

ASX ANNOUNCEMENT

31 October 2023

Funds under management as at 30 September 2023

Pacific Current Group Limited (**ASX:PAC**), a global multi-boutique asset management firm, is reporting total Funds under Management (**FUM**) managed by boutique asset managers within Pacific Current Group's portfolio increased from A\$204.4b to A\$215.1b for the quarter ended 30 September 2023.

Highlights from the quarter include the following:

- Aggregate FUM grew 5.3% in AUD. In native currency, USD-denominated fund managers saw FUM increase by 1.7% as a result of continued inflows and the new investment in Avante;
- Excluding GQG, FUM increased 1.9% for USD-denominated fund managers and increased 3.7% for the AUD-denominated fund manager;
- GQG had strong inflows during the quarter, while PAC's private capital boutiques, led by Pennybacker and Roc received combined new commitments of more than A\$900m;
- PAC's Ownership Adjusted FUM grew from US\$14.1b to US\$14.3b; and
- PAC's boutiques made strong progress toward its expectation of A\$2b – A\$5b (excluding GQG) of gross new commitments in FY24.

Pacific Current Group's CEO, Paul Greenwood, noted, "We saw solid FUM progress among our private capital managers during the quarter, but expect the current quarter to be even stronger, as certain managers close on capital commitments to new funds." He added, "We have now had 28 consecutive quarters of positive net inflows, and while GQG has certainly fueled much of this, excluding GQG we have still had positive net inflows in 23 out of the last 28 quarters."

FUM flows and balances as at 30 June 2023 and 30 September 2023, by boutique tier and category, are shown in the Appendix attached. Note that Aether has been reclassified from a Tier 1 investment to Tier 2, and Pennybacker has been reclassified from Tier 2 to Tier 1. PAC's new investment in Avante Capital is being classified as Tier 1, though PAC does not expect the firm to meet the Tier 1 threshold in the first year of the investment.

Other Considerations

The relationship between the boutiques' FUM and the economic benefits received by PAC can vary dramatically based on factors such as:

- the fees charged by each boutique on the assets it manages, including one-time, up-front fees;
- the varying size of PAC's ownership interest in each boutique; and

- the unique economic terms negotiated between PAC and each boutique including the manner in which PAC expects to realize value from its investment.

Accordingly, PAC cautions against simple extrapolation of PAC's projected results based on FUM trends.

AUTHORISED FOR LODGEMENT BY:

Paul Greenwood

Managing Director & Chief Executive Officer and Chief Investment Officer

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CONTACT

For Investor & Media enquiries:

- Paul Greenwood - Managing Director & CEO and CIO
E: pgreenwood@paccurrent.com
T: (+1) 253 617 7815

ABOUT PACIFIC CURRENT GROUP

Pacific Current Group Limited is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors, and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 31 October 2023, Pacific Current Group has investments in 16 boutique firms globally.

Appendix

Funds Under Management – 30 September 2023

FUM by Pacific Current Group boutique manager in reporting currency

Tier 1 - Boutiques reporting in USD	Open End			Closed End			Total FUM as at 30 June 2023	Total FUM as at 30 September 2023
	30 June 2023	New Investment / (Divestment)	30 September 2023	30 June 2023	New Investment / (Divestment)	30 September 2023		
Avante ¹	-	-	-	-	558	558	-	558
Banner Oak ²	-	-	-	7,389	-	7,467	7,389	7,467
Carlisle	988	-	974	1,003	-	991	1,991	1,965
Cordillera	158	-	159	1,254	-	1,254	1,412	1,413
GQG	104,100	-	105,800	-	-	-	104,100	105,800
Pennybacker ³	274	-	268	2,691	-	3,062	2,964	3,330
Proterra ²	-	-	-	3,712	(213)	3,413	3,712	3,413
Victory Park ⁴	-	-	-	5,713	-	5,769	5,713	5,769
Total Tier 1	105,519	-	107,202	21,761	345	22,514	127,280	129,716
Tier 2 - Boutiques reporting in USD								
Aether ³	-	-	-	1,545	-	1,545	1,545	1,545
Astarte ⁵	-	-	-	642	(169)	474	642	474
EAM	1,478	-	1,434	-	-	-	1,478	1,434
SCI	-	-	-	-	-	-	-	-
Total Tier 2	1,478	-	1,434	2,187	-	2,019	3,665	3,452
FUM (USD) - Boutiques reporting in USD	106,997	-	108,635	23,948	176	24,533	130,945	133,168
FUM (AUD) - Boutiques reporting in USD	160,621	-	168,930	35,950	292	38,149	196,572	207,079
Tier 2 - Boutique reporting in AUD								
ROC Partners	-	-	-	7,778	-	8,067	7,778	8,067
Total FUM (AUD) - PAC Boutiques	160,621	-	168,930	43,728	292	46,216	204,350	215,146

1. PAC invested in Avante on 21 September 2023.
2. FUM for Banner Oak Capital Partners and Proterra Investment Partners represent regulatory FUM from one quarter in arrears. PAC sold its investment in Proterra Asia for US\$8.32m therefore the divestment column shows the loss of FUM related to Proterra Asia in the above table.
3. Starting this quarter, Aether has been moved to Tier 2 and Pennybacker has moved to Tier 1 category, details on each of the tiers can be found on the next page.
4. Victory Park FUM includes the firm's regulatory capital for 30 September, as well as other client FUM where VPC is paid a one-time, upfront fee.
5. Astarte FUM represents aggregate FUM of funds managed by investment managers in which Astarte has an interest as well as the unallocated committed capital from funds managed by Astarte. During the quarter Astarte sold its interest in EOS, it is shown separately in the divestment column above.

FUM by Pacific Current Group Tier 1/Tier 2 Classification in AUD

A\$m	FUM as at 30 June 2023	New investment / (Divestment)	Net Flows ⁶	Other ⁷	FX movement ⁸	FUM as at 30 September 2023
Tier-1 (Ex-GQG) ⁹	34,797	549	580	18	1,246	37,189
Tier-2 ⁹	13,280	(258)	130	91	193	13,436
Sub-Total	48,078	292	710	109	1,438	50,625
GQG ¹⁰	156,272	-	2,904	(306)	5,650	164,521
Total	204,350	292	3,614	(197)	7,089	215,146

6. For Closed End funds, Net Flows only includes additional capital commitments. Distributions to limited partners of Closed End funds will be reflected as reduction in Net Asset Value, which is included in the 'Other' category for PAC reporting.
7. Other includes investment performance, market movement and distributions.
8. The Australian dollar weakened against US dollar during the quarter. The AUD/USD exchange rate was 0.6661 as at 30 June 2023 compared to 0.6431 as at 30 September 2023. The Net Flows and Other items are calculated using average rates.
9. Starting this quarter, Aether has moved to Tier 2 and Pennybacker moved to Tier 1.
10. Beginning with quarter ending 31 December 2021, GQG is separated in the table above as GQG is now a listed entity, therefore PAC will only include GQG's FUM data as it is disclosed by GQG in its quarterly FUM announcement. GQG continues to be a Tier-1 boutique in the PAC portfolio.

Tier 1 Boutique is a term used to describe an asset manager that PAC expects to produce at least an average of AUD 4m of annual pre-tax earnings for PAC over the next three years, while a **Tier 2 Boutique** is one that PAC expects will contribute less than this amount. Although there is no guarantee any Tier 1 boutique will meet this threshold, this categorisation is intended to provide insight into which boutiques are expected to be the most economically impactful to Pacific Current Group

Open-end is a term used to indicate funds under management that are not committed for an agreed period and therefore can be redeemed by an investor on relatively short notice. **Closed-end** is a term used to denote funds under management where the investor has committed capital for a fixed period and redemption of these funds can only eventuate after an agreed time and in some cases at the end of the life of the fund.

Ownership Adjusted FUM by Pacific Current Group boutique manager in USD

US\$m	Private Market / Public Market Strategy	Total FUM as at 30 June 2023	Total FUM as at 30 September 2023	PAC Interest	Ownership Adjusted FUM (OAF) as at 30 June 2023	Ownership Adjusted FUM (OAF) as at 30 September 2023
Tier 1						
Avante	Private	-	558	24.9 %	-	139
Banner Oak	Private	7,389	7,467	35.0 %	2,586	2,614
Carlisle	Private	1,991	1,965	40.0 %	796	786
Cordillera	Private	1,412	1,413	24.9 %	352	352
GQG	Public	104,100	105,800	4.0 %	4,195	4,264
Pennybacker	Private	2,964	3,330	16.5 %	489	549
Proterra	Private	3,712	3,413	16.0 %	594	546
Victory Park	Private	5,713	5,769	24.9 %	1,422	1,437
Tier 2						
Aether	Private	1,545	1,545	100.0 %	1,545	1,545
Astarte	Private	642	474	44.5 %	286	211
EAM	Public	1,478	1,434	18.8 %	277	269
ROC Partners ¹¹	Private	5,181	5,188	29.7 %	1,554	1,541
Total (USD)		136,127	138,356		14,096	14,251

Ownership Adjusted FUM (OAF) - The ownership percentage used in the calculation of OAF reflects the proportion of proceeds that PAC, absent any distribution preferences, would receive in the event of the sale or liquidation of the business. The portfolio above does not include boutiques that do not manage FUM.

11. PAC ownership in ROC Partners slightly decreased this quarter (from 30% to 29.7%) due to dilution resulting from additional equity being issued to ROC employee. The 30 June 2023 OAF is calculated using the 30% ownership.