



Pinnacle
INVESTMENT MANAGEMENT

Level 35
60 Margaret Street
Sydney, NSW 2000

www.pinnacleinvestment.com.au

14 November 2016

By Electronic Lodgement

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

Dear Sir/Madam

Pinnacle Investment Management Group Limited (ASX : PNI) – 2016 Annual General Meeting of Shareholders - Address

Attached is the address and presentation to be given by the Chairman and Managing Director at the Annual General Meeting of Shareholders of Pinnacle Investment Management Group Limited to be held today, Monday 14 November 2016. The meeting commences at 11.00am Sydney time and will be held at Level 35, 60 Margaret Street, Sydney.

Please do not hesitate to contact me if you require any further information.

Yours faithfully

Eleanor Padman
Company Secretary

eleanor.padman@pinnacleinvestment.com.au
+61 2 8970 7726

Pinnacle Investment Management Group Limited (ASX: PNI)

Annual General Meeting of Shareholders

11am Sydney time on 14 November 2016

Slide – Cover Page



Pinnacle Investment Management Group Limited

Annual General Meeting of Shareholders

14 November 2016

Slide – Agenda



Agenda

- Chairman's Address – Alan Watson
- Ordinary Business
- Managing Director's Address – Ian Macoun
- Q & A

Good morning ladies and gentlemen, fellow shareholders, colleagues and visitors. Welcome to our 2016 Annual General Meeting and thank you for joining us in our Sydney office.

Before we begin, I would be grateful if you could please all turn off your mobile phones or switch them to silent mode for the duration of the meeting.

By way of introduction, my name is Alan Watson and I am the Chairman of Pinnacle Investment Management Group Limited.

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

On the basis that the Notice of Annual General Meeting has been sent to shareholders, I propose that it be taken as read. Copies are available if required.

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

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

[Yes/No], thank you.

In addition to those present here today, based on the first resolution valid proxies have been received from 229 shareholders who between them are the holders of approximately 114,439,230 shares representing

approximately 77% of the capital of the Company. I will inform shareholders of the proxy votes received for each resolution when we move the formal business of the meeting.

Before we begin with today's Agenda, I would like to introduce my fellow Board members to you all:

- > First, on my left/right, we have Mr Ian Macoun, our Managing Director
- > Next to Mr Macoun, we have Mr Gerard Bradley and Ms Deborah Beale, both of whom recently joined the Board as independent non-executive directors
- > Next to them, we have Mr Steve Wilson
- > And then on my left/right, we have Mr Adrian Whittingham and Mr Andrew Chambers, both of whom have also recently joined the Board as executive directors

Also here today is Mrs Eleanor Padman, our General Counsel and Company Secretary and Mr Andrew Findlay, one of our Distribution Directors.

I would also like to welcome the Company's auditor, Mr Craig Thomasson, from PricewaterhouseCoopers who is here to answer any questions that shareholders may have in relation to the 2016 financial statements.


Today, I have a number of topics that I would like to cover in relation to the year that was, the corporate reorganisation that has occurred during the last 12 months and the new board that is now in place.

We will then move to the formal part of the meeting. There are four matters of ordinary business to attend to, being the formal tabling of the 2016 financial statements, the shareholder vote on the Remuneration Report, resolutions proposing the re-election of a number of directors and shareholder approval of the company's employee option share plan scheme.


I will then hand over to Ian Macoun who is going to talk about the financial results for the 2016 financial year in more detail, the Pinnacle model, an update on the major recent developments in Pinnacle and the affiliated investment managers and on the group's financial performance thus far for FY17 and the priorities for the year ahead.

We will then finish with a more general Q&A session where shareholders are invited to ask any questions they may have.

Slide – Chairman's Address



Chairman's Address



- PNI Financials
- Corporate re-organisation completed
- New Board in place
- Pinnacle continues to grow
- Careful management of discontinued operations
- Shareholder returns

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Starting with my overview, I will be addressing a number of topics, being:

- > The highlights of the group's 2016 financial performance;
- > A review of the recent corporate re-organisation that has occurred;
- > The new board that is now in place;
- > Some brief comments on recent growth in Pinnacle and its affiliates;
- > Commentary in relation to the management of discontinued operations; and
- > An overview of returns for shareholders.

Slide - FY16 Financial Statements – Highlights



- Group NPAT of \$4.5 million, delivering earnings of 4.1 cents per share
- Group NPAT from continuing operations of \$5.8 million, up 49% from \$3.9 million (before DTA de-recognition) in prior year
- Earnings per share from continuing operations of 5.2 cents, up 44% from 3.6 cents (before DTA de-recognition)
- Pinnacle NPAT of \$10.6 million, up 43% from \$7.4 million
- Pinnacle's share of NPAT of \$15.9 million from Pinnacle Affiliates, up 34% from \$11.9 million
- Pinnacle FUM of \$19.8 billion as at 30 June 2016, up 23% from \$16.1 billion as at 30 June 2015
- Special fully franked dividend of 5.0 cents per share paid on 9 September 2016
- Final fully franked dividend of 1.9 cents per share paid on 3 October 2016
- NTA of \$49.6 million or \$0.45 per share, up from \$0.40
- Cash and Principal Investments of \$24.5 million as at 30 June 2016.

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The 2016 financial year was marked by the conclusion of the repositioning of the group as a growing funds management business, following the sale of the Securities business on 1 July 2015. During the year, the group enjoyed strong performance and reported a net profit after tax from continuing operations attributable to shareholders of \$5.8 million or 5.2 cents per share. This represents an increase of 49%, before DTA de-recognition, and reflects a strong net profit after tax result

from the Pinnacle segment which increased by 43% to \$10.6 million.

Pinnacle's share of its affiliated boutiques' net profit after tax increased by 34% to \$15.9 million.

As part of the transaction, a fully franked special dividend of 5 cents per share was paid to shareholders on 9 September. A fully franked final dividend of 1.9 cents per share was paid on 3 October 2016. The Board continues to focus on maintaining a sound balance sheet and growing profits over the medium term, underpinning the regular declaration of dividends.

The 2016 financial year also included a number of significant one off expenses relating to the sale of the Securities business. Whilst most of these items were captured in the 2015 financial year, an additional one off amount of \$1.2 million was included in the 2016 financial year.

Slide - Corporate reorganisation completed

Corporate reorganisation completed

■ Transaction review

- Transaction closed on 25 August 2016
- Issue of ~37m shares to acquire the remaining 25% of Pinnacle
- Ian Macoun announced as Managing Director on 17 August 2016 following Alexander Grant's resignation
- Deborah Beale, Gerard Bradley, Andrew Chambers and Adrian Whittingham joined board on 1 September 2016
- Special dividend of 5 cents per share, paid on 9 September 2016
- Name changed to Pinnacle Investment Management Group Limited (ASX: PNI)

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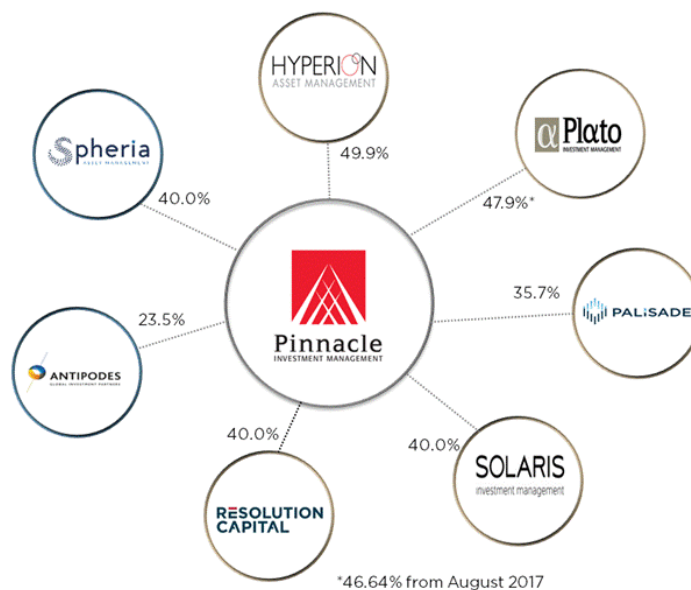
On 25 August 2016, the company completed the acquisition of the 25% equity stake in Pinnacle that the group did not previously own. Whilst the conclusion of this transaction marks not the end of the journey but rather the beginning of a new and exciting chapter in the group's history, it does represent the finalisation of a considered realignment which has taken two years to execute.

Completion of the acquisition of equity in Pinnacle afforded the company the opportunity to return some capital to shareholders, with the payment of a fully franked special dividend of 5 cents on 9 September.

As part of this strategic repositioning, Mr Ian Macoun assumed the role of Managing Director and the company changed its name to Pinnacle.

Slide - New corporate structure

New corporate structure – 100% ownership via PNI



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Behind me is an illustration of the new streamlined corporate structure and Pinnacle's effective ownership in each of its affiliated boutiques as at today's date. Shareholders now enjoy access to 100% of Pinnacle's profit share in its affiliated investment managers and to its cash flow.


Slide – Board and Committee Structure

Board Member	Classification	Equity Ownership	Committees	
			Audit, Compliance and Risk	Remuneration and Nominations
Alan Watson (Chair)	Independent, Non-executive	Yes		✓ (Chair)
Ian Macoun (MD)	Executive	Yes		
Deborah Beale	Independent, Non-executive	Yes	✓	✓
Gerard Bradley	Independent, Non-executive	Yes	✓ (Chair)	✓
Andrew Chambers	Executive	Yes		
Adrian Whittingham	Executive	Yes		
Steve Wilson	Non-executive	Yes	✓	✓


The board has also undergone significant transformation with the addition of 5 new directors and a majority of non-executive directors. This has allowed the board to reconstitute its two committees, the audit, compliance and risk management committee and the remuneration and nominations committee in accordance with ASX Principles. Each committee is now comprised of wholly non-executive directors, the majority of which are independent and the Chairs of which are

independent. During the 2017 financial year, those committees will assume oversight of Pinnacle and its wholly owned subsidiaries. A new corporate governance charter and various related policies have been adopted and are available on our website.

Slide 8 – Pinnacle continues to grow (1)



Pinnacle continues to grow (1)



- Pinnacle NPAT of \$10.6 million in FY16, up 43% from \$7.4 million
- Pinnacle's share of NPAT of \$15.9 million from Pinnacle Affiliates in FY16, up 34% from \$11.9 million
- FUM of \$21.5 billion as at 31 October 2016
- Antipodes LIC listed on ASX in October 2016 – approximately \$313 million raised

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Mr Macoun will discuss Pinnacle in detail; however, I would like to highlight that Pinnacle has continued to build on its strong growth and performance in 2016 with funds under management up 8.6% to \$21.5 billion over the 4 months to 31 October 2016. Pinnacle's net profit after

tax built on its prior two years of sustained growth, recording net profits of \$10.6 million, an impressive increase of 43%.

Pinnacle continues to execute on its focused and methodical approach to managing and growing its 'house of affiliated investment managers', as well as exploring new market channels for their strategies and products. In October 2016, Antipodes Global Investment Company Limited was listed on the ASX, raising approximately \$313 million. The company's stock portfolio will be constructed in accordance with the investment approach of its investment manager, Antipodes Partners Limited, which aspires to grow wealth over the long-term by generating positive returns in excess of the benchmark at below market levels of risk.

Slide – Pinnacle continues to grow (2)



Pinnacle continues to grow (2)

- Outlook for superannuation and managed funds remains strong:
 - 4th largest domestic system
 - \$2 trillion under management
 - Estimated \$8 trillion by 2035*
- Prospects for investment markets less certain
 - Political uncertainty – Brexit, Post US election, paralysis of Australian parliament
 - Interest rate uncertainty
 - Growth rate uncertainty
 - Historically high equity valuations

*Source : Financial Services Council/UBS Asset Management "State of the Industry" report, February 2016

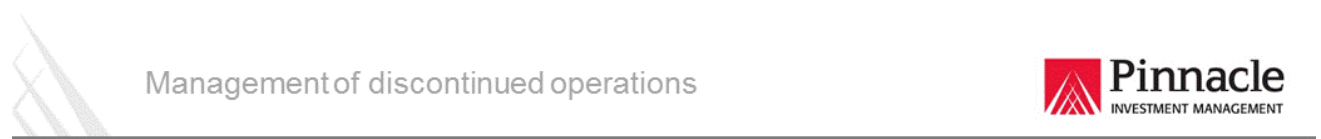
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Superannuation underpins Australia's financial services industry with \$2 trillion in funds under management. As the fourth largest private pension system in the world and just 24 years old, the sector is projected to grow to \$8 trillion by 2035.¹ Against this industry background, the Board remains optimistic that the setting within which Pinnacle operates remains supportive of its medium term growth. The broader investment

¹ Financial Services Council/UBS Asset Management "State of the Industry" report, February 2016

market, however, has remained unsettled. Political uncertainty in the form of domestic elections, Brexit and the recent US election result, has generated considerable volatility in global markets. Global economies remain subdued flat with limited growth. However, history teaches us that uncertainty can also reveal opportunities and we continue to carefully examine growth initiatives for the company.

Slide – Management of discontinued operations



- Wilson's Advisory
 - Transitional services arrangements with Securities now completed
 - Commercial relationship remains strong – co-manager to Antipodes LIC
 - Super profit and DTA deferred consideration arrangements remain in place
 - Costs savings anticipated at time of transaction are materialising
- Next Financial
 - AFSL cancelled in July 2016
 - Day to day operations have now ceased
 - Next Group of Companies to be de-registered in due course

The group continued to address discontinued items during 2016.

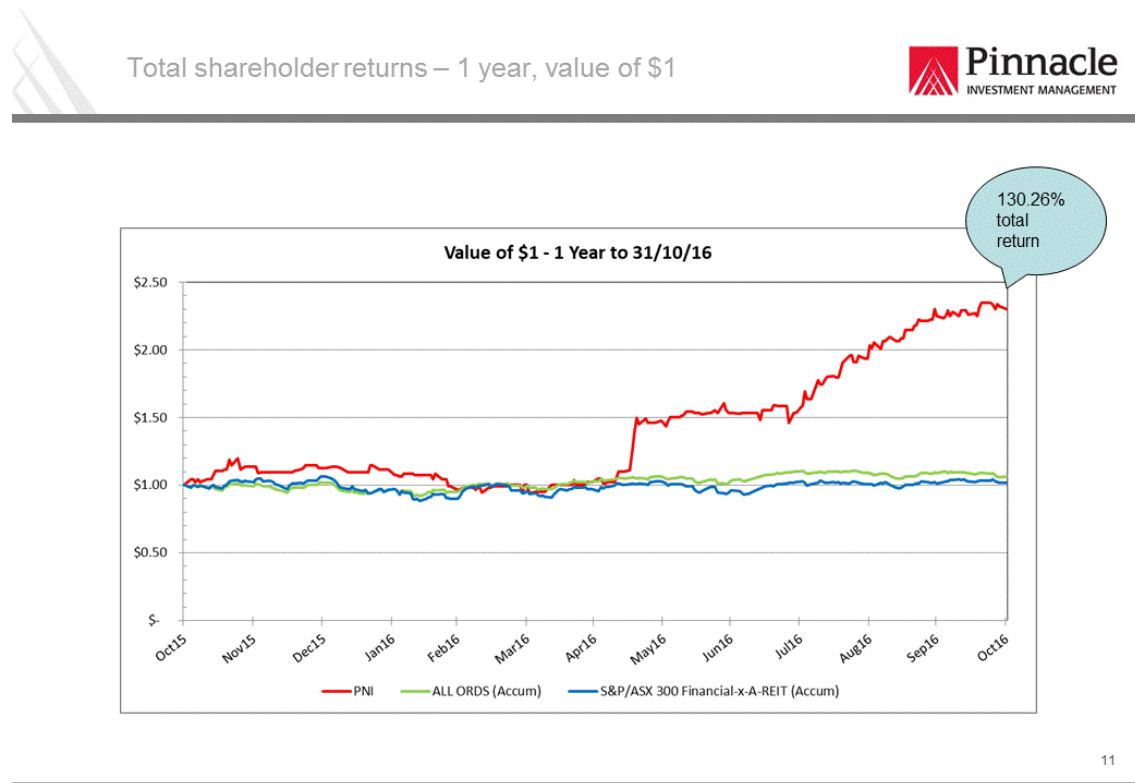
In respect of the Securities business, the commercial relationship between our two businesses remains sound, Wilsons Advisory having acted as a co-manager for the recent IPO of the Antipodes LIC. Super profit and DTA deferred consideration arrangements also remain in place.

The Wilson Group segment produced a profit of \$0.6 million, which is an improvement of \$1.5 million from the loss of \$0.9 million in the prior financial year. This largely related to the improved performance of the Priority Funds and Principal Investments during the year.

The continued wind down of the Next Financial group resulted in revenues reducing to \$15,000. It is not expected that there will be any revenue in future financial years.

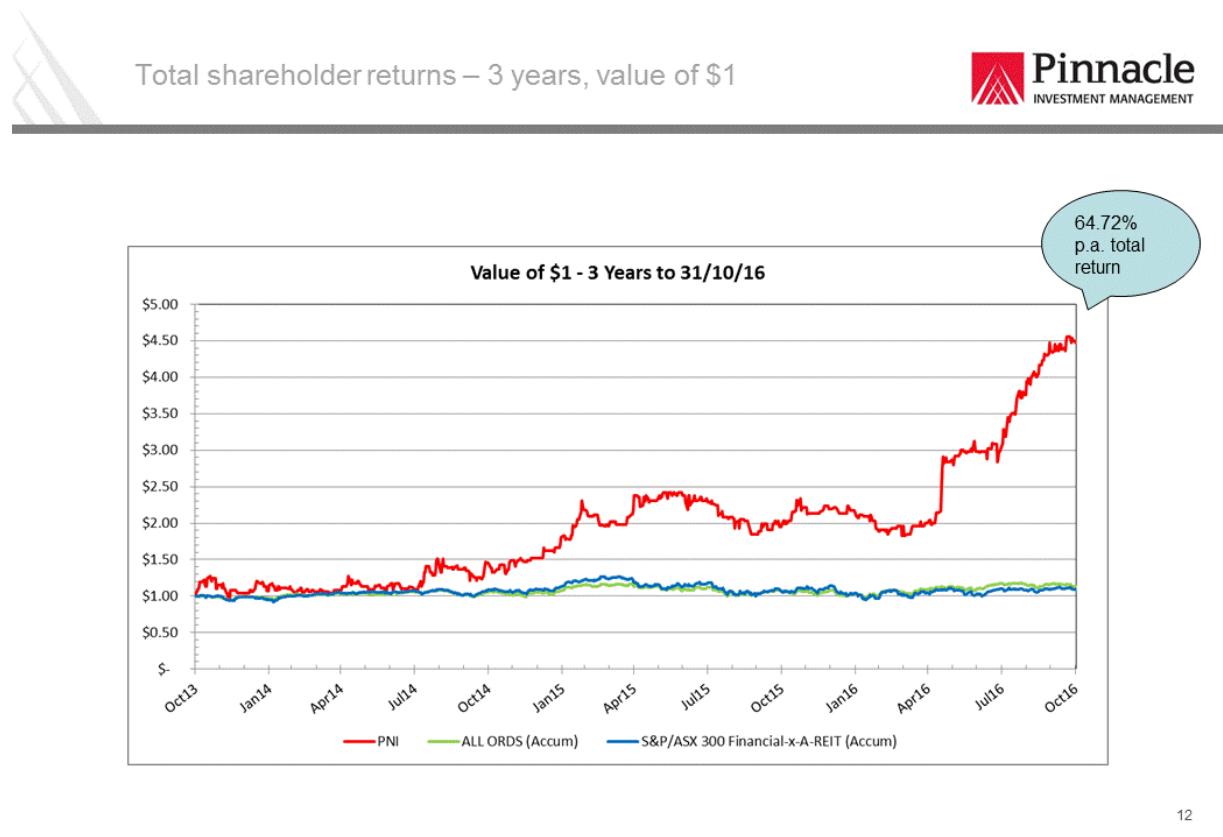
Next Financial has resigned its AFSL and its day to day operations have ceased.

Slide – Total shareholder returns, 1 Year



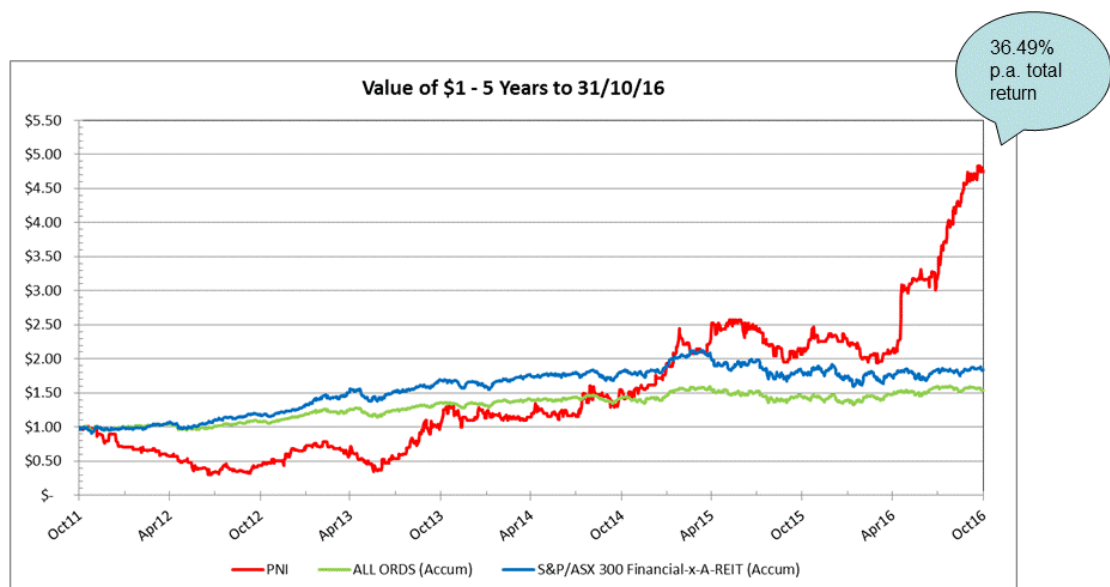
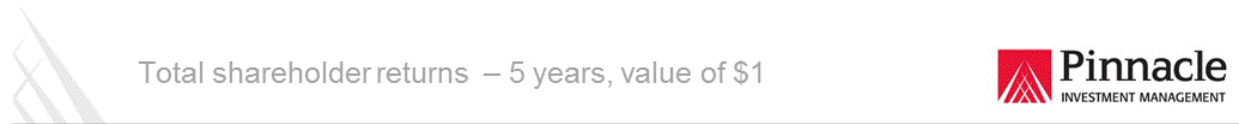
The repositioning of the group as a pure funds management business has yielded positive results for shareholders. The PNI share price doubled in value during the 2015 financial year and has more than doubled again since the beginning of the FY16 financial year and following the announcement of the Pinnacle transaction.

Slide – Total shareholder returns, 3 years




The next two slides show total shareholder returns over a 3 year and 5 year period, the same reporting protocol that we use for Pinnacle’s affiliates. As a Board, we remain focused on delivering sustainable growth in profits and dividends for our shareholders over the medium term and regular dividends have also contributed to total shareholder returns in recent years.


Slide – Total shareholder returns, 5 years



Slide – Ordinary business



Ordinary Business



- Item 1 – tabling of FY16 Financial Statements
- Item 2 – adoption of Remuneration Report
- Item 3 – re-election of directors
- Item 4 – approve employee option share plan

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I would now like to proceed with the formal business of the meeting in the order it appears in the Notice of Meeting.

All valid proxies received have been recorded and these will be reported to the ASX after the meeting. Details of the proxies received are also available for inspection on the table at the entrance after the meeting.

Of the eligible proxies received to date, approximately:

- > 99% have voted in favour of the remuneration report;
- > more than 99.9% on average have voted in favour of each of the resolutions to re-elect a number of directors; and
- > 98% have voted to approve the employee option share plan.

Unless a number of those present in this room vote against any resolution, we will have a majority in favour of each resolution. As such, today we will call for a show of hands on each item of business requiring resolution and will not be calling for a poll on any resolution.

Shareholders are invited to ask questions prior to each resolution being put to the vote. I request shareholders to limit their questions to matters relevant to the item of business being discussed and that there are only two questions per shareholder.

If you have a question, please raise your hand.

If there is any person present who believes they are entitled to vote but has not registered to vote, would you please raise your hand for assistance.

The persons entitled to vote are all shareholders, representatives and attorneys of shareholders, and proxyholders who hold blue admission cards.

For shareholders' information, we will display on the screen, prior to the consideration of each resolution, the proxy voting for each resolution.

All open proxy votes directed to the Chairman will be voted in favour of the relevant resolution, however any such proxies in relation to the remuneration report appointed by any key management personnel will be excluded from the Chairman's proxy votes.

Slide – Item 1 – financial statements



Item 1

- Formal tabling of FY16 Financial Statements

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The first item of formal business on the Notice of Meeting is to consider the Financial Statements of the Company for the year ended 30 June 2016 together with the Directors' Report and the Auditor's Report as set out in the 2016 Annual Report and which have been made available to shareholders.

I formally table the financial statements of the Company for the year ended 30 June 2016 and the related Directors' Reports, Directors' Declarations and Auditors' Report.

Are there any questions in respect of the financial statements and or any other matters?

[Yes/No, thank you]

I will take all of these reports as read.

Is there any discussion or are there any questions for the auditor in relation to the content of PricewaterhouseCoopers' audit report for the year ended 30 June 2016, the accounting policies adopted by the Company in relation to the preparation of the financial statements of the Company and the independence of the auditor in relation to the conduct of the audit?

[Yes/No, Thank you].

The next item of business is to consider the adoption of the remuneration report for the 2016 financial year.

The Remuneration Report is contained with the Directors' Report and forms part of the 2016 financial statements and reports.

The Remuneration Report incorporates information required by section 300A of the Corporations Act, which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for key management personnel, including the Directors.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report contained in the Directors' Report be adopted.

Are there any questions in relation to this resolution?

[Yes/No, thank you]

Slide – Remuneration Report

	Resolution 2
Resolution by proxy	Adoption of Remuneration Report
% of eligible proxies	99.42%
Total number votes cast	114,439,230
For	48,959,563
Against	204,999
Open usable	0
Excluded votes	64,856,402
Abstain	255,000

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The number of proxies received by the Company 48 hours prior to this meeting for the resolution to adopt the remuneration report for the year ended 30 June 2016 are shown on the screen behind me

Any votes from Directors and Key Management Personnel and their associates have been excluded from this resolution.

I now move, and for members to consider and, if in favour, to pass the following resolution under section 250R(2) of the Act:

*“That the remuneration report for the financial year ended
30 June 2016 be adopted”*

Could I call for a seconder?

Thank you [seconder's name]

Please can all shareholders in favour raise their hands ?

And all those against?


I now declare Resolution 2 [carried/defeated].

The meeting now needs to consider the re-election of a number of directors in accordance with the Corporations Act and the Constitution.


The Company's constitution requires that all directors that are appointed to that position as a casual vacancy during the financial year stand for formal re-election at the next general meeting of shareholders. On 1

September, 4 directors, being Ms Deborah Beale, Mr Gerard Bradley, Mr Andrew Chambers and Mr Adrian Whittingham were all appointed as casual vacancies. Each now stand for re-election.

Slide - Re-election of Ms Deborah Beale



Item 3a – Re-election of Ms Deborah Beale



	Resolution 3(a)
Resolution by proxy	Re-election of Ms Deborah Beale
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,235,665
Against	38,299
Open usable	81,633
Excluded votes	0
Abstain	2,000

Beginning with Ms Deborah Beale, the explanatory statement attached to the notice of meeting provides information in relation to Deborah.

Are there any questions in relation to this resolution ?

[Yes/No, thank you]

The number of proxies received by the Company 48 hours prior to this meeting for the resolution are shown on the screen behind me

As Chair of the meeting, I intend to vote all available proxies in favour of this resolution.

I will now put the resolution as follows:

“That Ms Beale who has been appointed by the Board in accordance with Clause 15.1(f) of the Constitution and has consented to stand for re-election as a Director of the Company in accordance with clause 15.1(g) of the Company’s Constitution, be re-elected as a Director of the Company.”

Do I have a seconder?

Thank you [seconder’s name]


Please can all shareholders in favour raise their hands ?

And all those against?


I now declare Resolution 3a [carried/defeated].

Congratulations Deborah.

Slide – Re-election of Gerard Bradley



Item 3b – Re-election of Mr Gerard Bradley



	Resolution 3(b)
Resolution by proxy	Re-election of Mr Gerard Bradley
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,238,165
Against	30,799
Open usable	81,633
Excluded votes	0
Abstain	7,000

Turning to Mr Gerard Bradley, the explanatory statement attached to the notice of meeting provides information in relation to Gerard.

Are there any questions in relation to this resolution ?

[Yes/No, thank you]

The number of proxies received by the Company 48 hours prior to this meeting for the resolution are shown on the screen behind me

As Chair of the meeting, I intend to vote all available proxies in favour of this resolution.

I will now put the resolution as follows:

“That Mr Bradley who has been appointed by the Board in accordance with Clause 15.1(f) of the Constitution and has consented to stand for re-election as a Director of the Company in accordance with clause 15.1(g) of the Company’s Constitution, be re-elected as a Director of the Company.”

Do I have a seconder?

Thank you [seconder’s name]

Please can all shareholders in favour raise their hands ?

And all those against?

I now declare Resolution 3b [carried/defeated].

Congratulations Gerard.

Slide – Re-election of Andrew Chambers



Item 3c – Re-election of Mr Andrew Chambers



Pinnacle
INVESTMENT MANAGEMENT

	Resolution 3(c)
Resolution by proxy	Re-election of Mr Andrew Chambers
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,241,165
Against	32,799
Open usable	81,633
Excluded votes	0
Abstain	2,000

Moving to Mr Andrew Chambers, the explanatory statement attached to the notice of meeting provides information in relation to Andrew.

Are there any questions in relation to this resolution ?

[Yes/No, thank you]

The number of proxies received by the Company 48 hours prior to this meeting for the resolution are shown on the screen behind me

As Chair of the meeting, I intend to vote all available proxies in favour of this resolution.

I will now put the resolution as follows:

“That Mr Chambers who has been appointed by the Board in accordance with Clause 15.1(f) of the Constitution and has consented to stand for re-election as a Director of the Company in accordance with clause 15.1(g) of the Company’s Constitution, be re-elected as a Director of the Company.”

Do I have a seconder?

Thank you [seconder’s name]

Please can all shareholders in favour raise their hands ?

And all those against?

I now declare Resolution 3c [carried/defeated].

Congratulations Andrew.

Slide – Re-election of Adrian Whittingham



Item 3d – Re-election of Mr Adrian Whittingham



	Resolution 3(d)
Resolution by proxy	Re-election of Mr Adrian Whittingham
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,243,165
Against	30,799
Open usable	81,633
Excluded votes	0
Abstain	2,000

And last, but not least, to Mr Adrian Whittingham. Again, the explanatory statement attached to the notice of meeting provides information in relation to Adrian.

Are there any questions in relation to this resolution ?

[Yes/No, thank you]

The number of proxies received by the Company 48 hours prior to this meeting for the resolution are shown on the screen behind me

As Chair of the meeting, I intend to vote all available proxies in favour of this resolution.

I will now put the resolution as follows:

“That Mr Whittingham who has been appointed by the Board in accordance with Clause 15.1(f) of the Constitution and has consented to stand for re-election as a Director of the Company in accordance with clause 15.1(g) of the Company’s Constitution, be re-elected as a Director of the Company.”

Do I have a seconder?

Thank you [seconders name]

Please can all shareholders in favour raise their hands ?

And all those against?

I now declare Resolution 3d [carried/defeated].

Congratulations Adrian.

In addition to the re-election of directors who have been appointed as casual vacancies, the requirements of our Constitution are that at each Annual General Meeting, one third of the directors should retire from office.

One director is retiring and standing for re-election, being myself.

The next item of business is therefore to consider my re-election and I shall therefore hand the meeting to Ian to chair this item.

Thank you, Alan.

Slide – Re-election of Alan Watson

Item 3d – Re-election of Mr Alan Watson

	Resolution 3(e)
Resolution by proxy	Re-election of Mr Alan Watson
% of eligible proxies	99.91%
Total number votes cast	114,439,230
For	114,259,084
Against	9,880
Open usable	81,633
Excluded votes	0
Abstain	7,000

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As with the previous resolutions, the explanatory statement attached to the notice of meeting provides details on Alan.

Are there any questions in relation to this resolution ?

[Yes/No, thank you]

The number of proxies received by the Company 48 hours prior to this meeting for the resolution are shown on the screen behind me

As Chair of this resolution, I intend to vote all available proxies in favour of this resolution.

I will now put the resolution as follows:

“That Mr Alan Watson, who retires from the office of Director by rotation and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.”

Do I have a seconder?

Thank you [seconder's name]

Please can all shareholders in favour raise their hands ?

And all those against?

I now declare Resolution 3e [carried/defeated].

Congratulations Alan; you may now resume the Chair !

Slide – Employee share option plan



Item 4 – approval of employee option share plan

	Resolution 4
Resolution by proxy	Approval of employee option share plan
% of eligible proxies	98.42%
Total number votes cast	114,439,230
For	50,635,926
Against	732,164
Open usable	81,633
Excluded votes	55,093,524
Abstain	7,814,350

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Turning to our last resolution, approval is sought for the company's employee option share plan. The plan was last approved by shareholders at the Company's AGM in November 2012. The purpose of this item is to refresh that authority which will enable the company to make future grants of options for various purposes under the Corporations Act. Full details are set out in the explanatory statement

accompanying the notice of meeting. A copy of the plan rules for the employee option share plan are also available on company's website.

Whilst no grants are currently in contemplation, the board believes this approval to be desirable since it will allow the company to consider over the medium term the grant where appropriate of long term incentives to employees which assist with employee retention and align the interests of staff with shareholder outcomes.

Are there any questions in relation to this resolution ?

[Yes/No, thank you]

The number of proxies received by the Company 48 hours prior to this meeting for the resolution are shown on the screen behind me

As Chair of the meeting, I intend to vote all available proxies in favour of this resolution.

I will now put the resolution as follows:

“That shareholders approve the grant of securities under the Company's employee option share plan for all purposes including

ASX Listing Rule 7.2 Exception 9 and sections 200B and 200E of the Corporations Act, as set out in the Explanatory Notes accompanying this Notice of Meeting”

Do I have a seconder ?

Thank you [seconder's name]

Please can all shareholders in favour raise their hands ?

And all those against?

I now declare Resolution 4 [carried/defeated].

That concludes the formal business of this meeting.

With that I will now hand you over to Ian Macoun, our Managing Director.

Slide – Managing Director’s address



- FY16 financial performance and financial statements
- Pinnacle and affiliated investment managers – Pinnacle model, philosophy and investment styles of affiliates and update on affiliates’ performance
- Aggregate FUM and revenue update
- Future growth
- FY17 Priorities

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Thank you Chairman.

Good morning shareholders, colleagues and visitors.


In my address today, I would like to briefly cover a number of topics:

- > the FY16 financial performance and financial statements of the group
- > Pinnacle and its affiliated investment managers – a brief recap on the Pinnacle model and the philosophy and investment styles of the affiliates, together with an update in relation to each affiliate

- > An update on the FUM and revenue numbers to 31 October 2016
- > Future growth, and
- > FY17 Priorities

Shareholders would be aware of the FY16 financial results that we reported on 30 August 2016, having previously provided updated market guidance to shareholders on 29 July 2016.

Slide – Financial Summary FY16



(A\$m) Year ending	30 Jun 2016	30 Jun 2015
Pinnacle (100%)	10.6	7.4⁽¹⁾
Principal Investments	0.7	0.1
Priority Funds	0.5	(0.3)
Next Financial	(0.6)	(0.7)
Wilson Group	0.6	(0.9)
Group Overhead (unallocated)	(2.7)	(2.2)
Profit before tax from continuing operations	8.5	4.3
Tax benefit/(expense)	(0.1)	1.2
Profit after tax from continuing operations before minorities before DTA de-recognition in FY2015	8.4	5.5
Minorities	(2.6)	(1.6)
Profit/(loss) from continuing operations attributable to shareholders before DTA de-recognition in FY2015	5.8	3.9
Discontinued operations/DTA recognition (2)	(1.2)	(12.9)
Profit/ (loss)	4.5	(9.0)
Earnings per share		
- Continuing operations ⁽³⁾	5.2	3.6
- Total including discontinued operations and DTA de-recognition in FY2015	4.1	(8.5)

(1) In FY2015 \$0.1m of Group costs allocated to Pinnacle.

(2) For FY2015 loss from discontinued operations was \$3.4m and deferred tax asset de-recognition of \$9.4m.

(3) Excludes de-recognition of the deferred tax asset.

- Strong growth in Pinnacle earnings
- Increase in group overhead includes one off costs
- 49% increase in profit after tax from continuing earnings
- PNI to receive 100% of its share in affiliated investment managers profits in FY17

As the slide behind me shows, the FY16 results were underpinned by strong growth in Pinnacle, with net profit after tax from continuing operations for the company as a whole increasing by 49% to \$5.8 million. This growth was despite significant costs associated with the transaction involving the acquisition of the remaining equity in Pinnacle, including rationalisation costs, which will produce benefits to the Company's P&L going forward. FY16 was of course the last year in which what is now PNI received less than 100% of Pinnacle's share of the profits of its affiliated investment managers. From FY17 onwards, shareholders will enjoy 100% of Pinnacle's share of those profits, although earnings per share will of course be impacted by the additional shares issued as part of the acquisition transaction.

Slide – Pinnacle financial highlights

Pinnacle financial highlights – FY16			
(A\$m) Year ending	30 Jun 2016	30 Jun 2015	Variance
FUM (\$bn; end of year)	19.8	16.1	23.0%
Total Affiliated Investment Managers revenues	92.8	72.0	28.9%
Pinnacle revenue	6.0	5.9	2.4%
Share of Affiliated Investment Managers	15.9	11.9	33.4%
Expenses	(11.3)	(10.3)	10.1%
Total Pinnacle profit	10.6	7.4	43%
Pinnacle minorities	(2.7)	(1.6)	
Net Pinnacle profit attributable to shareholders	8.0	5.9	34.4%

- Strong FUM and revenue growth for affiliated investment managers
- Total Affiliated Investment Managers Revenues of \$92.8m, including \$17.8m (or 19.2%) in performance fees (FY15: \$11.1m – 15.5% of \$72.0m in Performance Fees)
- Pinnacle NPAT of \$10.6m, 43% increase over prior year

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The increase in Pinnacle's growth was itself underscored by its affiliated investment managers' strong performance. Funds managed by the affiliates increased by 23% during the 2016 financial year to \$19.8 billion as at 30 June 2016. This has increased by a further 8.6% in the 4 month period of this current financial year to 31 October 2016, with total FUM now at \$21.5 billion across the seven affiliated investment managers. Increased FUM drove momentum in revenues for the affiliates, which totalled \$92.8 million for the 2016 financial year,

including \$17.8 million (or 19.2%) in performance fees. This \$92.8 million represented a healthy increase of 29% from the prior financial year and performance fees were up 60% on the prior year reflecting overall strong investment performance across the affiliates.

The NPAT of Pinnacle Investment Management Limited increased to \$10.6m for FY16, representing a 43% increase from the FY15 financial year.

Slide – Pinnacle’s share of affiliates’ financials

Pinnacle’s share of affiliates’ financials – FY16		
	FY2016	FY2015
Pinnacle Affiliates (100% aggregate basis)		
FUM (\$billion)	19.8	16.1
Revenue (\$million)	92.8	72.0
Net profit before tax	51.5	38.9
Tax expense	(14.9)	(11.4)
Net profit after tax	36.7	27.5
Share of Pinnacle Affiliates’ net profit after tax statutory result	15.9	11.9
Pinnacle		
Share of Pinnacle Affiliates’ net profit after tax statutory result	15.9	11.9
Revenue	6.0	5.9
Expenses	(11.3)	(10.3)
Pinnacle Group statutory result [#]	10.6	7.4

100% of Pinnacle (the Group had a 75.01% interest as at 30 June 2016).

The next slide shows more directly the relationship between the revenues earned by Pinnacle's affiliates and Pinnacle's statutory result. In particular, it shows how the affiliates' revenue of \$92.8 million for the year ended 30 June 2016 'cascades' down to Pinnacle's statutory result of \$10.6 million.

Slide – Balance Sheet

Balance sheet – 30 June 2016

A\$m – 30 June 2016

Current assets

Cash and equivalents	13.6
Financial assets	10.9
Total cash and financial assets	24.5
Other current assets	8.3
Total current assets	32.8

Non-current assets

Investment in affiliated IMs	24.5
Other	1.1
Total non-current assets	25.6
Total assets	58.4

Total liabilities	8.8
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Net assets	49.6
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Pinnacle minorities	6.5
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Net shareholders equity	43.1
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- Cash and Principal Investments of \$24.5m
- Excludes post balance date impacts including:
 - special dividend of \$5.5m (5 cents per share)
 - final dividend of \$2.8m (1.9 cents per share)
 - employee loans of \$3m associated with acquisition of shares from Deutsche Bank

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27

The next slide shows the balance sheet as at 30 June 2016. As this snapshot is dated before completion of the acquisition of the remaining equity in Pinnacle, there have been a number of events post-balance date that are worthy of comment. In particular, cash and principal

investments were \$13.5 million as at 30 September 2016, following a number of outflows including the payment of two dividends and the advancing of loans to senior executives to facilitate the acquisition of PNI stock from Deutsche Bank as part of its exit from the share register.

So those slides have covered our financial performance for the FY16 financial year. But how is Pinnacle travelling in the new financial year, which we are now a little over 4 months in to?

Slide – Progress to date



- FUM net inflows strong – \$1.7 billion for FY17 to 31 Oct
- Retail net inflows of \$819 million for FY17 to 31 Oct (including \$313 million for Antipodes LIC received in Oct 2016)
- Shareholder discussions – benefits of multi affiliate model well understood
- By and large an 'article of faith' reputation – all 'best of breed'
- Reasonably diversified/robust
- Critical to maintain highest standards of service and support to affiliated investment managers

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The answer is that the momentum that we experienced during FY16 has continued in to this year to date. Fund inflows have remained very healthy, including from the retail market, our investment performance

has generally been good, and of course our performance record remains very strong. It is just under 3 months since the EGM at which shareholders approved the transaction that saw me move in to the role of MD of the listed company and I am pleased to say I feel that the transition has been a smooth one. The Chairman and I have had several meetings with major shareholders and prospective shareholders and I believe our prospects as a Company are quite well understood and appreciated. Shareholders may recall that I have explained that we believe that we have, over the past 10 years, built a strong platform for further growth, with Pinnacle having a reputation for investment excellence and being well known by all of the key client groups and their key advisors. By and large, we have achieved what we call an 'article of faith' reputation, by which we mean that because of their long experience in doing business with us people believe - essentially as an 'article of faith' - that if an investment manager is affiliated with Pinnacle, it will be of the highest quality and will reliably deliver what is expected of it. Pinnacle's multi-affiliate 'model' is well understood and respected in the industry. And with seven high quality affiliates, we are quite a diversified and robust business. Although the markets will no doubt from time to time throw us challenges that will be beyond our control, we should be able to weather these reasonably well. Having said that, it is critical that we in Pinnacle continually work to maintain the highest standards of service and support to our affiliated investment managers.

Slide – Australia’s leading house of affiliated IMs



Shareholders would recall our affiliates and the ‘supported independence’ philosophy that underpins it.

Slide – overview of affiliated IMs



	» Hyperion Asset Management (49% owned by Pinnacle) – a specialist manager of Australian equities following a growth style.
	» Palisade Investment Partners (35% owned by Pinnacle) – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors.
	» Plato Investment Management (47% owned by Pinnacle) – a specialist manager of Australian equities following a quantitative style.
	» Solaris Investment Management Limited (40% owned by Pinnacle) a specialist manager of Australian equities following a style-neutral approach to investing.
	» Resolution Capital (40% owned by Pinnacle) – a specialist manager of Australian and global listed real estate securities portfolios.
	» Antipodes Partners (23.5% owned by Pinnacle) – an International Equities manager.
	» Spheria Asset Management (40% owned by Pinnacle) - a fundamental-based investment manager with a bottom-up focus specialising in small and microcap companies.

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This slide provides a simple recap on who our affiliates are, names that are now well known in the industry. This includes even our more recently established affiliates, Antipodes and Spheria which, in a short space of time, have already established good reputations. I won't read through an explanation of each affiliate's investment style but will leave it for shareholders to read through this slide at their leisure by way of refreshing memories. We have not added any new affiliates since Spheria in May of this year, though we do continue to have interesting discussions with a small number of candidate new affiliates.

Slide – Industry Awards



Pinnacle and affiliates continue to win major industry awards



- Zenith – Professional Planner Fund Manager of the Year Awards, September 2016:
 - Pinnacle – Fund Distributor of the Year
 - Resolution Capital – Global REIT Fund Manager of the Year
 - Antipodes – International Equities – Alternative Strategies Fund Manager of the Year
- Morningstar Fund Manager of the Year Award, 2016:
 - Hyperion – Australian Fund Manager of the Year
 - Hyperion – Domestic Equities Category Winner, Australia
 - Hyperion – Domestic Equities Small Caps Category Winner, Australia

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Pinnacle and its affiliates have continued to be recognised by the independent experts in our industry, being recognised most recently at the Zenith - Professional Planner Fund Manager of the Year awards in September. Pinnacle won the Fund Distributor of the Year Award, which recognised the success of Pinnacle's distribution team. This was a tremendous recognition of the leadership of Adrian Whittingham and the quality of our entire distribution team.

In addition, Resolution Capital won the Global REIT Fund Manager of the Year award for the third year in a row and Antipodes won the Fund

Manager of the Year Award for 'International Equities – Alternative Strategies' category for its global long-short strategy. Of course it is excellent that Antipodes has won this award so early in its life. This is most unusual and augurs well for the future success of Antipodes.

These awards were decided by Zenith, one of Australia's leading funds management research houses. The awards are the latest in a long tradition now of Pinnacle and its affiliates winning such awards, including Hyperion scoring a hat trick at the Morningstar Awards in May of this year 2016, winning the top spot as the overall Morningstar Australian Fund Manager of the Year and also taking the prize in both the Domestic Equities – Large Caps Category and the Domestic Equities – Small Caps Category.

Over the next few slides I am going to provide a little more granularity in relation to the current performance of each affiliate and the outlook for the upcoming financial year.

Slide – Hyperion



Hyperion Asset Management

HYPERION
ASSET MANAGEMENT



Pinnacle
INVESTMENT MANAGEMENT

- Hyperion's long term track record remains outstanding.
- Hyperion Australian Growth Companies Fund produced absolute performance of 24.2% after fees (10.7% above the S&P ASX 300 Accumulation Index) over 12 months to 30 September 2016
- Hyperion Small Growth Companies Fund with an absolute performance of 22.9% after fees over the 12 months to 30 September (6.3% below the S&P ASX Small Ordinaries Accumulation Index).
- Hyperion Global Growth Companies Fund produced a 9.8% gross return for the year to 30 September (an outperformance of 7% over its benchmark the MSCI World Accumulation Index in AUD).
- Further growth in FUM will come from the global equities strategy. PDS available next month

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Starting with Hyperion, Hyperion's long term track record of investment performance remains outstanding, with each of its large cap and small cap and global portfolios in the first quartile of its competitor universe since inception.

The Hyperion Australian Growth Companies Fund produced absolute performance of 24.17% after fees over the 12 months to 30 September 2016 (10.67% above the S&P ASX 300 Accumulation Index) and the


Hyperion Small Growth Companies Fund ended the 12 months to 30 September with an absolute performance of 22.85% after fees (this was actually 6.32% below the S&P ASX Small Ordinaries Accumulation Index, which was boosted during this particular period by the rebound in the share prices of many small resource companies, which Hyperion does not choose to own).


The Hyperion Global Growth Companies Fund produced a 9.79% gross return for the year to 30 September (an outperformance of 7.01% over its benchmark the MSCI World Accumulation Index in AUD).

Hyperion had closed its Small Growth Companies fund during the past year in order to preserve its ability to produce future investment performance for clients. Similarly, at nearly \$6 billion, Hyperion considers itself to be approaching its capacity in large cap Australian equities.


Further growth in FUM for Hyperion will be from its global equities strategy which now has a 2.5 year formal track record and is beginning to be offered selectively to Australian institutional clients. A PDS for the global strategy will be available later this month so this will be available to retail investors who wish to invest, but Hyperion does not intend to proactively promote its global strategy to retail investors as yet.

Slide – Palisade





PALISADE



Pinnacle
INVESTMENT MANAGEMENT

- Specialist manager of unlisted infrastructure assets :
 - Palisade's Diversified Infrastructure Fund - diversified portfolio of assets
 - Palisade's Australian Social Infrastructure Fund - assets with Government availability-based revenue streams
 - Separately managed accounts for a variety of superannuation funds

- Palisade's Renewable Energy Fund:
 - two windfarms
 - focus on development of wind and solar energy generation assets

- Palisade Asset Management – subsidiary established to undertake asset management services for some of the assets in the various portfolio managed by Palisade

- As at 31 October 2016 funds under management and investor commitments totalled in excess of \$2.3 billion (2015: \$2.0 billion)

- Palisade funds have provided high yields and gross returns between 12.2% per annum and 17.4% per annum over the past 5 years.

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Moving on to Palisade, Palisade is a specialist manager of unlisted infrastructure assets, focusing on mid-market assets in Australia. It currently manages the Palisade Diversified Infrastructure Fund which invests in a diversified portfolio of assets; the Palisade Australian Social Infrastructure Fund which focuses solely on assets with Government availability-based revenue streams; and separately managed accounts for a variety of superannuation funds.

Palisade recently launched its Renewable Energy Fund which is seeded with interests in two windfarms, and will focus on the development of wind and solar energy generation assets in the Australian market. The Palisade Renewable Energy Fund will co-invest alongside the Federal Government owned Clean Energy Finance Corporation, which awarded Palisade a mandate of \$100 million during FY16.

The investment team has continued to expand to cater for growth in investments under management. A wholly owned subsidiary, Palisade Asset Management, has also been established to undertake asset management services for some of the assets in the various portfolios managed by Palisade.

As at 31 October 2016 funds under management and investor commitments totalled in excess of \$2.3 billion (2015: \$2.0 billion). Funds managed by Palisade have generated high yields and gross returns between 12.2% and 17.4% per annum over the past 5 years.

Palisade continues to enjoy increased support of asset consultants, continues to raise further capital for investment and has a strong pipeline of investment opportunities.

Slide – Plato



Plato Investment Management



- FUM has risen to \$3.2 billion (end Oct 2016, including FUA \$3.5 billion).
- Beta one strategies continue to outperform over the past three years, with the income strategies delivering on their income targets.
- Plato Australian Shares Income Fund has delivered 9.1% income (net of fees gross of franking) in the 12 months to 30 September
- New Plato Global Shares Income Fund has already distributed 6.6% income (Class F, net of fees) in its first 10 months since inception.
- Plato Low Volatility Income strategy outperformed its after tax benchmark by 4.9% pa before fees.

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Turning to Plato, as at 31 October FUM had risen to \$3.2 billion or \$3.5 billion, including FUA. Plato's beta one strategies have continued to outperform over the past three years, with the income strategies delivering on their income targets. The Plato Australian Shares Income Fund has delivered 9.1% income in the 12 months to 30 September whilst the new Plato Global Shares Income Fund has already distributed 6.6% income in its first 10 months since inception. The Plato Low Volatility Income strategy has been the standout performer over the 3

years to 30 September 2016, outperforming its after tax benchmark by 4.9% per annum before fees.

Slide – Solaris



- FUM has risen to \$4.7 billion as at 31 October 2016
- Solaris' clients benefited from solid investment out-performance in the year to 30 September, with the Core strategy outperforming the S&P/ASX200 by 1.5%. Solaris' core strategy has outperformed the S&P/ASX 200 Index by 2.8% per annum over the past 3 years and 2.1% p. a. since inception on 9 January 2008 (to 30 Sept 2016).

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Next is Solaris, where FUM has risen to \$4.7 billion as at 31 October 2016.

Solaris' clients benefited from solid investment out-performance in the year to 30 September, with the Core strategy outperforming the S&P/ASX200 by 1.52%. Solaris' core strategy has outperformed the

S&P/ASX 200 Index by 2.82% per annum over the past 3 years and 2.14% p. a. since inception on 9 January 2008 (to 30 Sept 2016).

Slide – Resolution Capital



- Funds under management grew to \$4.6 billion to 31 Oct 2016, up strongly over the past year.
- Zenith – Professional Planner Global REIT Fund Manager of the Year Award in September 2016 (third consecutive year).
- Long term out-performance remains pleasing.
- Business continues to make good progress on ambition to diversify its client base.

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Continuing to Resolution Capital, its funds under management grew to \$4.6 billion, up strongly over the past year.

Resolution Capital's long term out-performance remains pleasing and the business continues to make good progress on its ambition to diversify its client base. As I previously mentioned, Resolution Capital has enjoyed strong industry recognition, having won the Zenith –

Professional Planner Global REIT Fund Manager of the Year in September 2016 for the third consecutive year.

Slide – Antipodes



- Pragmatic value manager of global and Asian equities (long only and long-short) founded in 2015 by Jacob Mitchell, formerly Deputy Chief Investment Officer of Platinum Asset Management, together with a number of former colleagues and like-minded value investors.
- Successful IPO of the Antipodes Global Investment Company Limited (ASX: APL) which raised \$313 million.
- Winner of Zenith - Professional Planner Fund Manager of the Year Award in the 'International Equities – Alternative Strategies' category and winner of 'Emerging Manager of the Year' at the Hedge Funds Rock Awards.
- Funds under management have grown quite rapidly at this early stage of the company's development, exceeding \$1.7 billion at 31 October. This number includes the Listed Investment Company funds which were received during October.

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Moving to Antipodes, highlights of the past four months September for Antipodes included the successful IPO of the Antipodes Global Investment Company Limited which raised approximately \$313m, winning the Zenith - Professional Planner Fund Manager of the Year Award in the 'International Equities – Alternative Strategies' category and winning 'Emerging Manager of the Year' at the Hedge Funds Rock Awards.

Funds under management have grown quite rapidly at this early stage of the company's development, exceeding \$1.7 billion at 31 October. This number includes the Listed Investment Company funds which were received during October.

Antipodes' investment performance has continued to be strong since inception, as will be seen from the performance table in an upcoming slide.

Slide – Spheria

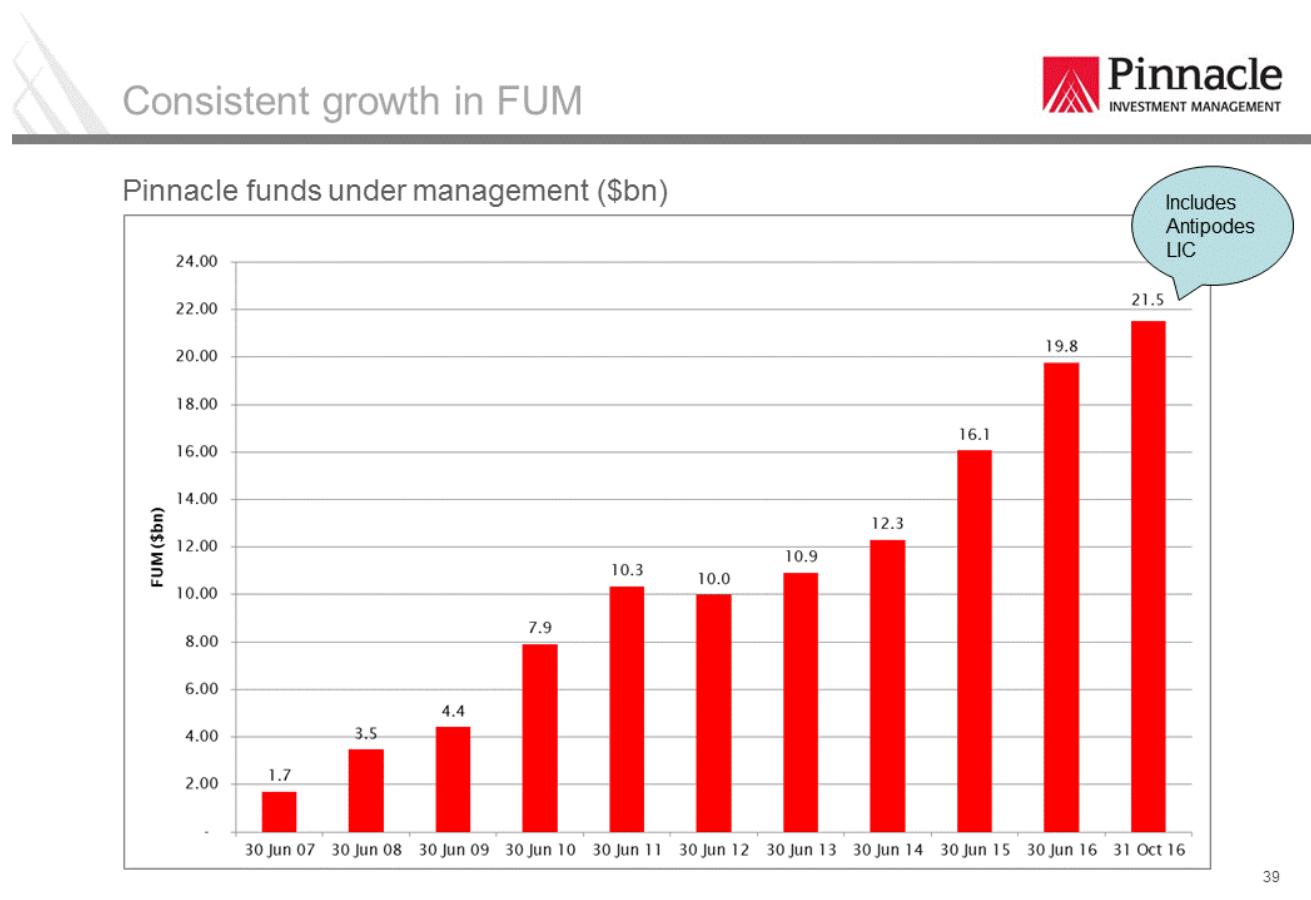


- Commenced operations in April 2016.
- Launched Spheria Micro Cap Fund in May 2016
- Appointed as investment manager to Priority Growth Fund (now Spheria Australian Smaller Companies Fund) Priority Core Fund (now Spheria Australian Mid Cap Fund) in July 2016
- More than \$160 million in funds under management already.

And last but by no means least, Spheria, which commenced operations in April 2016. Spheria was appointed as investment manager to the Priority Growth Fund (which is now known as the Spheria Australian Smaller Companies Fund) and the Priority Core Fund (which is now known as the Spheria Australian Mid Cap Fund).

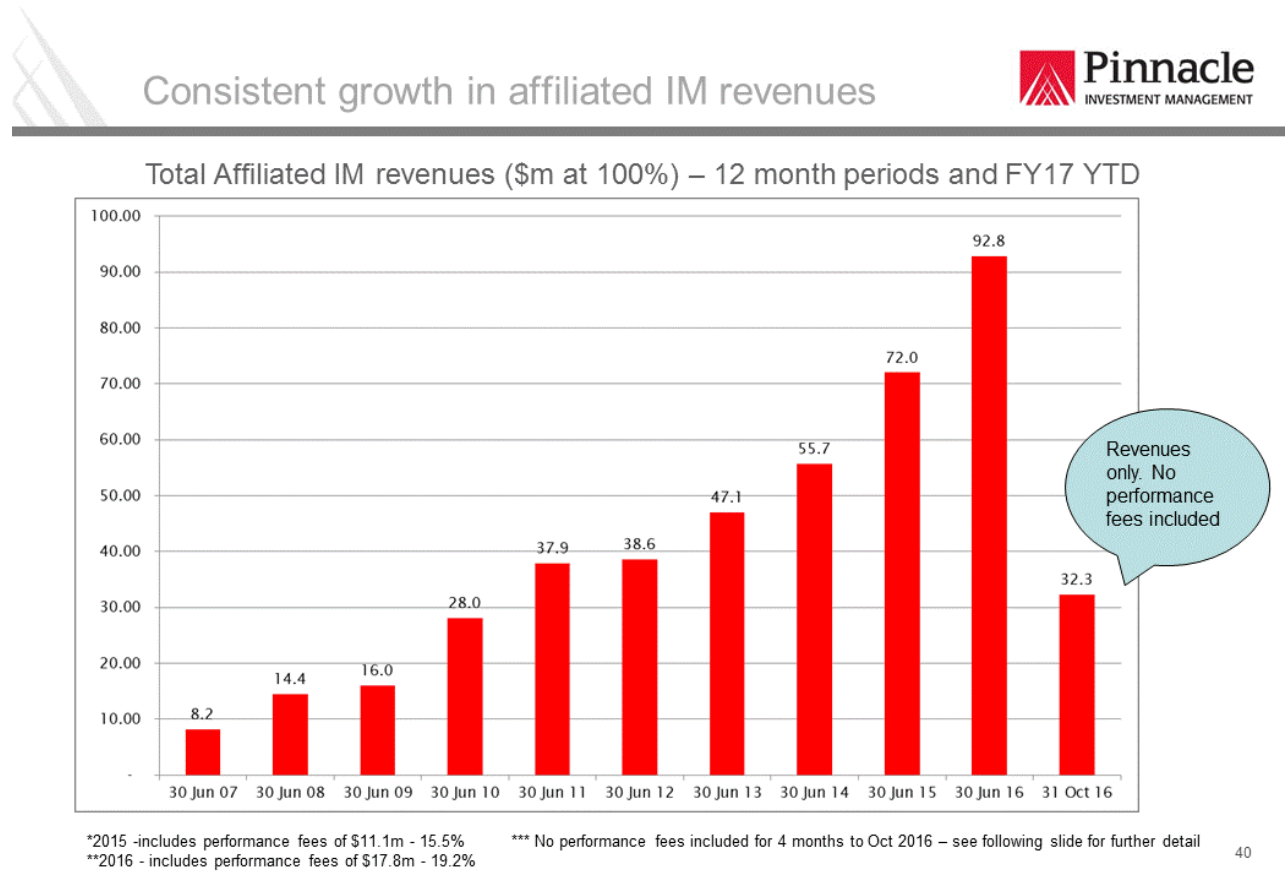
Spheria has more than \$160 million in funds under management already, which has been a strong start for our newest affiliate and indicative of the quality of the investment management team.

Slide – consistent growth in FUM



As the Chairman mentioned earlier, during the first 4 months of this new financial year we have enjoyed net inflows in excess of \$1.7 billion, including \$819 million of retail net inflows. These numbers include the \$313 million of inflows into the Antipodes LIC which was received in October. This \$1.7 billion number compares with our total net inflows of just over \$2 billion for the whole of the FY16 financial year, \$575 million of which was retail – inflows which themselves were impressive by industry standards. Needless to say, we are very pleased with this momentum.

Slide – growth in revenue



Shareholders can see from this slide that the aggregate revenue of our affiliated managers was \$32.3 million for the 4 months ended 31 October 2016 which if multiplied by 3 indicates a 'run rate' of \$96.9 million per annum, compared with total revenue of \$92.8 million for the full 2016 financial year. Significantly, though, the 4 month number does not include any performance fee revenue whereas the FY16 number includes \$17.8 million of performance fees.

Slide – affiliates' performance fees



Affiliates' performance fee revenue to October 2016 and prospects for 1H2017 and FY17

- Performance fees for affiliates are typically earned half yearly or annually, 31 December or 30 June
- Only included in PNI's financial statements once 'definitely earned' – on 'beyond any doubt at all' crystallisation
- No performance fees are included in the revenue number for the 4 months to 31 Oct 2016
- Because significant likely performance fees in certain affiliates are scheduled to crystallise on 30 June 2017, Pinnacle NPAT is likely to be a lower % of the FY17 total in 1H2017 and a higher % of the FY17 total in 2H2017
- Actual amounts too difficult to estimate
- Shareholders should be aware of this likely 'within year variability' in Pinnacle's results, with 2H results proportionately larger and 1H proportionately smaller than in FY16

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Performance fees for affiliates are typically earned half yearly or annually, at 31 December or 30 June. In accordance with the relevant

accounting standards, performance fees are only included in PNI's financial statements once they have become 'definitely earned' – that is when they have 'crystallised beyond any doubt at all'. No performance fees are therefore included in the revenue number to 31 October 2016.

Additionally, because a higher proportion of likely performance fees in certain affiliates are scheduled to crystallise on 30 June 2017 relative to those that fall on 31 December 2016, Pinnacle NPAT is likely to be a lower percentage of the FY17 total in 1H2017 and a higher percentage of the FY17 total in 2H2017. Shareholders should be aware of this likely 'within year variability' pattern in Pinnacle's results, with the results for the 'second half year' likely to be proportionately larger and the 'first half year' proportionately smaller, all else being equal.

Having said all of this, the actual amounts, period by period, are too difficult to estimate. Performance can vary significantly period by period.

Slides – performance tables 1 and 2

Affiliated IM investment performance (to 30 Sep 2016)

	1Y	3Y	5Y	10Y	Inception	Inception date
Pinnacle Investment Management - Gross Performance						
Hyperion Asset Management						
Hyperion Australian Growth Companies Fund	25.35%	12.53%	19.02%	10.03%	13.18%	1/10/2002
Alpha	11.85%	6.50%	8.00%	5.04%	4.15%	
Hyperion Small Growth Companies Fund	25.73%	16.18%	24.14%	15.72%	18.86%	1/10/2002
Alpha	-3.43%	9.11%	18.87%	14.29%	11.66%	
Hyperion Australian Equities Composite	24.69%	12.28%	18.76%	9.96%	14.17%	1/11/1996
Alpha	11.19%	6.25%	7.74%	4.97%	5.33%	
Hyperion Australian Equities ASX300 Composite	25.04%	12.01%	18.62%	10.45%	14.34%	1/05/2003
Alpha	11.54%	5.98%	7.60%	5.46%	5.19%	
Hyperion Global Growth Companies Fund	9.79%				19.03%	22/05/2014
Alpha	7.01%				6.01%	
Plato Asset Management						
Plato Australian Shares Core Fund	10.34%	6.94%	12.50%		5.54%	30/10/2006
Alpha	-3.16%	0.91%	1.48%		0.96%	
Plato Australian Shares Equity Income Fund - Class A	14.11%	9.37%	15.51%		14.41%	9/09/2011
Alpha	-0.79%	1.70%	2.48%		2.72%	
Plato Global Shares Income Fund					-0.60%	30/11/2015
Alpha					1.46%	
Solaris Investment Management						
Solaris Core Australian Equity Fund	14.72%	8.83%	13.60%		5.46%	9/01/2008
Alpha	1.55%	2.84%	2.41%		2.16%	
Solaris High Alpha Australian Equity Fund	14.79%	8.94%	13.84%		6.31%	4/02/2008
Alpha	1.61%	2.95%	2.65%		2.54%	
Solaris Total Return Fund (including franking credits)	15.96%				9.37%	13/01/2014
Alpha	1.12%				1.95%	

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Affiliated IM investment performance (to 30 Sep 2016)

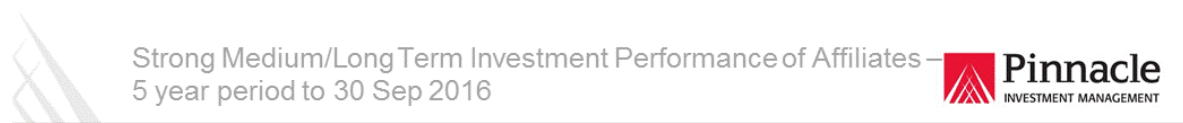
Pinnacle Investment Management - Gross Performance	1Y	3Y	5Y	10Y	Inception	Inception Date
Resolution Capital						
Resolution Capital Core Plus Property Securities Fund	21.31%	18.12%	20.31%		9.25%	30/09/2008
Alpha	0.43%	0.46%	0.76%		2.52%	
Resolution Capital Global Property Securities Fund	12.09%	15.03%	18.59%		12.87%	30/09/2008
Alpha	-1.95%	1.86%	2.51%		4.52%	
Palisade Investment Partners						
Palisade Diversified Infrastructure Fund	18.15%	13.92%	14.08%		10.51%	1/08/2008
Palisade Australian Social Infrastructure Fund	17.60%	16.90%			17.90%	31/05/2011
Antipodes Partners						
Global Fund	10.50%				12.10%	1/07/2015
Alpha	7.76%				10.65%	
Global Long Only	11.25%				10.00%	1/07/2015
Alpha	8.51%				8.55%	
Asia Fund	10.96%				4.50%	1/07/2015
Alpha	3.74%				6.61%	
Spheria Asset Management						
Microcap Fund					15.52%	16/05/2016
Alpha					7.06%	
Smaller Companies Fund					5.13%	11/07/2016
Alpha					1.89%	
Midcap Fund					2.29%	11/07/2016
Alpha					-2.33%	

Shareholders will recognise this table, which shows an up-to-date 'snapshot' of the performance of all of our affiliates.

In addition, in future, we propose to also report a new measure of 'investment performance consistency'. This will be calculated as the proportion (weighted by FUM) of Pinnacle Affiliated Investment Managers' strategies and products that have outperformed their benchmarks over the 5 year period to the most recent date to which performance numbers are available.

This is a measure which is typically used by multi-affiliate or multi-asset class managers to measure the consistency of their performance over the medium to longer term.

Slide – Strong Medium/Long term investment performance



- Reporting on consistency of investment performance for the first time – will report this measure routinely in the future
- 100% of Pinnacle Affiliated Investment Manager strategies and products have out performed their benchmarks over the 5 years to 30 Sep 2016:
 - Weighted by FUM
 - Including all strategies and products that have a 5 year record at 30 Sep 2016

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You can see that for the period to 30 September 2016 the proportion of Pinnacle affiliated investment managers that achieved this level of performance was 100%. We consider that this will provide an important discipline on us to routinely report this measure, and we propose to do this in future. I hope that Shareholders find it useful and informative.

Slide – Outlook for remainder of FY2017



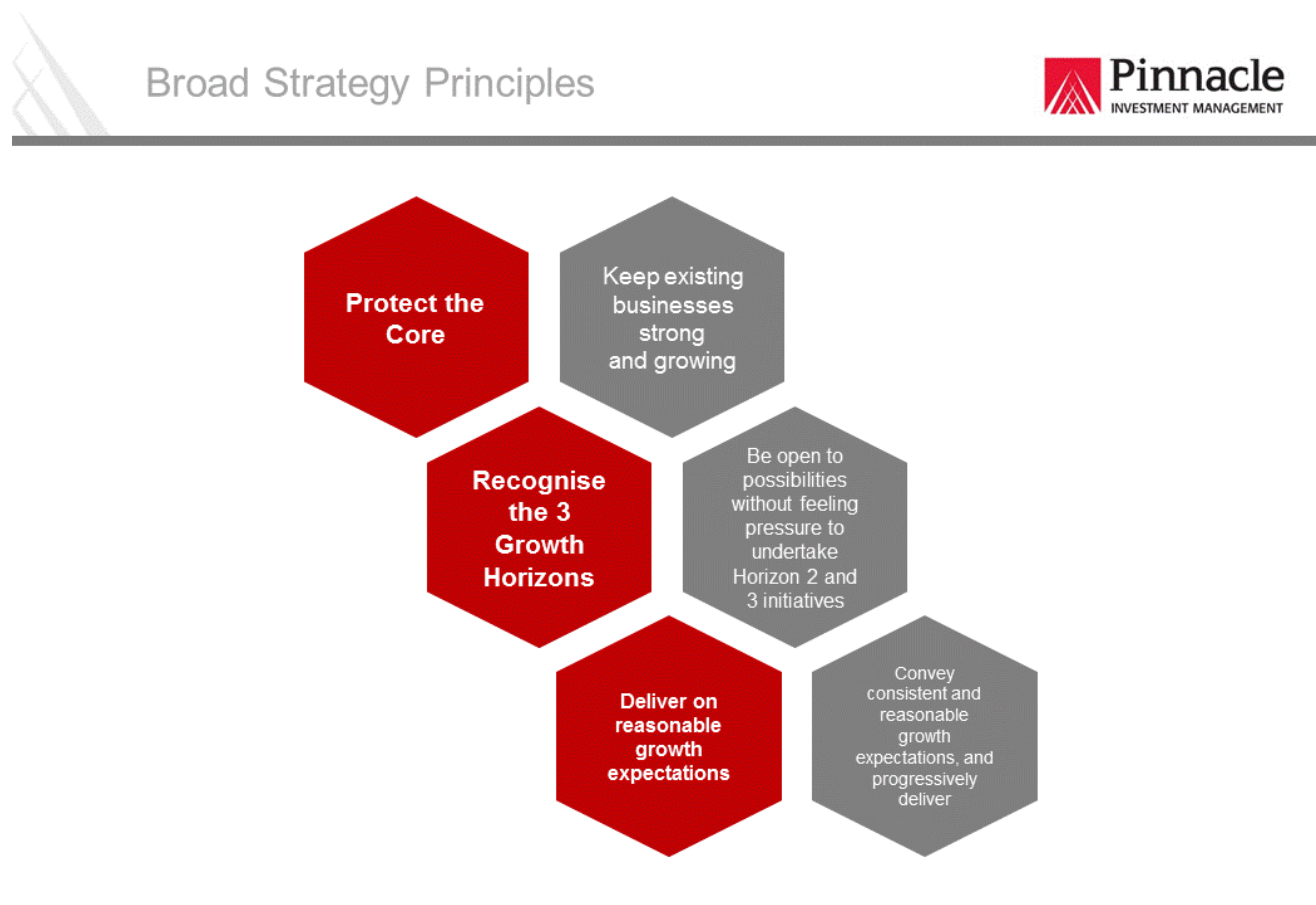
Outlook – remainder of FY2017

- FUM and revenue continue to grow – both retail and institutional
- We are expanding our distribution team to cope with ongoing growth including new strategies and markets
- Legacy cost impact substantially diminished on FY16 and cost savings have been achieved
- 'Underlying' profitability expected to continue to grow, with FUM and revenue growth
- But we will continue to add some costs so as to resource future growth, and it is not possible to forecast the impact of variables such as volatile markets and performance fee revenues over the short term
- 2H2017 likely to be substantially better than 1H2017 due to the pattern of performance fee crystallisation

In relation to the outlook for the remainder of the 2017 financial year, we are continuing to grow our FUM and our revenue, both retail and institutional. We are expanding our distribution team to cope with ongoing growth including new strategies and markets. The impact of legacy costs will substantially diminish compared to the 2016 financial year with costs savings being achieved. Our underlying profitability is expected to continue to grow, from both FUM and revenue growth. But we will continue to add some costs so as to resource future growth and it

is not possible to forecast the impact of variables such as volatile markets and performance fee revenues over the short term. The second half of 2017 is likely to be substantially better than the first half of 2017 due to the pattern of performance fee crystallisation.

Slide – Broad Strategy Principles



I'd like now to talk a little about the Group's medium term future and the strategy that underpins the company's approach to growth. Over the

last few years, Pinnacle has grown significantly and we anticipate that this rapid growth is likely to continue, at least over the short to medium term. As affiliates mature and develop strong investment performance track records, we anticipate that new boutiques will begin their life cycle with us, steadily growing the Pinnacle stable. However, as part of this growth cycle, it is critical that we protect our core business and focus on continuing to provide consistent high quality services to our affiliates and support them at all stages of their development.

In addition to the very substantial growth that is forthcoming in our core businesses, which I call Horizon 1, Pinnacle is also mindful of opportunities that may exist as part of Horizon 2 and Horizon 3, yet without feeling pressured to embark on any particular initiative unless it is a good strategic fit for the company and its shareholders.

Slide – Growth Horizons



This next slide elaborates on these 3 growth horizons. As mentioned, Horizon 1 is growth in our core businesses, essentially organic growth in the affiliates with an additional strategy launched from time to time, supported by Pinnacle, but where any costs of expansion are met by the affiliated investment manager. Horizon 2 includes adding new affiliates or investment in resourcing new channels to market, such as international distribution and a direct to retail channel. The initial impact

of Horizon 2 initiatives is seen at the Pinnacle level of the P&L, rather than at the affiliates' level. Such initiatives, of course, require cash and must therefore be carefully selected in order to balance the cost of such initiatives and our focus on maximising value for shareholders in the medium term against the need to maintain sensible control over our operating costs. Then we come to Horizon 3, being initiatives that would require the raising of additional capital and which involve contemplation of larger opportunities that would nevertheless be synergistic with our existing business. Timing is everything with such opportunities, which do not materialise very often and indeed may not materialise at all. If and when they do, it is imperative that we proceed with caution, perform our due diligence thoroughly and take all steps necessary to ensure that our core business and shareholder value are protected. Few opportunities are expected to meet this test.

Slide - Priorities for FY17



Priorities for FY17

- Continue to provide high quality distribution, Responsible Entity and infrastructure services
- Support the affiliated investment managers in their maintenance of high standards
- Investment managers to remain focused on investing to enable continued strong performance and FUM growth
- Continue to grow both retail and institutional FUM
- Organic Growth and new initiatives within affiliated investment managers
- Continue to assess selected opportunities to add new affiliated boutiques

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Turning to our priorities during the remainder of the current financial year, we will continue to provide high quality distribution, responsible entity and infrastructure services to our existing affiliates and to support them in their maintenance of high standards. The provision of such high quality services will in turn allow our affiliated investment managers to remain focused on what they do best, namely making sound investment decisions to enable continued strong performance and FUM growth.

During the 2017 financial year, we will continue to grow both retail and institutional FUM and will pursue both organic Growth and new initiatives within our affiliated investment managers.

And of course we will continue to assess selected opportunities to add new affiliated boutiques to the Pinnacle family.

Slide – Q&A



■ Q&A

I'd now like to invite shareholders to ask any general questions they may have. If you'd be kind enough to raise your hand and then introduce yourself before asking your question that would be much appreciated

[Pause for questions]

Thank you for your attention and for your interest. I will now hand you back to the Chairman of the meeting, Alan Watson.

Thank you Ian and thank you all for your attendance today. I now declare the meeting closed and would like to invite shareholders to join the Board for tea and coffee.

Slides – contacts and disclaimer



- Ian Macoun, Managing Director ian.macoun@pinnacleinvestment.com.au
- Eleanor Padman, Company Secretary eleanor.padman@pinnacleinvestment.com.au



Pinnacle
INVESTMENT MANAGEMENT



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- Morningstar Awards 2016 (c). Morningstar, Inc. All Rights Reserved. Awarded to Hyperion Asset Management for Australian Fund Manager of the Year, Domestic Equities Category Winner and Domestic Equities Small Caps Category Winner, Australia.

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Pinnacle
INVESTMENT MANAGEMENT

Pinnacle Investment Management Group Limited

Annual General Meeting of Shareholders

14 November 2016

- Chairman's Address – Alan Watson
- Ordinary Business
- Managing Director's Address – Ian Macoun
- Q & A

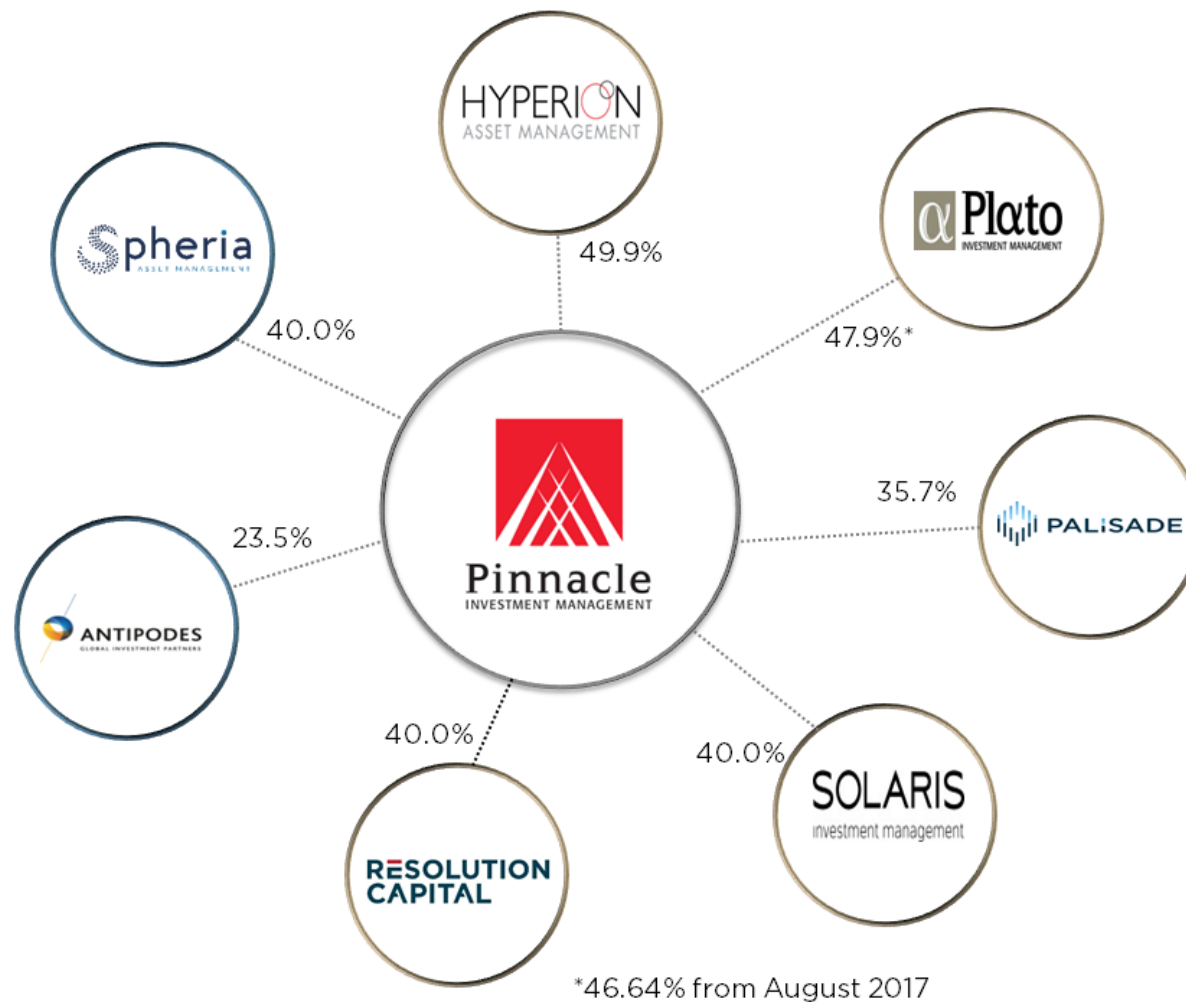
- PNI Financials
- Corporate re-organisation completed
- New Board in place
- Pinnacle continues to grow
- Careful management of discontinued operations
- Shareholder returns

- Group NPAT of \$4.5 million, delivering earnings of 4.1 cents per share
- Group NPAT from continuing operations of \$5.8 million, up 49% from \$3.9 million (before DTA de-recognition) in prior year
- Earnings per share from continuing operations of 5.2 cents, up 44% from 3.6 cents (before DTA de-recognition)
- Pinnacle NPAT of \$10.6 million, up 43% from \$7.4 million
- Pinnacle's share of NPAT of \$15.9 million from Pinnacle Affiliates, up 34% from \$11.9 million
- Pinnacle FUM of \$19.8 billion as at 30 June 2016, up 23% from \$16.1 billion as at 30 June 2015
- Special fully franked dividend of 5.0 cents per share paid on 9 September 2016
- Final fully franked dividend of 1.9 cents per share paid on 3 October 2016
- NTA of \$49.6 million or \$0.45 per share, up from \$0.40
- Cash and Principal Investments of \$24.5 million as at 30 June 2016.

■ Transaction review

- Transaction closed on 25 August 2016
- Issue of ~37m shares to acquire the remaining 25% of Pinnacle
- Ian Macoun announced as Managing Director on 17 August 2016 following Alexander Grant's resignation
- Deborah Beale, Gerard Bradley, Andrew Chambers and Adrian Whittingham joined board on 1 September 2016
- Special dividend of 5 cents per share, paid on 9 September 2016
- Name changed to Pinnacle Investment Management Group Limited (ASX: PNI)

New corporate structure – 100% ownership via PNI



Board Member	Classification	Equity Ownership	Committees	
			Audit, Compliance and Risk	Remuneration and Nominations
Alan Watson (Chair)	Independent, Non-executive	Yes		✓ (Chair)
Ian Macoun (MD)	Executive	Yes		
Deborah Beale	Independent, Non-executive	Yes	✓	✓
Gerard Bradley	Independent, Non-executive	Yes	✓ (Chair)	✓
Andrew Chambers	Executive	Yes		
Adrian Whittingham	Executive	Yes		
Steve Wilson	Non-executive	Yes	✓	✓

- Pinnacle NPAT of \$10.6 million in FY16, up 43% from \$7.4 million
- Pinnacle's share of NPAT of \$15.9 million from Pinnacle Affiliates in FY16, up 34% from \$11.9 million
- FUM of \$21.5 billion as at 31 October 2016
- Antipodes LIC listed on ASX in October 2016 – approximately \$313 million raised

- Outlook for superannuation and managed funds remains strong:
 - 4th largest domestic system
 - \$2 trillion under management
 - Estimated \$8 trillion by 2035*

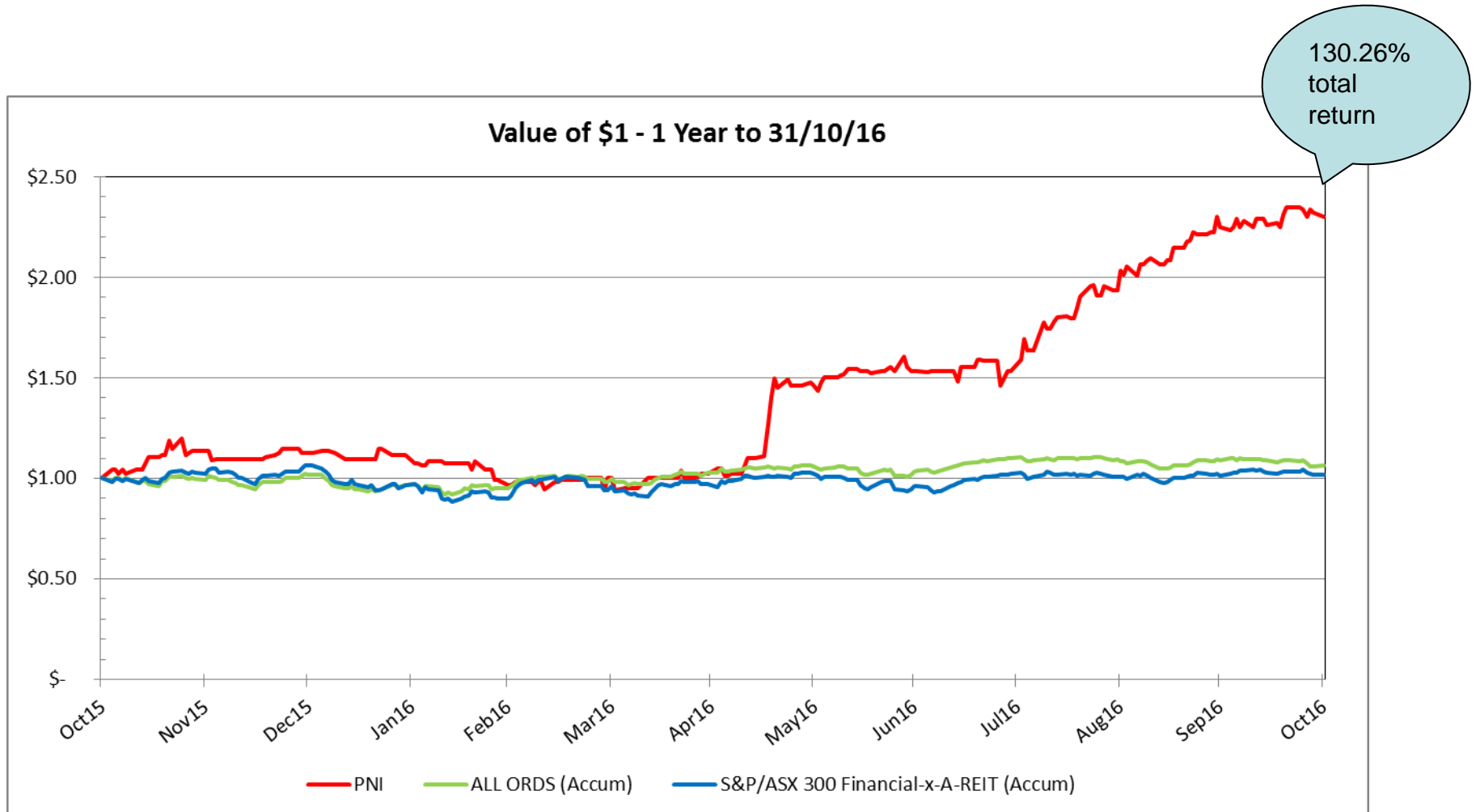
- Prospects for investment markets less certain
 - Political uncertainty – Brexit, Post US election, paralysis of Australian parliament
 - Interest rate uncertainty
 - Growth rate uncertainty
 - Historically high equity valuations

*Source : Financial Services Council/UBS Asset Management “State of the Industry” report, February 2016

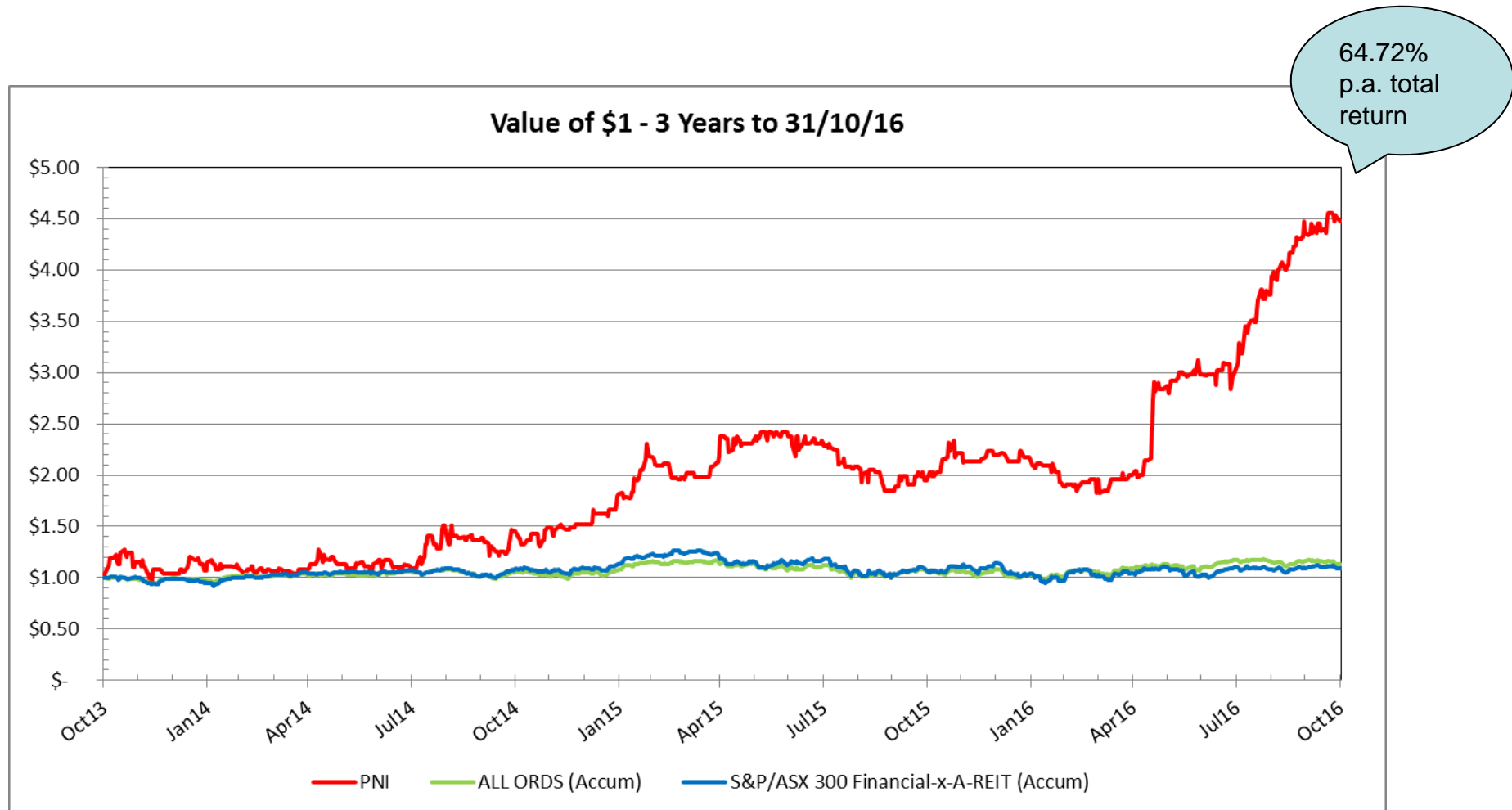
- Wilson's Advisory
 - Transitional services arrangements with Securities now completed
 - Commercial relationship remains strong – co-manager to Antipodes LIC
 - Super profit and DTA deferred consideration arrangements remain in place
 - Costs savings anticipated at time of transaction are materialising

- Next Financial
 - AFSL cancelled in July 2016
 - Day to day operations have now ceased
 - Next Group of Companies to be de-registered in due course

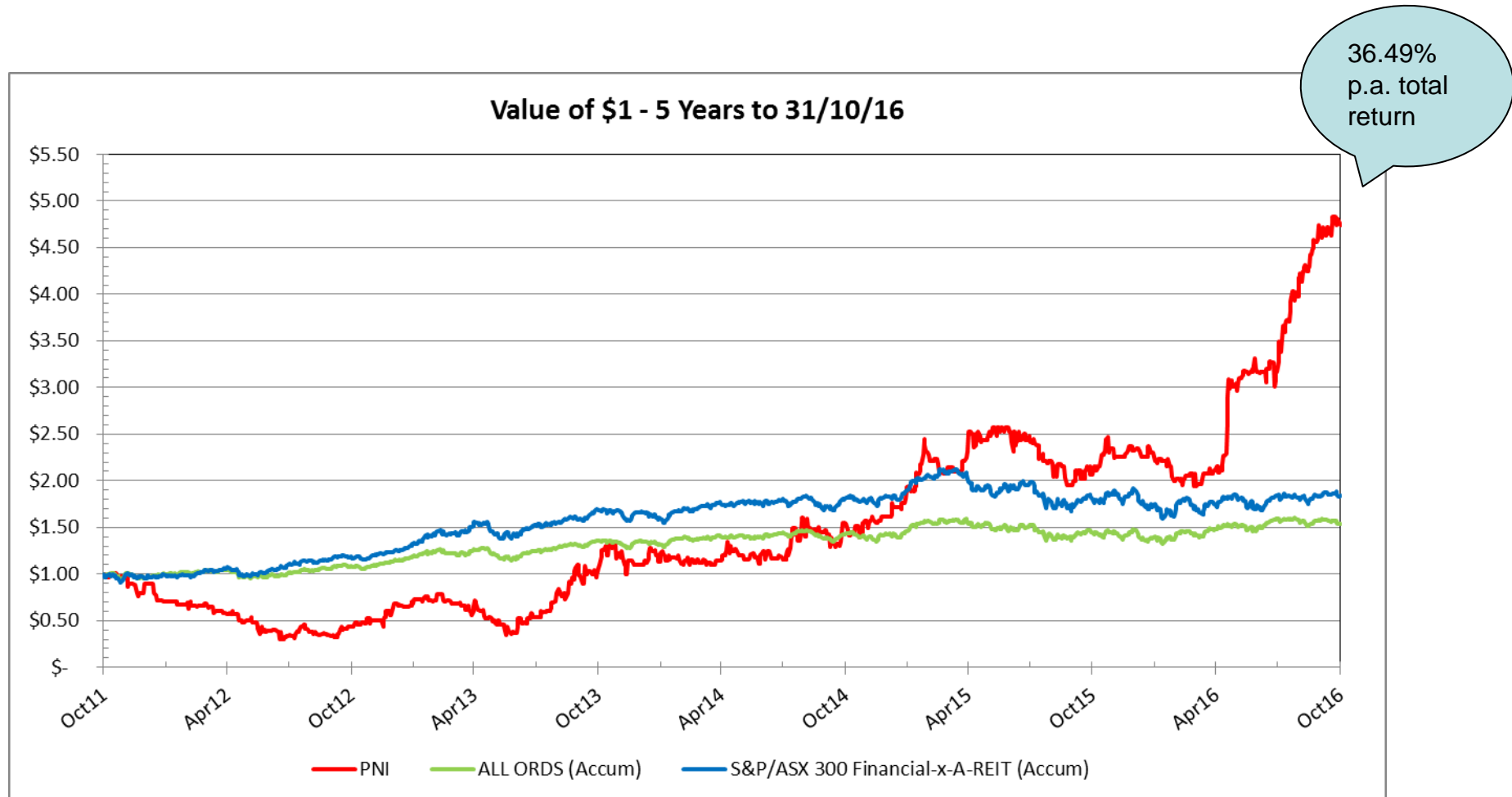
Total shareholder returns – 1 year, value of \$1



Total shareholder returns – 3 years, value of \$1



Total shareholder returns – 5 years, value of \$1



- Item 1 – tabling of FY16 Financial Statements
- Item 2 – adoption of Remuneration Report
- Item 3 – re-election of directors
- Item 4 – approve employee option share plan

- Formal tabling of FY16 Financial Statements

	Resolution 2
Resolution by proxy	Adoption of Remuneration Report
% of eligible proxies	99.42%
Total number votes cast	114,439,230
For	48,959,563
Against	204,999
Open usable	0
Excluded votes	64,856,402
Abstain	255,000

	Resolution 3(a)
Resolution by proxy	Re-election of Ms Deborah Beale
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,235,665
Against	38,299
Open usable	81,633
Excluded votes	0
Abstain	2,000

	Resolution 3(b)
Resolution by proxy	Re-election of Mr Gerard Bradley
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,238,165
Against	30,799
Open usable	81,633
Excluded votes	0
Abstain	7,000

	Resolution 3(c)
Resolution by proxy	Re-election of Mr Andrew Chambers
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,241,165
Against	32,799
Open usable	81,633
Excluded votes	0
Abstain	2,000

	Resolution 3(d)
Resolution by proxy	Re-election of Mr Adrian Whittingham
% of eligible proxies	99.89%
Total number votes cast	114,439,230
For	114,243,165
Against	30,799
Open usable	81,633
Excluded votes	0
Abstain	2,000

	Resolution 3(e)
Resolution by proxy	Re-election of Mr Alan Watson
% of eligible proxies	99.91%
Total number votes cast	114,439,230
For	114,259,084
Against	9,880
Open usable	81,633
Excluded votes	0
Abstain	7,000

	Resolution 4
Resolution by proxy	Approval of employee option share plan
% of eligible proxies	98.42%
Total number votes cast	114,439,230
For	50,635,926
Against	732,164
Open usable	81,633
Excluded votes	55,093,524
Abstain	7,814,350

- FY16 financial performance and financial statements
- Pinnacle and affiliated investment managers – Pinnacle model, philosophy and investment styles of affiliates and update on affiliates' performance
- Aggregate FUM and revenue update
- Future growth
- FY17 Priorities

Financial summary – FY16

(A\$m) Year ending	30 Jun 2016	30 Jun 2015
Pinnacle (100%)	10.6	7.4⁽¹⁾
Principal Investments	0.7	0.1
Priority Funds	0.5	(0.3)
Next Financial	(0.6)	(0.7)
Wilson Group	0.6	(0.9)
Group Overhead (unallocated)	(2.7)	(2.2)
Profit before tax from continuing operations	8.5	4.3
Tax benefit/(expense)	(0.1)	1.2
Profit after tax from continuing operations before minorities before DTA de-recognition in FY2015	8.4	5.5
Minorities	(2.6)	(1.6)
Profit/(loss) from continuing operations attributable to shareholders before DTA de-recognition in FY2015	5.8	3.9
Discontinued operations/DTA recognition (2)	(1.2)	(12.9)
Profit/ (loss)	4.5	(9.0)
Earnings per share		
- Continuing operations ⁽³⁾	5.2	3.6
- Total including discontinued operations and DTA de-recognition in FY2015	4.1	(8.5)

- Strong growth in Pinnacle earnings
- Increase in group overhead includes one off costs
- 49% increase in profit after tax from continuing earnings
- PNI to receive 100% of its share in affiliated investment managers profits in FY17

(1) In FY2015 \$0.1m of Group costs allocated to Pinnacle.

(2) For FY2015 loss from discontinued operations was \$3.4m and deferred tax asset de-recognition of \$9.4m.

(3) Excludes de-recognition of the deferred tax asset.

Pinnacle financial highlights – FY16

(A\$m) Year ending	30 Jun 2016	30 Jun 2015	Variance
FUM (\$bn; end of year)	19.8	16.1	23.0%
Total Affiliated Investment Managers revenues	92.8	72.0	28.9%
Pinnacle revenue	6.0	5.9	2.4%
Share of Affiliated Investment Managers	15.9	11.9	33.4%
Expenses	(11.3)	(10.3)	10.1%
Total Pinnacle profit	10.6	7.4	43%
Pinnacle minorities	(2.7)	(1.6)	
Net Pinnacle profit attributable to shareholders	8.0	5.9	34.4%

- Strong FUM and revenue growth for affiliated investment managers
- Total Affiliated Investment Managers Revenues of \$92.8m, including \$17.8m (or 19.2%) in performance fees (FY15: \$11.1m – 15.5% of \$72.0m in Performance Fees)
- Pinnacle NPAT of \$10.6m, 43% increase over prior year

	FY2016	FY2015
Pinnacle Affiliates (100% aggregate basis)		
FUM (\$billion)	19.8	16.1
Revenue (\$million)	92.8	72.0
Net profit before tax	51.5	38.9
Tax expense	(14.9)	(11.4)
Net profit after tax	36.7	27.5
Share of Pinnacle Affiliates' net profit after tax statutory result	15.9	11.9
Pinnacle		
Share of Pinnacle Affiliates' net profit after tax statutory result	15.9	11.9
Revenue	6.0	5.9
Expenses	(11.3)	(10.3)
Pinnacle Group statutory result #	10.6	7.4

100% of Pinnacle (the Group had a 75.01% interest as at 30 June 2016).

Balance sheet – 30 June 2016

A\$m – 30 June 2016

Current assets

Cash and equivalents	13.6
Financial assets	10.9
Total cash and financial assets	24.5
Other current assets	8.3
Total current assets	32.8

Non-current assets

Investment in affiliated IMs	24.5
Other	1.1
Total non-current assets	25.6
Total assets	58.4

Total liabilities	8.8
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Net assets	49.6
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Pinnacle minorities	6.5
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Net shareholders equity	43.1
--------------------------------	-------------

- Cash and Principal Investments of \$24.5m
- Excludes post balance date impacts including:
 - special dividend of \$5.5m (5 cents per share)
 - final dividend of \$2.8m (1.9 cents per share)
 - employee loans of \$3m associated with acquisition of shares from Deutsche Bank

- FUM net inflows strong – \$1.7 billion for FY17 to 31 Oct
- Retail net inflows of \$819 million for FY17 to 31 Oct (including \$313 million for Antipodes LIC received in Oct 2016)
- Shareholder discussions – benefits of multi affiliate model well understood
- By and large an ‘article of faith’ reputation – all ‘best of breed’
- Reasonably diversified/robust
- Critical to maintain highest standards of service and support to affiliated investment managers

Australia's leading investment "house of affiliated investment managers" (IM)

Structure promotes independence, accountability, focus and longevity



- Executives of both Pinnacle and affiliated IM have significant equity interests
- Equity ownership enhances alignment with shareholders

Seed FUM and working capital

RE, compliance, finance, legal

Distribution and client services

Technology and other firm 'infrastructure'

Middle office and fund administration

Interface for outsourced services

49%

47%

40%

35%

40%

23%

40%

HYPERION
ASSET MANAGEMENT

Plato
INVESTMENT MANAGEMENT

RESOLUTION
CAPITAL

PALISADE

SOLARIS
investment management

ANTIPODES
GLOBAL INVESTMENT PARTNERS

Spheria
ASSET MANAGEMENT

Global & Australian
Growth equities
1996

Global & Australian
Quant equities
2006

Global REITs
2007

Unlisted infrastructure
2007

Australian
Core equities
2008

Global & Asia long/short
& long only equities
2015

Small / Microcaps
2016

Third party distribution

METRICS CREDIT
PARTNERS

SIGMA
FUNDS MANAGEMENT

Overview of Affiliated IM



- » Hyperion Asset Management (49% owned by Pinnacle) – a specialist manager of Australian equities following a growth style.



- » Palisade Investment Partners (35% owned by Pinnacle) – a specialist manager of unlisted infrastructure assets with both pooled funds and separately managed portfolios for institutional investors.



- » Plato Investment Management (47% owned by Pinnacle) – a specialist manager of Australian equities following a quantitative style.



- » Solaris Investment Management Limited (40% owned by Pinnacle) a specialist manager of Australian equities following a style-neutral approach to investing.



- » Resolution Capital (40% owned by Pinnacle) – a specialist manager of Australian and global listed real estate securities portfolios.



- » Antipodes Partners (23.5% owned by Pinnacle) – an International Equities manager.



- » Spheria Asset Management (40% owned by Pinnacle) - a fundamental-based investment manager with a bottom-up focus specialising in small and microcap companies.

- Zenith – Professional Planner Fund Manager of the Year Awards, September 2016:
 - Pinnacle – Fund Distributor of the Year
 - Resolution Capital – Global REIT Fund Manager of the Year
 - Antipodes – International Equities – Alternative Strategies Fund Manager of the Year
- Morningstar Fund Manager of the Year Award, 2016:
 - Hyperion – Australian Fund Manager of the Year
 - Hyperion – Domestic Equities Category Winner, Australia
 - Hyperion – Domestic Equities Small Caps Category Winner, Australia

- Hyperion's long term track record remains outstanding.
- Hyperion Australian Growth Companies Fund produced absolute performance of 24.2% after fees (10.7% above the S&P ASX 300 Accumulation Index) over 12 months to 30 September 2016
- Hyperion Small Growth Companies Fund with an absolute performance of 22.9% after fees over the 12 months to 30 September (6.3% below the S&P ASX Small Ordinaries Accumulation Index).
- Hyperion Global Growth Companies Fund produced a 9.8% gross return for the year to 30 September (an outperformance of 7% over its benchmark the MSCI World Accumulation Index in AUD).
- Further growth in FUM will come from the global equities strategy. PDS available next month

- Specialist manager of unlisted infrastructure assets :
 - Palisade's Diversified Infrastructure Fund - diversified portfolio of assets
 - Palisade's Australian Social Infrastructure Fund - assets with Government availability-based revenue streams
 - Separately managed accounts for a variety of superannuation funds
- Palisade's Renewable Energy Fund:
 - two windfarms
 - focus on development of wind and solar energy generation assets
- Palisade Asset Management – subsidiary established to undertake asset management services for some of the assets in the various portfolio managed by Palisade
- As at 31 October 2016 funds under management and investor commitments totalled in excess of \$2.3 billion (2015: \$2.0 billion)
- Palisade funds have provided high yields and gross returns between 12.2% per annum and 17.4% per annum over the past 5 years.

- FUM has risen to \$3.2 billion (end Oct 2016, including FUA \$3.5 billion).
- Beta one strategies continue to outperform over the past three years, with the income strategies delivering on their income targets.
- Plato Australian Shares Income Fund has delivered 9.1% income (net of fees gross of franking) in the 12 months to 30 September
- New Plato Global Shares Income Fund has already distributed 6.6% income (Class F, net of fees) in its first 10 months since inception.
- Plato Low Volatility Income strategy outperformed its after tax benchmark by 4.9% pa before fees.

- FUM has risen to \$4.7 billion as at 31 October 2016
- Solaris' clients benefited from solid investment out-performance in the year to 30 September, with the Core strategy outperforming the S&P/ASX200 by 1.5%. Solaris' core strategy has outperformed the S&P/ASX 200 Index by 2.8% per annum over the past 3 years and 2.1% p. a. since inception on 9 January 2008 (to 30 Sept 2016).

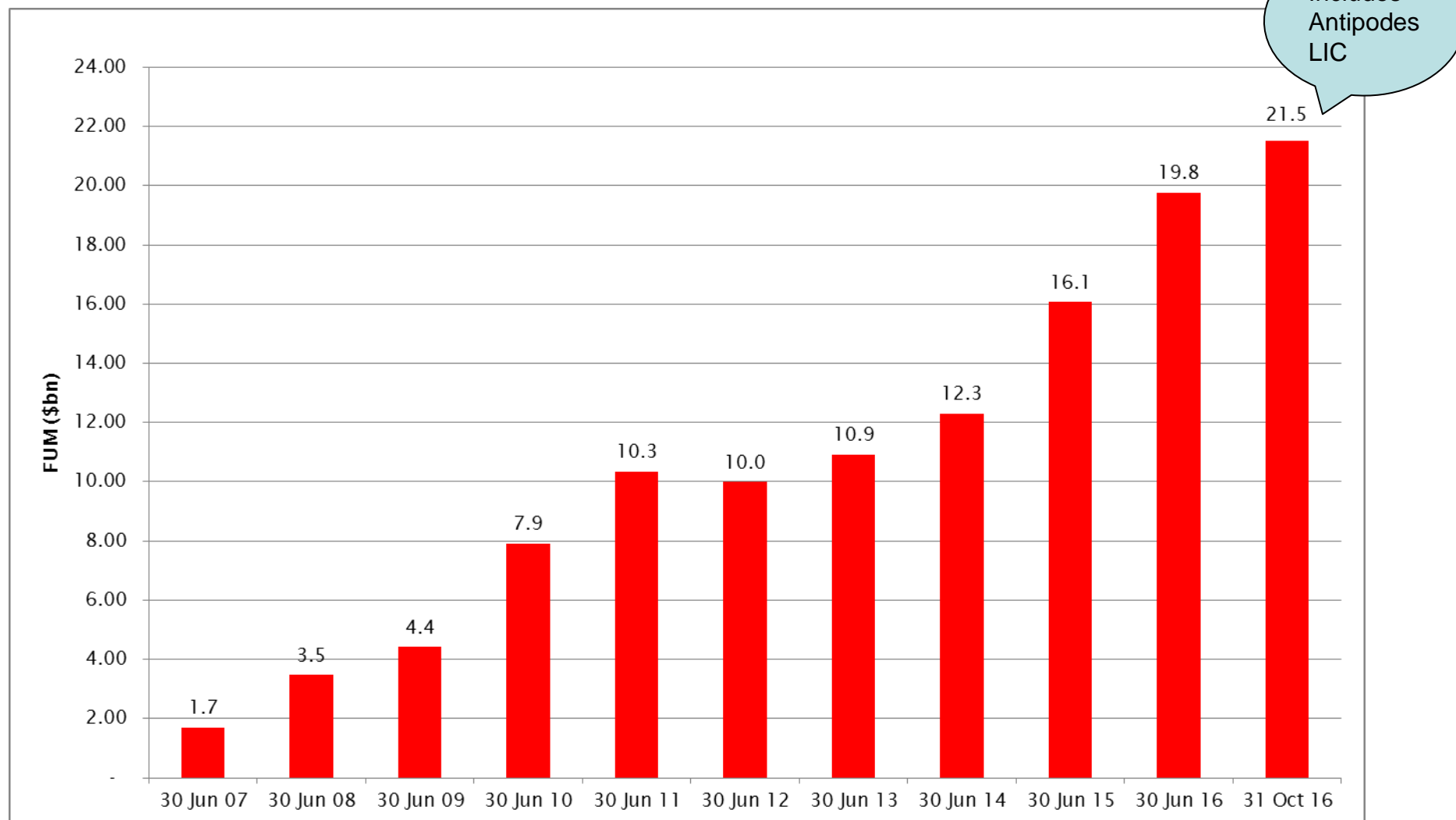
- Funds under management grew to \$4.6 billion to 31 Oct 2016, up strongly over the past year.
- Zenith – Professional Planner Global REIT Fund Manager of the Year Award in September 2016 (third consecutive year).
- Long term out-performance remains pleasing.
- Business continues to make good progress on ambition to diversify its client base.

- Pragmatic value manager of global and Asian equities (long only and long-short) founded in 2015 by Jacob Mitchell, formerly Deputy Chief Investment Officer of Platinum Asset Management, together with a number of former colleagues and like-minded value investors.
- Successful IPO of the Antipodes Global Investment Company Limited (ASX: APL) which raised \$313 million.
- Winner of Zenith - Professional Planner Fund Manager of the Year Award in the 'International Equities – Alternative Strategies' category and winner of 'Emerging Manager of the Year' at the Hedge Funds Rock Awards.
- Funds under management have grown quite rapidly at this early stage of the company's development, exceeding \$1.7 billion at 31 October. This number includes the Listed Investment Company funds which were received during October.

- Commenced operations in April 2016.
- Launched Spheria Micro Cap Fund in May 2016
- Appointed as investment manager to Priority Growth Fund (now Spheria Australian Smaller Companies Fund) Priority Core Fund (now Spheria Australian Mid Cap Fund) in July 2016
- More than \$160 million in funds under management already.

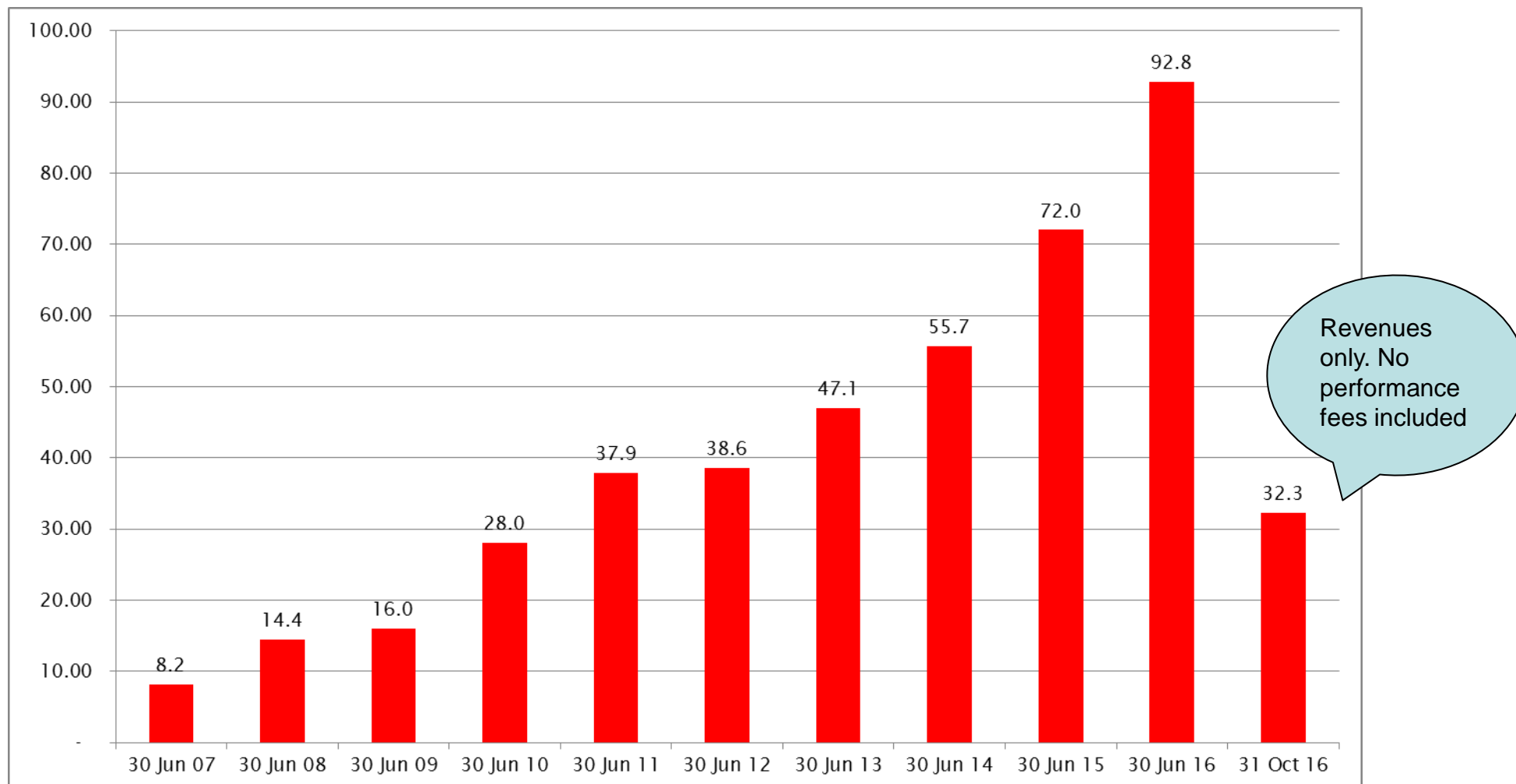
Consistent growth in FUM

Pinnacle funds under management (\$bn)



Consistent growth in affiliated IM revenues

Total Affiliated IM revenues (\$m at 100%) – 12 month periods and FY17 YTD



*2015 -includes performance fees of \$11.1m - 15.5%

**2016 - includes performance fees of \$17.8m - 19.2%

*** No performance fees included for 4 months to Oct 2016 – see following slide for further detail

- Performance fees for affiliates are typically earned half yearly or annually, 31 December or 30 June
- Only included in PNI's financial statements once 'definitely earned' – on 'beyond any doubt at all' crystallisation
- No performance fees are included in the revenue number for the 4 months to 31 Oct 2016
- Because significant likely performance fees in certain affiliates are scheduled to crystallise on 30 June 2017, Pinnacle NPAT is likely to be a lower % of the FY17 total in 1H2017 and a higher % of the FY17 total in 2H2017
- Actual amounts too difficult to estimate
- Shareholders should be aware of this likely 'within year variability' in Pinnacle's results, with 2H results proportionately larger and 1H proportionately smaller than in FY16

	1Y	3Y	5Y	10Y	Inception	Inception date
Pinnacle Investment Management - Gross Performance						
Hyperion Asset Management						
Hyperion Australian Growth Companies Fund	25.35%	12.53%	19.02%	10.03%	13.18%	1/10/2002
Alpha	11.85%	6.50%	8.00%	5.04%	4.15%	
Hyperion Small Growth Companies Fund	25.73%	16.18%	24.14%	15.72%	18.86%	1/10/2002
Alpha	-3.43%	9.11%	18.87%	14.29%	11.66%	
Hyperion Australian Equities Composite	24.69%	12.28%	18.76%	9.96%	14.17%	1/11/1996
Alpha	11.19%	6.25%	7.74%	4.97%	5.33%	
Hyperion Australian Equities ASX300 Composite	25.04%	12.01%	18.62%	10.45%	14.34%	1/05/2003
Alpha	11.54%	5.98%	7.60%	5.46%	5.19%	
Hyperion Global Growth Companies Fund	9.79%				19.03%	22/05/2014
Alpha	7.01%				6.01%	
Plato Asset Management						
Plato Australian Shares Core Fund	10.34%	6.94%	12.50%		5.54%	30/10/2006
Alpha	-3.16%	0.91%	1.48%		0.96%	
Plato Australian Shares Equity Income Fund - Class A	14.11%	9.37%	15.51%		14.41%	9/09/2011
Alpha	-0.79%	1.70%	2.48%		2.72%	
Plato Global Shares Income Fund					-0.60%	30/11/2015
Alpha					1.46%	
Solaris Investment Management						
Solaris Core Australian Equity Fund	14.72%	8.83%	13.60%		5.46%	9/01/2008
Alpha	1.55%	2.84%	2.41%		2.16%	
Solaris High Alpha Australian Equity Fund	14.79%	8.94%	13.84%		6.31%	4/02/2008
Alpha	1.61%	2.95%	2.65%		2.54%	
Solaris Total Return Fund (including franking credits)	15.96%				9.37%	13/01/2014
Alpha	1.12%				1.95%	

Pinnacle Investment Management - Gross Performance						
	1Y	3Y	5Y	10Y	Inception	Inception Date
Resolution Capital						
Resolution Capital Core Plus Property Securities Fund	21.31%	18.12%	20.31%		9.25%	30/09/2008
<i>Alpha</i>	0.43%	0.46%	0.76%		2.52%	
Resolution Capital Global Property Securities Fund	12.09%	15.03%	18.59%		12.87%	30/09/2008
<i>Alpha</i>	-1.95%	1.86%	2.51%		4.52%	
Palisade Investment Partners						
Palisade Diversified Infrastructure Fund	18.15%	13.92%	14.08%		10.51%	1/08/2008
Palisade Australian Social Infrastructure Fund	17.60%	16.90%			17.90%	31/05/2011
Antipodes Partners						
Global Fund	10.50%				12.10%	1/07/2015
<i>Alpha</i>	7.76%				10.65%	
Global Long Only	11.25%				10.00%	1/07/2015
<i>Alpha</i>	8.51%				8.55%	
Asia Fund	10.96%				4.50%	1/07/2015
<i>Alpha</i>	3.74%				6.61%	
Spheria Asset Management						
Microcap Fund					15.52%	16/05/2016
<i>Alpha</i>					7.06%	
Smaller Companies Fund					5.13%	11/07/2016
<i>Alpha</i>					1.89%	
Midcap Fund					2.29%	11/07/2016
<i>Alpha</i>					-2.33%	

- Reporting on consistency of investment performance for the first time – will report this measure routinely in the future
- 100% of Pinnacle Affiliated Investment Manager strategies and products have out performed their benchmarks over the 5 years to 30 Sep 2016:
 - Weighted by FUM
 - Including all strategies and products that have a 5 year record at 30 Sep 2016

- FUM and revenue continue to grow – both retail and institutional
- We are expanding our distribution team to cope with ongoing growth including new strategies and markets
- Legacy cost impact substantially diminished on FY16 and cost savings have been achieved
- ‘Underlying’ profitability expected to continue to grow, with FUM and revenue growth
- But we will continue to add some costs so as to resource future growth, and it is not possible to forecast the impact of variables such as volatile markets and performance fee revenues over the short term
- 2H2017 likely to be substantially better than 1H2017 due to the pattern of performance fee crystallisation



Horizon 1

- Sustain organic growth of the existing business of each affiliated IM

Any costs internally funded by the affiliated IM

Horizon 2

- New affiliated boutiques and 'non-capital' parent growth initiatives (direct-to-retail, offshore)
- 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
- Few will meet this test



- Continue to provide high quality distribution, Responsible Entity and infrastructure services
- Support the affiliated investment managers in their maintenance of high standards
- Investment managers to remain focused on investing to enable continued strong performance and FUM growth
- Continue to grow both retail and institutional FUM
- Organic Growth and new initiatives within affiliated investment managers
- Continue to assess selected opportunities to add new affiliated boutiques

- Q&A

- Ian Macoun, Managing Director ian.macoun@pinnacleinvestment.com.au
- Eleanor Padman, Company Secretary eleanor.padman@pinnacleinvestment.com.au

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