



**HUNTER HALL
INTERNATIONAL LIMITED**
ABN 43 059 300 426

1 June 2017

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Hunter Hall International Limited (ASX:HHL) General meeting – presentation

Attached is a copy of the presentations to be given to shareholders at the General Meeting to be held at 9.30am this morning.

Ends

GPO Box 3955, Sydney NSW 2001,
Australia
Telephone: +61 2 8224 0300
Email: invest@hunterhall.com.au
Website: www.hunterhall.com.au



Hunter Hall and Pengana Proposed Merger

General Meeting of Shareholders

Thursday 1 June 2017, 9.30am

Chairman's Welcome



Good morning ladies and gentlemen, and welcome to the General Meeting of Hunter Hall International Limited's shareholders to consider approval for the proposed merger with the Pengana Group.

My name is Kevin Eley and I am the Chairman of Hunter Hall.

May I please remind you to switch all mobile devices to silent.

It is now just after 9:30 am. And I call this meeting to order.

I have been advised by our Company Secretary that a quorum is present and I am pleased to declare the meeting open.

Unless there is any objection, I will take the Notice of Meeting as having been read.





Kevin Eley
Chairman
Hunter Hall International Limited



David Groves
Non-executive Director
Hunter Hall International Limited
and
Chairman
Hunter Hall Global Value Limited



Wayne Hawkins
Non-executive Director
Hunter Hall International Limited



Russel Pillemer
Chief Executive Officer
Pengana

Also present in the room are Hal Lloyd a partner at K&L Gates, Grant Layland of Grant Thornton, the Hunter Hall Group's auditor, representatives of Leadenhall, the Independent Expert whose report is in the Explanatory Memorandum, representatives of our advisors, Moelis and Company and representatives of GRACosway who assisted with our communications and public relations strategy.

Staff from Hunter Hall and Computershare are also present to assist you with any questions you may have.

Agenda



- I will first give a brief address on why the Hunter hall Board believes you should vote in favour of the merger.
- I will then formally move each of the five resolutions in the Notice of Meeting after inviting questions. As all resolutions are interrelated, I will invite questions on all resolutions at the same time rather than on each resolution separately.
- Mr Russel Pillemer will then give you a presentation on the plans and outlook for the merged group.
- I will then invite further questions on Russel's presentation before closing.

Chairman's Address



Ladies and Gentlemen, It has been a particularly busy and challenging five months for the Hunter Hall board and management.

I want to speak to you briefly about the Board's work to protect and enhance shareholder value and our unanimous recommendation for the proposed merger with Pengana.

Peter Hall's resignation in late December last year set in train a series of events and challenges that required an enormous amount of work and thought by Directors, management and our advisers. At all times, we have sought to ensure that shareholders' interests, as well as those of our fund investors, were protected and ultimately enhanced.

We have responded to not one, but two separate takeover offers, plus an off-market offer for 19.9% of the Company.

We have also conducted discussions with a number of parties about other options for the Hunter Hall business.

At the same time we had to deal with the recent challenge to our listed investment Company, Hunter Hall Global Value Limited.

Chairman's Address



Throughout this process we have focused on steadying the ship to preserve value and maximise outcomes for our stakeholders.

In this regard in March, Washington Soul Pattison Limited, more commonly known as Soul Patts, became a 44% shareholder of Hunter Hall. They have effectively replaced Peter Hall as our major shareholder. They have proven to be totally supportive, materially assisting with the recent Hunter Hall Global Value Limited meeting.

The bottom line of all of the activity over the past 5 months is that we have been able to conduct a rigorous and well tested view on the value and the potential of the Hunter Hall business.

At one end of the value range was liquidation of the funds and the business. This would have delivered shareholders approximately 70 cents per share. At the other end is the value that can be created by merging with Pengana. This is increasingly being reflected in the trading price of Hunter Hall shares which closed last night at \$2.97. This price is now close to the independent expert's view on the value of the merged business to Hunter Hall shareholders, which is in the range \$3.00 to \$3.50 per share.

Chairman's Address



Beyond the fair value range, there are other key attractions from the proposed merger for Hunter Hall shareholders:

- First it offers shareholders the opportunity to maintain exposure to an investment management business with three times the size of funds under management. The merged business will have a more diversified range of funds on offer than Hunter Hall today. I also note that Pengana's funds under management are showing significant growth,
- Secondly, compared to all other options we looked at, we believe that Pengana's approach, style and philosophy plus its enhanced investment support and distribution capabilities will benefit Hunter Hall the most, and
- Thirdly, Soul Patts will remain as the largest shareholder of the merged business. They will provide support to an aligned and experienced Board and management team.

Ladies and gentlemen, your directors are unanimously of the opinion that the merger with Pengana, both strategically and financially, is by far the best of all the options that we have considered. It provides certainty and stands to deliver a strong and rewarding future for Hunter Hall shareholders.

I now invite Russel Pillemer the CEO of Pengana to provide some insights into the merged company which will be called Pengana Capital Group Limited.

Resolutions



The merger proposal is, of course, subject to your approval. It involves five separate resolutions. The resolutions are detailed but the concept is simple.

Resolution 1

seeks shareholder approval for the issue of shares in Hunter Hall to purchase Pengana. Under the ASX listing rules, issues of shares totalling more than 15% of a company's shares on issue require the approval of existing.

Resolution 2

seeks shareholder approval for the issue of shares to the Pengana shareholders including Soul Patts. This approval is required because the issue will mean that a number of entities, Soul Patts, Russel Pillemer and Hunter Hall, will have an interest in more than 20% of shares in the new group.

Resolution 3

gives approval under the ASX Listing Rules for Hunter Hall to acquire Pengana shares from its major shareholder, Soul Patts.

Resolution 4

gives shareholder approval for the establishment of an employee share scheme similar to that currently in place for Pengana employees.

Resolution 5

gives approval to change the name of Hunter Hall International Limited to Pengana Capital Holdings Limited.

Resolutions



The reasons for and against all of these resolutions are set out in detail in the Explanatory memorandum. They were also summarised in my letter to shareholders set out at the front of the EM.

Your directors unanimously recommend that you approve the merger transaction by voting for all of the resolutions and we commend them to you.

Shortly, I will formally move each of the resolutions and seek shareholder approval by a show of hands. The proxy position which will be shown to you is significantly in favour of the merger with more than 92% of all votes cast in favour. I now invite questions from the floor on all five resolutions. Please address all questions to the Chair and if need be I will then direct your questions to the appropriate person.

If you have a question, please raise your hand. I will direct a staff member with a microphone to you when it is your turn to speak. Please state your name before asking your question.

Do we have any questions?

Voting – Resolution 1



Resolution details		Instructions given to validly appointed proxies (as at proxy close)			
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain
Resolution 1: Approval to issue Hunter Hall Purchase Shares	Ordinary	7,865,578 92.71%	141,549 1.67%	476,209 5.62%	48,043 N/A

As at 31/05/2017

I put Resolution 1 as an ordinary resolution.

Resolution 1: Approval to issue Hunter Hall Purchase Shares

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“That, subject to the passing of all other Required Resolutions, to the extent required for the purposes of Listing Rule 7.1 and for all other purposes, Hunter Hall International Limited ACN 059 300 426 (Company) is authorised to issue and allot 74,147,345 ordinary fully paid shares in the capital of the Company (Shares) to the Pengana Sellers on the terms and conditions and in the manner set out in this Explanatory Memorandum.”

All in favour

All against

I declare Resolution 1 _____

Voting – Resolution 2



Resolution details		Instructions given to validly appointed proxies (as at proxy close)			
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain
Resolution 2: Approval of acquisition of a Relevant Interest in Hunter Hall Shares	Ordinary	7,876,731 92.73%	141,228 1.66%	476,209 5.61%	37,211 N/A

I put Resolution 2 as an ordinary resolution.

Resolution 2: Approval of acquisition of a Relevant Interest in Hunter Hall Shares

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“That, subject to the passing of all other Required Resolutions, for the purposes of item 7 of section 611 of the Corporations Act 2001 (Cth) (Corporations Act), and for all other purposes, approval is given to the Company to issue and allot 74,147,345 Shares in the Company to the Pengana Sellers, to adopt loan plans in the form of the Pengana Loan Plans and to enter into voluntary escrow deeds in respect of 37,217,013 Shares, as a result of which:

- a) the Pillemer Sellers and their Associates;
- b) WHSP, WHSP Pengana, WHSP Hunter Hall and their Associates; and
- c) Hunter Hall and its Associates,

will each acquire a Relevant Interest in the Shares of the Company, on the terms and conditions and in the manner set out in this Explanatory Memorandum.”

All in favour

All against

I declare Resolution 2 _____

Voting – Resolution 3



Resolution details		Instructions given to validly appointed proxies (as at proxy close)			
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain
Resolution 3: Approval of acquisition of Pengana Shares from, and issue of Hunter Hall Shares to, WHSP Pengana	Ordinary	7,892,841 92.81%	141,208 1.66%	470,539 5.53%	26,791 N/A

I put Resolution 3 as an ordinary resolution.

Resolution 3: Approval of acquisition of Pengana Shares from, and issue of Hunter Hall Shares to, WHSP Pengana

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“That, subject to the passing of all other Required Resolutions, for the purposes of Listing Rule 10.1, Listing Rule 10.11 and for all other purposes, approval is given to the Company to:

- a) acquire the Pengana Shares held by WHSP Pengana;
and
- b) issue 27,176,596 Shares to WHSP Pengana, as consideration for the Company’s acquisition of the Pengana Shares from WHSP Pengana,

on the terms and conditions and in the manner set out in this Explanatory Memorandum.”

All in favour

All against

I declare Resolution 3 _____

Voting – Resolution 4



Resolution details		Instructions given to validly appointed proxies (as at proxy close)			
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain
Resolution 4: Approval of Employee Loan Share Plan	Ordinary	19,585,166 95.65%	417,228 2.04%	473,875 2.31%	209,146 N/A

I put Resolution 4 as an ordinary resolution.

Resolution 4: Approval of Employee Loan Share Plan

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“That, subject to the passing of all other Required Resolutions, the Hunter Hall Loan Plan, which is summarised in this Explanatory Memorandum, be approved for all purposes including Exception 9(b) of Listing Rule 7.2 and sections 257B, 259B and 260C of the Corporations Act and the issue of Shares under the Hunter Hall Loan Plan within 3 years from the date of this resolution be an exception to Listing Rule 7.1 and 7.1A.”

All in favour

All against

I declare Resolution 4 _____

Voting – Resolution 5



Resolution details		Instructions given to validly appointed proxies (as at proxy close)			
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain
Resolution 5: Change of Company Name	Special	20,352,374 96.67%	232,267 1.10%	470,409 2.23%	127,637 N/A

I put Resolution 5 as a special resolution.

Resolution 5: Change of Company Name

To consider and, if thought fit, subject to the passing of all the Required Resolutions pass the following resolution as a Special Resolution:

“That, subject to the passing of all of the Required Resolutions and the consent of ASIC, for the purposes of section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Pengana Capital Group Limited” with effect from the date on which ASIC alters the details of the Company’s registration to reflect the change of name.”

All in favour

All against

I declare Resolution 5 _____

Voting – Resolutions



Thank you ladies and gentlemen.

As all resolutions have been passed, we will ensure that all the obligations to complete the merger agreement are carried out expeditiously. An announcement will be lodged with the ASX later today.

I now invite Russel Pillemer, the CEO of Pengana, to provide some insights into the merged company which will be called Pengana Capital Group.

After Russel's presentation you will be able to ask further questions.



PENGANA
CAPITAL

PENGANA CAPITAL GROUP

Russel Pillemer
CEO Pengana Capital Group

HHL EGM Presentation
1 June 2017



TABLE OF CONTENTS

1 OVERVIEW

2 STRENGTHS AND OPPORTUNITIES

3 MARKET DYNAMICS

4 FUNDS AND FUM

5 GROWTH STRATEGY

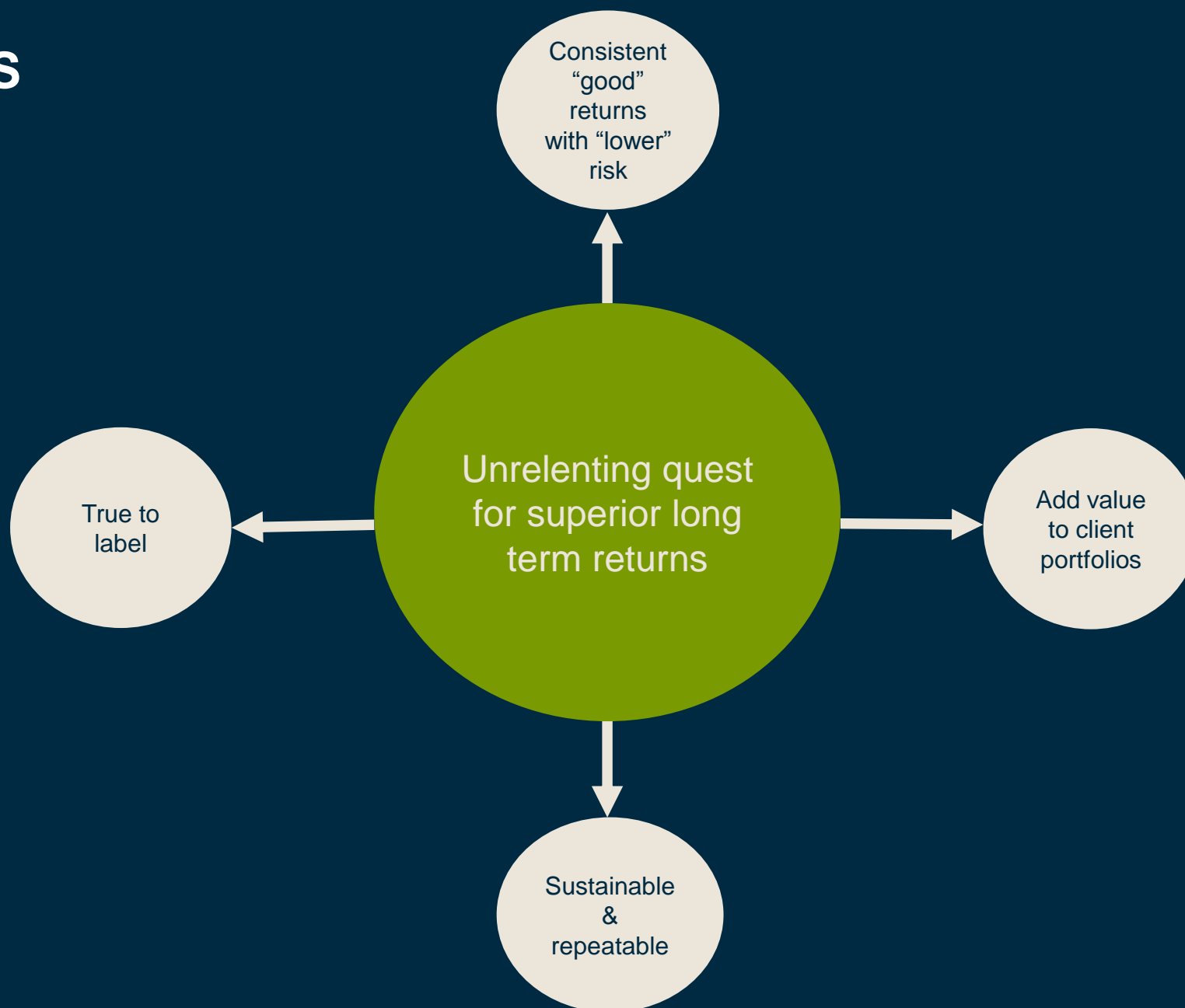


OVERVIEW

- PCG is a leading provider of premium products; benchmark-unaware and actively managed
- Proven long-term performance over multiple funds
- Focused the retail market through financial advisors with larger sophisticated clients as well as direct SMSF's and HNW's
- FUM of circa \$3.1 billion
- Unique funds management ("FM") business model providing significant competitive advantage
- **Primary focus is on an unrelenting quest for superior long term returns for our investors; this will continue to guide PCG as a listed company**



THE FOCUS



A UNIQUE FUNDS MANAGEMENT MODEL



STRENGTHS AND OPPORTUNITIES

- A leading retail brand in benchmark-unaware actively managed equities
- A diverse high quality offering across Australian and International equities; proven long term performance across multiple funds
- Capitalise on increasing demand in benchmark-unaware, absolute return and alternative asset spaces
- Capitalise on increasing demand for ethical funds
- Experienced and aligned management team with robust and scalable infrastructure
- Horizontal growth prospects enhanced by unique operating model
- Strong distribution capability with over 50,000 underlying retail investors across platforms, dealer groups, IFAs, and direct HNW and SMSF clients



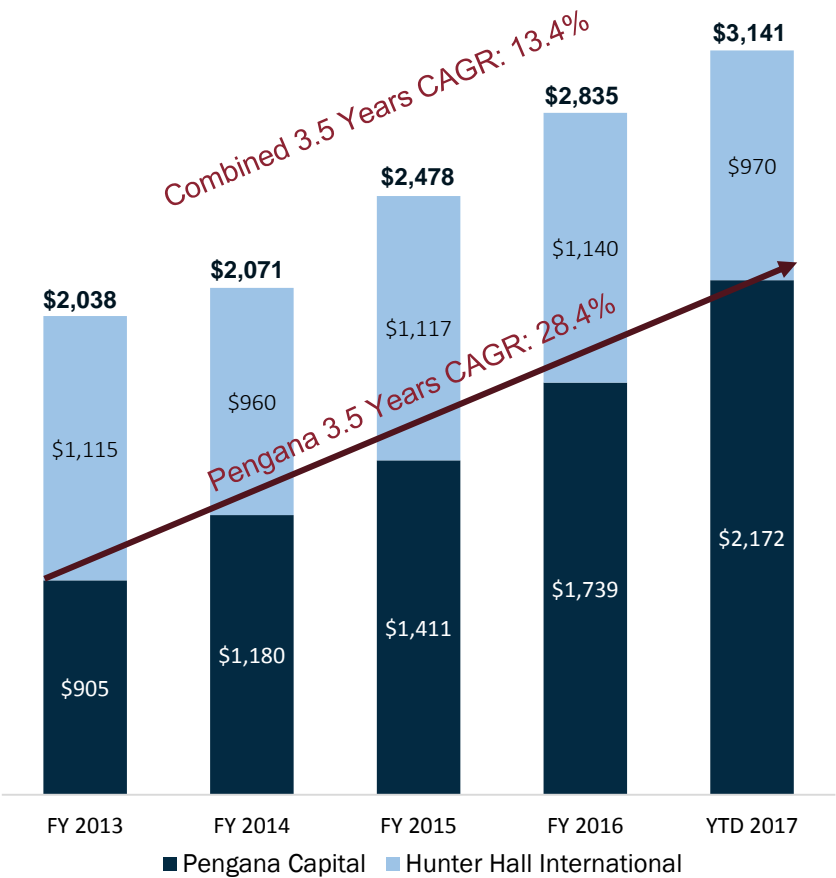
MARKET DYNAMICS

- PCG's core market is;
 - Retail affluent and mass affluent
 - Predominantly SMFs
 - Predominantly investors using advisors; important and growing non-advised client base
- Strong growth of SMSF market over the coming decades
- Importance of gatekeepers & ratings in advised market
- Increasing demand for active benchmark-unaware products
- Sophisticated advisors requiring solutions benefitting portfolio construction
- Increasing demand for ethical funds
- Unit trusts remain the dominant vehicle; increased interest and usage of LIC's from both advised and non-advised investors

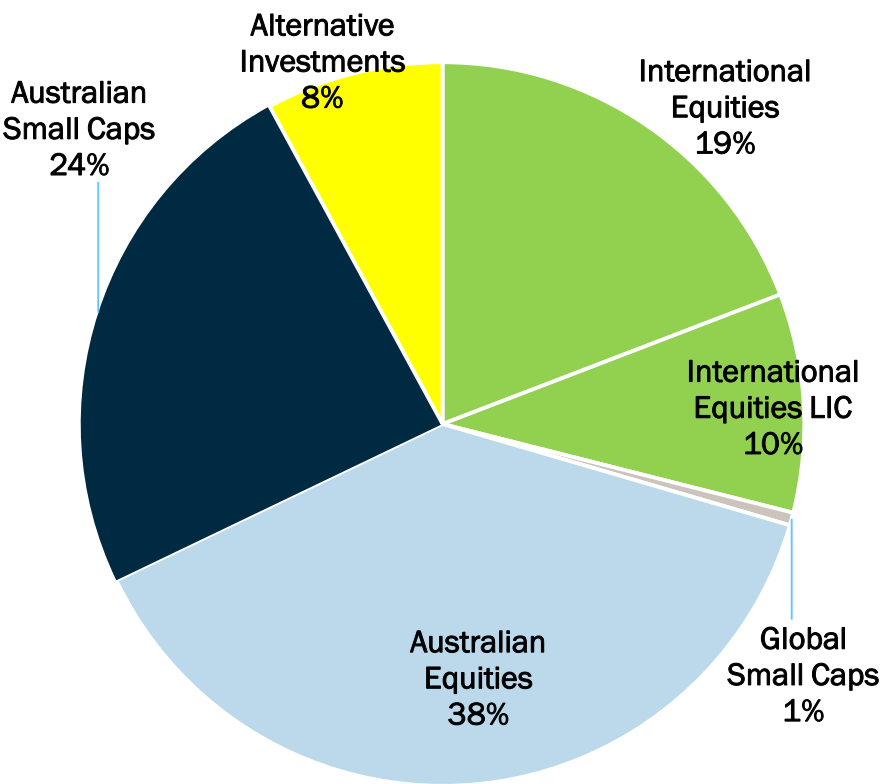


HISTORICAL GROWTH IN FUNDS UNDER MANAGEMENT

Historical Growth in FUM



FUM Strategy Breakdown (30/4/2017)



PLATFORM FOR GROWTH



Superior Business Model

- Attracting, retain and align “in-house” teams
- “JV model” enables growth at low cost
- Plug and play: identify opportunities and deliver solutions
- Opportunity to expand into other FM segments



Scalable Infrastructure

- Manage significantly larger asset base with low incremental cost
- Experienced and aligned management team



Distribution and Brand

- FUM growth in existing and new funds
- Potential to launch additional LICs
- Leverage brand and relationships in Advisor and mass HNW markets



Acquisition Opportunities

- Attractive partner/buyer for select opportunities
- Revenue and cost synergies
- Valuation multiple arbitrage
- Opportunity to expand into other FM segments

THANK YOU



FOR MORE INFORMATION

PENGANA CAPITAL GROUP

ABN 43 059 300 426

Level 12, 167 Macquarie Street,
Sydney, NSW 2000

T: +61 2 8524 9900

F: +61 2 8524 9901

E: clientservice@pengana.com

PENGANA.COM

Conclusion



Are there any further questions?

Thank you Russel.

Thank you ladies and gentlemen.

As all resolutions have been passed, we will ensure that all the obligations to complete the merger agreement are carried out expeditiously. An announcement will be lodged with the ASX later today.

In my address I mentioned the board's contribution to achieving a successful outcome for our shareholders and investors in our funds. However, I also however want to particularly acknowledge our hardworking acting CEO Paula Ferrao. She has worked tirelessly throughout this process, in a timely and constructive manner, to assist our staff, the board and our advisors. In addition, I would like to thank James MacDonald and his investment team and all Hunter Hall staff members who have endured a very challenging past 5 months.

Thank you also to our advisors who I see are seated amongst you for playing an important role in facilitating this outcome.

Wayne Hawkins has advised he will be retiring from the Hunter Hall board today. Wayne has served as a Director for the past 16 years. On behalf of my other fellow Directors and all of Hunter Hall, I would like to thank Wayne for his valuable contribution over this period.

As there is no further business to be conducted, I declare the meeting closed.

Thank you for your attendance today. We look forward to meeting with you again at the Annual General Meeting later in the year.

Disclaimer



This presentation has been prepared for use by Hunter Hall Global Value Limited by its investment manager Hunter Hall Investment Management Limited (collectively **the Company**).

Although the statements of fact in this presentation are provided in good faith by the Company and have been obtained from and are based upon sources that the Company believes to be reliable, it does not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this presentation constitute the Company's judgement as of the date of this presentation. Performance figures provided in the presentation are past performance which is not an indicator of future performance. Neither Hunter Hall Global Value Limited, Hunter Hall Investment Management Limited or their directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information provided and to the extent permissible by law, disclaim all liability for any error, omission or loss or damage so suffered.

This presentation is for information purposes only and is not intended as an offer or solicitation with respect to the dealing of any security. The information in this presentation is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the presentation do not purport to provide investment advice. The information provided is selective and may not be complete or accurate for your particular purpose and should not be construed as a recommendation to invest in any particular security.

This presentation does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors should obtain individual financial advice based on their own particular circumstances before making an investment decision on the basis of this presentation. No guarantee or representation as to performance of the Company, the maintenance or repayment of capital, the price at which shares will trade or any particular rate of return can be provided.