

Pinnacle Investment Management Limited

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This brochure provides information about the qualifications and business practices of Pinnacle Investment Management Limited. If you have any questions about the contents of this brochure, please contact us at +612 8970 7739 or email at tom.ocallaghan@pinnacleinvestment.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Pinnacle Investment Management Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This is Pinnacle Investment Management Limited's initial brochure filing. Therefore, there are no material changes applicable at this time. Material changes relating to the information contained in this brochure will be included in subsequent filings.

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Item 4: Advisory Business

Our Firm

Pinnacle Investment Management Limited (“**Pinnacle**”, “**we**” or the “**Firm**”) is a company limited by shares incorporated in Australia on 22 June 2006.

Pinnacle is a multi-affiliate investment management firm – which encompasses an umbrella of specialist funds management investment manager firms. Pinnacle’s mission is to establish, grow and maintain a diverse stable of world-class investment managers and Pinnacle currently maintains relationships with the following 13 autonomous Advisory Affiliates:

- Antipodes Partner Limited (**Antipodes**): 23.57% ownership
- Curve Investment Management Pty Limited (**Curve**): 25% ownership
- Firetrail Investments Pty Limited (**Firetrail**): 23.5% ownership
- Hyperion Asset Management Limited (**Hyperion**): 49.99% ownership
- Longwave Capital Partners Pty Limited (**Longwave**): 40% ownership
- Metrics Credit Partners Pty Ltd (**Metrics**): 35% ownership
- Omega Global Investors Pty Ltd (**Omega**): 40% ownership
- Palisade Investment Partners Limited (**Palisade**): 36% ownership
- Plato Investment Management Limited (**Plato**): 43.1% ownership
- Resolution Capital Limited (**Resolution Capital**): 43.50% ownership
- Solaris Investment Management Limited (**Solaris**): 40% ownership
- Spheria Asset Management Limited (**Spheria**): 40% ownership
- Two Trees Investment Management Pty Limited (**Two Trees**): 43.96% ownership

Pinnacle provides its Advisory Affiliates with a variety of services, including the following:

1. equity, seed capital and working capital;
2. superior distribution services, business support and responsible entity services to allow fund managers to focus on delivering fund outperformance; and
3. independence, including separate management reporting structures and boards of directors, whilst still offering the economies of scale and financial support inherent in being part of a larger investment group.

Amongst the above Advisory Affiliates, Antipodes, Omega, Palisade and Two Trees are Exempt Reporting Advisers with the U.S. Securities and Exchange Commission. Hyperion and Resolution Capital are Registered Investment Advisers with the SEC. All other Advisory Affiliates are exempted from registration under the Investment Advisers Act of 1940.

With this initial filing, Pinnacle is seeking registration with the U.S. Securities and Exchange Commission as an investment adviser because it anticipates that it may engage in activities that will qualify it for registration.

Principal Owners

Pinnacle is 100% owned by Pinnacle Investment Management Group Limited, which is a public reporting company registered on the Australian Securities Exchange (ASX: PNI). Pinnacle is headquartered in Sydney, Australia and has domestic offices in Brisbane, Melbourne as well as an international office in London, United Kingdom.

Types of Services Offered

Pinnacle provides its Advisory Affiliates Distribution Services (including product distribution, marketing and business development) to source clients for each Advisory Affiliate as well as Investment Infrastructure (including business management, licencing and insurance, compliance and risk, company secretarial and legal counsel, financial reporting and accounting, human resources, information technology, operations and operational support, middle office functions, and responsible entity services) in order to support each Advisory Affiliate in delivering on its respective investment management services to their clients.

As of 31st December 2018, Pinnacle and its Advisory Affiliates managed approximately US\$29.1 billion of regulatory assets under management on a discretionary basis and no regulatory assets under management on a non-discretionary basis.

Item 5: Management Fees

Pinnacle provides administrative services to Advisory Affiliates in accordance with service agreements between subsidiary and/or Advisory Affiliated companies. The services include but are not limited to business management, licencing and insurance, compliance and risk, company secretarial and legal counsel, financial reporting and accounting, human resources, information technology, operations and operational support, middle office functions, and responsible entity services. These fees are paid by the Advisory Affiliate and not any Fund.

Item 6: Performance-Based Fees

Pinnacle's Advisory Affiliates are charged performance fees in compliance with Rule 205-3 of the Investment Advisers Act of 1940. Any such performance fees will be negotiated on an individual basis with the affiliate. Pinnacle has policies and procedures designed and implemented to ensure that all clients are treated fairly and to prevent this conflict from influencing the allocation of investment opportunities among affiliates.

Pinnacle generally charges fees based on assets under management but may, in consultation with the applicable affiliate, enter into performance-based fee arrangements that allow for it to receive fees that are based in whole or in part on agreed upon measures of account performance. A Pinnacle Advisory Affiliate client is charged an investment advisory fee directly by the Pinnacle Advisory Affiliate with which it contracts.

Item 7: Types of Clients

Pinnacle Advisory Affiliates and Non-US Investment Pool Clients

Pinnacle provides distribution and administrative services to the Pinnacle Advisory Affiliates, which are U.S. exempt reporting advisers. Pinnacle's subsidiaries (Pinnacle Fund Services Limited and Pinnacle RE Services Limited) are the issuers of non-U.S. investment pools, in the form of managed investment schemes issued under the relevant provisions of the Australian Corporations Act 2001, to which the Pinnacle Advisory Affiliates are appointed as investment manager.

Account Minimums

The minimum account size for each investment strategy that is available through Pinnacle Advisory Affiliates is established by the applicable Pinnacle Advisory Affiliate. Account minimums may be waived to reflect existing relationships, anticipated client additions to assets under management, changing market conditions, client servicing requirements, or for other

reasons. Any waivers of account minimums are done in consultation with the applicable Pinnacle Advisory Affiliate.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Investment Objective

Pinnacle's Advisory Affiliates have autonomy over their investment strategies and portfolio decisions. Each Advisory Affiliate has common infrastructure support comprising operations, compliance, sales, marketing, client service, and overall business management. Overall, these investment franchises manage domestic and international equities, derivatives, infrastructure and fixed income strategies.

Below is a summary of the investment strategies and methodologies used by each Advisory Affiliate of Pinnacle.

Antipodes

Antipodes is a global asset manager offering a pragmatic value approach across long only and long-short strategies. It aspires to grow client wealth over the long-term by generating absolute returns in excess of the benchmark at below market levels of risk. Antipodes seeks to take advantage of the market's tendency for irrational extrapolation, identify investments that offer a high margin of safety and build high conviction portfolios with a capital preservation focus. Antipodes is majority owned by its seasoned investment team and its performance culture is underpinned by sensible incentives, a focused offering and the outsourcing of non-investment functions to maximise focus on investing.

Curve

Curve provides investors with a nimble discretionary macro exposure, allowing investors to gain exposure to interest rates, foreign exchange and major equity index markets, along with an Asian macro geographic focus.

Firetrail

Firetrail is an active investment manager, specialising in high conviction equities investing. Firetrail employs a fundamental investment approach to the fund's portfolio to identify companies that it believes are undervalued over the medium term. The investment style is unconstrained, which means Firetrail will invest in both 'growth' and 'value' companies, as well as across diverse industries and sectors. Firetrail employs a bottom-up approach to portfolio construction. Risk management is integrated throughout the process to understand and control stock specific, macroeconomic and market risk in the fund.

Hyperion

Hyperion is a high conviction growth style manager that specialises in identifying and investing in quality Australian equities. Hyperion's proprietary investment process produces a relatively concentrated portfolio of high-quality companies with predictable earnings and superior growth potential. Hyperion's strategy uses rigorous and in-depth quantitative and qualitative analysis to establish a unique portfolio.

Longwave

Longwave believes in the value of deep fundamental understanding of the securities in which they invest. They also believe that the discipline of a quantitative approach allows the testing

and evolution of their investment process and guards against behavioural biases which may otherwise negatively impact investment performance.

Metrics

Metrics is an active participant in the market, involved in a broad range of inter-bank lending transactions, including through our various managed funds. Because lending is their lifeblood, they're passionate about working with borrowers and investors to help them achieve their goals. Metrics believes that the corporate loan market represents a large and active segment of Australia's corporate fixed income market and provides superior risk-adjusted returns compared with other fixed income investments.

Omega

Omega is a specialist investment manager, offering outcome-oriented investment solutions to investors. Established in 2008, Omega is a majority employee owned specialist investment manager with a management team who have over 100 combined years of experience delivering outcomes for investors globally. Omega's motto is to begin with the end in mind and Omega believes investors' aims are best fulfilled by having portfolios that are intelligently designed with a specific outcome or performance objective in mind. Omega believes that market capitalisation benchmarks are in the main inefficient, and are not a true reflection of investor needs, particularly in terms of risk control and diversification.

Palisade

Palisade is a specialist independent infrastructure manager providing dedicated and professional investment management services to the wholesale superannuation market and other specialist investors. Palisade offers a depth of resources and a strong investment culture focused on delivering solid performance and high standards of client service. Palisade's philosophy is to deliver secure long-term returns, aligned with the investors and objectives of its investors and the community.

Plato

Plato's investment philosophy is that markets are less than perfectly efficient, and a disciplined systematic process can take advantage of these inefficiencies to deliver better risk adjusted returns than the market. Plato's investment process provides very attractive opportunities to generate out-performance, versus an appropriate benchmark, over the longer term.

Resolution Capital

Resolution Capital is a specialist investment manager that focuses on managing portfolios of global listed Real Estate Investment Trusts ('REITs') and other real estate securities. Resolution Capital is independent and majority employee owned. Resolution Capital is an active manager and believes that the ultimate driver of returns from REITs and real estate securities is the quality and level of sustainable cash earnings generated by the underlying real estate. As a result Resolution Capital's investment process is focused on evaluating these cash-flows consistently across real estate sectors and regions. Resolution Capital believes that listed real estate provides an excellent means of gaining exposure to the returns of some of the world's highest quality real estate assets.

Solaris

Solaris' investment team believes there are opportunities in both value and growth stocks. Solaris has no consistent bias towards either value or growth stocks. Therefore, their style can

be described as ‘style neutral’ or ‘style agnostic’. Stock selection is Solaris’ main area of expertise. Using fundamental analysis, Solaris selects stocks to exploit market inefficiencies in forecasts and valuations. Investment decisions are supported by detailed analysis of the securities and key financial markets with an eye on global perspectives. Solaris applies strict risk controls to minimise the downside risk.

Spheria

Spheria is a fundamental based investment manager with a bottom-up focus, specialising in smaller companies. Its investment philosophy is to purchase securities where the present value of future free cash flows can be reasonably ascertained, and the security is trading at a discount to the calculated intrinsic value, subject to certain risk criteria.

Two Trees

Two Trees is a specialist systematic global macro investment manager. Two Trees combines a deep understanding of financial economics, quantitative techniques and risk management to construct diversified multi-asset class portfolios seeking to deliver superior performance relative to the benchmark.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Pinnacle is licensed by the Australian Securities & Investments Commission, holding an Australian Financial Services Licence Number (322140), authorising it to carrying on a financial services business.

Pinnacle RE Services Limited holds Australian Securities & Investment Commission License Number (340235), authorising it to carry on a financial services business, including issuing interests in managed investment schemes as a Trustee.

Pinnacle Fund Services Limited holds Australian Securities & Investment Commission License Number (238371), authorising it to carry on a financial services business, including issuing interests in registered managed investment schemes as a Responsible Entity.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Participation or Interest in Client Transactions

As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Pinnacle’s fiduciary duty is the fundamental principle for the firm’s Code of Ethics, which includes procedures for personal securities transaction and insider trading. The Firm requires all employees to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. The Firm and its employees must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect the duty of complete loyalty to all clients

Related persons of Pinnacle may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, the Firm's related persons will place client interests ahead of their own interests and adhere to the Code of Ethics.

Likewise, related persons of the Firm may buy or sell securities for themselves at or around the same time they buy or sell the same securities in client accounts. In order to minimize this conflict of interest, the Firm's related persons will place client interests ahead of their own interests and strictly adhere to the established Code of Ethics. Further, related persons will refrain from buying or selling the same securities prior to buying or selling for clients in the same day unless included in a block trade.

Code of Ethics and Personal Account Dealing

All employees, directors, contractors and consultants of Pinnacle are expected to act lawfully, honestly, ethically and in the best interests of the the Firm in the course of their daily work.

Employees are encouraged to use best judgement to ensure fair dealing and the ethical conduct. Pinnacle seeks to establish a collaborative relationship with external stakeholders. It requires Pinnacle Personnel to:

- carry out enquiries before selecting and engaging with a third party to ensure they are reputable and competent and do not present unacceptable reputational risks;
- engage in fair dealings with third parties, act with integrity and not seek to obtain a competitive advance through unethical practices or behave in a manner which may damage the Firm's reputation; and
- ensure that there is no conflict of interest that would make the engagement of a particular third party inappropriate

Pinnacle along with its Advisory Affiliates does not permit, or condone, any form of bribery or corruption, or the payment of any form of inducement to a third party.

It does not encourage staff to give or receive gifts or hospitality that may impact their business judgment. Pinnacle Personnel are required to record the relevant details of any gift on the Gift Registry which is maintained by the Firm and to decline any gift where the value is greater than the limits specified in the Firm's Gift and Entertainment Policy. Any gift or gesture of hospitality should be declined if it appears excessive, is inappropriate in nature or at an inappropriate venue, or if it will result in any sense of obligation or if it will adversely affect the reputation of the Group.

Pinnacle has established a whistleblowing and no retaliation policy.

Item 12: Brokerage Practices

Pinnacle does not enter into transactions on behalf of clients. Pinnacle's Advisory Affiliates when entering into brokerage transactions for their clients maintain a panel of reputable brokers, which are selected based on a variety of factors. Pinnacle's Advisory Affiliates may receive research and related products or services from the brokers they engage with, and each has in place policies on conflicts of interest as well as brokerage allocation.

Item 13: Review of Accounts

Review of Accounts

The Funds of each Advisory Affiliate are reviewed and reconciled on a monthly basis with quarterly valuation and cash reports prepared by the Fund's independent Fund Administrator.

In addition, each Advisory Affiliate also monitors the Funds performances to help ensure conformity with investment objectives and guidelines.

The Funds' administrator will prepare quarterly unaudited Funds valuation pack stating the Funds' share price for each share class or other Fund interest.

Reporting

The Funds of each Advisory Affiliate are audited on an annual basis. Pinnacle's accounts are audited annually.

Item 14: Client Referrals and Other Compensation

The Firm or any related person of the Firm generally does not compensate any person in the U.S. who is not a Pinnacle supervised person for client referrals in the U.S.

Item 15: Custody

The Firm or any related person of the Firm do not take custody of client assets.

Item 16: Investment Discretion

Subject to the investment objectives, policies and restrictions of each Advisory Affiliate as set forth in the Investment Management Agreement / Investment Advisory Agreement and Offering Materials of such Advisory Affiliate, Pinnacle will exercise no authority to determine the acquisition, supervision or exit of investments, to place any cash or equivalents on deposit in or to the respective portfolios.

Item 17: Voting Client Securities

Pinnacle does not vote on securities.

Pinnacle's Advisory Affiliates may be in some instances authorized by their clients to vote on certain securities.

Where Pinnacle is the issuer of a pooled investment vehicle managed by an Advisory Affiliate, Pinnacle empowers the Advisory Affiliate to make all voting decisions and has no involvement in those decisions.

Item 18: Financial Information

Pinnacle has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.