



PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED (PNI)

# Investment in Five V Capital and equity raising

23 November 2021

ersonal use only

**IMPORTANT NOTICE AND DISCLAIMER****NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES****IMPORTANT: You must read the following before continuing**

This presentation is dated 23 November 2021 and has been prepared by Pinnacle Investment Management Group Limited ABN 22 100 325 184 (**PNI, Pinnacle or Company**) in connection with:

- the proposed acquisition by the Company of a 25% interest in Five V Capital (**Investment**);
- Pinnacle's proposed equity raising of new ordinary shares in Pinnacle (**Shares**) comprising:
  - a fully underwritten placement of Shares to institutional and sophisticated investors under section 708A of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Placement**); and
  - an offer of Shares to eligible shareholders under a share purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (SPP)*; and
- a sell-down by the Company's Executive Director, Mr Adrian Whittingham, of approximately 875,000 Shares (Director Sell-Down) (the Placement, Director Sell-Down and SPP together being the Offer),

and provides a general overview of the Company and its strategy, which is current as at the date of this presentation. The Placement and Director Sell-Down are fully underwritten by Macquarie Capital (Australia) Limited (ABN 79 123 199 548) and Wilsons Corporate Finance Limited (ABN 65 057 547 323) (each a **Lead Manager** and together the **Joint Lead Managers**). The Joint Lead Managers are acting as joint lead managers, bookrunners and underwriters to the Placement and Director Sell-Down. The SPP is not underwritten. By receiving this presentation, you are agreeing to the following restrictions and limitations.

**Summary information**

This presentation contains summary information about Pinnacle and its subsidiaries and affiliated investment managers and their activities which is current as the date of this presentation. It does not purport to be all-inclusive or to contain all the information that you or any other party may require to evaluate the prospects of the Company. This presentation has been prepared with due care but none of the Company, any of its related bodies corporate, the affiliated investment managers or any of their representatives assume any responsibility for, or makes any, representation or warranty, express or implied, with respect to the accuracy, reliability or completeness of the information contained in this presentation. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Pinnacle is not responsible for updating, nor undertakes to update, this presentation. The information in this presentation should be read in conjunction with Pinnacle's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at [www.asx.com.au](http://www.asx.com.au).

To the fullest extent permitted by law, the Company, the Joint Lead Managers and their respective affiliates, related bodies corporate, officers, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this presentation and expressly disclaim all responsibility and liability for any loss or damage arising in respect of your reliance on the information contained in this presentation (including your reliance on the accuracy, completeness or reliability of that information), or any errors in or omissions from this presentation, including any liability arising from negligence.

**Limitation on information related to the Investment**

All information in this presentation in relation to Five V Capital Pty Ltd (**Five V Capital**) has been sourced from Five V Capital. The Company has not independently verified such information and no representation or warranty, express or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

**Forward-looking Statements**

This presentation contains "forward-looking information" that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, the Company's business strategy, plan, development, objectives, timing and outcome of the Investment, performance, outlook, growth, cash flow, projections, targets and expectations, and prospects of the Company. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this presentation are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

No representation or warranty is given, and nothing in this presentation or any other information made available by the Company or any other party should be relied upon as a promise or representation, as to the future condition of the respective businesses and operations of the Company.

## Past Performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Financial data

Unless otherwise stated, all cashflows are in Australian dollars, are undiscounted and are in real terms (not subject to inflation/escalation factors), and all references to FY refer to financial years ending on 30 June.

Investors should note that financial data in this presentation include "non-IFRS financial information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by the Australian Securities and Investments Commission and also "non-GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934 and have not been audited or reviewed. The non-IFRS/non GAAP measures in this presentation include FUM information. Pinnacle believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of Pinnacle. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by AIFRS and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AFIRS. Investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this presentation.

Financial data for the Investment and Five V Capital contained in this presentation has been derived from management accounts and other financial information made available by Five V Capital as part of the due diligence process. Such financial information is unaudited.

## Not an offer

This presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). This presentation is not and should not be considered an offer or an invitation to subscribe for or acquire securities or any other financial products. The Placement will be conducted under section 708A of the Corporations Act as modified by *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* and will be made available to certain persons who are "professional" or "sophisticated" investors (as defined in subsections 708(8) and 708(11) of the Corporations Act).

The SPP will only be made available to eligible securityholders in Australia and New Zealand and will be conducted in accordance with *ASIC Corporation (Share and Interest Purchase Plans) Instrument 2019/547*.

## Not financial product advice

This presentation is not an offer or an invitation to acquire Shares of the Company, does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire Shares. This presentation has been prepared without taking into account the specific objectives, financial situation or needs of individual investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction and circumstances. Pinnacle is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to the acquisition of Shares.

## Foreign selling restrictions

This presentation has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. The Shares have not been, and will not be, registered under the US Securities Act of 1933 ("US Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The distribution of this presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Please refer to the section of this presentation headed "International Offer Restrictions" for more information. By accessing this presentation, you represent and warrant that you are entitled to receive such presentation in accordance with these restrictions and agree to be bound by the limitations contemplated by them.

## Investment risk and other risks

An investment in Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Pinnacle and its directors, including possible loss of income and principal invested. Pinnacle does not guarantee any particular rate of return or the performance of Pinnacle nor does it guarantee any particular tax treatment. Investors should have regard to the "Key Risks" section of this presentation when making their investment decision. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Pinnacle (including Shares) in the future. There is no guarantee that the Shares will make a return on the capital invested or that there will be an increase in the value of the Shares in the future.

**Disclaimer**

No party other than Pinnacle has authorised, permitted or caused the issue, submission, despatch or provision of this presentation or makes or purports to make any statement in this presentation. Pinnacle has entered into a placement and underwriting agreement with the Joint Lead Managers in respect of the Placement (**Placement Agreement**). A summary of the key terms of the Placement Agreement is included in the section of this presentation headed "Summary of Placement Agreement".

To the maximum extent permitted by law, each of the Joint Lead Managers and their affiliates or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents (each a **Limited Party**) expressly exclude and disclaim all responsibility and liability, including, without limitation, for negligence or in respect of any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by way of negligence or otherwise.

While the information in this presentation has been prepared in good faith, no representation or warranty, express or implied, is made as to the fairness, currency, accuracy, reliability or completeness of information in this presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, implied by, the information in this presentation or any part of it, or that this presentation contains all material information about Pinnacle, the Offer or that a prospective investor or purchaser may require in evaluating a possible investment in Pinnacle or acquisition of Shares.

The Joint Lead Managers and their other Limited Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer. There is no statement in this presentation which is based on any statement by the Joint Lead Managers or the Joint Lead Manager's Limited Parties (except for references to the Joint Lead Manager's name). You represent, warrant and agree that you have not relied on any statements made by the Joint Lead Managers or other Limited Parties in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of Pinnacle, the Joint Lead Managers or their Limited Parties. You undertake that you will not seek to sue or hold the Joint Lead Managers or their Limited Parties liable in any respect in connection with this presentation or the Offer (to the maximum extent permitted by law).

Each Joint Lead Manager, together with its affiliates and related bodies corporate, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, marketing making, market lending, brokerage and other financial and non-financial activities and services including for which it has received or may receive customary fees and expenses. Each Joint Lead Manager (and/or its respective bodies corporate) has performed, and may perform, other financial or advisory services for Pinnacle, and/or may have other interests in or relationships with Pinnacle and its related entities or other entities mentioned in this presentation for which they have received or may receive customary fees and expenses. Without limitation, in the ordinary course of their various business activities, the Joint Lead Managers and other Limited Parties may have interests in the securities of Pinnacle, including providing investment banking services to, Pinnacle. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Joint Lead Managers will receive fees for acting in their capacity as joint lead managers, bookrunners and underwriters to the Placement and Director Sell-Down.

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Pinnacle and the Joint Lead Managers. Each of Pinnacle and the Joint Lead Managers and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

**Investment returns and funds**

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

Pinnacle Fund Services Limited (ABN 29 082 494 362 AFSL 238371) is the issuer of funds in this presentation that are managed by Aikya Investment Management Limited (UK Company Number 12329682), Antipodes Partners Limited (ABN 29 602 042 035 AFSL 481580), Firetrail Investments Pty Limited (ABN 98 622 377 913, AFSL 516821), Hyperion Asset Management Limited (ABN 80 080 135 897 AFSL 238380), Longwave Capital Partners Pty Ltd (ABN 17 629 034 902, AFSL AR 1269404 of Pinnacle Investment Management Limited AFSL 322140), Palisade Investment Partners Limited (ABN 32 124 326 361, AFSL AR 312944 of Pinnacle Investment Management Limited AFSL 322140), Plato Investment Management Limited (ABN 77 120 730 136, AFSL 307141), Resolution Capital Limited (ABN 50 108 584 167 AFSL 274491), Solaris Investment Management Limited (ABN 72 128 512 621, AFSL 330505), Spheria Asset Management Pty Limited (ABN 42 611 081 326 AFSL AR 1240979 of Pinnacle Investment Management Limited AFSL 322140), Reminiscent Capital Pty Limited (ABN 35 629 386 161, AFSL 322140), Riparian Capital Partners Pty Limited (ABN 80 630 179 752, AFSL 322140) and Two Trees Investment Management Pty Ltd (ABN 57 616 424 170, AFSL 502096). Pinnacle Fund Services Limited is not licensed to provide financial product advice. The product disclosure statements of funds issued by Pinnacle Fund Services Limited are accessible on the relevant investment manager's website via <https://pinnacleinvestment.com/investment-managers/>. Any potential investor should read the relevant product disclosure statement in its entirety and consult their financial adviser before making an investment decision.

# Agenda

---

01	Executive summary	5
02	Investment in Five V Capital	8
03	Pinnacle update and outlook	17
04	Capital raising and sell down	24
A	Additional information on FUM	27
B	Key risks	33
C	International offer restrictions	39
D	Summary of Placement Agreement	43

ersonal use only

## 01 Executive summary

ersonal use only

<p><b>Investment in Five V Capital</b></p>	<ul style="list-style-type: none"> <li>• Pinnacle Investment Management Limited (“<b>Pinnacle</b>”) has agreed to subscribe for convertible redeemable preference shares (“<b>Preference Shares</b>”) (“<b>Investment</b>”) that would give Pinnacle a 25% equity stake in Five V Capital (“<b>Five V</b>”)</li> <li>• Strategic investment that is expected to deliver attractive returns for Pinnacle shareholders:             <ul style="list-style-type: none"> <li>• Consistent with strategy of increasing exposure to private capital markets, including private equity</li> <li>• High quality investment team with a proven track record of delivering investment excellence</li> <li>• Provides leverage to Affiliate with attractive economics; expected to be broadly neutral to EPS pre performance fees</li> <li>• Demonstrates flexibility of Pinnacle’s model and ability to partner with fund managers across all asset classes</li> </ul> </li> <li>• Investment of \$65m plus an additional \$10m contingent on a successful second fund raising for Five V’s Venture Capital strategy<sup>1</sup></li> <li>• No sell down by principals of Five V – \$75m primary capital investment by Pinnacle             <ul style="list-style-type: none"> <li>• Capital will be used by Five V to support co-investments and growth / business development initiatives</li> </ul> </li> <li>• In the event certain fund raising and retention milestones are not met and the Preference Shares are redeemed, the amount repayable to Pinnacle will depend on whether the potential returns on Pinnacle’s initial investment are positive or negative and any performance fees would also be deducted from any redemption amount</li> <li>• Members of the broader investment management team will be invited to acquire equity in Five V from the principals over time to support long-term succession and enhance alignment between Pinnacle and Five V</li> <li>• The Investment remains subject to various conditions precedent and is expected to close prior to the end of November 2021</li> </ul>
<p><b>Equity raising and sell down</b></p>	<ul style="list-style-type: none"> <li>• Investment to be funded via a \$105m fully underwritten institutional placement representing 3.3% of existing shares on issue             <ul style="list-style-type: none"> <li>• \$75m for the Investment in Five V</li> <li>• \$30m to replenish the balance sheet capacity that was used to fund the acquisition of the 25% stake in Coolabah in 2019</li> </ul> </li> <li>• New shares under the placement will be issued at \$16.70 per share, representing:             <ul style="list-style-type: none"> <li>• A discount of 4.6% to Pinnacle’s closing share price on 22 November 2021 of \$17.50 per share</li> <li>• A discount of 7.6% to Pinnacle’s 5-day VWAP<sup>2</sup> to closing trade on 22 November 2021 of \$18.08 per share</li> </ul> </li> <li>• Pinnacle will also offer eligible shareholders the opportunity to acquire up to \$30,000 in New Shares via a share purchase plan (“<b>SPP</b>”)</li> <li>• Concurrently with the Placement, Adrian Whittingham will be conducting a fully underwritten sell down of 875,000 Pinnacle shares at the Placement Price, which is worth \$14.6m. Adrian has committed to the Board of directors that he will not sell any further shares that he holds in PNI at any time in the 12 months following settlement of the sell down.</li> </ul>

1. The \$10m is payable upfront but must be repaid by Five V if the fund raising milestone is not met.  
 2. Volume weighted average price.

ersonal use only

<p><b>FUM update</b></p>	<ul style="list-style-type: none"> <li>• Aggregate Affiliates' FUM of \$90.9bn as at 31 October 2021 (at 100%), up \$1.5bn or 1.7% from \$89.4bn at 30 June 2021             <ul style="list-style-type: none"> <li>• Up \$5.4bn or 6.3% over the four months to 31 October 2021 excluding the \$3.9bn outflow of the Omega “passive” mandate on very modest fees during August, which was disclosed with our year-end results</li> <li>• Aggregate Retail FUM (at 100%) of \$23.0bn at 31 October 2021 (up 13.3% vs. 30 June 2021)</li> <li>• Aggregate Institutional FUM (100%) of \$67.9bn at 31 October 2021 (down (1.7%) vs. 30 June 2021) – up 4.1% vs 30 June 2021 excluding the \$3.9bn Omega “passive” outflow</li> </ul> </li> <li>• Total net outflows of (\$1.3bn) for 4 months to 31 October 2021, including net Retail inflows of \$2.0bn             <ul style="list-style-type: none"> <li>• Total net inflows of \$2.6bn for the 4 months to 31 October 2021, excluding the \$3.9bn Omega “passive” outflow</li> <li>• Of the \$2.6bn net inflows excluding the \$3.9bn Omega “passive” outflow, \$2.0bn were retail net inflows, which is an average of approximately \$500m per month</li> </ul> </li> <li>• During the four months to 31 October 2021, the S&amp;P/ASX 300 Index was up 0.4%, and the MSCI World Index was up 3.5%</li> <li>• Affiliate investment outperformance has contributed to FUM growth</li> </ul>
<p><b>FY22 outlook</b></p>	<ul style="list-style-type: none"> <li>• Strong financial outcome in FY21, resumption of strong growth in profitability, FUM and net inflows</li> <li>• Pinnacle is continuing to see the benefits of growing diversity:             <ul style="list-style-type: none"> <li>• Asset class and investment strategies of Affiliates</li> <li>• Client type and domicile</li> <li>• Performance fee exposure</li> </ul> </li> <li>• Strong momentum into FY22:             <ul style="list-style-type: none"> <li>• Anticipate growth – current FUM &gt;30% ahead of FY21 average FUM</li> <li>• Recognise possibility of further external adversity – but Pinnacle’s model is resilient</li> <li>• Pinnacle is prepared for, and seeking, further expansion opportunities with balance sheet flexibility to take advantage of them</li> </ul> </li> </ul>
<p><b>Strategy update</b></p>	<ul style="list-style-type: none"> <li>• Pinnacle has effectively deployed the equity capital raised in 2018 and debt drawn in 2019 to acquire high performing new Affiliates (Metrics and Coolabah) and invest alongside existing Affiliates</li> <li>• Pinnacle is committed to taking advantage of the significant offshore opportunity by evolving into a global multi-affiliate platform</li> <li>• Pinnacle has partnered with Greg Dean, former Principal Manager at Cambridge Global Asset Management, to launch its first North American Affiliate:             <ul style="list-style-type: none"> <li>• Based in Toronto, Canada</li> <li>• Global &amp; Canadian Small Cap equities strategies</li> </ul> </li> </ul>



## 02 Investment in Five V Capital

## The terms of Pinnacle's investment demonstrate strong alignment with Five V's principals and Pinnacle's ability to partner with fund managers across all asset classes

<b>Investment structure</b>	<ul style="list-style-type: none"> <li>Investment of \$65m to subscribe for Preference Shares that would give Pinnacle a 25% equity stake in Five V Capital                         <ul style="list-style-type: none"> <li>Additional \$10m contingent on a successful second fund raising for Five V's Venture Capital strategy<sup>1</sup></li> </ul> </li> <li>Conversion of Preference Shares into ordinary equity subject to meeting certain milestones related to fund raising and retention of certain executives</li> <li>In the event certain fund raising and retention milestones are not met and the Preference Shares are redeemed, the amount repayable to Pinnacle will depend on whether the potential returns on Pinnacle's initial investment are positive or negative and any performance fees would also be deducted from any redemption amount</li> <li>Investment provides Pinnacle with exposure to \$1.1bn of FUM across Fund III, Fund IV and VC Fund 1 and future funds</li> </ul>
<b>Alignment</b>	<ul style="list-style-type: none"> <li>No sell down by principals of Five V – \$75m primary capital investment by Pinnacle                         <ul style="list-style-type: none"> <li>Capital will be used by Five V to support co-investments and growth / business development initiatives</li> </ul> </li> <li>Five V's investment committee approval process remains unchanged</li> <li>Pinnacle has the right to appoint one of three directors</li> <li>Other standard minority shareholder protections will apply</li> </ul>
<b>Fund raising</b>	<ul style="list-style-type: none"> <li>Fund IV closed at \$550m in November 2021 – more than 60% larger than the previous fund</li> <li>Going forward, Pinnacle will take an active role in assisting Five V with distribution and fund raising activities</li> </ul>
<b>Long-term succession planning</b>	<ul style="list-style-type: none"> <li>Over time, members of the Five V investment team will be invited to acquire equity in Five V from founders Adrian MacKenzie and Srdjan Dangubic in order to enhance internal alignment and promote longevity and consistency of performance</li> </ul>
<b>Partnership with Pinnacle</b>	<ul style="list-style-type: none"> <li>Investment from Pinnacle provides Five V with capital for co-investment and growth / business development initiatives</li> <li>Pinnacle will provide enhanced distribution capabilities and will take an active role assisting Five V with distribution and fund raising</li> </ul>

1. The \$10m is payable upfront but must be repaid by Five V if the fund raising milestone is not met.

ersonal use only

## Consistent with strategy of increasing exposure to private capital markets, including private equity

- Higher risk adjusted returns than public equities based on performance in 19 of the last 20 years<sup>1</sup>
- Existing investments in private capital managers Palisade (private infrastructure), Metrics (private credit) and Riparian (agriculture and water) are performing strongly
- Five V is Pinnacle's first exposure to private equity and venture capital which represented ~48% of private capital in 2020<sup>2</sup>
- Provides Pinnacle's investors with exposure to high growth sectors such as technology, healthcare and financial services expected to generate superior returns
- The private equity sector has a demonstrated history of strong growth with increasing allocations from Australia's and the world's largest asset owners

## High quality investment team with a proven track record of delivering investment excellence

- Founders Adrian MacKenzie and Srdjan Dangubic have a combined 38+ years of private equity experience
- Five V generated returns of 10.3x<sup>3</sup> and 4.4x<sup>3</sup> money multiple for Fund 1 and Fund II respectively
- Steady increase in fund sizes with current FUM (including co-investments) of \$1.1bn and recent Fund IV fund closing at the cap of \$550m
- Portfolio of growth-oriented ANZ success stories including Education Perfect, Automic, Penten, APP, Metigy, Cascade and Open Insurance
- Strong track record of realisations including Universal Store, Probe Group, Education Perfect
- Five V is a certified B-Corporation and aligned to Pinnacle's ESG principles

## Exposure to Affiliate with attractive economics including base management and performance fees and investment returns

- Exposure to attractive base management and performance fees across multiple funds and strategies, as well as returns on the \$75m available for co-investment
- Investment is expected to be broadly EPS neutral to Pinnacle before taking into account performance fees
- Performance fees expected to be material to Five V's profitability based on fund terms, targeted returns and Five V's demonstrated track record
- Timing of performance fees typically at the later stage of a fund's life cycle as investments are crystallised:
  - Fund III is already fully vested with invested capital of \$432m across 8 investments with one realisation pending
  - Venture Capital I has invested \$27m<sup>4</sup>
- Pinnacle will have exposure to \$1.1bn of FUM across Fund III, Fund IV and VC Fund 1

## Demonstrates flexibility of Pinnacle's model and ability to partner with fund managers across all asset classes

- Investment terms deliver strong alignment between existing principals, investment professionals and Pinnacle
- Investment provides source of capital to support future co-investments and business development
- Transaction assists with long-term succession planning within Five V, promoting longevity and consistency of performance

1. Hamilton Lane: Planning Ahead: Investors Seeking Growth May Need to Look Beyond Public Equities, June 01, 2021; MSCI World TR Index used to represent public equities

2. Preqin Australian Private Capital Market Overview. June Report 2021

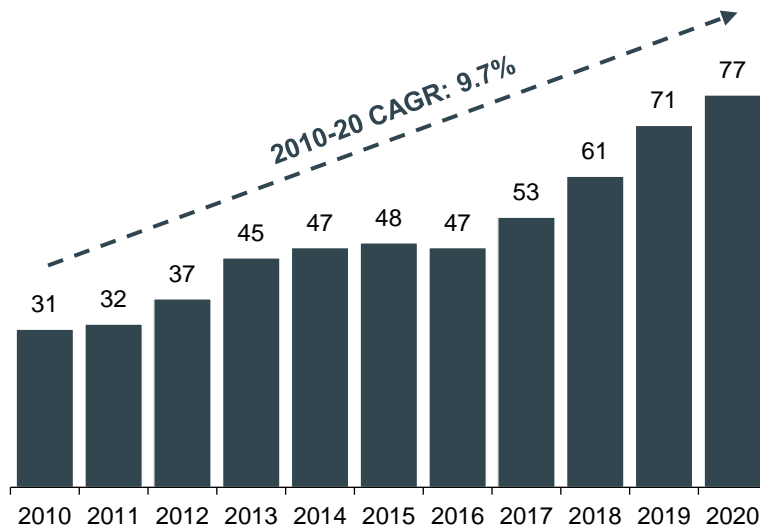
3. Gross return as multiple of invested capital. Fund returns only (excludes co-investment). Source: Five V Fund II September 2021 quarterly report

4. Including co-investments

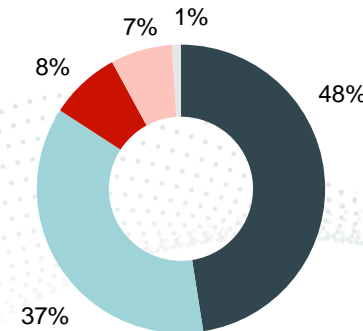
## Alternative asset classes and private capital markets have grown consistently over the last 10 years. Private equity and VC represent the largest pool of private capital assets in Australia

- Australian private capital reached a record of \$77bn in 2020
  - Low interest rates and slowing global growth has driven focus on alternatives to bolster risk adjusted returns
  - Accelerating demand from international investors
    - Represent 48% of investors active in Australian funds, up from c.20% pre 2000<sup>1</sup>
    - Australia increasingly recognised as a 'global hub' for international investors, seeking new opportunities
- COVID-19 related factors expected to drive continuing growth in key segments of the private capital market
  - Trend toward digitalisation, technology and healthcare to attract PE / VC investment
  - Government tax cuts and incentives to boost infrastructure spend and private debt funding

Australian private capital AUM (\$bn)<sup>2</sup>



2020 Australian private capital AUM by asset class<sup>2</sup>



PE and VC represent the largest private capital asset class in Australia – record \$37bn FUM as at June 2020

- Private equity and venture capital
- Real estate
- Infrastructure
- Natural resources
- Private debt

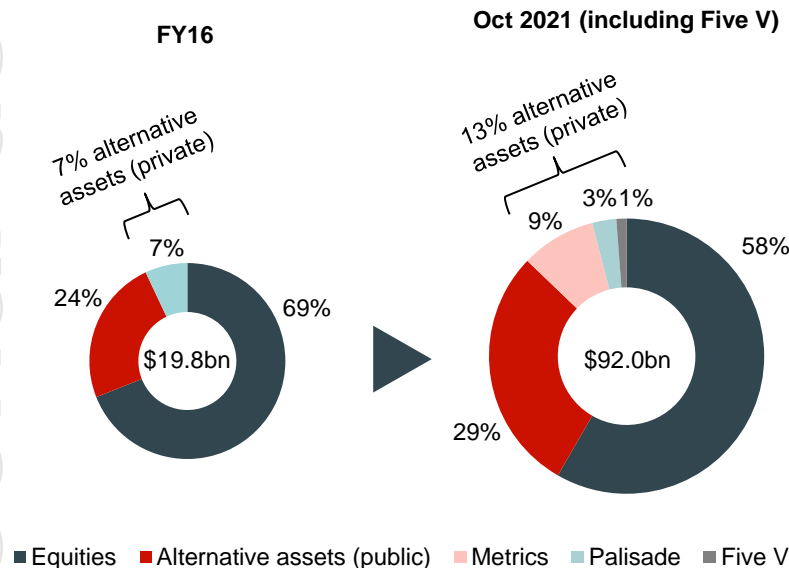
1. Preqin, 48% based on 2015-2020 vintages.  
 2. Preqin.

ersonal use only

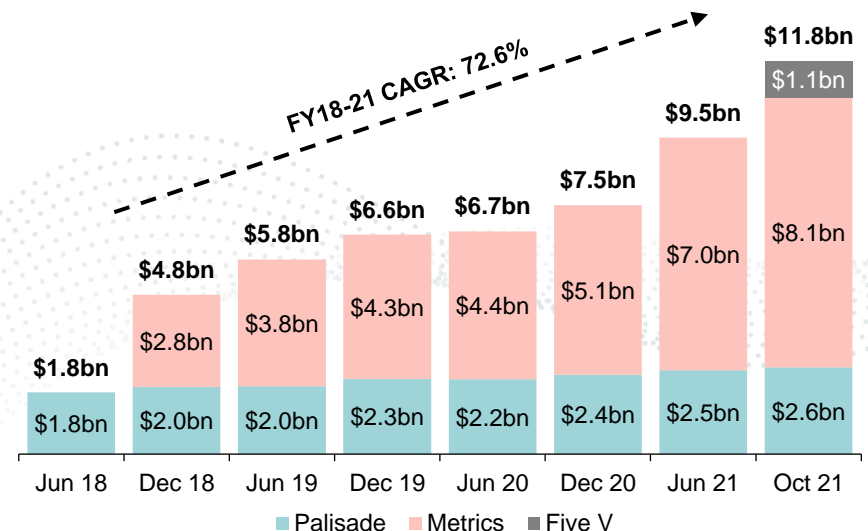
The investment in Five V is consistent with Pinnacle's stated strategy of increasing exposure to private capital markets

- Pinnacle has consistently pursued a strategy of diversifying Affiliate exposure towards alternative asset classes and private capital
- Growth in private capital has been driven through investments in Palisade and Metrics
  - Since incubation in 2007, Palisade has grown to \$2.6bn FUM
  - Since acquisition in 2018, Metrics has grown from \$2.5bn to \$8.1bn FUM
- Overall, Pinnacle has grown:
  - Private capital FUM from \$1.4bn in 2016 to \$11.8bn in October 2021 (including the Five V investment)
  - Alternative asset FUM from \$6.0bn in 2016 to \$38.3bn in October 2021 (including the Five V investment)
- Pinnacle will continue to actively assess opportunities to grow alternative asset and private capital FUM organically and through acquisitions

Pinnacle FUM by asset class (at 100%)



Pinnacle private capital FUM growth (at 100%)



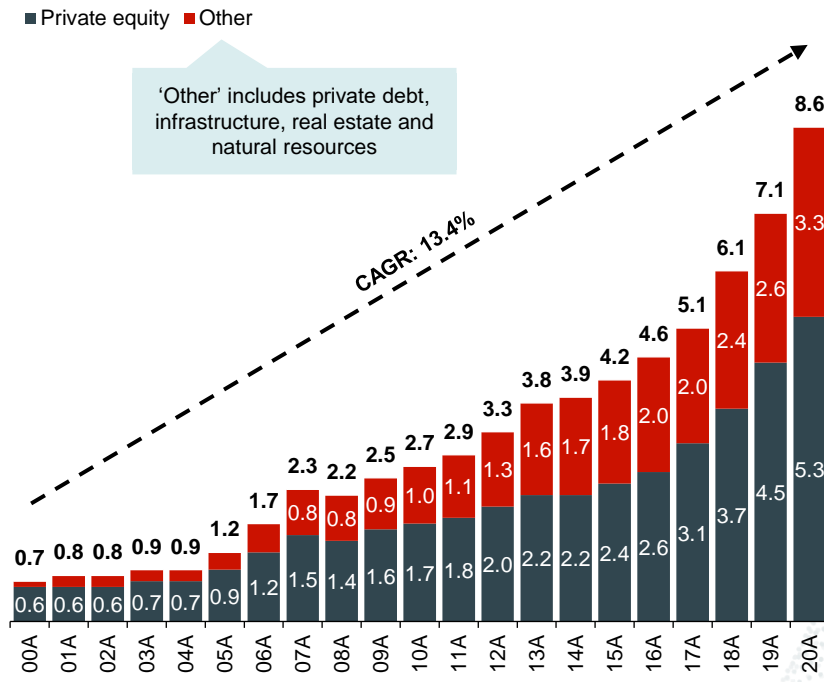
ersonal use only

# Size of private capital market

## Private equity has grown consistently and makes up a significant portion of overall private capital AUM globally

- Strong and consistent growth in the private capital market over the last 20 years
- Significant size of growth private equity and venture capital market, both in Asia (which includes Australia and New Zealand) and globally
- Growth / VC collectively match the size of the combined real estate / infrastructure market, or alternatively the infrastructure / private debt markets (which is an area that PNI already has earnings exposure to)
- Growth private equity market in Asia considerably larger than Europe and North America
- Size of venture capital market in Asia rivals North America

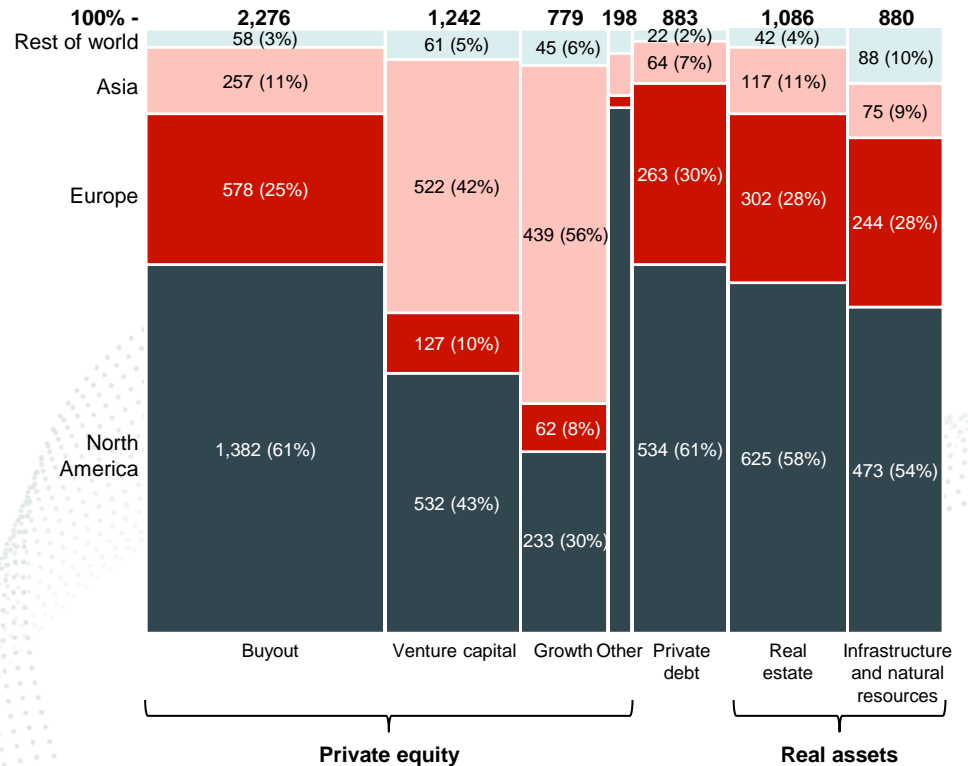
## Private capital AUM growth (\$tn)



Industry has an estimated \$1.5tn of dry powder as of Q4 2020

Source: Preqin.

## Private markets AUM 1H20 (\$bn)



Personal use only

Focused on growth assets in the attractive small to mid market, Five V is led by a highly regarded management team, supported by a dedicated group of investment professionals

## Founders and principals



**Adrian MacKenzie**

- Former Managing Partner and board member at CVC Capital Partners (London)
- Established CVC's Asia Pacific and Australian offices
- Bachelor of Science (Hons) in Engineering and Economics from University of Strathclyde



**Srdjan Dangubic**

- Former Director at CVC Capital Partners (Sydney and Hong Kong)
- Began career in corporate finance with Macquarie Group in Sydney
- Bachelor of Commerce and Law from UWA and Master's in Finance from INSEAD

*Founders are supported by ~10 investment professionals*

## Investment Criteria

- ANZ businesses with an Enterprise Value of A\$20m – A\$200m
- Multi sector focus, including healthcare, retail, media, consumer, technology and financial services
- Potential for organic, consolidation or international growth opportunities
- Target technology enabled growth companies, with a differentiated capability in their sector

## Strategy and value add

- Specialist knowledge and skills supporting high growth businesses
- Focus on growing businesses rather than buy-out
- Track record of helping to build market leaders
- Collaborative approach – full alignment with investee businesses
- Global investor network of entrepreneurs and family offices
- Flexibility of investment, majority and significant minority partnerships
- Certified B-Corporation

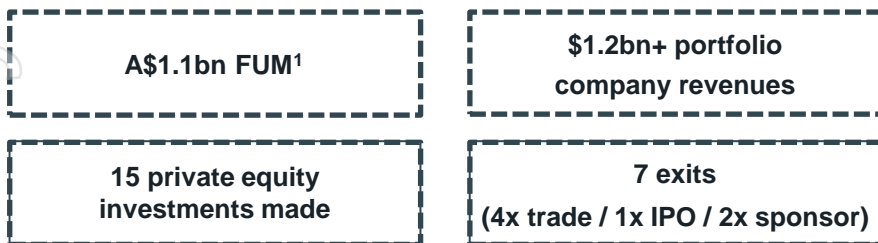
## Current portfolio companies



Personal use only

Five V has a strong track record of fund raising and delivering attractive returns to investors. Following completion of Fund IV in November 2021 Five V has approximately \$1.1bn funds under management

## Five V Capital in numbers



- Demonstrated track record of outperformance with returns from Fund I and Fund II of 10.3x<sup>2,3</sup> and 4.4x<sup>2,3</sup> money multiples respectively
- 15 private equity and 17 venture capital investments to date across four funds
- Highly aligned model with 11c in every dollar having been invested by the Five V team
- The Investment Team combined is the single largest commitment to Fund IV
- A number of successful recent exits including:



**10x MoM**



**6x MoM**



**4x MoM<sup>6</sup>**

## Historical FUM performance and fund raising

Fund	Date	Capital (Base FUM) \$m	Capital (Base FUM + Co-investment) \$m	Multiple of Money <sup>2,3</sup>	
Fund I	2012	11.5	11.5	10.3x	Historical returns
Fund II	2017	65.0	160.2	4.4x	
Fund III	2019	335.0	514.4	-	Pinnacle exposure
Fund IV <sup>4</sup>	2021	550.0	550.0	-	
VC Fund I <sup>5</sup>	2020	35.0	46.3	-	
<b>Total (excl. Funds I &amp; II)</b>		<b>920.0</b>	<b>1,110.7</b>		

- Fund size has gradually increased over time with Five V's track record of delivering returns
- Fund III early in life-cycle; first exit will generate 2.1x / 44% IRR (Zenith Investment Partners)<sup>6</sup>
- Current \$1.1bn in FUM with close of Fund IV at \$550m
- Fund IV total invested capital expected to expand with co-investment

1. Includes co-investments and commitment to Five V Fund IV  
 2. Source: Five V Fund II September 2021 quarterly report  
 3. Multiple of Money shown on Fund returns only (excludes co-investment)  
 4. Five V Fund IV closed November 2021  
 5. VC Fund I co-investment includes commitments to date  
 6. Subject to completion pending customary condition precedents & regulatory approvals

Personal use only



**Private equity is a new asset class for Pinnacle which provides attractive economics. Realisation of profits are weighted towards the end of each Fund's life through the realisation of performance fees**

## **Fee structure and key drivers of profitability**

- FUM and performance are the key drivers of revenue and profitability
  - Management fees are paid on committed capital
  - Performance fees, or 'carry', are paid once capital has been returned to investors as underlying assets are realized
- Five V Fund IV fees consistent with market practice for private equity:
  - 2.0% management fee (on committed capital)
  - 20% performance fees (on asset realizations)
  - Lower fees for co-investments
- Investment returns on any balance sheet capital deployed by Five V in co-investments

## **Realisation of profits**

- Earnings are significantly weighted towards the end of the life of each fund due to realization of performance fees
- Pinnacle will recognize management fees on committed capital and performance fees on crystallization, together with returns on the \$75m available for co-investment
- The average fund life is seven years
- Pinnacle will participate in performance fees on Fund III (closed in 2019, with the first asset recently realized), Fund IV, which has recently closed, VC Fund I and future funds
- NPAT contribution arising from performance fees is expected to be 'lumpy'

## **Financial impact**

- Pinnacle anticipates limited profit contribution to Pinnacle in FY22 from the investment
- Investment in Five V Capital and the capital raising is expected to be broadly neutral to EPS before the realization of performance fees

ersonal use only

ersonal use only

03 Pinnacle update and outlook

## Strong momentum going into FY22, with current FUM >30% higher vs. FY21 average FUM

### FUM update (October 2021)

- Aggregate Affiliates' FUM of 90.9bn as at 31 October 2021 (at 100%)<sup>1</sup>
  - Up \$1.5bn or 1.7% from \$89.4bn at 30 June 2021
  - Up \$5.4bn or 6.3% over the four months to 31 October 2021 excluding the \$3.9bn outflow of the Omega "passive" mandate on very modest fees during August, which was disclosed with our year-end results
  - Aggregate Retail FUM (at 100%) of \$23.0bn at 31 October 2021, up \$2.7bn or 13.3% from \$20.3bn at 30 June 2021
  - Aggregate Institutional FUM (100%) of \$67.9bn at 31 October 2021 (down (1.7%) vs. 30 June 2021) – up 4.1% vs 30 June 2021 excluding the \$3.9bn Omega "passive" outflow
- Total net outflows of (\$1.3bn) for 4 months to 31 October 2021, including net Retail inflows of \$2.0bn
  - Total net inflows of \$2.6bn for the 4 months to 31 October 2021, excluding the \$3.9bn Omega "passive" outflow
  - Of the \$2.6bn net inflows excluding the Omega "passive" outflow, \$2.0bn were retail net inflows, which is an average of approximately \$500m per month
- During the four months to 31 October 2021, the S&P/ASX 300 Index was up 0.4%, and the MSCI World Index was up 3.5%
- Affiliate investment outperformance contributed to FUM growth

### Pinnacle outlook

- Strong financial outcome in FY21, resumption of strong growth in profitability, FUM and net inflows
- Momentum going into FY22
  - Increased equity stake in Coolabah Capital Investments to 35%
  - Investment in Five V Capital
- Pinnacle is continuing to see the benefits of growing diversity:
  - Asset class and investment strategies of Affiliates
  - Client type and domicile
  - Performance fee exposure
- Outlook for FY22:
  - Anticipate growth – current FUM >30% ahead of FY21 av. FUM
  - Recognise possibility of further external adversity – but resilient
  - Prepared for, and seeking, further expansion opportunities
- Post the Placement and investment in Five V, Pinnacle will have approximately \$150m in cash and liquid funds managed by Affiliates, providing flexibility to continue investing in growth initiatives

1. FUM shown is 100% of the FUM managed by Pinnacle Affiliates. Pinnacle holds significant minority stakes in each of the Affiliates and does not 'own' 100% of the FUM.

## Continuing to invest in a diversified platform to strengthen future growth



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

Seed FUM and working capital		Middle office and fund administration		Technology and other firm infrastructure	
Distribution and client services		RE, compliance, finance, legal		Interface for outsourced services	
 <b>49.9%</b> \$14.0bn Global & Australian Growth Equities 1998	 <b>42.7%</b> \$10.6bn Global & Australian Systematic Equities 2006	 <b>37.6%</b> \$2.6bn Private Infrastructure 2007	 <b>44.5%</b> \$17.8bn Global & Australian REITs 2007	 <b>40.0%</b> \$10.9bn Core & L/S Australian Equities 2008	 <b>23.5%</b> \$9.3bn Global L/S & long only Equities 2015
 <b>40.0% (5)</b> \$1.6bn Global & Australian Small & Micro-Cap Equities 2016	 <b>49.0%</b> \$0.1bn Systematic Global Macro 2017	 <b>23.5% (5)</b> \$6.7bn High Conviction & L/S Australian & Global Equities 2018	 <b>35.0%</b> \$8.1bn* Private Credit 2011 (2)	 <b>40.0% (5)</b> \$0.2bn Quantamental equities / Multi-Asset 2018	 <b>40.0%</b> \$0.1bn Water, Agriculture and Food 2019
 <b>35.0%</b> \$8.5bn Public Credit 2011 (4)	 <b>32.5%</b> \$0.4bn Global Emerging Market Equities 2019	 <b>25.0% (6)</b> \$1.1bn Private equity 2013 (7)			

### 2021 Zenith Fund Awards:

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

### 2021 Money Management Fund Manager of the Year:

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

### 2021 Morningstar Fund Manager of the Year Awards:

- Hyperion – Australian Fund Manager of the Year
- Hyperion – Winner, Domestic Equities – Large Cap
- Hyperion – Winner, Domestic Equities – Small Cap
- Hyperion – Finalist, Global Equities
- Resolution Capital – Finalist, Listed Property / Infra

\* FUA of \$8.0bn including leverage, at 30 June 2021. Metrics earns fees on the full FUA figure

1. Gross FUM as at 31 October 2021  
 2. Founded in 2011. Pinnacle acquired equity in August 2018  
 3. Founded in 2008. Pinnacle acquired equity in July 2018

4. Founded in 2011. Pinnacle acquired 25% equity in December 2019 and an additional 10% in September 2021.

5. The percentage represents Pinnacle's total shareholding in the Affiliate. Pinnacle currently holds less than 1% of the voting shares in the Affiliate, however, it has full economic rights in respect of its holding

6. 25% interest via convertible redeemable preference shares which convert into ordinary equity in certain situations

7. Founded in 2013. Proposed acquisition by Pinnacle in 2021

Personal use only

Pinnacle has effectively deployed the equity capital raised in 2018 and debt raised in 2019 to acquire high performing credit alternative managers and invest alongside existing Affiliates



- Invested \$46m for a 35% equity holding
- Metrics is now Australia's largest non-bank corporate lender<sup>1</sup>
  - FUM at acquisition date was \$2.5 billion which has grown to \$8.1 billion at 31 Oct 2021
  - AUM of \$9.6 billion as at 31 October 2021
  - ~\$14bn lent across > 450 transactions since June 2013
  - 84 employees across Sydney, Melbourne and Auckland
- Metrics continues to grow strongly and has diversified into real estate equity, sustainable finance and SME lending
- Metrics Master Income Trust (MXT) raised \$190m via an institutional placement in April 2021

## COOLABAH CAPITAL INVESTMENTS™

- Invested \$29.1m to acquire a 25% stake, with an additional \$5m payable if certain earnings targets were met
- FUM has risen from \$3.0 billion to \$8.5 billion at 31 October 2021
- Coolabah FY21 NPAT was \$17.5m. Our 25% share \$4.4m
  - Additional \$5m was paid with profit targets having been reached as at 30 June 2021 (the earliest possible time)
  - Total purchase price of \$34.1m represents **7.8x FY21 NPAT**
- Pinnacle acquired an additional 10% of Coolabah in September 2021 for \$32.5m, at an enterprise value of \$325m
- Enterprise value has more than doubled in less than two years since our initial acquisition of equity

1. APRA: Australian Corporate Loan Market.

**Pinnacle is committed to taking advantage of the significant offshore opportunity by evolving into a global multi-affiliate platform**

## **Becoming a global multi-affiliate platform**

- Seeking quality partnerships that meet the criteria of Horizon 2 (incubation) or Horizon 3 (transactions)
- Our expansion will not compromise the Pinnacle model and success will require us to act locally
- Focused on minority ownership, supported independence and non compulsion a significant differentiator and attracting attention
- Pipeline strong, diversified across asset classes; most traction in North America at this stage
- Success requires significant due diligence and multiple levels of engagement
- Focus on quality.....not quantity

## **Significant market opportunity**

- Global Asset Management FUM is USD\$100 trillion<sup>1</sup>
- North America comprises USD\$48.6 trillion<sup>1</sup>
- The 20 largest managers in the United States manage more than USD\$40 trillion. None of these are a multi-affiliate
- USD\$1.8 trillion of inflows in 2020 in North America
- North American asset management market is ripe for disruption:
  - Large scale mergers creating dislocation;
  - Key investors/teams seeking greater alignment;
  - Succession challenges for incumbents

***After more than a decade of international market expansion, we are yet to discover a firm that matches Pinnacle's unique combination of support and independence***

1. Statista 2021.

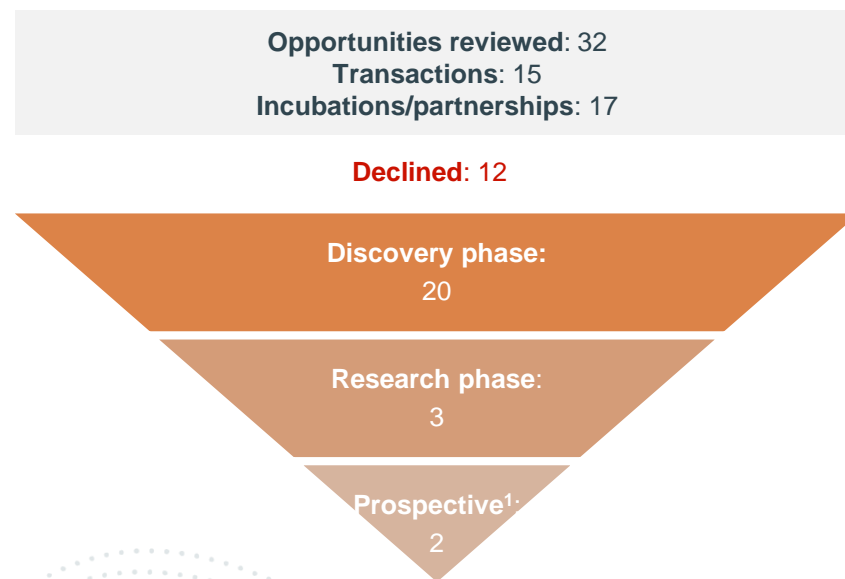
ersonal use only

Pinnacle has been selective in its approach offshore, assessing many opportunities but progressing with very few

## Opportunities being generated from:

- Trusted industry experts
- Proactive screening of strategies/capabilities
- Asset class focus combined with performance filtering
- Nimbleness allowing us to pivot and engage quickly with opportunities
- As we globalise, advocates of our model are providing leads

## Status since 1 June 2021



Asset classes
Credit, Real Estate, Infrastructure, Global Equity, Quant Equity, High Yield, US Smalls/Micro, Asia/China Equities, Canadian Smalls, Global Smalls, EMD, Absolute Return Fixed Income, Canada Large Cap, US All Cap, US Value Equities

Locations
United States, Canada, Singapore, Hong Kong, United Kingdom and Nordics

1. Prospective – undergoing due diligence.

ersonal use only

## Pinnacle today announces the launch of its first North American based Affiliate

- Pinnacle has partnered with Greg Dean, former Principal Manager at Cambridge Global Asset Management (**CGAM**), to launch its first North American Affiliate:
  - Based in Toronto, Canada
  - Global & Canadian Small Cap equities strategies
- The Firm is currently in the process of becoming registered with the applicable securities regulatory authorities and obtaining all necessary regulatory approvals
- Greg was the lead manager of several award-winning small cap portfolios at CGAM over the last ten years, was also the co-winner of Breakout Fund Manager of the Year at the Morningstar Awards in 2015, and TopGun Investment Mind (Platinum Class) in Brendan Woods Rankings 2012-2020
  - CGAM raised \$2.5B+ in AUM (\$1B in Global Small Cap, \$1.5B in Canadian Small Cap); from \$2.3mm at seed/launch
- Pinnacle's first 'Horizon 2' build in North America and Pinnacle's first North American based Affiliate
- Pinnacle will provide distribution and infrastructure services as it continues to build its onshore presence in North America
- Pinnacle will own 32.5% of the business, with the founding executives the remaining 67.5%
- Greg Dean represents the quality of investment talent that is available for Pinnacle to partner with in North America. A significant amount of high-quality teams and individuals are looking for a supportive and independent minority partner

ersonal use only



## 04 Capital raising and sell down

<b>Placement</b>	<ul style="list-style-type: none"> <li>Fully underwritten institutional placement (<b>Placement</b>) of new fully paid ordinary shares (<b>New Shares</b>) to raise A\$105 million</li> <li>6.3m shares to be issued under the Placement, representing 3.3% of existing shares on issue</li> <li>The Placement price of \$16.70 represents:             <ul style="list-style-type: none"> <li>A discount of 4.6% to Pinnacle’s closing share price on 22 November 2021 of \$17.50 per share</li> <li>A discount of 7.6% to Pinnacle’s 5-day VWAP<sup>1</sup> to closing trade on 22 November 2021 of \$18.08 per share</li> </ul> </li> </ul>
<b>SPP</b>	<ul style="list-style-type: none"> <li>Pinnacle will offer eligible Australian and New Zealand shareholders on the PNI register as at 7:00pm on Monday, 22 November 2021 the opportunity to acquire up to \$30,000 in New Shares via a SPP</li> <li>Applications under the SPP will be subject to scale back at Pinnacle’s absolute discretion</li> <li>The SPP offer period will commence on 30 November 2021 and conclude on 15 December 2021</li> <li>Shares under SPP will be issued at the lower of the Placement Price and the 5-day VWAP<sup>1</sup> of PNI shares up to the SPP closing date</li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>Proceeds raised under the Placement will be used as follows:             <ul style="list-style-type: none"> <li>\$75m for the investment in Five V</li> <li>\$30m to replenish the balance sheet capacity that was used to fund the acquisition of the 25% stake in Coolabah in 2019</li> </ul> </li> <li>Additional proceeds raised under the SPP will be used to provide additional balance sheet capacity to support Pinnacle’s future growth</li> </ul>
<b>Sell Down</b>	<ul style="list-style-type: none"> <li>In conjunction with the Placement, Adrian Whittingham will be conducting a fully underwritten sell down of 875,000 Pinnacle shares at the Placement Price, which is worth \$14.6m (<b>Sell Down</b>)</li> <li>Adrian remains fully committed to his role leading Pinnacle’s international distribution strategy</li> <li>Adrian has committed not to sell additional shares for a minimum 12 month period post completion of the Sell Down</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares issued under both the Placement and the SPP will rank equally with existing shares on and from their respective dates of issue</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Placement and the Sell Down are fully underwritten by Macquarie Capital (Australia) Limited and Wilsons Corporate Finance Limited. The termination events relevant to the underwriting of the Placement are summarised in Appendix D</li> <li>The SPP will be non-underwritten</li> </ul>

1. Volume weighted average price.

ersonal use only

Event	Date
Record date for SPP	Monday, 22 November 2021
Trading halt and announcement of the Placement, Sell Down and SPP	Tuesday, 23 November 2021
Placement and Sell Down bookbuild	Tuesday, 23 November 2021
Announcement of the outcome of the Placement and Sell Down	Wednesday, 24 November 2021
Trading halt lifted – trading resumes on the ASX	Wednesday, 24 November 2021
Settlement of New Shares issued under the Placement as well as existing shares under the Sell Down	Friday, 26 November 2021
Allotment and normal trading of New Shares issued under the Placement	Monday, 29 November 2021
SPP offer opens and SPP offer booklet is dispatched	Tuesday, 30 November 2021
SPP offer closes	Wednesday, 15 December 2021
Announcement of results of SPP	Monday, 20 December 2021
SPP allotment date	Wednesday, 22 December 2021
Normal Trading of SPP Shares	Thursday, 23 December 2021

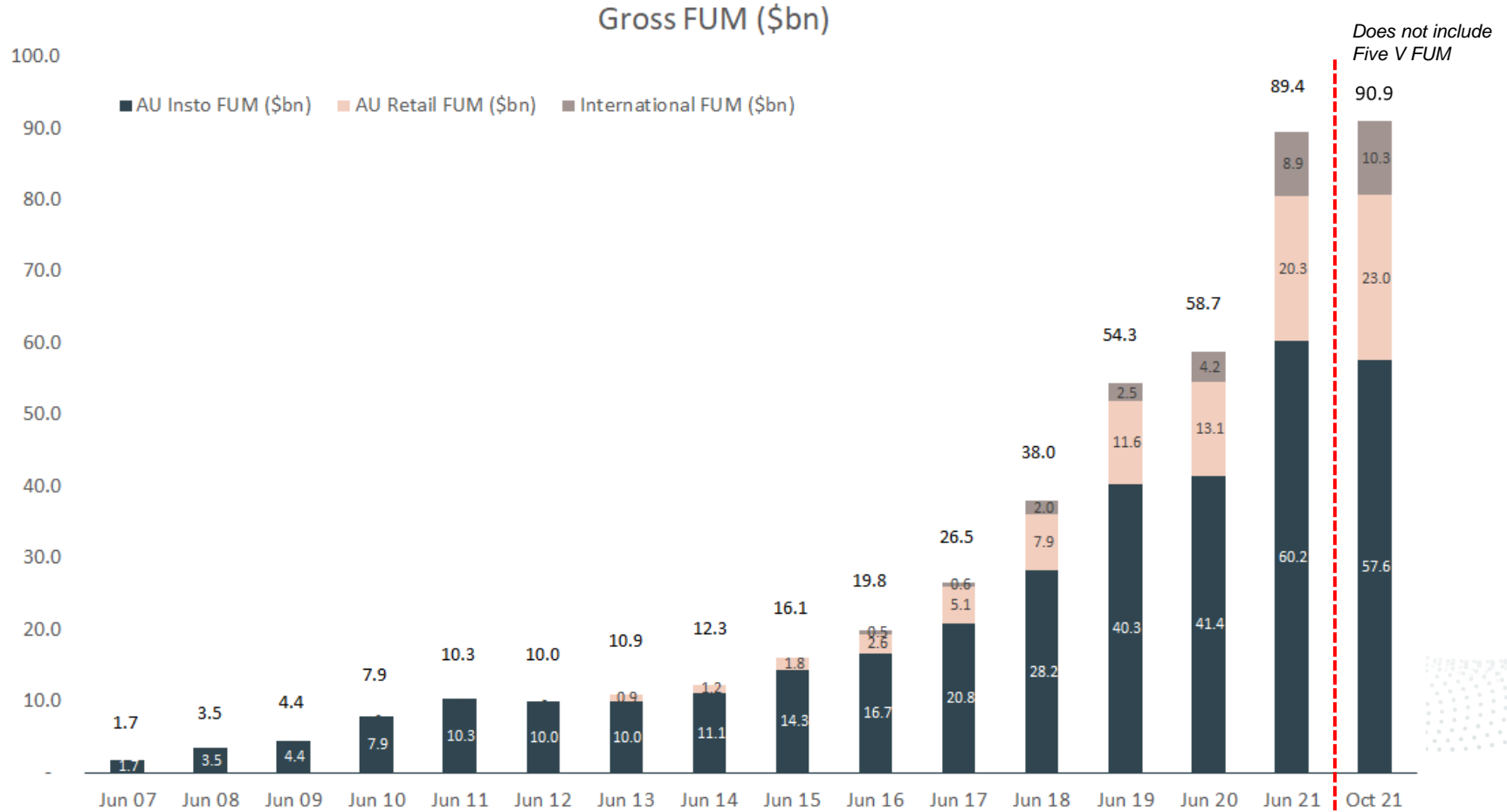
***Dates and times are indicative only and subject to change without notice. Pinnacle reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth). All dates and times refer to Sydney time***

ersonal use only

## APPENDIX A

### Additional information on FUM

ersonal use only



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

	Pinnacle (total)	Hyperion	Plato	Solaris	RCL	Pallsade	Antipodes	Spheria	Two Trees	Firetrail	Metrics <sup>4</sup>	Omega <sup>3,5</sup>	Longwave	Riparian	Coolabah	Reminiscent	Aikya
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m) <sup>1</sup>	(\$m) <sup>1</sup>	(\$m)	(\$m)	(\$m) <sup>2</sup>	(\$m)	(\$m)
<b>FUM History (at 100%)</b>																	
31 Oct 21	<b>90,890</b>	13,957	10,641	10,869	17,847	2,640	9,345	1,581	74	6,707	8,101	-	204	53	8,500	12	358
30 Jun 21	<b>89,371</b>	11,887	10,826	11,099	16,372	2,512	9,356	1,736	69	6,587	6,986	4,615	197	28	6,735	28	340
31 Dec 20	<b>70,482</b>	9,945	6,266	9,971	11,317	2,384	8,542	1,539	63	5,496	5,087	4,424	178	4	5,002	22	243
30 Jun 20	<b>58,671</b>	7,847	5,175	8,548	8,979	2,244	7,957	1,210	91	4,110	4,439	4,303	3	3	3,737	24	2
31 Dec 19	<b>61,636</b>	7,454	5,790	9,454	9,241	2,257	8,956	1,471	323	4,719	4,325	4,509	3	3	3,123	8	-
30 Jun 19	<b>54,276</b>	6,595	5,279	9,089	8,314	2,035	9,071	1,195	245	4,369	3,807	4,273	3	-	-	-	-
31 Dec 18	<b>46,741</b>	5,599	4,680	7,606	7,779	2,010	8,149	640	214	3,603	2,771	3,689	-	-	-	-	-
30 Jun 18	<b>38,032</b>	6,507	4,918	8,319	8,038	1,847	7,554	702	71	74	-	-	-	-	-	-	-
31 Dec 17	<b>32,338</b>	6,056	4,644	6,618	6,552	1,585	6,261	596	26	-	-	-	-	-	-	-	-
30 Jun 17	<b>26,526</b>	5,877	4,003	5,135	5,956	1,514	3,830	211	-	-	-	-	-	-	-	-	-
31 Dec 16	<b>23,339</b>	5,664	3,536	5,032	5,274	1,456	2,191	186	-	-	-	-	-	-	-	-	-
30 Jun 16	<b>19,756</b>	5,633	3,067	4,595	4,576	1,436	449	-	-	-	-	-	-	-	-	-	-
30 Jun 15*	<b>15,995</b>	5,474	2,265	2,938	3,980	1,126	212	-	-	-	-	-	-	-	-	-	-
30 Jun 14*	<b>12,232</b>	4,886	986	2,537	2,933	890	-	-	-	-	-	-	-	-	-	-	-
30 Jun 13*	<b>10,846</b>	4,032	742	2,649	2,694	729	-	-	-	-	-	-	-	-	-	-	-
30 Jun 12*	<b>9,790</b>	3,158	332	3,855	1,864	581	-	-	-	-	-	-	-	-	-	-	-
30 Jun 11	<b>10,336</b>	3,229	525	4,421	1,758	403	-	-	-	-	-	-	-	-	-	-	-

\*Pinnacle (total) includes FUM of a former Pinnacle Affiliate

### Change in FUM – at 100%

30 Jun 21 – 31 Oct 21	<b>1.7%</b>	17.4%	-1.7%	-2.1%	9.0%	5.1%	-0.1%	-9.0%	7.8%	1.8%	16.0%	-100.0%	4.0%	91.1%	26.2%	-55.0%	5.5%
<b>PNI ownership<sup>3</sup></b>		49.9%	42.7%	40.0%	44.5%	37.6%	23.5%	40.0%	49.0%	23.5%	35.0%	45.0%	40.0%	40.0%	35.0%	40.0%	32.5%
<b>PNI effective FUM – 31 Oct 2021</b>	<b>35,266</b>	6,964	4,544	4,348	7,942	993	2,196	632	36	1,576	2,835	-	82	21	2,975	5	117

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

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

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

<sup>4</sup> FUA of \$8bn including leverage, at 30 June 2021. Metrics earns fees on the full FUA figure

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

88% of Pinnacle Affiliated Investment Manager strategies and products (with a track record exceeding 5 years) have outperformed their benchmarks over the 5 years to 31 October 2021

	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>				
<b>Hyperion Asset Management - Gross Performance</b>				
Hyperion Australian Growth Companies Fund	19.92%	17.51%	14.41%	1/10/2002
<i>Outperformance</i>	8.89%	7.50%	5.03%	
Hyperion Small Growth Companies Fund	19.77%	20.81%	18.70%	1/10/2002
<i>Outperformance</i>	8.32%	13.83%	10.71%	
Hyperion Australian Equities Composite	20.64%	17.80%	14.95%	1/11/1996
<i>Outperformance</i>	8.99%	7.31%	5.60%	
Hyperion Global Growth Companies Fund (Class B Units)	31.90%	0.00%	26.95%	22/05/2014
<i>Outperformance</i>	15.53%	0.00%	12.47%	
<b>Plato Investment Management - Gross Performance</b>				
Plato Australian Shares Equity Income Fund - Class A	12.86%		13.30%	9/9/2011
<i>Outperformance</i>	0.46%		1.55%	
Plato Global Shares Income Fund	9.05%		6.90%	30/11/2015
<i>Outperformance</i>	-6.83%		-5.69%	
<b>Solaris Investment Management - Gross Performance</b>				
Solaris Core Australian Equity Fund	11.00%		11.25%	9/01/2008
<i>Outperformance</i>	0.12%		0.60%	
Solaris Total Return Fund (including franking credits)	12.51%		10.90%	13/01/2014
<i>Outperformance</i>	0.11%		0.71%	
<b>Resolution Capital - Gross Performance</b>				
Resolution Capital Real Assets Fund	12.47%	15.26%	9.95%	30/09/2008
<i>Outperformance</i>	2.94%	2.16%	2.87%	
Resolution Capital Global Property Securities Fund	9.45%	12.52%	11.22%	30/09/2008
<i>Outperformance</i>	2.98%	2.86%	4.03%	
Resolution Capital Core Plus Property Securities Fund - Series II	11.55%	14.31%	9.54%	31/08/1994
<i>Outperformance</i>	2.03%	1.19%	1.27%	
Resolution Capital Global Property Securities Fund - Series II	8.29%	10.66%	5.14%	30/04/2006
<i>Outperformance</i>	1.82%	0.70%	-0.69%	
Resolution Capital Global Property Securities Fund (Unhedged) - Series II	10.43%		14.10%	30/11/2011
<i>Outperformance</i>	3.16%		2.32%	
<b>Palisade Investment Partners - Gross Performance</b>				
Palisade Diversified Infrastructure Fund	10.56%	12.40%	10.51%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.31%	14.02%	14.13%	31/05/2011
<b>Antipodes Partners - Gross Performance</b>				
Antipodes Global Fund	10.14%		10.73%	1/07/2015
<i>Outperformance</i>	-4.88%		-1.06%	
Antipodes Global Fund - Long	13.40%		12.70%	1/07/2015
<i>Outperformance</i>	-1.62%		0.90%	
Antipodes Asia Fund	11.58%		10.69%	1/07/2015
<i>Outperformance</i>	0.53%		2.68%	
<b>Spheria Asset Management - Gross Performance</b>				
Spheria Australian Microcap Fund	18.75%		20.21%	16/05/2016
<i>Outperformance</i>	7.29%		9.10%	
Spheria Australian Smaller Companies Fund	16.14%		15.38%	11/07/2016
<i>Outperformance</i>	4.69%		4.96%	
Spheria Opportunities Fund	15.44%		14.43%	11/07/2016
<i>Outperformance</i>	2.48%		2.27%	
<b>Metrics Credit Partners - Gross Performance</b>				
Metrics Credit Partners Diversified Australian Senior Loan Fund	4.81%		5.12%	4/06/2013
<i>Outperformance</i>	3.68%		3.47%	
Metrics Credit Partners Secured Private Debt Fund	8.25%		8.14%	26/11/2015
<i>Outperformance</i>	7.12%		6.86%	
<b>Coolabah Capital Investments - Gross Performance</b>				
Smarter Money (Active Cash) Fund Assisted	2.88%		4.18%	20/02/2012
<i>Outperformance</i>	1.95%		2.47%	
Smarter Money Higher Income Fund Assisted	3.47%		3.82%	8/10/2014
<i>Outperformance</i>	2.53%		2.57%	

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

ersonal use only

	1Y	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Hyperion Asset Management - Gross Performance</b>						
Hyperion Australian Growth Companies Fund	32.49%	28.13%	19.92%	17.51%	14.41%	1/10/2002
<i>Outperformance</i>	3.92%	15.87%	8.89%	7.50%	5.03%	
Hyperion Small Growth Companies Fund	33.13%	28.56%	19.77%	20.81%	18.70%	1/10/2002
<i>Outperformance</i>	2.12%	15.04%	8.32%	13.83%	10.71%	
Hyperion Australian Equities Composite	33.84%	29.85%	20.64%	17.80%	14.95%	1/11/1996
<i>Outperformance</i>	4.53%	16.27%	8.99%	7.31%	5.60%	
Hyperion Global Growth Companies Fund (Class B Units)	36.96%	34.36%	31.90%	0.00%	26.95%	22/05/2014
<i>Outperformance</i>	5.09%	17.82%	15.53%	0.00%	12.47%	
<b>Plato Investment Management - Gross Performance</b>						
Plato Australian Shares Equity Income Fund - Class A	27.01%	14.26%	12.86%		13.30%	9/9/2011
<i>Outperformance</i>	-2.53%	0.87%	0.46%		1.55%	
Plato Global Shares Income Fund	27.08%	7.03%	9.05%		6.90%	30/11/2015
<i>Outperformance</i>	-4.28%	-9.01%	-6.83%		-5.69%	
<b>Solaris Investment Management - Gross Performance</b>						
Solaris Core Australian Equity Fund	26.72%	10.03%	11.00%		11.25%	9/01/2008
<i>Outperformance</i>	-1.24%	-1.89%	0.12%		0.60%	
Solaris Total Return Fund (including franking credits)	27.65%	11.55%	12.51%		10.90%	13/01/2014
<i>Outperformance</i>	-1.89%	-1.84%	0.11%		0.71%	
Solaris Australian Equity Long Short Fund	25.29%	8.07%			11.67%	1/03/2017
<i>Outperformance</i>	-2.67%	-3.85%			2.03%	
Solaris Australian Equity Income Fund	28.53%	12.89%			11.70%	12/12/2016
<i>Outperformance</i>	-1.01%	-0.50%			0.24%	
<b>Resolution Capital - Gross Performance</b>						
Resolution Capital Real Assets Fund	30.24%	14.58%	12.47%	15.26%	9.95%	30/09/2008
<i>Outperformance</i>	-1.61%	4.00%	2.94%	2.16%	2.87%	
Resolution Capital Global Property Securities Fund	32.81%	11.15%	9.45%	12.52%	11.22%	30/09/2008
<i>Outperformance</i>	-8.31%	3.33%	2.98%	2.86%	4.03%	
Resolution Capital Core Plus Property Securities Fund - Series II	33.70%	33.70%	11.55%	14.31%	9.54%	31/08/1994
<i>Outperformance</i>	1.86%	1.86%	2.03%	1.19%	1.27%	
Resolution Capital Global Property Securities Fund - Series II	31.82%	31.82%	8.29%	10.66%	5.14%	30/04/2006
<i>Outperformance</i>	-9.29%	-9.29%	1.82%	0.70%	-0.69%	
Resolution Capital Global Property Securities Fund (Unhedged) - Series II	25.60%	25.60%	10.43%		14.10%	30/11/2011
<i>Outperformance</i>	-7.27%	-7.27%	3.16%		2.32%	
<b>Palisade Investment Partners - Gross Performance</b>						
Palisade Diversified Infrastructure Fund	12.87%	9.37%	10.56%	12.40%	10.51%	1/08/2008
Palisade Australian Social Infrastructure Fund	10.71%	9.35%	10.31%	14.02%	14.13%	31/05/2011
<b>Antipodes Partners - Gross Performance</b>						
Antipodes Global Fund	19.14%	7.42%	10.14%		10.73%	1/07/2015
<i>Outperformance</i>	-9.20%	-7.80%	-4.88%		-1.06%	
Antipodes Global Fund - Long	25.41%	11.08%	13.40%		12.70%	1/07/2015
<i>Outperformance</i>	-2.94%	-4.15%	-1.62%		0.90%	
Antipodes Asia Fund	6.71%	11.01%	11.58%		10.69%	1/07/2015
<i>Outperformance</i>	1.23%	-0.77%	0.53%		2.68%	
<b>Spheria Asset Management - Gross Performance</b>						
Spheria Australian Microcap Fund	75.59%	24.88%	18.75%		20.21%	16/05/2016
<i>Outperformance</i>	44.58%	11.37%	7.29%		9.10%	
Spheria Australian Smaller Companies Fund	51.54%	18.24%	16.14%		15.38%	11/07/2016
<i>Outperformance</i>	20.53%	4.72%	4.69%		4.96%	
Spheria Opportunities Fund	44.96%	15.72%	15.44%		14.43%	11/07/2016
<i>Outperformance</i>	16.28%	1.18%	2.48%		2.27%	
Spheria Global Microcap Fund	46.64%				24.86%	1/03/2019
<i>Outperformance</i>	-7.35%				5.09%	
<b>Two Trees Investment Management - Gross Performance</b>						
Two Trees Global Macro Fund - USD Composite	-0.39%	-3.31%			-3.67%	7/03/2018
<i>Outperformance</i>	-0.44%	-4.29%			-4.83%	

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



	1Y	3Y (p.a.)	5Y (p.a.)	10Y (p.a.)	Inception (p.a.)	Inception date
<b>Pinnacle Investment Management</b>						
<b>Firetrail Investments - Gross Performance</b>						
Firetrail Australian High Conviction Fund	37.08%	12.02%			8.77%	14/03/2018
<i>Outperformance</i>	9.12%	0.10%			-1.10%	
Firetrail Absolute Return Fund	17.26%	12.33%			10.76%	14/03/2018
<i>Outperformance</i>	17.16%	11.72%			10.00%	
Firetrail Australian Small Companies Fund	61.81%				45.61%	20/02/2020
<i>Outperformance</i>	30.80%				35.09%	
<b>Metrics Credit Partners - Gross Performance</b>						
Metrics Credit Partners Diversified Australian Senior Loan Fund	4.06%	4.74%	4.81%		5.12%	4/06/2013
<i>Outperformance</i>	4.04%	4.09%	3.68%		3.47%	
Metrics Credit Partners Secured Private Debt Fund	7.45%	8.17%	8.25%		8.14%	26/11/2015
<i>Outperformance</i>	7.43%	7.52%	7.12%		6.86%	
MCP Secured Private Debt Fund II	7.03%	7.84%			8.32%	9/10/2017
<i>Outperformance</i>	7.01%	7.19%			7.34%	
MCP Real Estate Debt Fund	7.54%	8.43%			8.46%	9/10/2017
<i>Outperformance</i>	7.51%	7.78%			7.48%	
MCP Wholesale Investments Trust	5.34%	6.11%			6.20%	9/10/2017
<i>Outperformance</i>	5.24%	5.51%			5.35%	
MCP Credit Trust	11.70%				11.40%	26/12/2018
<i>Outperformance</i>	11.67%				10.78%	
Metrics Master Income Trust (MXT)*	4.28%	5.05%			5.10%	5/10/2017
<i>Outperformance</i>	4.18%	4.44%			4.26%	
Metrics Income Opportunities Trust (MOT)*	7.22%				7.38%	23/04/2019
<i>Outperformance</i>	7.12%				6.91%	
Metrics Direct Income Fund*	5.45%				7.05%	1/07/2020
<i>Outperformance</i>	5.35%				6.91%	
<b>Longwave Capital Partners - Gross Performance</b>						
Longwave Australian Small Companies Fund	27.79%				16.67%	1/02/2019
<i>Outperformance</i>	-3.23%				2.03%	
<b>Reminiscent Capital - Gross Performance</b>						
Curve Global Macro Fund - Class I	-4.65%				2.05%	1/02/2019
<i>Outperformance</i>	-4.75%				1.52%	
<b>Coolabah Capital Investments - Gross Performance</b>						
Smarter Money (Active Cash) Fund Assisted	1.57%	2.59%	2.88%		4.18%	20/02/2012
<i>Outperformance</i>	1.54%	2.03%	1.95%		2.47%	
Smarter Money Higher Income Fund Assisted	2.04%	3.22%	3.47%		3.82%	8/10/2014
<i>Outperformance</i>	2.01%	2.66%	2.53%		2.57%	
Smarter Money Long Short Credit Fund Assisted	5.52%	6.96%			6.53%	31/08/2017
<i>Outperformance</i>	5.48%	6.40%			5.71%	
Coolabah Active Composite Bond Strategy	-4.06%	5.29%			4.85%	7/03/2017
<i>Outperformance</i>	1.24%	2.57%			1.82%	
Coolabah Long-Short Active Credit Alpha Strategy	6.60%	8.04%			7.32%	14/02/2017
<i>Outperformance</i>	3.07%	3.98%			2.91%	
BetaShares Active Australian Hybrids Fund (HBRD)	5.16%	5.13%			4.97%	13/11/2017
<i>Outperformance</i>	2.63%	2.07%			1.68%	
<b>Aikya Investment Management - Gross Performance</b>						
Aikya Global Emerging Markets Fund - Class A	16.93%				7.89%	5/03/2020
<i>Outperformance</i>	7.58%				1.26%	
<b>Riparian Capital Partners - Gross Performance</b>						
Riparian Water Fund	14.18%				5.77%	1/12/2019
<i>Outperformance</i>	-0.90%				-2.42%	

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

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

ersonal use only

## APPENDIX B

Key risks

This section discusses some of the specific risks associated with an investment in Pinnacle. There are also a number of general risks, such as global economic conditions, share price fluctuations and force majeure events which are relevant to any investment in securities. These risks may individually or in combination have a material adverse impact on Pinnacle's business, operating and financial performance.

The risk factors set out below are not exhaustive, and many of them are outside the control of Pinnacle and its directors. There is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge. Prospective investors should consider publicly available information on Pinnacle, examine the full content of this presentation (including any assumptions underlying prospective financial information) and consult their financial, tax and other professional advisers before making an investment decision.

## Investment specific risk factors

It is possible that the proposed investment in Five V Capital (the "Investment") may not successfully complete, in which case Pinnacle may not deploy the funds in the near future as it may not be successful in identifying or completing any other material growth opportunities.

Conditions precedent for the Investment include certain executives of Five V Capital entering into new employment agreements.

If completion of the Investment is delayed, Pinnacle may incur additional costs and it may take longer than anticipated for Pinnacle to realise the benefits of the Investment.

If the Investment does not proceed, Pinnacle will consider alternative uses for some of the funds, including the return of some of the proceeds to shareholders, debt reduction, working capital or alternative investment opportunities.

Any failure to complete on the current terms (or at all), or delay in completing the Investment could adversely affect Pinnacle's operational and financial performance and the price of its shares.

## Completion risk

Pinnacle shareholders will be diluted by the issue of New Shares under the Placement if they do not participate in the Placement. Furthermore, if eligible shareholders do not participate in the SPP, their percentage shareholding in Pinnacle will be diluted to a greater extent than would otherwise be the case, and they will not be exposed to future increases or decreases in Pinnacle's share price in respect of the shares which would have been issued to them had they participated in the SPP.

## Dilution

Pinnacle undertook a due diligence process in respect of the proposed Investment, which relied in part on the review of certain financial, legal and other information provided by Five V Capital. Despite making reasonable efforts, Pinnacle cannot verify the accuracy, reliability or completeness of all the information which was provided to it.

If any such information provided to, and relied upon by, Pinnacle in the due diligence process and in its preparation of this presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Five V Capital may be materially different to the expectations reflected in this presentation. This could adversely affect the financial position, performance and/or share price of Pinnacle.

It is also possible that the analysis undertaken by Pinnacle during the due diligence process, and the best estimate assumptions made by Pinnacle and its advisers, draw conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic or other circumstances or otherwise).

Investors should also note that there is no assurance that the due diligence conducted was conclusive, or that all material issues and risks in respect of the Investment have been identified and avoided or managed appropriately.

## Reliance on information provided and due diligence risk

## Investment specific risk factors (continued)

**Legal risk**

The Investment will involve Pinnacle entering into a number of transaction documents, including the Subscription and Implementation Agreement and the Shareholders' Deed. While the documents contain some representations and warranties in favour of Pinnacle, there is always a risk that the documents do not contain adequate protection for potential liabilities or risks in relation to Five V Capital's business or other costs, potentially exposing Pinnacle to the risk of future costs or disputes arising in relation to the Investment.

There is therefore the risk of potential loss arising from breaches of the representations and warranties or that such losses are subject to exclusions in the transaction documents that may result in a material adverse impact on the Pinnacle carrying value of its Investment in Five V Capital.

**Underwriting risk**

Pinnacle has entered into an agreement with the Joint Lead Managers in respect of the Placement, key terms of which are summarised at Appendix D (Summary of Placement Agreement). The Joint Lead Manager's obligation to underwrite the Placement is subject to certain customary conditions precedent. In addition, if certain events occur, some of which are beyond Pinnacle's control, the Joint Lead Managers may terminate the Placement Agreement. If the Placement Agreement is terminated, Pinnacle will not be entitled to terminate the Investment. In these circumstances, Pinnacle would use alternative funding to pay the Investment price or otherwise utilize existing cash reserves of the Company that were proposed to be used for other purposes.

## Specific risks related to the Investment into Five V Capital

**Reliance on Key Staff**

Common with Pinnacle and its current Affiliates, the ability of Five V Capital to continue to attract and retain high quality management ("**Key Staff**") is critical to their operating and financial performance. Competition for management expertise is high. There is a risk that a loss of Key Staff may have a materially adverse effect on the short term operations and financial performance of Five V Capital. Investors should also note that there is no assurance that Five V Capital will continue to retain and attract Key Staff as required.

**Liquidity risk**

Private equity investments are held for a number of years and are typically illiquid. Exits of investments typically require a number of months to prepare and execute. There is the risk that, at the time of wanting to exit its investments, Five V Capital is not able to find a purchaser or other exit for its investment or not able to find a purchaser or achieve an exit at a valuation in line with the market. This could lead to prolonged periods before returns on investments are realised and irregular timing in the receipt of sale proceeds, which could have an adverse impact on Five V Capital's financial and operating performance and, in turn, the return on the Investment and Pinnacle's share price.

**Performance fees**

Performance fees are typically a significant component of revenue for private equity firms. Performance fees are subject to performance, and there is no guarantee that Five V Capital will achieve, or continue to achieve, performance that enables it to receive performance fees.

**Execution of growth strategy**

After completion of the Investment, there is no guarantee that Five V Capital's growth strategy will be executed successfully. There is also a risk that a successful execution of growth strategies may take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, divert management attention or that the anticipated benefits of executing the strategy may be less than estimated. Any failure to execute growth strategies may have an adverse impact on the financial performance, operation and position of Five V Capital, and the future price of Pinnacle shares.

**Specific risks related to the Investment into Five V Capital (continued)**

Five V Capital has approximately A\$1.1 billion of FUM. Five V Capital derives a significant proportion of its earnings from fees and charges based on the level of FUM.

As Five V Capital exits its positions in its portfolio companies, proceeds are returned to Five V Capital's investors. This means that Five V Capital is required to continue fund raising to maintain, or increase, its total FUM.

The level of FUM raised is impacted by a number of different factors, including (amongst other things) Five V Capital's track record of performance, capabilities of Five V Capital's investment professionals, its fee structure, demand for private capital / private equity investments and broader macroeconomic conditions. Therefore, Five V Capital faces the risk that changes in domestic and / or global investment market conditions, as well as the performance of the private equity asset class or Five V Capital (both in absolute terms and relative to alternatives in the market) could lead to a decline in FUM, which will adversely impact the amount that Five V Capital earns in fees and charges. Deterioration in investment market conditions could also lead to reduced consumer interest and adversely affect the ability to attract new investors in the financial products and services offered by Five V Capital. Additionally, it is possible that as funds run off, new fund raising does not take place (or does not succeed), which reduces the level of Five V Capital's FUM. Some funds could reduce in size or be terminated. Similarly, the unitholders of a fund may have the right to remove the investment manager, responsible entity or trustee.

As Five V Capital's management fees are based on a percentage of FUM, a decline in FUM could have an adverse impact on their financial and operating performance and, in turn, the share price of Pinnacle.

**Risks related to Five V Capital's future fund raising****Company specific risk factors**

The Pinnacle Group's ("Group") results and financial outlook are influenced by prevailing equity market conditions, interest rate and credit market conditions and to a lesser extent, by broader macroeconomic factors, economic trends and investor sentiment. There is no guarantee that Pinnacle's Affiliates will outperform their respective benchmarks, meet their investment objectives, or continue to retain and attract experienced and high performing key personnel who are critical to the financial success and future performance of Pinnacle and its Affiliates. In addition, Pinnacle may have seed capital, and / or its Affiliates may have co-investing strategies which may be lost by poor fund or asset performance. Past performance is not a reliable indication of future performance.

**Investment strategy risk****Maintaining and Growing FUM**

A key part of Pinnacle's strategy is assisting its Affiliates to maintain and grow FUM. There is no guarantee that Pinnacle's strategies (or that of its Affiliates) to grow FUM will be successful, or that Pinnacle's Affiliates will be successful in maintaining existing FUM. Pinnacle's Affiliates ability to maintain and grow FUM may be impacted by a number of factors outside of the control of Pinnacle including (amongst other things), sustained periods of underperformance relative to key benchmarks, individual preferences of that Affiliate's clients and adverse market conditions.

## Company specific risk factors (continued)

<b>Competition</b>	The industry in which Pinnacle operates is very competitive. There are a number of market participants that compete vigorously for client investments and the provision of wealth management services and investment opportunities, and there is increasing commoditisation of financial services and products. These competitive market conditions may adversely impact on the earnings and assets of Pinnacle and its share price.
<b>Brands and reputation</b>	A significant and prolonged decline in key brand value or adverse effects on the reputation of Pinnacle and/or its Affiliates could contribute to reduced inflows of investment funds and assets, damage to client strategies and may impact adversely upon Pinnacle's future profitability, financial position and share price. Matters which may give rise to adverse reputational consequences for Pinnacle and/or its Affiliates include compliance issues, fraudulent behaviour and adverse media publicity.
<b>Operational and compliance risks</b>	Pinnacle may, from time to time, be exposed to operational risks including, but not limited to, risks arising from process error, fraud, system failure or inadequacy, failure of security and physical protection systems and pricing errors. In addition, Pinnacle may be exposed to compliance risks as it is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy as well as other laws, regulatory policies and guidance (including relating to anti-money laundering, anti-bribery and corruption, and counter terrorism financing). Operational and compliance risks have the potential to adversely affect Pinnacle's financial performance, position, reputation as well as its ability to operate.
<b>Economic, political and regulatory risk</b>	Factors including, but not limited to, domestic and international political changes, interest rates, exchange rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes, changes in employment levels, consumer and business spending, employment rates and labour costs may all have an adverse impact on Pinnacle's revenues, operating costs, profit margins and share price. Changes in laws, regulations and government policy may affect Pinnacle and the attractiveness of an investment in Pinnacle positively or negatively. The financial services sector is subject to extensive legislation, regulation and supervision by a number of regulatory bodies in multiple jurisdictions.
<b>Limited ownership control in Affiliate model</b>	As Pinnacle is a minority shareholder in its Affiliates, it may not independently, amongst other things, cast the majority of votes at a general meeting, change the composition of the board, determine the dividend policy, amend the constitution or change the strategic direction of any Affiliate. Accordingly, Pinnacle's effective control over Affiliates is limited. This also applies to the Investment into Five V.
<b>Fund raising risk</b>	Pinnacle expects that the proceeds of the Placement will provide it with sufficient capital to fund the Investment and support its growth plans. However, Pinnacle can give no assurances that its growth plans will in fact be met without future borrowings or future capital raising and if such borrowings and capital raising are required, that they can be obtained on terms favourable to Pinnacle or at all.
<b>Non-audited financial information</b>	This presentation may contain financial information that has not been subject to review or audit, and could be subject to revision following review by Pinnacle's external auditors. Investors should not rely on such information as if it were audited financial information.
<b>Litigation</b>	Pinnacle may, in the ordinary course of business, be involved in litigation and disputes with shareholders, Affiliates, employees, contractors and other counterparties. Any such dispute may be costly and adversely affect the operational and financial results of Pinnacle, as well as its share price.
<b>Acquisition and investment strategy</b>	From time to time Pinnacle makes investments in or acquires fund management businesses as part of its stated strategy. There is a risk that Pinnacle may not achieve expected returns from those acquisitions or investments, which may adversely affect Pinnacle's profitability.
<b>Investment management fees</b>	Pinnacle's revenues and profitability is directly linked to the fees that its Affiliates charge on the funds managed by that Affiliate. The funds management industry is highly competitive and there is no guarantee that the fees that Pinnacle's Affiliates achieve will be maintained or that the percentage of those fees to which Pinnacle is entitled will remain at current levels with respect to each individual Affiliate.

**Company specific risk factors (continued)****Reliance on Key Staff**

Key to the strategy and operating and financial performance of Pinnacle and its Affiliates is the ability to attract and retain Key Staff with appropriate levels of funds management, operational and product distribution expertise. Competition for management expertise is high. There is a risk that a loss of Key Staff may have a materially adverse effect on the operations and financial performance of Pinnacle and its Affiliates. Investors should also note that there is no assurance that Pinnacle or its Affiliates will continue to retain and attract Key Staff as required.

**Information Technology and cyber security risks**

Pinnacle and its Affiliates, and the financial services industry in general, rely heavily on information technology to conduct an efficient and cost effective business. Therefore, any significant or sustained failure or inadequacy in Pinnacle or its Affiliates' core technology systems or cyber security could have a materially adverse effect on its operations in the short term, which in turn could undermine longer term confidence and impact Pinnacle's future profitability and financial position, as well as its share price.

Pinnacle may also be subject to cyber-attacks including unauthorised access to Pinnacle's information technology systems or data. Any successful cyber-attack could result in loss of information integrity or breaches of Pinnacle's obligations under applicable laws.

**Security or privacy of data**

The protection of customer, employee, third party and company data is critical to Pinnacle's operations. The legal and regulatory environment governing information security, privacy and data security is increasingly complex and demanding. Failures or breaches of data protection and systems security can cause reputational damage, regulatory impositions and financial loss.

**Climate**

Climate change may impact on overall economic growth and equity market conditions, with consequences for financial related assets. In addition, Pinnacle has a variety of investments in Affiliates whose profitability may directly or indirectly be affected by climate change. This could lead to an adverse impact on Pinnacle's business and operational position.

**Insurance risk**

While Pinnacle holds insurance policies for a number of liabilities, including professional negligence and directors and officers' insurance, not all liabilities may be covered and the level of insurance for liabilities that are covered may be insufficient. A significant underinsured or non-insured liability could have a material adverse effect on Pinnacle financial performance or position.

**General risk factors****Price of Pinnacle's shares may fluctuate**

The trading price of Pinnacle's shares may fluctuate due to various factors, including general share market and economic conditions as well as the specific performance of Pinnacle. This may result in the market price for Pinnacle's shares being less or more than the price under the Placement or SPP. There is no guarantee of profitability, dividends, return of capital, or the price at which Pinnacle's shares will trade on the ASX. Factors that may affect the market price of shares include but are not limited to changes in government legislation and policies including taxation laws and fiscal and monetary policies (including in response to the impact of COVID-19), general movements in Australian and global equity markets, investor sentiment, Australian and international economic conditions, changes in employment level, changes in interest rates and the rate of inflation, global geo-political events, results of competitors, and investor perceptions. These factors are beyond the control of Pinnacle and its board. No assurances can be made that Pinnacle's market performance will not be adversely affected by any such market fluctuations or factors.

**Taxation policy**

Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may impact the future tax liabilities of Pinnacle or may affect taxation treatment of an investment in Pinnacle shares, or the holding or disposal of those shares.

**Accounting policy**

Pinnacle prepares its general purpose financial statements in accordance with the Corporations Act. Australian Accounting Standards are not within the control of Pinnacle or its board and are subject to amendment from time to time, and any such changes may impact on Pinnacle's statement of financial position or statement of financial performance.

**Force majeure events may occur**

Events may occur within or outside Australia that could impact on global and Australian economies, the operations of Pinnacle and the price of the Pinnacle Shares, including acts of terrorism, international hostilities, floods, fires, earthquakes, pandemics (such as COVID-19), labour strikes, civil wars and other natural disasters.

## APPENDIX C

### International offer restrictions



This document does not constitute an offer of new ordinary shares ("Shares") of PNI in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## **Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## **Singapore**

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Switzerland**

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

## **United Arab Emirates**

This document does not constitute a public offer of securities in the United Arab Emirates and the Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

## APPENDIX D

# Summary of Placement Agreement

# Summary of Placement Agreement

---

Pinnacle has appointed Macquarie Capital (Australia) Limited and Wilsons Corporate Finance Limited (**Joint Lead Managers**) to manage and underwrite the Placement pursuant to the terms of a placement agreement entered into between the parties on or before the date of this announcement (**Placement Agreement**).

## Conditions precedent and termination events

The obligations of the Joint Lead Managers are subject to the satisfaction of certain conditions precedent documented in the Placement Agreement that are customary for a transaction of this nature. If those conditions are not satisfied or certain events occur (some of which are subject to materiality), the Joint Lead Managers may terminate the Placement Agreement.

The events which may trigger termination of the Placement Agreement include (but are not limited to) the following:

- (a) (\*) Pinnacle is in breach of the Placement Agreement or any of Pinnacle's representations or warranties in the Placement Agreement is not true or correct when made or taken to be made;
- (b) any:
  - (i) offer document (i.e. this presentation, the ASX announcement and certain other documents) includes content that is untrue or inaccurate (in each case, in any material respect), false in a material particular or is materially misleading, or misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission); or
  - (ii) (\*) other written materials that are presented or provided to applicants or prospective applicants (with Pinnacle's prior approval), or any other documents issued or published by or on behalf of (with its prior approval) Pinnacle in respect of, or relating to, the Placement or the investment in Five V (**Five V Investment**) includes content that is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission);
- (c) an event occurs which entitles a party (other than Pinnacle) to terminate the agreement in relation to the Five V Investment (**Five V Agreement**) or the Five V Agreement is terminated or rescinded or, in a material respect, amended without the consent of the Joint Lead Managers;
- (d) Pinnacle is unable or is unlikely to be able to issue the Placement Shares on the allotment date;
- (e) any event specified in the timetable is delayed for more than one business day without the prior approval of the Joint Lead Managers;
- (f) Pinnacle alters its capital structure (other than as contemplated in the Placement Agreement) or constitution without the prior consent of the Joint Lead Managers;
- (g) (\*) Pinnacle or a Joint Lead Manager becomes aware of any existing circumstance or there is a change which, in the opinion of either Joint Lead Manager (acting reasonably), could have an adverse effect on Pinnacle's or any other party's ability or willingness to execute or perform its obligations under an agreement in relation to the Placement purpose;
- (h) (\*) a change in the senior management or the board of directors of Pinnacle occurs or is announced other than previously announced or disclosed to ASX;
- (i) ASIC issues, or threatens to issue, proceedings or commences any inquiry or investigation in relation to the Placement and any such inquiry or investigation (or intention) has not been withdrawn before the settlement date;
- (j) the ASX makes any official statement to any person, or indicates to Pinnacle, or a Joint Lead Manager (whether or not by way of an official statement) that existing shares in Pinnacle will be suspended from quotation, Pinnacle will be removed from the official list of the ASX or that quotation of all of the Placement shares will not be granted by the ASX or such approval has not been given before the close of business on the last date on which the Placement shares are allotted or such suspension from quotation occurs; or
- (k) any regulatory body commences any public action against an officer of Pinnacle in his or her capacity as an officer of Pinnacle or announces that it intends to take any such action or an officer of Pinnacle is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;

# Summary of Placement Agreement (cont.)

---

- l) (\*) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, any member of the European Union, Russia, Japan or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world;
- m) the ASX/S&P 200 Index falls by 10% or more below its level at market close on the trading day immediately preceding the date of the Placement Agreement;
- n) (\*) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Placement Agreement), any of which does or is likely to prohibit or regulate the Placement, capital issues or stock markets;
- o) (\*) any of the following occurs:
  - (i) a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom or Japan is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Tokyo Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading; or
  - (iii) there is any adverse change or disruption to the political conditions or financial markets of Australia, the United States of America, the United Kingdom or Japan or the international financial markets or any change involving a prospective adverse change in national or international political, economic or financial conditions;

In relation to those events above marked with an asterisk (\*), a Joint Lead Manager may not terminate the Placement Agreement unless it has reasonable grounds to believe and does believe that the event (i) could give rise to a liability of the Joint Lead Manager, or could give rise to the Joint Lead Manager contravening, or being considered to be in contravention of applicable law, (ii) has or may have a material adverse effect on the marketing, settlement or outcome of the Placement or the likely trading price of Pinnacle's shares or (iii) has resulted in or may result in a material adverse change in the financial position, performance or prospects of Pinnacle and its controlled entities (taken as a whole group) from that which existed at the date of the Placement Agreement other than as disclosed to ASX prior to the date of the Placement Agreement.

Pinnacle gives customary representations and warranties in connection with (among other things) the Placement. Pinnacle gives customary undertakings to the Joint Lead Managers, including that (subject to certain exceptions) it will not issue further equity securities, and will conduct its business in the ordinary course, for a period of time following completion of the Placement.

Subject to certain exceptions, Pinnacle has agreed to indemnify the Joint Lead Managers and certain related persons (each an **Indemnified Party**) from and against all losses directly or indirectly suffered or incurred by an Indemnified Party in connection with the Placement, SPP and the appointment of the Joint Lead Managers pursuant to the Placement Agreement.

Pinnacle also releases each Indemnified Party against claims made by Pinnacle as a result of the participation of that Indemnified Party in the preparation of the offer materials or in relation to the Placement, except to the extent of certain agreed carve outs related to the Joint Lead Managers' culpability for the loss.

The Joint Lead Managers will be paid underwriting and offer management fees of an agreed percentage of the proceeds of the Placement (which is disclosed in the Appendix 3B lodged by Pinnacle today). Pinnacle must also reimburse the Joint Lead Managers for certain expenses (including legal expenses) incurred in connection with their role as Joint Lead Managers.