	340	-	
31 Dec 20	<b>70,460</b>	9,945	6,266	9,971	11,317	2,384	8,542	1,539	63	5,496	6,060	4,424	178	4	5,002	243		
30 Jun 20	<b>58,647</b>	7,847	5,175	8,548	8,979	2,244	7,957	1,210	91	4,110	5,300	4,303	3	3	3,737	2		
31 Dec 19	<b>61,628</b>	7,454	5,790	9,454	9,241	2,257	8,956	1,471	323	4,719	5,040	4,509	3	3	3,123	-		
30 Jun 19	<b>54,276</b>	6,595	5,279	9,089	8,314	2,035	9,071	1,195	245	4,369	4,490	4,273	3	-	-	-		
31 Dec 18	<b>46,741</b>	5,599	4,680	7,606	7,779	2,010	8,149	640	214	3,603	3,350	3,689	-	-	-	-		
30 Jun 18	<b>38,032</b>	6,507	4,918	8,319	8,038	1,847	7,554	702	71	74	-	-	-	-	-	-		
31 Dec 17	<b>32,338</b>	6,056	4,644	6,618	6,552	1,585	6,261	596	26	-	-	-	-	-	-	-		
30 Jun 17	<b>26,526</b>	5,877	4,003	5,135	5,956	1,514	3,830	211	-	-	-	-	-	-	-	-		
31 Dec 16	<b>23,339</b>	5,664	3,536	5,032	5,274	1,456	2,191	186	-	-	-	-	-	-	-	-		
30 Jun 16	<b>19,756</b>	5,633	3,067	4,595	4,576	1,436	449	-	-	-	-	-	-	-	-	-		
30 Jun 15*	<b>15,995</b>	5,474	2,265	2,938	3,980	1,126	212	-	-	-	-	-	-	-	-	-		
30 Jun 14*	<b>12,232</b>	4,886	986	2,537	2,933	890	-	-	-	-	-	-	-	-	-	-		
30 Jun 13*	<b>10,846</b>	4,032	742	2,649	2,694	729	-	-	-	-	-	-	-	-	-	-		
30 Jun 12*	<b>9,790</b>	3,158	332	3,855	1,864	581	-	-	-	-	-	-	-	-	-	-		
30 Jun 11	<b>10,336</b>	3,229	525	4,421	1,758	403	-	-	-	-	-	-	-	-	-	-		
<i>*Pinnacle (total) includes FUM of a former Pinnacle Affiliate</i>																		
30 Jun 20 - 30 Jun 21	<b>52.3%</b>	51.5%	109.2%	29.8%	82.3%	11.9%	17.6%	43.5%	-24.1%	60.3%	51.9%	7.2%	6455.9%	923.3%	80.2%	18323.4%		
30 Jun 21 - 30 Jun 22	<b>-6.3%</b>	-12.5%	-6.3%	-25.9%	-6.6%	26.3%	-1.7%	-18.9%	-100.0%	-1.8%	50.3%	-100.0%	-15.8%	340.9%	4.1%	137.8%	0.0%	0.0%
30 Jun 22 - 30 Jun 23	<b>9.8%</b>	21.9%	13.6%	1.6%	-6.4%	8.3%	9.9%	5.8%	0.0%	13.0%	25.4%	0.0%	-2.8%	59.9%	8.3%	87.6%	7.9%	3795.3%
<b>PNI ownership<sup>3</sup></b>																		
PNI effective FUM - 30 Jun 23	<b>37,045</b>	6,329	4,911	3,718	7,088	1,233	2,449	596	-	1,718	5,310	-	64	78	2,660	493	361	37

<sup>1</sup> Pinnacle acquired equity interests in Metrics and Omega in July 2018. FUM not included prior to that date

<sup>2</sup> Pinnacle acquired an equity interest in Coolabah in December 2019. FUM not included prior to that date

<sup>3</sup> The percentage represents Pinnacle's total shareholding in the Affiliate. In some Affiliates, Pinnacle currently holds less than 1% of the voting shares. However, it has full economic rights in respect of its holdings

<sup>4</sup> From 30 June 2023, Pinnacle will report Metrics' Asset Under Management, being the fee-earning asset base. Figures prior to that date in this table are Asset Under Management

<sup>5</sup> Following the integration of Omega and Two Trees into Plato, Omega and Two Trees FUM is wholly included within Plato's FUM figure

<sup>6</sup> Pinnacle acquired an equity interest in Five V in December 2021. FUM not included prior to that date

## 2023 Financial Newswire/SQM Research Fund Manager Awards:

- Hyperion – ETF Provider Finalist
- Langdon – Emerging Funds Finalist
- Resolution Capital – A-REITs Finalist
- Spheria – Australian Equities Small/Mid Cap Finalist (Spheria Australian Microcap Fund)
- Spheria – Australian Equities Small/Mid Cap Finalist (Spheria Australian Smaller Companies Fund)

## 2023 Money Management Annual Fund Manager of the Year Awards, partnering with Lonsec:

- Aikya – Emerging Manager of the Year Finalist
- Spheria – Australian Small Cap Equity Fund of the Year Finalist

## 2022 Financial Newswire/SQM Research Fund Manager of the Year Awards

- Spheria – Australian Equities – Small/Mid Cap Winner
- Spheria – Star Managers Winner
- Resolution Capital – Global Equities – Real Estate Finalist

## 2022 Financial Standard Investment Leadership Awards

- Plato - Australian Equities - Income Focused Winner
- Hyperion – International Equities High Performance Finalist
- Metrics – Fixed Income – Credit Finalist

## 2022 Lonsec & SuperRatings Fund of the Year Awards

- Longwave - Emerging Manager of the Year – Winner
- Resolution Capital - Property and Infrastructure Fund of the Year –Finalist
- Coolabah– Active Australian Fixed Income Fund of the Year –Finalist
- Spheria – Active Australian Equity Fund of the Year – Finalist

## 2022 Zenith Fund Awards:

- Resolution Capital - Global Real Estate Investment Trust – Winner
- Metrics Credit Partners – Australian Fixed Interest –Winner
- Spheria – Australian Equities - Small Cap – Finalist
- Pinnacle – Distributor of the Year Finalist

## 2021 Australian Alternative Investment Awards:

- Metrics – Best 2021 Private Debt Fund
- Pinnacle – Best 2021 Investor Supporting Australian Alternative Managers

## 2021 Lonsec & SuperRatings Fund of the Year Awards

- Hyperion - Active Equity Fund Winner

## 2021 Zenith Fund Awards:

- Metrics – Listed Entities Category Winner
- Firetrail – Alternative Strategies Category Winner
- Spheria – Australian Equities – Small Cap Winner
- Metrics – Australian Fixed Interest Category Finalist
- Pinnacle – Distributor of the Year Finalist

## 2021 Money Management Fund Manager of the Year:

- Hyperion – Fund Manager Of The Year Winner
- Hyperion – Australian Large Cap Equities Winner
- Hyperion – Australian Small/Mid Cap Equities Winner
- Hyperion – Global Equities Highly Commended

## 2021 Morningstar Fund Manager of the Year Awards:

- Hyperion – Australian Fund Manager of the Year
- Hyperion – Domestic Equities – Large Cap Category Winner
- Hyperion – Domestic Equities – Small Cap Category Winner
- Hyperion – Global Equities – Category Finalist
- Resolution Capital - Listed Property and Infrastructure – Category Finalist

All Pinnacle Affiliates embed ESG into their investment decision making process:

Affiliate	Signatory to PRI	Incorporate ESG into Investment process	Have an ESG policy
Aikya	Yes	Yes	Yes
Antipodes	Yes	Yes	Yes
Coolabah	Yes	Yes	Yes
Firetrail	Yes	Yes	Yes
Five V	(Certified B Corporation)	Yes	Yes
Hyperion	Yes	Yes	Yes
Longwave	Yes	Yes	Yes
Langdon	Yes	Yes	Yes
Metrics	Yes	Yes	Yes
Palisade	Yes	Yes	Yes
Plato	Yes	Yes	Yes
ResCap	Yes	Yes	Yes
Riparian	Yes	Yes	Yes
Solaris	Yes	Yes	Yes
Spheria	Yes	Yes	Yes





### Global Emerging Market Equities

- High quality
- Absolute return with downside protection
- Concentrated portfolio
- Long term sustainable growth
- Stewardship and Sustainability
- Headquartered in London, United Kingdom



### Global and Emerging Markets Equities (Long Only and Long-Short)

- 'Pragmatic value' investment approach
- Strategies accessible via listed (ASX: AGX1), managed fund and offshore (UCITS, CIT, NZ PIE, Cayman) vehicles
- Founded 2015
- 40+ staff
- Headquartered in Sydney, Australia with offices in London, UK and Toronto, Canada



### Australian and Global Credit (Long Only and Long-Short)

- CCI's edge is in generating alpha by exploiting mispricings in liquid, high-grade credit in contrast to traditional fixed-income managers that drive returns through adding more interest rate duration, credit default, and/or illiquidity risk (beta)
- Alpha generation is a function of the world-class analytical insights rendered by CCI's human capital, which comprises 12 portfolio managers, 12 analysts, and numerous other finance, risk, compliance, operations and product staff
- Founded in 2011
- Headquartered in Sydney, Australia with offices in London, UK and Melbourne, Australia



### High conviction Australian and Global Equities

- Deep fundamental research approach consistently applied for 15+ years
- Australian, Global, Small Companies and Long-Short equities
- No enduring style bias. Building concentrated portfolios of best growth and value ideas
- Focused on generating outperformance from stock selection, whilst reducing exposure to unintended macroeconomic or thematic risks
- Headquartered in Sydney, Australia

### Australian and New Zealand Private Equity, Growth & Venture Capital

- Focused on growth assets in the attractive small to mid-market
- Specialist knowledge and skills supporting high growth businesses
- Track record of helping to build market leaders across industries
- Collaborative approach – full alignment with investee businesses
- Global investor network of entrepreneurs and family offices
- Flexibility of investment, majority and significant minority partnerships
- Strong focus on ESG as reflected by B-Corporation Certification
- Headquartered in Sydney, Australia



### Australian and Global Growth Equities

- Investment process focused on high quality structural growth businesses
- Predictable long-term earnings and low debt
- Concentrated portfolios
- Low portfolio turnover
- Headquartered in Brisbane, Australia





### Global and Canadian Small Cap Equities

- Active and Engaged owners of world class smaller companies
- Blue Chip small cap, focusing on cash flow growth
- Seek to identify and evaluate businesses that can compound intrinsic value at high rates over the long term
- Headquartered in Toronto, Canada

### Australian Small Cap Equities

- Investment philosophy centred on the view that quality is the long-term driver of small cap excess returns
- Fundamental understanding determines how value is created or destroyed by companies for shareholders
- Systematic processes provide discipline, repeatability and controls behavioural biases
- Index agnostic and unconstrained
- Headquartered in Sydney, Australia



### Private Debt and Commercial Real Estate

- One of Australasia's largest non-bank lenders
- Largest non-bank debt provider to the Australian CRE sector
- Participation across all loan market segments – leverage finance, project finance, commercial real estate, corporate
- Investment across the capital structure – investment grade debt through to equity, warrants and options
- Further growth across private markets including private equity in commercial real estate
- Deep, active primary and secondary market experience
- Extensive bank, non-bank and borrower networks
- Significant corporate restructuring and workout experience
- Extensive loan distribution experience and networks
- Extensive private markets experience in both debt and equity investments
- PRI Signatory and founding member of the Australian Sustainable Finance Institute
- Headquartered in Sydney, Australia with offices in Melbourne, Australia and Auckland, New Zealand





### Private Infrastructure, Impact & Real Assets

- Mid-Market focus results in better acquisition multiples and portfolio yield
- Actively involved in operational management and governance of assets; unlocks embedded value
- Owns airports, seaports, portside bulk liquid storage, gas pipelines, solar and wind renewable energy assets, social infrastructure PPPs
- Unique risk management framework – credit-style approach to asset selection and financial structuring and VaR approach to portfolio construction
- Real Assets and Impact Affiliates continue to pursue investments into adjacent asset classes – Impact fund achieved first close raising over \$400m which is now partially deployed and Real Assets completed its first investment in UK-focused BioticNRG Platform
- Establishment of North American focused, global infrastructure capability, based in New York, in 2022, with initial investments in digital and decarbonization platforms secured
- Headquartered in Sydney, Australia with offices in Melbourne, Australia and New York, USA



### Systematic Australian and Global Equities, Credit and Absolute Return

- Australian Accumulation, Low Volatility and Tax-Exempt Equities; Global Income Equities and Global Alpha Equities; Enhanced Low Carbon; Fixed Income and Credit
- Customised alpha models and portfolio construction for accumulation, retirement and absolute return solutions
- Systematic implementation of fundamental ideas
- State of the art technology
- Headquartered in Sydney, Australia



### Global Listed Real Assets

- Specialist Real Estate and Infrastructure securities investment manager
- Concentrated portfolios of 'high conviction ideas'
- Multi Portfolio Manager approach
- Sector based research
- Centralised, proprietary research mitigates regional biases
- PRI and UN Global Compact signatory, RIAA member
- >28-year investment track record
- Headquartered in Sydney, Australia with an investment office in New York, USA



### Private Agriculture, Food & Water

- Real asset backed investments across the food and agriculture sector
- Participation throughout the value chain investing in assets that are critical to the production of essential goods; water, farmland, agricultural infrastructure and agribusinesses
- Deep agriculture, finance and asset management experience
- Agriculture sector assets have the potential to generate attractive returns, demonstrate low correlation to traditional asset classes and offer the potential of portfolio diversification
- PRI Signatory and supporter of the Task Force of Climate-Related Financial Disclosures
- Headquartered in Brisbane, Australia with an office in New York, USA



### Australian Style Neutral Equities

- Analysts empowered as portfolio managers
- 100% short term incentives linked to client alpha (no alpha, no bonus)
- Selecting stocks to outperform based on fundamental research with portfolio risk directly aligned with expected stock returns
- No predetermined or consistent style bias
- Headquartered in Brisbane, Australia



### Australian and Global Micro-, Small- and Mid-Cap Equities

- Greater potential for long term capital appreciation
- Under-researched stock universe provides fertile ground for higher alpha
- Focus on recurring cashflows and valuation inefficiencies
- Headquartered in Sydney, Australia

### Lonsec Research

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### Morningstar Research

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### Zenith Research

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