



1<sup>st</sup> February, 2024

By Electronic Lodgement

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Pinnacle Investment Management Group Limited (ASX: PNI) FY2024 interim financial results**

Pinnacle Investment Management Group Limited (**PNI**) is pleased to advise shareholders of the financial results for the six months ended 31 December 2023 (**1H FY24**) as follows:

- > Net profit after tax (**NPAT**) attributable to shareholders of \$30.2 million, compared to \$30.5 million in the Prior Corresponding Period (**1H FY23, PCP**)
- > Basic earnings per share (**EPS**) attributable to shareholders of 15.4 cents, compared to 15.7 cents in 1H FY23
- > Diluted EPS attributable to shareholders of 15.3 cents, compared to 15.6 cents in 1H FY23
- > Fully franked interim dividend per share maintained at 15.6 cents (in line with 1H FY23)
- > Pinnacle's share of Affiliates' NPAT was \$37.3 million, up 24% from \$28.4 million in 1H FY23
- > Performance fees earned by Pinnacle Affiliates, post-tax, contributed \$12.3m of Pinnacle's NPAT in 1H FY24 (\$0.9m in 1H FY23)
- > Continued Affiliate medium-term outperformance – 81% of 5-Year Affiliate strategies have outperformed their respective benchmarks as at 31 December 2023 – consistent alpha generation underpins ongoing performance fee contributions
- > Aggregate Affiliates' funds under management (**FUM**) of \$100.1 billion at 31 December 2023 (at 100%), up \$8.2 billion or 9% from \$91.9 billion at 30 June 2023
- > Aggregate Retail FUM of \$25.9 billion at 31 December 2023 (at 100%), up \$3.2 billion or 14% from \$22.7 billion at 30 June 2023
- > Net inflows for 1H FY24 of \$4.5 billion (compared with net outflows of \$1.5 billion in 1H FY23):
  - > Retail net inflows of \$1.8 billion (1H FY23: net inflows of \$0.3 billion)
  - > International net inflows of \$3.1 billion (1H FY23: net inflows of \$0.7 billion)
  - > Domestic institutional net outflows of \$0.4 billion (1H FY23: net outflows of \$2.5 billion)

- > Cash and Principal Investments (PI) of \$151.1 million at 31 December 2023 supported by CBA facility of \$100m, fully-drawn and deployed into liquid funds managed by Affiliates until required, resulting in net cash and PI of \$51.1 million at 31 December 2023. At 31 December 2022, the facility amount was \$120 million. \$20 million of the facility, which was specifically arranged and drawn to seed a new Palisade real asset strategy, was repaid as scheduled during September 2023

## Composition of Group Results

The profit after tax attributable to shareholders for 1H FY24 was \$30.2 million, representing diluted earnings per share of 15.3 cents compared with 15.6 cents per share in 1H FY23.

Pinnacle's share of net profit after tax from its equity interests in Affiliates was \$37.3 million (up 31% from \$28.4 million in the PCP). Affiliate revenues including performance fees grew by 32% over the PCP, however this included revenues from Horizon 2 initiatives which were more than offset by higher costs incurred in building these new capabilities which are expected to benefit shareholders over the medium term (the return on previous Horizon 2 investments has been extremely high). As expected, the aggregate investment of NPAT of these initiatives, within Pinnacle and Affiliates, is estimated to have been ~\$7 million in 1H FY24, Pinnacle share, after tax (\$6.5m in 1H FY23, Pinnacle share, after tax), consistent with the second half of the previous financial year.

Within 'Pinnacle Parent', staff costs were \$4.3 million higher than in the PCP, \$3.3 million of which is attributable to higher incentive provisions. Whilst we do not make final remuneration decisions until our results for the full year are known, shareholders will recall that we provisioned for incentives at only 50% of target maximum in the PCP. Provisions are at higher levels in the current half year, which we believe is appropriate given outcomes achieved during the half year, including the net inflows generated.

Principal Investments (PI) totalled \$136.1 million at 31 December 2023, compared to \$159.6 million at 30 June 2023 and \$164.1 million at 31 December 2022. The return on PI, prior to interest expense, for 1H FY24 was \$3.7 million (1H FY23 \$3.8 million). The return on PI is made up of 'Dividends and distributions' received of \$3.6 million and 'Fair value gains/losses on financial assets at fair value through profit or loss' of net positive \$0.1 million, which includes gains/losses from hedging equity market exposures. The interest expense on the fully drawn \$100 million CBA borrowing facility, all of which is deployed in funds managed by Pinnacle Affiliates, was \$3.6 million in 1H FY24 (1H FY23 \$2.7 million). At 31 December 2022 and 30 June 2023, the facility amount was \$120 million. \$20 million of the facility, which was specifically arranged and drawn to seed a new Palisade real asset strategy, was repaid as scheduled during September 2023.

We also marked our investment in the digital wealth platform, OpenInvest (which has not been carried within our PI portfolio), to the value at which the business most recently raised funding (Pinnacle did not participate in that funding round). This resulted in a \$3.4 million write-down in the current period, with our holding now valued at \$0.2 million

Over the period under review, macroeconomic and geopolitical events continued to cause uncertainty in investment markets, with challenging conditions for generating new business persisting, particularly in the Australian market. We at Pinnacle, together with Affiliates, have been continuing our deliberate program of investment to continue to diversify our business, create additional capacity and broaden the platform from which we can deliver further growth. This program has continued during the challenging market conditions of the past two years which, along with the difficult conditions for raising new business, has seen our earnings suppressed. We remain confident that these initiatives will prove valuable over the medium term.

Pinnacle has an excellent platform in place to continue to prosper – driven by growth within existing Affiliates, incubating new Affiliates and strategies, domestically and internationally, as well as careful acquisitive growth into new asset classes and markets. We believe we enter the second half with grounds for cautious optimism, fully resourced with the capability to take advantage of opportunities that may materialize.

Finally, shareholders will be aware that our practice in recent reporting periods has been to release an announcement shortly after the closing date with details of our performance fees and PI returns, with the full results announcement following early the following month. For future reporting periods, we will now be issuing full details only at the time of our results such that all information is presented in context.

	1H FY24 (\$M)	1H FY23 (\$M)	% Change
<b>PINNACLE</b>			
Revenue <sup>1</sup>	23.7	22.8	4%
Expenses <sup>2,3,4</sup>	(30.8)	(20.7)	49%
Share of Pinnacle Affiliates net profit after tax	37.3	28.4	31%
Net profit before tax	30.2	30.5	-1%
Taxation	-	-	
NPAT from continuing operations	30.2	30.5	-1%
Discontinued operations	-	-	0%
NPAT attributable to shareholders	30.2	30.5	-1%
<i>NPAT attributable to shareholders - excluding net gains/losses on PI and interest cost</i>	30.1	29.4	2%
<i>NPAT attributable to shareholders - excluding net gains/losses on PI, interest cost and OpenInvest revaluation</i>	33.5	28.8	16%
<b>Basic earnings per share:</b>			
From continuing operations	15.4	15.7	-2%
Total attributable to shareholders	15.4	15.7	-2%
<b>Diluted earnings per share:</b>			
From continuing operations	15.3	15.6	-2%
Total attributable to shareholders	15.3	15.6	-2%
Dividends per share:	15.6	15.6	0%

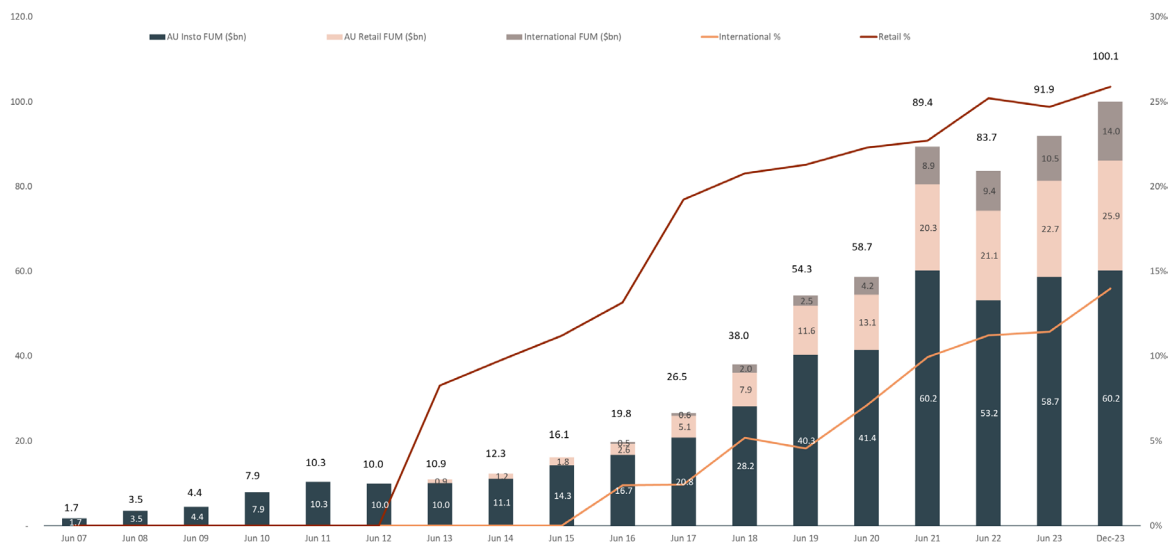
1. Includes dividends and distributions received on PI. These were \$3.6m in 1H FY24, compared with \$2.9m in 1H FY23
2. Includes interest cost on the CBA facility of \$3.6m in 1H FY24 (\$2.7m in 1H FY23)
3. Includes mark-to-market and realized gains/losses on PI, net of hedging. These were total net gains of \$0.1m in 1H FY24 (decreases 'expenses'), compared with total net gains of \$0.8m in 1H FY23 (decreases 'expenses')
4. Includes the write-down of Openinvest of \$3.4m in 1H FY24

## FUM Update

The FUM of the fifteen Pinnacle Affiliates as at 31 December 2023 was \$100.1 billion, at 100%, reflecting:

- > an increase in FUM of \$8.2 billion or 9% during 1H FY24, comprising net inflows of \$4.5 billion and increases due to market movements/investment performance of \$3.7 billion
- > a compounded annual growth rate (**CAGR**) of 24.1% over the last 10 years (22.6% excluding 'acquired' FUM) and 16.4% over the last five years (13.8% excluding 'acquired' FUM)

## Pinnacle Affiliates – FUM<sup>1</sup>



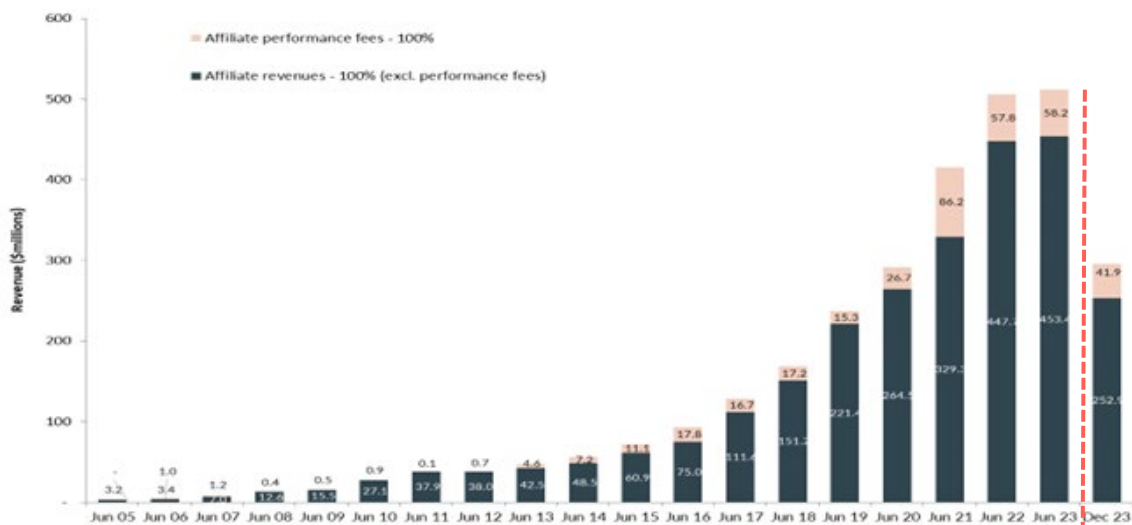
<sup>1</sup>Includes \$6.8bn 'acquired' in July 2018, \$3.0bn 'acquired' in December 2019 and \$1.1bn 'acquired' in December 2021. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of its Affiliates and does not 'own' 100% of the FUM

## Retail FUM Update

Retail FUM stood at \$25.9 billion at 31 December 2023, reflecting an increase of \$3.2 billion or 14% during 1H FY24, comprising net inflows of \$1.8 billion and increases due to market movements/investment performance of \$1.4 billion.

## Pinnacle Affiliates – Financial Highlights<sup>1</sup>

	1H FY24 (\$M)	2H FY23 (\$M)	1H FY23 (\$M)
PINNACLE AFFILIATES (100% aggregated basis)			
FUM (\$billion) <sup>2</sup>	100.1	91.9	83.2
Revenue (\$million)	294.8	288.0	223.6
Net profit before tax	120.4	130.2	98.2
Tax expense	(29.5)	(33.0)	(28.1)
Net profit after tax (NPAT)	90.9	97.2	70.1
<i>Pinnacle share of Affiliates' NPAT</i>	<i>37.3</i>	<i>39.0</i>	<i>28.4</i>



<sup>1</sup> Affiliate revenues are shown at 100% to indicate trend. 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

## Dividend

The Board has resolved to maintain the fully franked interim dividend of 15.6 cents per share (in line with 1H FY23), payable to shareholders recorded on the register on 8 March 2024 and payable on 22 March 2024.

The Dividend Reinvestment Plan (**DRP**) is applicable to this dividend. Please contact our share registry, Computershare Investor Services Pty Limited by calling 1300 850 505 or online at [www.investorcentre.com/contact](http://www.investorcentre.com/contact) to obtain a DRP election form to participate in the DRP in respect of this dividend.

## 1H FY24 financial results teleconference

Investors and analysts are invited to attend a teleconference on 2 February 2024 with Alan Watson (Chair), Ian Macoun (Managing Director), Andrew Chambers (Executive Director and Head of Institutional & International Distribution) and Dan Longan (Chief Financial Officer), who will discuss the 1H FY24 financial results and answer questions.

Please note that the call will be available via teleconference only. There will be no live audience. However, a recording of the call will be made available on Pinnacle's website shortly after it is completed.

Date: Friday, 2 February 2024

Time: 9.00 am (AEDT)

If you would like to join, please pre-register [here](#).

Once registered, a calendar invite which will include the dial-in number, a passcode and an unique access PIN will be emailed to you. To join the teleconference, simply dial the number in the calendar invite and enter the passcode followed by your unique access PIN.

Please contact Ian Macoun on +61 2 8970 7700 if you require any further information.

This announcement is authorised by the Board of Directors.



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

# 1H FY24 Results Presentation

1<sup>st</sup> February 2024

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### Record \$100bn FUM entering 2H FY24 as inflows build, platform positioned for growth

- Robust net inflows, particularly across retail and international channels, in challenging fundraising conditions
- Net inflows into private market and alternative strategies have continued to build, with a growing product set offering these strategies to more end markets, in Australia and overseas
- International expansion both in Affiliates and distribution continues to gather momentum
- Record FUM levels as we enter 2H FY24
- Net cost of current Horizon 2 initiatives remained at anticipated high levels during the first half but expected to reduce in 2H and beyond as revenues generated by these initiatives continue to build
- Pleasing alpha generation resulting in performance fee contribution from a diverse set of strategies

Record \$100bn FUM entering 2H FY24 as inflows build, platform positioned for growth

**1. Robust net inflows, particularly across retail and international channels, in challenging fundraising conditions**

- Conditions for generating new business remained challenging during the half
- Distribution result creditable in these conditions
- Our diverse platform of Affiliates and strategies has enabled us to remain relevant to investors as risk appetites and conditions have fluctuated

**2. Net inflows into private market and alternative strategies have continued to build, with a growing product set offering these strategies to more end markets, in Australia and overseas**

- \$1.6bn+ of drawn capital for private markets Affiliates in 1H FY24
  - \$950m of the \$1.6bn was raised from wholesale/retail investors
- Excluded from our 1H flows is a further \$1.1bn+ of legally binding fund commitments closed in late Dec 23
  - \$770m (maximum raise) secured for Five V Fund V
  - £200m (maximum raise) secured for Palisade Real Assets Bioenergy Platform

Record \$100bn FUM entering 2H FY24 as inflows build, platform positioned for growth

**3. International expansion both in Affiliates and distribution continues to gather momentum**

- \$14bn of FUM from 40+ countries outside of Australia
- \$8bn+ net international flows over past 3.5 years
- Internationally domiciled 'start-up' Affiliates experiencing early success:
  - Aikya (London) \$4.5bn FUM inside 4 years;
  - Langdon (Toronto) ~\$200m of wholesale/retail FUM in 18 months;
  - Palisade Real Assets (London) secured a cornerstone commitment from major European investor for its UK bioenergy platform;
  - Palisade Americas (New York) completed acquisition of a digital infrastructure platform, in Washington State, and has subsequently entered into an agreement to roll up a second local fibre platform

**4. Record FUM levels as we enter 2H FY24**

- FUM exceeds \$100bn for the first time
- Markets remained volatile during the half, with Average FUM broadly equivalent to opening FUM
- We enter 2H FY24 with FUM 8% higher than this average, with much of the increase attributable to net inflows and market movements occurring late in the reporting period and thus having little earnings impact during the half year
- The 'skew' in our results, which tends to see profitability higher in the second half of the financial year than the first, is likely to be quite pronounced again this financial year

Record \$100bn FUM entering 2H FY24 as inflows build, platform positioned for growth

**5. Net cost of current Horizon 2 initiatives remained at anticipated high levels during the first half but expected to reduce in 2H and beyond as revenues generated by these initiatives continue to build**

- Pinnacle and Affiliates have continued to invest – will drive strategic growth over the medium term
- Short-term profit impact in 1H FY24 broadly the same as in 2H FY23 (Pinnacle share, after tax, of investment equivalent to ~\$7m 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
- We continue to seek additional initiatives of compelling quality

**6. Pleasing alpha generation resulting in performance fee contribution from a diverse set of strategies**

- Nine Affiliates contributed performance fees this half across 13 strategies
- 25 strategies now able to deliver meaningful performance fees, 18 of which had the potential to contribute this half
- All 25 can contribute in the second half, with 16 of those 25 entering 2H at or above their high watermarks

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



### Affiliate FUM / Revenue (100%)

Affiliate FUM (100%)	31 Dec 23	30 Jun 23	Change
Aggregate Affiliate FUM (at 100%)	\$100.1bn	\$91.9bn	9%
Aggregate Retail FUM (at 100%)	\$25.9bn	\$22.7bn	14%
Aggregate Affiliate Performance fee FUM (at 100%)	\$36.9bn	\$34.0bn	9%
Affiliate Revenue (100%)	1H FY24	1H FY23	Change
Aggregate Affiliate Revenue (at 100%)	\$294.8m	\$223.6m	32%
Aggregate Affiliate Base Fees (at 100%)	\$252.9m	\$220.4m	15%
Aggregate Affiliate Performance Fees at (100%)	\$41.9m	\$3.2m	1209%
<i>Pinnacle share of performance fees, after tax</i>	<i>\$12.3m</i>	<i>\$0.9m</i>	<i>1267%</i>

### NPAT / EPS

	1H FY24	1H FY23	Change
NPAT	\$30.2m	\$30.5m	-1%
<b>Diluted EPS</b>	<b>15.3c</b>	<b>15.6c</b>	-2%
<b>DPS</b>	15.6c	15.6c	0%
DPR	102%	100%	
Franking	100%	100%	

### Cash / Investments

	31 Dec 23
Cash	\$15.0m
Principal Investments (PI)	\$136.1m
<b>Total cash &amp; PI</b>	<b>\$151.1m</b>

### Fund Flows

	1H FY24
Retail	\$1.8bn
International	\$3.1bn
Institutional – Australia	-\$0.4bn
<b>Total net inflows</b>	<b>\$4.5bn</b>

### Investment Performance

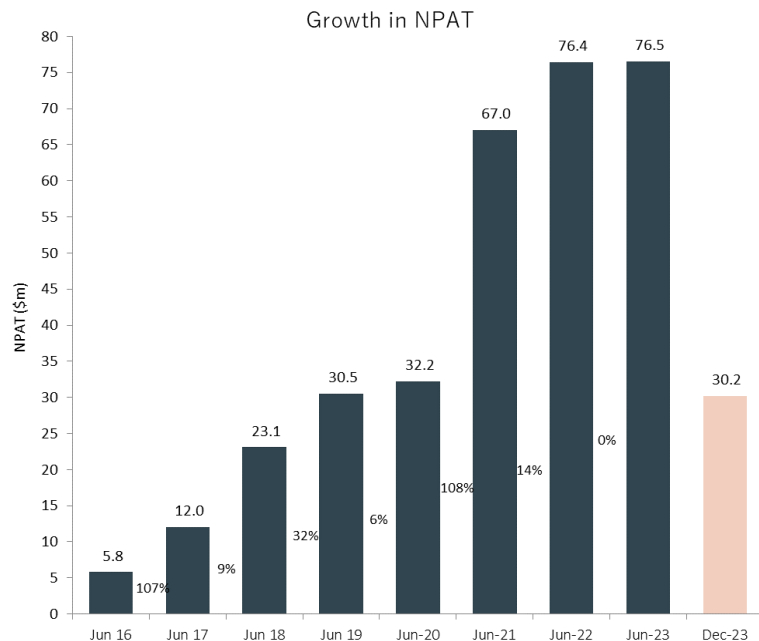
	31 Dec 23
% strategies outperforming over 5 years to 31 Dec 2023 <sup>1</sup>	81%
ASX300	+5.3%
MSCI World	+6.5%
NASDAQ	+8.9%
FTSE NAREIT	+5.6%

1. With track records exceeding 5 years

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

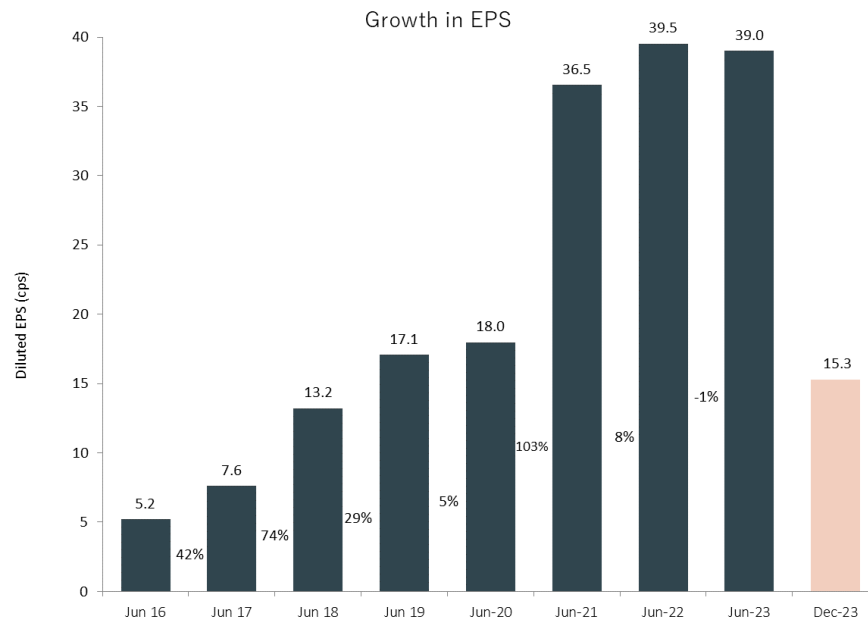
## NPAT growth: 2016 – 2023

CAGR (five years to 31 December 2023) – **24.5%**



## Diluted EPS growth: 2016 - 2023

CAGR (five years to 31 December 2023) – **21.8%**

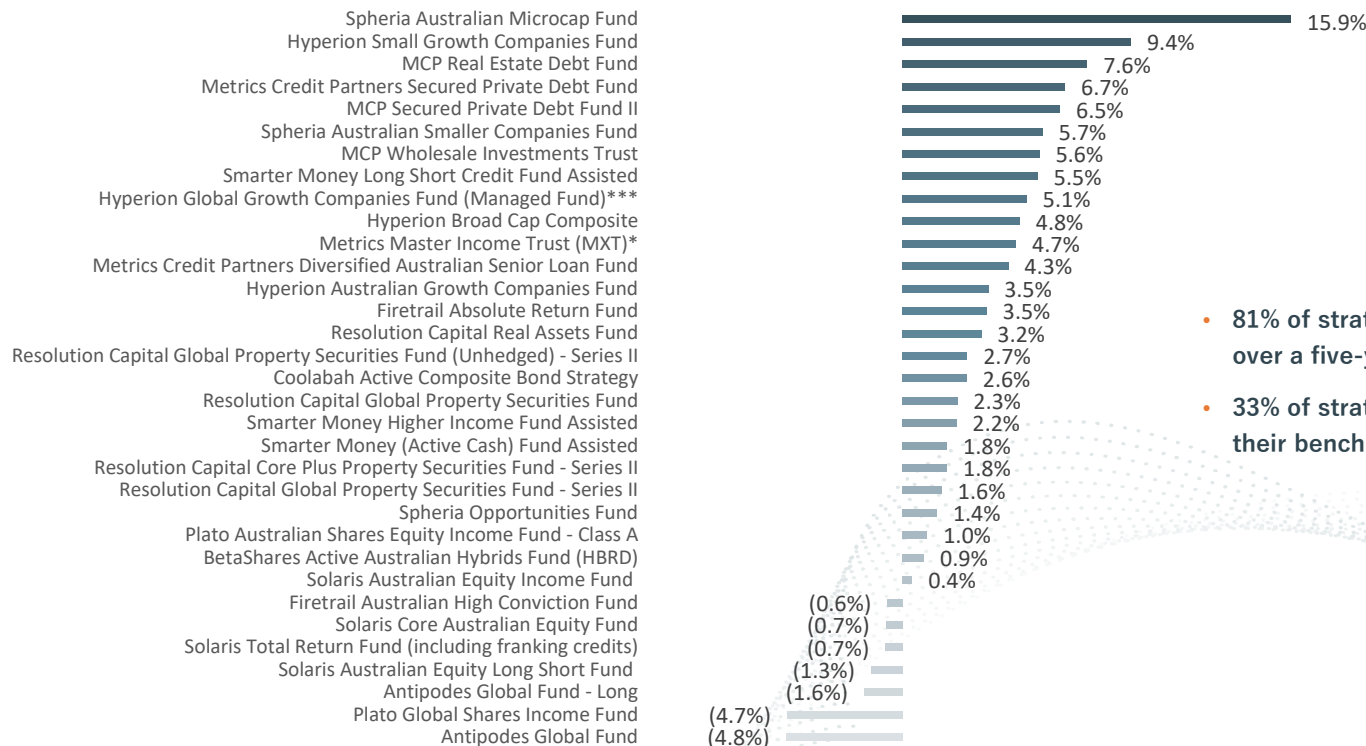


Fully franked dividends have grown at a CAGR of 25.4% over the five years to 30 June 2023



**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. (before fees)**



- **81% of strategies have outperformed over a five-year period<sup>1</sup>**
- **33% of strategies have outperformed their benchmarks by > than 5% p.a.**

1. With track records exceeding 5 years

\* MXT 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

## 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
 <b>49.9%</b> \$13.0bn Global & Australian Growth Equities 1998	 <b>46.8%</b> \$12.6bn <sup>6</sup> Systematic Equities, Credit and Alternatives 2006	 <b>35.9%</b> \$3.6bn Private Infrastructure 2007
 <b>49.5%</b> \$13.0bn Global Real Estate & Infrastructure Securities 2007	 <b>44.5%</b> \$9.0bn Core & L-S Australian Equities 2008	 <b>24.2%</b> \$10.0bn Global L-S & Long Only Equities 2015
 <b>40.0%<sup>4</sup></b> \$1.7bn Global & Australian Small & Micro-Cap Equities 2016	 <b>28.5%<sup>4</sup></b> \$7.2bn High Conviction & L-S Australian & Global Equities 2018	 <b>35.0%</b> \$16.1bn <sup>1</sup> Private Credit 2011 <sup>2</sup>
 <b>40.0%<sup>4</sup></b> \$0.7bn Australian Small Cap Equities 2018	 <b>40.0%</b> \$0.2bn Water, Agricultural Private Equity 2019	 <b>35.0%</b> \$9.7bn Alternative Public Credit 2011 <sup>3</sup>
 <b>32.5%</b> \$4.5bn Global Emerging Market Equities 2019	 <b>25.0%</b> \$1.6bn Private Equity, Growth Equity & Venture Capital 2013 <sup>5</sup>	 <b>32.5%</b> \$0.2bn Global and Canadian Small Cap Equities 2022

FUM shown for each Affiliate is Gross FUM at 31 December 2023, at 100%

- The reported number for Metrics from 31 December 2023 is Assets Under Management. Metrics earns fees on the full AUM figure
- Founded in 2011. Pinnacle acquired equity in August 2018

3. 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

## 1H FY24 Highlights:

- Aikya** tripled its FUM, closing the period with over \$4.5 billion in assets
- Coolabah** delivered exceptional returns across its range of strategies and successfully launched its Active Sovereign Bond Fund with over \$200m of external seed investment
- Five V's** Fund V reached a successful first and final close in December 2023, reaching its target of \$770m (these funds do not appear in net inflows or FUM for 1H FY24 and will commence earning fees in Q1 of 2024)
- Hyperion's** Global Growth Companies Fund was the best performing Australian equities fund across 2023<sup>6</sup>
- Longwave** quadrupled its FUM, closing the period with over \$700m in assets
- Palisade Real Assets** reached contractual close with its foundation client for an inaugural £200m commitment to its bioenergy platform (note that this figure does not form part of reported FUM and flows until such time as the funds are drawn, but they do represent irrevocable commitments to invest)
- Plato** Income Maximiser Limited (PL8) completed its Share Purchase Plan in December 2023, raising \$121m
- Metrics** Master Income Trust (MXT) raised \$196m in a wholesale placement in December 2023, with a Unit Purchase Plan following in January 2024

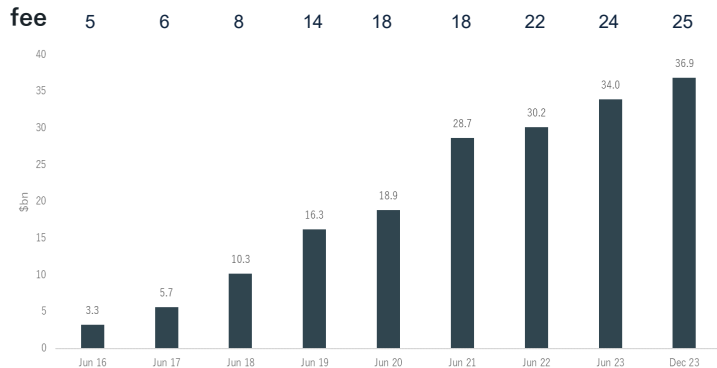
- Founded in 2013. Pinnacle acquired a 25% interest in November 2021 via convertible redeemable preference shares, which convert into ordinary equity in certain situations
- Source: Morningstar



- Pinnacle equity Affiliate revenues are linked, in part, to movements in equity markets. Whilst markets ended the year predominantly in positive territory, there was again significant volatility throughout
- 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 moderates short-term profitability however past initiatives have delivered exceptional returns. We expect the 'net' cost to Pinnacle of current initiatives to reduce in 2H FY24 and beyond as revenues continue to grow
- This diversification has allowed us to deliver continued growth in profitability throughout market cycles:
  - NPAT CAGR of 24.5% over the five-year period to 31 December 2023
  - Diluted EPS CAGR of 21.8% over the five-year period to 31 December 2023
  - FUM CAGR of 16.5% over the five-year period to 31 December 2023
- 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

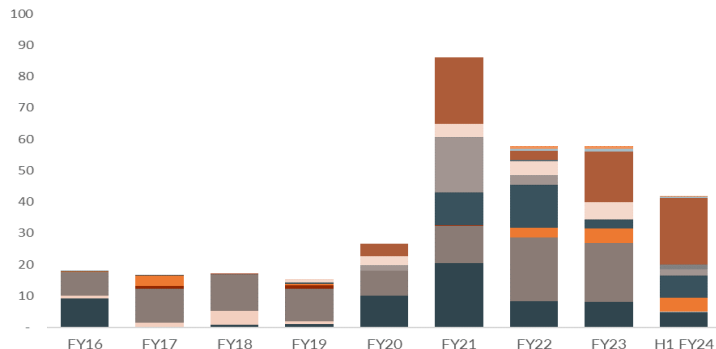
**Our industry leading portfolio of high performing Affiliates continues to outperform benchmarks, resulting in continued FUM growth and performance fee generation**

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



- It remains a fundamental strategy of Pinnacle and Affiliates to grow FUM subject to performance fees
- 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
- Performance fees should be a significant and ongoing component of Pinnacle's overall earnings in any financial year

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



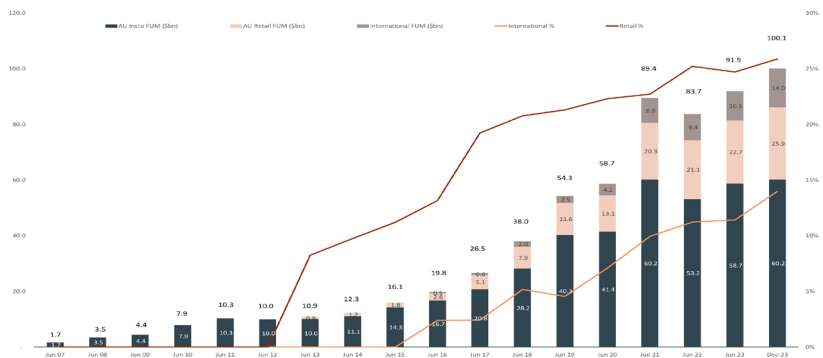
- Nine Affiliates earned performance fees totalling \$41.9m (at 100%; Pinnacle post-tax share \$12.3m) in 1H FY24. In 1H FY23, six Affiliates earned performance fees totalling \$3.2m (at 100%; Pinnacle share post-tax \$0.9m)
- Of the now 25 strategies that have the potential to deliver significant performance fees, 18 crystallize at least half yearly, with all 25 crystallizing on at least an annual basis
- Performance fees crystallizing only in June each year include Metrics, Palisade and Res Cap
- Of the 25 strategies that have the potential to deliver meaningful performance fees, sixteen are at their high watermarks as at 31 December 2023, representing 52% of FUM that has the potential to generate performance fees

The breadth of Affiliates and strategies that have the potential to deliver performance fees should deliver a meaningful contribution to Pinnacle's earnings in each financial year

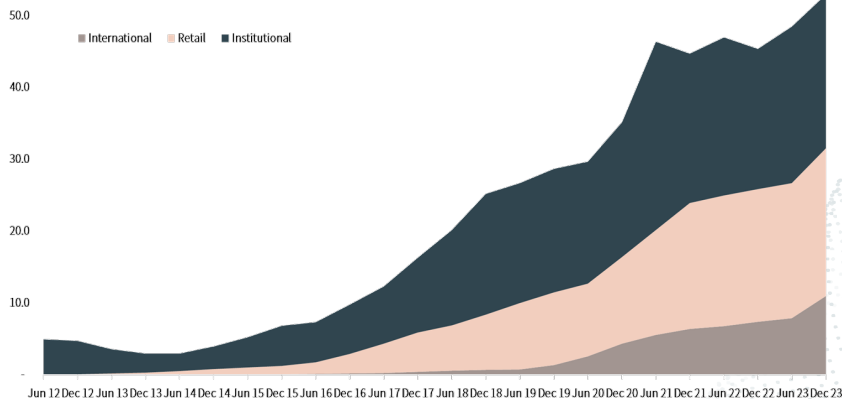


- **25 strategies** with the ability to deliver significant performance fees
  - 18 crystallize at least half-yearly
  - All 25 crystallize annually
- **16 of those strategies** are at their high watermarks at 31 December 2023, representing 52% (\$19.1bn) of FUM subject to performance fees
- **81% of strategies with a track record of five-years or more have outperformed their benchmarks** – whilst performance in any 'performance period' can be impacted by short-term factors, long-term outperformance should underpin long-term fee generation
- Continuing to demonstrate that each year (though not necessarily each first half) performance fees will contribute substantially

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



## Cumulative net flow history (\$bn)



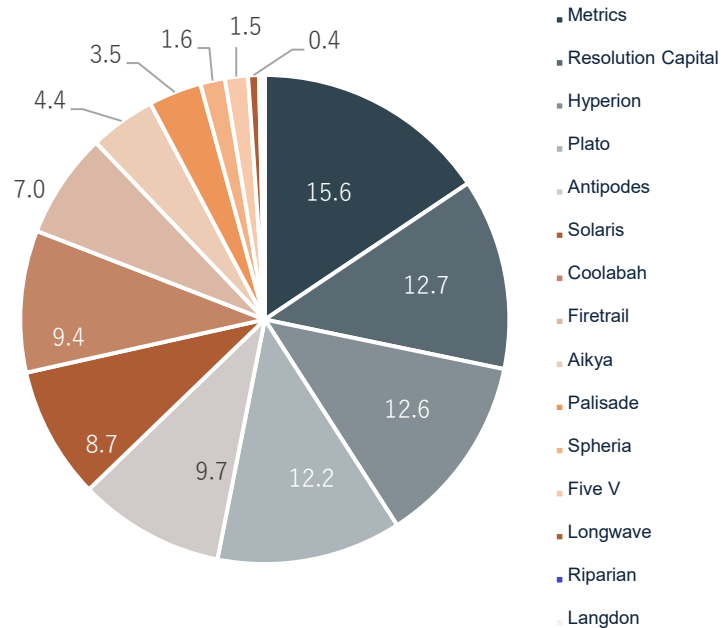
1. FUM is 100% of FUM managed by Pinnacle Affiliates. Includes \$6.8bn 'acquired' in July 2018, \$3.0bn 'acquired' in December 2019 and \$1.1bn 'acquired' in December 2021

- FUM has grown at a CAGR of 24.1% p.a. over the last ten years (22.6% excluding \$6.8bn 'acquired' in July 2018, \$3.0bn 'acquired' in December 2019 and \$1.1bn 'acquired' in December 2021)
- Markets were mixed over 1H FY24 yet finished the period strongly:
  - S&P/ASX 300 index up 5.3%; 7.1% in the month of December
  - MSCI World Index up 6.5%; 4.7% in the month of December
  - NASDAQ up 8.9%; 5.5% in the month of December
  - FTSE/EPRA NAREIT up 5.6%; 7.7% in the month of December
  - Market movements/investment performance added \$3.7bn to total FUM during 1H FY24 and added \$1.4bn to retail FUM during 1H FY24
- Net inflows and market gains were weighted heavily towards the end of the half; average FUM was broadly equivalent to opening FUM, whereas FUM enters 2H FY24 8% higher than that average
- Revenues (excluding performance fees) were 15% higher in 1H FY24 than the PCP on 10% higher average FUM

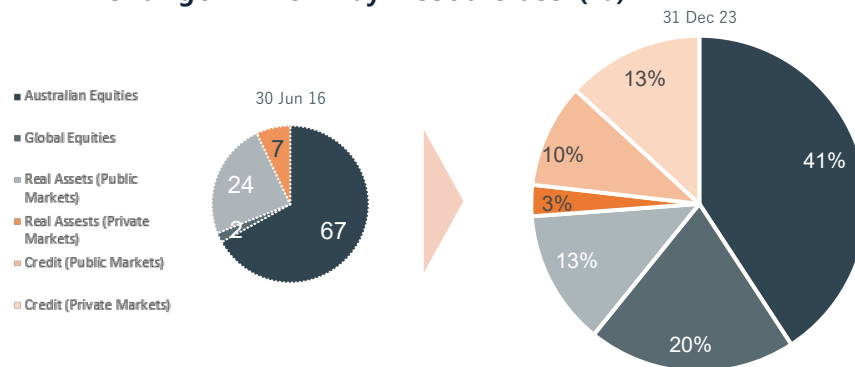
- FUM increases due to net flows were \$4.5bn (domestic institutional net outflows were \$0.4bn; but retail net inflows were \$1.8bn, and international net inflows were \$3.1bn)
- Creditable retail flows amidst ongoing market dislocation, highlighting distribution strength and the value of our platform of diverse Affiliates and strategies
- Institutional pipeline remains strong and diversified – onshore and offshore – despite recent pressures in the domestic market
- Net inflows into private market and alternative strategies have continued to build, with a growing product set offering these strategies to more end markets, in Australia and overseas
- Aggregate retail and international FUM as at 31 December 2023 now represents 40% of total FUM (at 100%), up from 26% at 31 December 2018

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

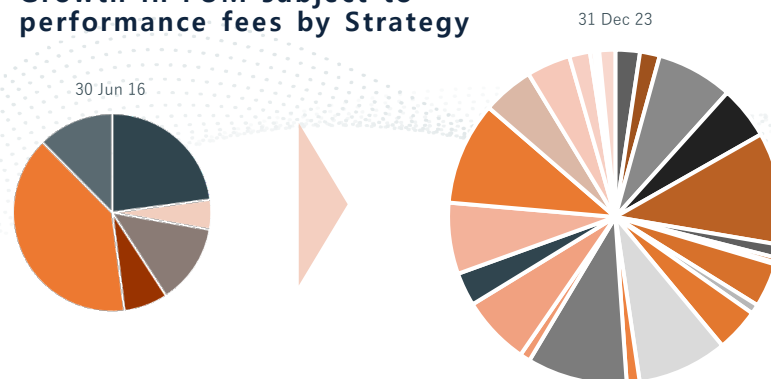
1H FY24 FUM by Affiliate (%)<sup>1</sup>



Change in FUM by Asset Class (%)



Growth in FUM subject to performance fees by Strategy



1. The reported number for Metrics from 31 December 2023 is Assets Under Management. Metrics earns fees on the full AUM figure



### **2023 Zenith Fund Awards:**

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- Metrics Credit Partners – Australian Fixed Interest Winner
- Aikya Investment Management – Rising Star Winner
- Antipodes – International Equities Alternative Strategies Finalist
- Hyperion – International Equities Global Finalist
- Resolution Capital – Global Real Estate Investment Trust Finalist
- Resolution Capital – Australian Real Estate Investment Trust Finalist
- Spheria – Australian Equities Small Cap Finalist



### **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 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

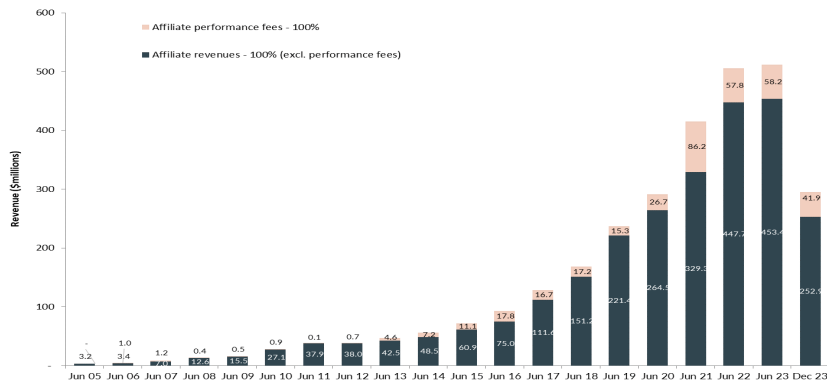
The awards referred to above are determined using proprietary methodologies. Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. Awards are generally current for 12 months from the date awarded and 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>



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

	1H FY24 (\$M)	2H FY23 (\$M)	1H FY23 (\$M)
<b>Pinnacle Affiliates (100% aggregated basis)</b>			
FUM (\$billion) <sup>2</sup>	100.1	91.9	83.2
Revenue (\$million)	294.8	288.0	223.6
Net profit before tax	120.4	130.2	98.2
Tax expense	(29.5)	(33.0)	(28.1)
Net profit after tax (NPAT)	90.9	97.2	70.1
Pinnacle share of Affiliates' NPAT	37.3	39.0	28.4

- Total Affiliate revenues<sup>1</sup> (at 100%) were \$294.8m in 1H FY24, including \$41.9m (14.2%) of performance fees; in 1H FY23, total Affiliate revenues (at 100%) were \$223.6m, including \$3.2m (1.4%) in performance fees
- Represents aggregate revenue growth of 32% (at 100%); 15% excluding performance fees
- Included revenues from Horizon 2 initiatives which were more than offset by higher costs incurred in building these new capabilities, but which are expected to deliver benefits over the medium term
- Revenues (excluding performance fees) were 15% higher in 1H FY24 than the PCP on 10% higher average FUM
- Net inflows and market gains were weighted heavily towards the end of the half; average FUM was broadly equivalent to opening FUM, whereas FUM enters 2H FY24 8% higher than that average

- Horizon 2 spending is continuing in all Affiliates to enhance mid-term growth opportunities, for example:
  - Metrics – Consumer Lending, Business Finance and Sustainable Finance
  - Firetrail – Small Caps, Global S3
  - Plato – Global Income, Global Alpha, Low Carbon
  - Palisade – Real Assets, Impact and Global Infrastructure
  - Res Cap – Global Listed Infrastructure 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
- Net Horizon 2 spend in 1H FY24 was broadly the same as in 2H FY23

<sup>1</sup>Affiliate revenues are shown at 100% to indicate trend. 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

	1H FY24 (\$M)	1H FY23 (\$M)	% Change
<b>PINNACLE</b>			
Revenue <sup>1</sup>	23.7	22.8	4%
Expenses <sup>2,3,4</sup>	(30.8)	(20.7)	49%
Share of Pinnacle Affiliates net profit after tax	37.3	28.4	31%
Net profit before tax	30.2	30.5	-1%
Taxation	-	-	
NPAT from continuing operations	30.2	30.5	-1%
Discontinued operations	-	-	0%
<b>NPAT attributable to shareholders</b>	<b>30.2</b>	<b>30.5</b>	<b>-1%</b>
<i>NPAT attributable to shareholders - excluding net gains/losses on PI and interest cost</i>	30.1	29.4	2%
<b><i>NPAT attributable to shareholders - excluding net gains/losses on PI, interest cost and OpenInvest revaluation</i></b>	<b>33.5</b>	<b>28.8</b>	<b>16%</b>
<b>Basic earnings per share:</b>			
From continuing operations	15.4	15.7	-2%
Total attributable to shareholders	15.4	15.7	-2%
<b>Diluted earnings per share:</b>			
From continuing operations	15.3	15.6	-2%
Total attributable to shareholders	15.3	15.6	-2%
<b>Dividends per share:</b>	<b>15.6</b>	<b>15.6</b>	<b>0%</b>

- NPAT attributable to shareholders of \$30.2m
  - Performance fees earned by Pinnacle Affiliates, post-tax, contributed \$12.3m of Pinnacle's NPAT in 1H FY24 (\$0.9m in 1H FY23)
  - Return on Principal Investments (PI) net of interest costs of \$0.1m in 1H FY24 compared with \$1.1m in 1H FY23
  - Write-down of OpenInvest in 1H FY24 of \$3.4m (gain of \$0.6m in 1H FY23)
  - Staff costs in Pinnacle parent \$4.3m higher in 1H FY24 than 1H FY23 (\$3.3m of which is incentive provisions) given outcomes achieved during the half year, including the net inflows generated
- Pinnacle Parent fee revenues 4% higher than the PCP
  - Retail flows improving
  - Market volatility during the half 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 net cost to Pinnacle of these initiatives, within Pinnacle and Affiliates, was approximately \$7m (Pinnacle share, after tax) in 1H FY24 (1H FY23: \$6.5m, Pinnacle share, after tax)
  - Aggregate Affiliate cost growth from existing Affiliates moderating – whilst costs grew 43% on the PCP, they only grew 6% on 2H FY23
  - Whilst revenues lag investment, Aggregate Affiliate revenues grew 32% on the PCP (15% excluding performance fees) and 8% on 2H FY23 (excluding performance fees)
- Diluted EPS attributable to shareholders of 15.3 cents, -2% from 15.6 cents in PCP
- Fully franked interim dividend per share of 15.6 cents maintained

1. Includes dividends and distributions received on PI. These were \$3.6m in 1H FY24, compared with \$2.9m in 1H FY23

2. Includes interest cost on the CBA facility of \$3.6m in 1H FY24 (\$2.7m in 1H FY23)

3. Includes mark-to-market and realized gains/losses on PI, net of hedging. These were total net gains of \$0.1m in 1H FY24 (decreases 'expenses'), compared with total net total gains of \$0.8m in 1H FY23 (decreases 'expenses')

4. Includes the write-down of OpenInvest of \$3.4m in 1H FY24 (compared with unrealised gain of \$0.6m in 1H FY23)

	31 Dec 2023 (\$M)	30 Jun 2023 (\$M)	Change
<b>CURRENT ASSETS</b>			
<b>Cash and cash equivalents</b>	<b>15.0</b>	<b>27.6</b>	<b>(46%)</b>
Financial assets	136.1	159.6	(15%)
<b>Total cash and financial assets</b>	<b>151.1</b>	<b>187.2</b>	<b>(19%)</b>
Other current assets	29.7	25.6	16%
<b>Total current assets</b>	<b>180.8</b>	<b>212.8</b>	<b>(15%)</b>
<b>NON-CURRENT ASSETS</b>			
Investments in Affiliates	338.9	328.5	3%
Financial assets	0.3	3.6	100%
Other non-current assets	16.8	7.8	116%
<b>Total non-current assets</b>	<b>356.0</b>	<b>339.9</b>	<b>5%</b>
<b>Total Assets</b>	<b>536.8</b>	<b>552.7</b>	<b>(3%)</b>
<b>LIABILITIES</b>			
Debt facility	100.1	120.1	(17%)
Other liabilities	19.5	10.0	(95%)
<b>Total liabilities</b>	<b>119.6</b>	<b>130.1</b>	<b>8%</b>
<b>Net assets</b>	<b>417.2</b>	<b>422.6</b>	<b>(1%)</b>
<b>Net shareholders' equity</b>	<b>417.2</b>	<b>422.6</b>	<b>(1%)</b>

- Cash and PI of \$151.1m
  - Includes \$119.7m invested in strategies managed by Pinnacle Affiliates
  - CBA facility of \$100m fully-drawn and deployed into liquid funds managed by Affiliates
  - \$20m extension specifically arranged to provide seed for Palisade Real Assets was repaid as planned in September 2023
- Total cash and PI, net of the CBA debt facility, was \$51.1m at 31 December 2023, compared with \$67.2m at 30 June 2023 and \$59.1m at 31 December 2022
  - Approximately \$10.2m in additional Affiliate equity acquired during 1H FY24
  - Excludes impact of interim dividend of 15.6 cents per share payable on 22 March 2024 and dividends received or to be received from Affiliates since 31 December
- 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 1H FY24 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 ~\$120m of liquid assets of which ~\$80 million is 'dry powder' for future opportunities
  - \$20m of the CBA loan was repaid in September 2023 as planned
  - Approximately \$10.2m in additional Affiliate equity acquired during 1H FY24
  - Excludes funds deployed as seed capital in new strategies

# 03 Market Update – Institutional & International

Andrew Chambers

## International distribution platform emerging as an 'engine of growth'

## Australia

- -\$365m net flows in 1H FY24
- Noteworthy inflows into high grade public credit, private credit and Australian small caps
- Outflows from global public real estate in response to asset allocation rebalancing, asset owner consolidation and liquidity needs
- Coolabah secured large cornerstone investor for inaugural sovereign long short bond fund
- Longwave secured several institutional Australian small cap mandates, tripling firm FUM

## International

- \$3.1bn net flows in 1H FY24
- \$8bn+ net flows over past 3.5 years
- \$14bn of international FUM from 40+ countries
- Largest inflows from UK, US, Canada, Japan and Luxembourg
- Largest inflows into global emerging markets, private credit, global equities and global small caps
- Aikya won substantial new mandates in the US and UK
- Metrics expanded its client base in Japan and Europe
- Palisade Real Assets won a large commitment from one of Europe's largest institutions for UK bioenergy platform
- Five V secured substantial commitments from North American, European and Asian based investors for Fund V

## Outlook

- Most institutions remain cautious (underweight) public equities, both Australian and global, particularly in the context of recent market rallies, higher discount rates and uncertain earnings outlook, so 'seizing market share' will remain the key driver of positive net flows
- Public and private credit expected returns remain attractive versus long term equity market returns so they remain competitive at the asset allocation table
- Energy transition portfolio solutions across public and private markets remain a high priority with investors in major markets across the globe
- Private infrastructure viewed positively given inflation hedging characteristics, digitization and energy transition attributes
- Private equity, venture capital, real estate and infrastructure fundraising has slowed in line with the cadence of crystallizations but high-quality firms with diverse capital raising networks (e.g. international and retail) still finding ways to win
- Ongoing institutional investor consolidation in Australia across super, wealth and insurance creates both opportunity and risk
- Geopolitical tension between East and West causing a rethink on portfolio construction and capital allocation decisions, particularly towards China
- Within Australia, domestic equities (large & small cap), global equities (low carbon and energy transition portfolios), global emerging market equities, high-grade public credit, sovereign bond relative value and private credit remain of interest
- Internationally, investor activity remains elevated across global emerging market equities, global value equities, global small caps, private credit, private equity, private infrastructure and private real assets

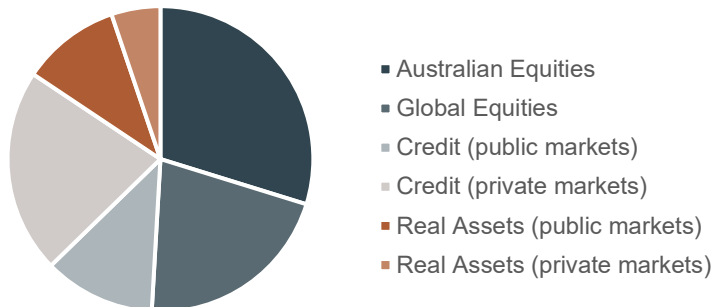


As of 31 December 2023

## Wholesale and Retail flows (Net)



**\$25.9bn in Wholesale and Retail FUM**  
(\$22.7bn as of 30 June 2023)



- Australian equities**
  - Australian equity flows were resilient in 1H FY24 despite tough market conditions
  - Income and core products received strong net inflows during the half
- Global equities**
  - Global equities flows were challenged in 1H FY24
  - Emerging market demand subdued. Aikya receiving solid interest and set to benefit from a recovery in risk sentiment
  - Hyperion well positioned going into 2024 with a strong performance rebound and improving investor sentiment
- Small cap equities**
  - Small cap flows were resilient in 1H FY24
  - Risk sentiment starting to improve for small caps
  - Pinnacle Affiliates well positioned with strong outperformance
- Real assets (public markets)**
  - Australian REITs remained in outflow. Dominated by passive managers
  - Global REIT flows have held up despite tough market conditions. Investor sentiment improving on the asset class.
- Real assets (private markets)**
  - Demand for private markets products remains strong
  - Pinnacle well positioned across private credit, private equity, private infrastructure and alternative real assets
- Private credit**
  - Demand remains strong for private credit as a defensive / income alternative
  - Metrics well positioned as the market leader across the wholesale and retail market
  - Metrics remain under-penetrated in retail with a significant pipeline for growth
- Fixed income**
  - Demand for floating-rate fixed income products remains strong
  - Increasing demand for fixed income duration
  - Market share opportunity for Coolabah with market leading performance

**Distribution benefitted from product diversity in 1H | Investor sentiment cautiously optimistic leading into 2024**





Prepared for, and seeking, further expansion opportunities – committed to taking advantage of the significant 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
- International opportunities are becoming compelling – ability to ‘export our model’
- Disparity between trading multiples for public and private businesses

## Horizon 1

- Sustain organic growth of the existing business of each Affiliate

## Horizon 2

- New Affiliates and ‘non-capital’ parent growth initiatives (direct-to-retail, international)
- Reasonable limits to be set given ‘drag’ on Pinnacle financials

## Horizon 3

- Must not place the company at risk
- Only consider if low risk and high return on invested capital
- Exercise great care and careful due diligence
- Must be synergistic with existing core

Any costs internally funded by the Affiliate



**Horizon 1** – NPAT grew at a CAGR of 45% in the seven years since Pinnacle listed as a ‘pure play’ investment management business in 2016 to 30 June 2023; FUM grew at a CAGR of 25% over that same period (22% excluding ‘acquired’ FUM)

Impacts ‘Pinnacle Parent’ loss



**Horizon 2** – Built ‘from scratch’: Hyperion, Plato, Solaris, Palisade, Antipodes, Spheria, Firetrail



**Horizon 2** – Built and grown, outside of Australia: Aikya, Langdon

Required capital to fund acquisitions



**Horizon 3** – Acquired interests in, then grew: ResCap, Metrics, Coolabah, Five V

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

### Distribution Platform Expansion

- Investment in (and continuing to evolve and grow in size and sophistication) our distribution platform
- Investment in high growth, high margin retail and international channels
- Adoption of advanced digital marketing tools
- Listen to clients and move quickly to meet their evolving needs

### Robust, Flexible Operating Platform

- Robust, flexible platform enabling strong further growth
- Continuing investment excellence (strong reputation for such)
- Widespread industry recognition and support
- 'Article of faith' reputation for performance, quality and capability excellence – significantly improves 'speed to market' for new Affiliates

### Start-Up Affiliate Enablement

- Develop investment capability and support growth
- Significant opportunity to launch new strategies to further diversify FUM
- Gaining traction as strategies mature and performance record established



### Existing Affiliate Expansion

- Investment in new strategies adds diversification and further growth
- Sustainability and Impact strategies
- Global equities (developed & emerging markets)
- Alternative Fixed income
- Private capital (debt & equity)
- Absolute return (single & multi-asset)

### Acquisitive Growth

- Existing Affiliates are increasingly able to build or buy (with Pinnacle backing) then grow additional new businesses - 'Affiliates within Affiliates'
- International markets provide a large range of opportunities, carefully 'exporting our model'

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

**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 1H FY24, Pinnacle supported the following Affiliates in this way:
  - Riparian – *run-rate profitable before Pinnacle fees*
  - Langdon – *managing close to \$200m at 31 December 2023, all of which is retail; net inflows accelerating with over \$70m during the half*
  - Longwave – *quadrupled FUM during the half, managing over \$700m at 31 December 2023 and close to run-rate profitability. Recommended ratings from Research Houses and platform availability lay the groundwork for future success*
- Pinnacle remains fully resourced to support further growth and revenues from international expansion:
  - Distribution
  - Infrastructure
  - Affiliates
- Aikya moved into run-rate profitability towards the end of FY23 and as such is no longer 'Horizon 2'

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
Resolution Capital	Global Listed Infrastructure Real Assets
Riparian	Sustainable Agriculture
Solaris	Equity Income
Spheria	Global Small Caps



- The aggregate net cost to Pinnacle of these initiatives, within Pinnacle and Affiliates, was **approximately \$7m in 1H FY24** (Pinnacle share, after tax), in line with expectations and broadly the same as in 2H FY23
- 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
- The current half has seen costs for certain initiatives commenced during 2H FY23 included for the full reporting period in 1H FY24, which was offset by increasing revenues from other Horizon 2 initiatives
- We expect the 'net' cost of current initiatives to Pinnacle to reduce in 2H FY24 as these revenues continue to grow
- We continue to seek additional initiatives of compelling quality

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, US and Canada

### AIKYA

#### Aikya (London)

- Commenced 2020
- Highly regarded investment team
- Profitable within 3 years with strong momentum
- Tripled FUM to A\$4.5bn+ during the half year to 31 December 2023 **and no longer Horizon 2**
- Well regarded by major global asset consultants and institutional investors across institutional and retail/wholesale channels 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

#### 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
  - \$190m+ FUM (all retail investors) at 31 December 2023
  - Net flows +\$70m during the half
  - Both Canadian funds added to 5 largest local wealth platforms inside first 6 months



- 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
  - 3 portfolio exits achieved for Fund III (2.3x MoM and +40% IRR on capital returned to date)
  - 8 portfolio companies acquired for Fund IV
  - Fund V capital raise concluded its first and final close in December 2023, raising the maximum \$770m within only three months
- We have and continue to explore 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





## 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

Ensure sustainability principles and practices are integrated into the way we conduct business.

### People

Recruit, retain and support talented people who understand and contribute strongly to our Purpose and Values.

### Planet

Acknowledge and act on the risk that climate change poses to the economy, financial markets and society.

## Our Progress

- We submitted our second **voluntary Modern Slavery Statement** to the Australian Border Force for the FY23 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 in FY23. Since the program commenced, 14 scholarship recipients have been actively employed within Pinnacle or the Affiliates
- In 2023, Pinnacle and Affiliates donated **\$1.2 million in community contributions**, primarily through partnerships with 17 not for profit (NFP) organisations and our matched workplace giving program
- We formed a **Women and Allies Network** to foster a supportive, diverse and inspiring community of women and their supporters across Pinnacle and Affiliates
- 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
- We received **carbon neutral certification** for our FY22 GHG emissions under the Australian Government's Climate Active Carbon Neutral Standard for Organisations. We are in the process of certifying our GHG inventory for FY23

**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

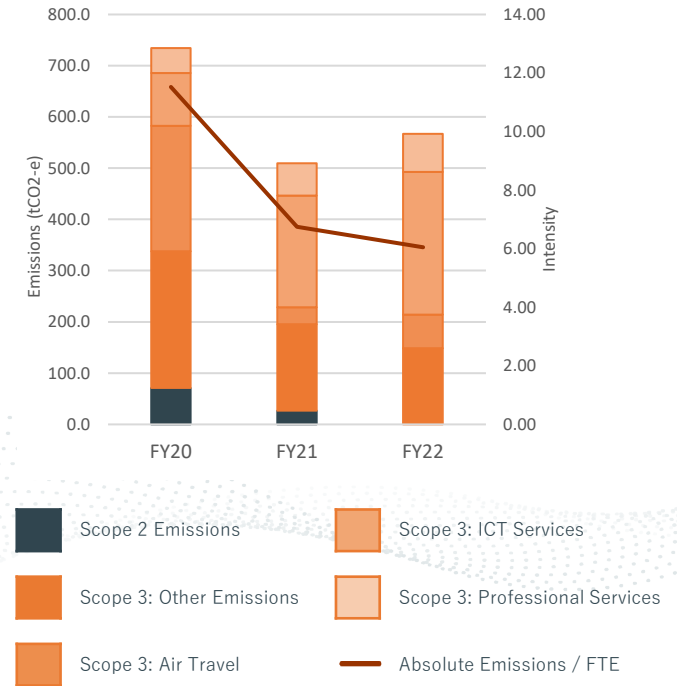
Although absolute GHG emissions increased in FY22, the intensity of our emissions per FTE reduced by 9%, compared to FY21

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

**Breakdown of our Largest Australian GHG Emission Sources**





- Pinnacle is passionate about enabling better lives through investment excellence. This belief is strongly reflected in Pinnacle's commitment – together with Affiliates – to the PNI 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 cause areas, which in turn reflect employee and investor philanthropic interests, the Group's sustainability approach and aim to 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 expanding the reach of both new and existing projects, programs, and services. In each case the aim is to deliver impact which can be analysed and assessed through solutions which can be 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 2023 were over \$665,000, primarily directed towards 17 long term not-for-profit (NFP) partners. Support was also provided for initiatives aligned with employee volunteering and fundraising
- Affiliates provided a further \$445,000 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 \$83,000 being donated to more than 60 charities across Australia



Multiple partnerships with 17 NFPs are driving long term sustainable impact across six core categories:

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



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 Covid-19



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





### 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, geography and 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, alternative debt and private market 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
- Internationally domiciled affiliates, international offices of Australian affiliates, global 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

- \$100m CBA facility provides additional balance sheet capacity and flexibility, but Pinnacle maintains a strong net cash position (\$51m at 31 December 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 31 December 2023

81% of Pinnacle Affiliates' strategies and products (with a track record exceeding 5 years) have outperformed their benchmarks over the 5 years to 31 December 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	13.78%	11.01%	12.22%	1/10/2002
<i>Outperformance</i>	3.51%	3.10%	3.24%	
Hyperion Small Growth Companies Fund	15.74%	13.31%	16.47%	1/10/2002
<i>Outperformance</i>	9.35%	7.30%	9.91%	
Hyperion Broad Cap Composite	15.07%	11.50%	13.28%	1/11/1996
<i>Outperformance</i>	4.80%	3.59%	4.43%	
Hyperion Global Growth Companies Fund (Managed Fund)***	19.18%		19.66%	1/06/2014
<i>Outperformance</i>	5.09%		7.00%	
<b>Plato Investment Management – Gross Performance</b>				
Plato Australian Shares Equity Income Fund – Class A	12.82%	10.55%	12.66%	9/9/2011
<i>Outperformance</i>	1.02%	1.07%	1.64%	
Plato Global Shares Income Fund	8.84%		7.18%	30/11/2015
<i>Outperformance</i>	-4.73%		-3.62%	
<b>Solaris Investment Management – Gross Performance</b>				
Solaris Core Australian Equity Fund	9.58%	8.60%	7.09%	9/01/2008
<i>Outperformance</i>	-0.70%	0.67%	1.27%	
Solaris Total Return Fund (including franking credits)	11.09%		10.40%	13/01/2014
<i>Outperformance</i>	-0.71%		0.78%	
Solaris Australian Equity Long Short Fund	8.99%	10.55%	10.55%	1/03/2017
<i>Outperformance</i>	-1.29%		2.05%	
Solaris Australian Equity Income Fund	12.20%		10.97%	12/12/2016
<i>Outperformance</i>	0.40%		0.70%	
<b>Resolution Capital – Gross Performance</b>				
Resolution Capital Real Assets Fund	9.62%	11.76%	8.93%	30/09/2008
<i>Outperformance</i>	3.23%	2.34%	2.73%	
Resolution Capital Global Property Securities Fund	4.17%	7.01%	8.56%	30/09/2008
<i>Outperformance</i>	2.25%	2.06%	3.51%	
Resolution Capital Core Plus Property Securities Fund – Series II	8.22%	10.71%	8.91%	31/08/1994
<i>Outperformance</i>	1.83%	1.28%	1.19%	
Resolution Capital Global Property Securities Fund – Series II	3.53%	5.55%	3.66%	30/04/2006
<i>Outperformance</i>	1.61%	0.95%	-0.50%	
Resolution Capital Global Property Securities Fund (Unhedged) – Series II	6.11%	8.72%	11.12%	30/11/2011
<i>Outperformance</i>	2.65%	2.30%	2.11%	
<b>Palisade Investment Partners – Gross Performance</b>				
Palisade Diversified Infrastructure Fund	9.90%	11.50%	7.30%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.70%	12.00%	12.80%	31/05/2011
Palisade Renewable Energy Fund	11.40%		12.70%	30/09/2016
<b>Antipodes Partners – Gross Performance</b>				
Antipodes Global Fund	7.64%		9.29%	1/07/2015
<i>Outperformance</i>	-4.78%		-0.77%	
Antipodes Global Fund – Long	10.85%		11.23%	1/07/2015
<i>Outperformance</i>	-1.57%		1.08%	

\*\*\*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 31 December 2023

81% of Pinnacle Affiliates' strategies and products (with a track record exceeding 5 years) have outperformed their benchmarks over the 5 years to 31 December 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>Sphera Asset Management – Gross Performance</b>				
Sphera Australian Microcap Fund	22.30%		17.84%	16/05/2016
<i>Outperformance</i>	15.90%		11.65%	
Sphera Australian Smaller Companies Fund	12.14%		10.73%	11/07/2016
<i>Outperformance</i>	5.74%		5.10%	
Sphera Opportunities Fund	10.62%		10.05%	11/07/2016
<i>Outperformance</i>	1.41%		1.89%	
<b>Firetrail Investments – Gross Performance</b>				
Firetrail Australian High Conviction Fund	9.66%		10.51%	14/03/2018
<i>Outperformance</i>	-0.63%		3.22%	
Firetrail Absolute Return Fund	4.79%		3.73%	14/03/2018
<i>Outperformance</i>	3.45%		2.37%	
<b>Metrics Credit Partners – Gross Performance</b>				
Metrics Credit Partners Diversified Australian Senior Loan Fund	5.79%		5.55%	4/06/2013
<i>Outperformance</i>	4.34%		3.70%	
Metrics Credit Partners Secured Private Debt Fund	8.12%		8.15%	26/11/2015
<i>Outperformance</i>	6.66%		6.50%	
MCP Secured Private Debt Fund II	7.91%		8.26%	9/10/2017
<i>Outperformance</i>	6.45%		6.71%	
MCP Real Estate Debt Fund	9.02%		8.93%	9/10/2017
<i>Outperformance</i>	7.56%		7.38%	
MCP Wholesale Investments Trust	6.98%		6.89%	9/10/2017
<i>Outperformance</i>	5.61%		5.49%	
Metrics Master Income Trust (MXT)*	6.02%		5.89%	5/10/2017
<i>Outperformance</i>	4.65%		4.49%	
<b>Coolabah Capital Investments – Gross Performance</b>				
Smarter Money (Active Cash) Fund Assisted	3.12%	3.45%	4.08%	20/02/2012
<i>Outperformance</i>	1.83%	1.87%	2.26%	
Smarter Money Higher Income Fund Assisted	3.50%		3.78%	8/10/2014
<i>Outperformance</i>	2.21%		2.28%	
Smarter Money Long Short Credit Fund Assisted	6.83%		6.29%	31/08/2017
<i>Outperformance</i>	5.54%		4.96%	
Coolabah Active Composite Bond Strategy	3.27%		3.50%	7/03/2017
<i>Outperformance</i>	2.63%		1.92%	
BetaShares Active Australian Hybrids Fund (HBRD)	4.68%		4.64%	13/11/2017
<i>Outperformance</i>	0.89%		0.81%	

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

## Affiliates' investment performance

31 December 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.

	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	24.50%	2.62%	13.78%	11.01%	12.22%	1/10/2002
Outperformance	12.37%	-6.37%	3.51%	3.10%	3.24%	
Hyperion Small Growth Companies Fund	31.77%	5.33%	15.74%	13.31%	16.47%	1/10/2002
Outperformance	23.95%	4.38%	9.35%	7.30%	9.91%	
Hyperion Broad Cap Composite	25.07%	4.12%	15.07%	11.50%	13.28%	1/11/1996
Outperformance	12.93%	-4.88%	4.80%	3.59%	4.43%	
Hyperion Global Growth Companies Fund (Managed Fund)***	70.31%	5.82%	19.18%		19.66%	1/06/2014
Outperformance	46.66%	-6.48%	5.09%		7.00%	
<b>Plato Investment Management – Gross Performance</b>						
Plato Australian Shares Equity Income Fund – Class A	12.69%	11.75%	12.82%	10.55%	12.66%	9/9/2011
Outperformance	-1.34%	0.93%	1.02%	1.07%	1.64%	
Plato Global Shares Income Fund	23.63%	12.43%	8.84%		7.18%	30/11/2015
Outperformance	0.40%	0.65%	-4.73%		-3.62%	
Plato Global Alpha Fund	34.63%				15.33%	1/09/2021
Outperformance	11.61%				10.07%	
<b>Solaris Investment Management – Gross Performance</b>						
Solaris Core Australian Equity Fund	12.23%	9.73%	9.58%	8.60%	7.09%	9/01/2008
Outperformance	-0.19%	0.49%	-0.70%	0.67%	1.27%	
Solaris Total Return Fund (including franking credits)	13.60%	11.51%	11.09%		10.40%	13/01/2014
Outperformance	-0.44%	0.69%	-0.71%		0.78%	
Solaris Australian Equity Long Short Fund	9.51%	11.07%	8.99%		10.55%	1/03/2017
Outperformance	-2.91%	1.82%	-1.29%		2.05%	
Solaris Australian Equity Income Fund	14.17%	12.12%	12.20%		10.97%	12/12/2016
Outperformance	0.14%	1.29%	0.40%		0.70%	
<b>Resolution Capital – Gross Performance</b>						
Resolution Capital Real Assets Fund	14.81%	7.55%	9.62%	11.76%	8.93%	30/09/2008
Outperformance	-2.29%	1.67%	3.23%	2.34%	2.73%	
Resolution Capital Global Property Securities Fund	8.52%	2.30%	4.17%	7.01%	8.56%	30/09/2008
Outperformance	0.62%	0.58%	2.25%	2.06%	3.51%	
Resolution Capital Core Plus Property Securities Fund – Series II	15.53%	6.81%	8.22%	10.71%	8.91%	31/08/1994
Outperformance	-1.37%	0.93%	1.83%	1.28%	1.19%	
Resolution Capital Global Property Securities Fund – Series II	8.44%	2.02%	3.53%	5.55%	3.66%	30/04/2006
Outperformance	0.54%	0.30%	1.61%	0.95%	-0.50%	
Resolution Capital Global Property Securities Fund (Unhedged) – Series II	10.12%	6.54%	6.11%	8.72%	11.12%	30/11/2011
Outperformance	1.12%	1.12%	2.65%	2.30%	2.11%	
Resolution Capital Global Listed Infrastructure Fund	4.21%				3.60%	30/09/2021
Outperformance	2.61%				-0.66%	
<b>Palisade Investment Partners – Gross Performance</b>						
Palisade Diversified Infrastructure Fund	8.30%	11.00%	9.90%	11.50%	7.30%	1/08/2008
Palisade Australian Social Infrastructure Fund	6.80%	10.20%	10.70%	12.00%	12.80%	31/05/2011
Palisade Renewable Energy Fund	9.20%	12.70%	11.40%		12.70%	30/09/2016
<b>Antipodes Partners – Gross Performance</b>						
Antipodes Global Fund	10.73%	7.40%	7.64%		9.29%	1/07/2015
Outperformance	-10.72%	-2.77%	-4.76%		-0.77%	
Antipodes Global Fund – Long	16.99%	9.53%	10.85%		11.23%	1/07/2015
Outperformance	-4.46%	-0.64%	-1.57%		1.08%	
Antipodes Emerging Markets (Managed Fund)	9.13%				11.22%	3/10/2022
Outperformance	-0.02%				0.54%	
<b>Spheria Asset Management – Gross Performance</b>						
Spheria Australian Microcap Fund	31.41%	23.50%	22.30%		17.84%	16/05/2018
Outperformance	23.58%	22.56%	15.90%		11.65%	
Spheria Australian Smaller Companies Fund	18.23%	8.50%	12.14%		10.73%	11/07/2018
Outperformance	10.40%	7.55%	5.74%		5.10%	
Spheria Opportunities Fund	8.04%	7.05%	10.62%		10.05%	11/07/2018
Outperformance	0.22%	2.99%	1.41%		1.89%	
Spheria Global Opportunities Fund	16.75%	7.43%			13.01%	1/03/2019
Outperformance	1.70%	0.25%			5.21%	

## Affiliates' investment performance

31 December 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	9.19%	7.74%	9.66%		10.51%	14/03/2018
<i>Outperformance</i>	-3.23%	-1.50%	-0.63%		3.22%	
Firetrail Absolute Return Fund	1.36%	-1.94%	4.79%		3.73%	14/03/2018
<i>Outperformance</i>	-2.51%	-3.68%	3.45%		2.37%	
Firetrail Australian Small Companies Fund	21.26%	7.70%			15.96%	20/02/2020
<i>Outperformance</i>	13.44%	6.75%			14.59%	
<b>Metrics Credit Partners – Gross Performance</b>						
Metrics Credit Partners Diversified Australian Senior Loan Fund	9.70%	6.42%	5.79%	5.47%	5.55%	4/06/2013
<i>Outperformance</i>	5.64%	4.51%	4.34%	3.67%	3.70%	
Metrics Credit Partners Secured Private Debt Fund	9.67%	7.89%	8.12%		8.15%	26/11/2015
<i>Outperformance</i>	5.61%	5.99%	6.66%		6.50%	
MCP Secured Private Debt Fund II	9.59%	7.76%	7.91%		8.26%	9/10/2017
<i>Outperformance</i>	5.54%	5.86%	6.45%		6.71%	
MCP Real Estate Debt Fund	11.94%	9.29%	9.02%		8.93%	9/10/2017
<i>Outperformance</i>	7.89%	7.39%	7.56%		7.38%	
MCP Wholesale Investments Trust	10.32%	7.38%	6.98%		6.89%	9/10/2017
<i>Outperformance</i>	6.36%	5.59%	5.61%		5.49%	
MCP Credit Trust	13.64%	14.75%			13.44%	26/12/2018
<i>Outperformance</i>	9.58%	12.85%			11.95%	
Metrics Master Income Trust (MXT)*	9.37%	6.47%	6.02%		5.89%	5/10/2017
<i>Outperformance</i>	5.41%	4.69%	4.65%		4.49%	
Metrics Income Opportunities Trust (MOT)*	10.44%	9.73%			8.94%	23/04/2019
<i>Outperformance</i>	6.48%	7.95%			7.57%	
Metrics Direct Income Fund*	9.90%	6.86%			7.33%	1/07/2020
<i>Outperformance</i>	5.94%	5.08%			5.77%	
<b>Longwave Capital Partners – Gross Performance</b>						
Longwave Australian Small Companies Fund	12.36%	6.53%			10.14%	1/02/2019
<i>Outperformance</i>	4.53%	5.58%			4.74%	
<b>Coolabah Capital Investments – Gross Performance</b>						
Smarter Money (Active Cash) Fund Assisted	7.25%	2.90%	3.12%	3.45%	4.08%	20/02/2012
<i>Outperformance</i>	3.42%	1.22%	1.83%	1.87%	2.26%	
Smarter Money Higher Income Fund Assisted	7.30%	3.05%	3.50%		3.78%	8/10/2014
<i>Outperformance</i>	3.47%	1.37%	2.21%		2.28%	
Smarter Money Long Short Credit Fund Assisted	17.00%	5.16%	6.83%		6.29%	31/08/2017
<i>Outperformance</i>	13.17%	3.48%	5.54%		4.96%	
Coolabah Active Composite Bond Strategy	11.28%	-0.95%	3.27%		3.50%	7/03/2017
<i>Outperformance</i>	6.22%	1.74%	2.63%		1.92%	
Floating-Rate High Yield Fund (Assisted)	13.21%				13.36%	5/12/2022
<i>Outperformance</i>	8.14%				8.38%	
BetaShares Active Australian Hybrids Fund (HBRD)	5.17%	4.23%	4.68%		4.64%	13/11/2017
<i>Outperformance</i>	-1.16%	0.05%	0.89%		0.81%	
Coolabah Long-Short Opportunities Fund	15.07%	6.33%			8.18%	1/05/2020
<i>Outperformance</i>	11.24%	4.65%			6.79%	
<b>Aikya Investment Management – Gross Performance</b>						
Aikya Global Emerging Markets Fund – Class A	0.92%	2.59%			3.00%	5/03/2020
<i>Outperformance</i>	-8.23%	3.70%			1.75%	
Aikya Emerging Markets Opportunities Fund – Class A	1.93%				-1.85%	12/01/2022
<i>Outperformance</i>	-7.22%				2.90%	
<b>Riparian Capital Partners – Gross Performance</b>						
Riparian Water Fund	-2.01%	7.08%			5.25%	1/12/2019
<i>Outperformance</i>	-9.01%	0.08%			-1.75%	
<b>Langdon Equity Partners – Gross Performance</b>						
Langdon Global Smaller Companies Fund	33.99%				22.62%	28/06/2022
<i>Outperformance</i>	18.95%				10.23%	

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

see 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

# 1H FY24 funds under management

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	Pinnacle (total)	Hyperion	Plato	Solaris	RCL	Palisade	Antipodes	Spheria	Two Trees <sub>s</sub>	Firetrail	Metrics <sup>4</sup>	Omega <sup>3,5</sup>	Longwave	Riparian	Coolabah	Aikya	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)
FUM History (at 100%)																		
31 Dec 23	100,073	13,023	12,567	8,991	13,032	3,604	9,957	1,679	-	7,178	16,060	-	739	203	9,667	4,508	1,564	192
30 Jun 23	91,915	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	83,190	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	83,712	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	93,564	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	89,343	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	70,460	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	58,647	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	61,628	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	54,276	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	46,741	5,599	4,680	7,606	7,779	2,010	8,149	640	214	3,603	3,350	3,689	-	-	-	-		
30 Jun 18	38,032	6,507	4,918	8,319	8,038	1,847	7,554	702	71	74	-	-	-	-	-	-		
31 Dec 17	32,338	6,056	4,644	6,618	6,552	1,585	6,261	596	26	-	-	-	-	-	-	-		
30 Jun 17	26,526	5,877	4,003	5,135	5,956	1,514	3,830	211	-	-	-	-	-	-	-	-		
31 Dec 16	23,339	5,664	3,536	5,032	5,274	1,456	2,191	186	-	-	-	-	-	-	-	-		
30 Jun 16	19,756	5,633	3,067	4,595	4,576	1,436	449	-	-	-	-	-	-	-	-	-		
30 Jun 15*	15,995	5,474	2,265	2,938	3,980	1,126	212	-	-	-	-	-	-	-	-	-		
30 Jun 14*	12,232	4,886	986	2,537	2,933	890	-	-	-	-	-	-	-	-	-	-		
30 Jun 13*	10,846	4,032	742	2,649	2,694	729	-	-	-	-	-	-	-	-	-	-		
30 Jun 12*	9,790	3,158	332	3,855	1,864	581	-	-	-	-	-	-	-	-	-	-		
30 Jun 11	10,336	3,229	525	4,421	1,758	403	-	-	-	-	-	-	-	-	-	-		
*Pinnacle (total) includes FUM of a former Pinnacle Affiliate																		
30 Jun 20 - 30 Jun 21	52.3%	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	-6.3%	-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	9.8%	21.9%	13.6%	1.6%	-6.3%	8.3%	9.9%	5.8%	13.1%	25.4%			-2.7%	60.2%	8.3%	87.7%	7.8%	3804.1%
30 Jun 23 - 31 Dec 23	8.9%	2.7%	9.0%	7.6%	-9.0%	4.9%	-1.5%	12.8%		-1.8%	5.9%		358.8%	3.3%	27.2%	197.4%	8.3%	70.4%
PNI ownership <sup>3</sup>																		
PNI effective FUM - 31 Dec 23	37,907	50.0%	46.8%	44.5%	49.5%	35.9%	24.2%	40.0%	-	28.5%	35.0%	-	40.0%	40.0%	35.0%	32.5%	25.0%	32.5%
		6,341	5,395	3,718	7,088	1,233	2,449	596		2,083	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 Zenith Fund Awards:

- Metrics Credit Partners – Australian Fixed Interest Winner
- Aikya Investment Management – Rising Star Winner
- Antipodes – International Equities Alternative Strategies Finalist
- Hyperion – International Equities Global Finalist
- Resolution Capital – Global Real Estate Investment Trust Finalist
- Resolution Capital – Australian Real Estate Investment Trust Finalist
- Spheria – Australian Equities Small Cap Finalist

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

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

## 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

## 2023 Hedge Fund Rock Awards

- Metrics Credit Partners – Best Listed Alternative Investment Product Winner
- Metrics Credit Partners – Best Private Debt Manager Finalist
- Antipodes – Best Long Short Equity Fund 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

**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



Five V / Capital





### Global and Canadian Small Cap Equities

- Active and Engaged owners of world class smaller companies
- Quality-orientation, 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 private credit fund managers
- 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 a presence in Melbourne, Australia, Dublin, Ireland 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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