

# PACIFIC CURRENT GROUP

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## ASX ANNOUNCEMENT

1 February 2017

### Funds Under Management As at 31 December 2016

#### HIGHLIGHTS

- Total FUM of A\$51.7bn, up 1.5%, driven primarily by positive market returns and currency movement
- Growth boutiques – GQG Partners and Blackcrane – received net inflows totaling A\$1.0bn
- Core boutiques – IML and Aether had total net inflows of A\$273m, which were offset by A\$2.4bn of net outflows at Aperio and RARE
- The AUD depreciated against USD, positively impacting total FUM by A\$1.9bn

Pacific Current Group (ASX:PAC, the Company, Pacific Current), a global multi-boutique asset management firm, today announces its Funds Under Management (FUM) for the quarter ended 31 December 2016.

As at 31 December 2016, PAC boutiques had aggregate FUM of A\$51.7bn, an increase of A\$0.8bn or 1.5% during the quarter. Net flows / commitments were –A\$1.7bn due to outflows at Aperio, RARE, Seizert and ROC, though these were partially offset by inflows at GQG, IML, Aether and Blackcrane. FUM also benefitted from market appreciation and AUD depreciation against the USD.

GQG, which started that quarter with A\$141m, finished the quarter with A\$1.05bn thanks to more than A\$815m of inflows. Blackcrane saw FUM grow substantially to A\$539m as a result of A\$211m of inflows during the quarter.

Paul Greenwood, President North America of Pacific Current, commented: “This quarter in particular highlights the challenges of extrapolating from quarterly FUM data. For instance, while ROC had large outflows in its lower fee products, its profitability was not hurt because of the inflows it received into its higher fee products. Moreover, Aperio had outflows during the quarter, which we don’t expect to recur this quarter. Indeed, our growth expectations for Aperio remain unchanged from when we invested one year ago.”

During the quarter PAC announced the sale of one of its Growth boutiques, Raven Capital Management, back to Raven management (see 17 Oct 2016 ASX announcement). Aubrey Investment Management was also sold in December 2016 (see 12 Jan 2017 ASX announcement). We have adjusted opening FUM for the quarter to reflect the sale of these two investments.



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## Other Considerations

Note that the relationship between the boutiques' FUM and the economic benefits received by Aurora can vary dramatically based on each boutique's fee levels, Aurora's ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM trends.

## Funds under management

Boutique & Channel Split (A\$bn)	30-Sept-16 Closing FUM (1)	Net Flows	Other (2)	FX Impact (3)	31-Dec-16 Closing FUM
<b>Core Boutiques</b>					
Retail	8.13	0.14	0.11	0.02	8.40
Institutional	34.63	(2.46)	0.60	1.59	34.36
	<b>42.76</b>	<b>(2.32)</b>	<b>0.71</b>	<b>1.61</b>	<b>42.76</b>
<b>Growth Boutiques</b>					
Retail	0.01	0.06	-	-	0.07
Institutional	6.02	0.47	(0.02)	0.19	6.66
	<b>6.03</b>	<b>0.52</b>	<b>(0.02)</b>	<b>0.19</b>	<b>6.73</b>
<b>Other Boutiques</b>					
Retail	0.37	-	(0.04)	0.02	0.34
Institutional	1.75	-	0.04	0.06	1.86
	<b>2.12</b>	<b>-</b>	<b>0.00</b>	<b>0.07</b>	<b>2.20</b>
<b>Total FUM</b>	<b>50.91</b>	<b>(1.79)</b>	<b>0.69</b>	<b>1.87</b>	<b>51.68</b>

(1) The opening FUM at 30-Sept-16 has been adjusted to reflect sale of Raven and Aubrey.

(2) Includes investment performance, market movement and distributions.

(3) The Australian dollar appreciated compared to US dollar during the quarter. The AUD/USD exchange rate changed from 0.7674 as at 30 September 2016 to 0.7228 as at 31 December 2016.

(4) Amounts may not add due to rounding.



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## Funds Under Management by Boutiques

(A\$bn)	30-Sept-16	31-Dec-16
<strong>Core Boutiques</strong>		
Aether	1.51	1.66
Aperio	21.72	21.56
IML	7.40	7.84
RARE	8.16	7.29
Seizert	3.97	4.41
	<strong>42.76</strong>	<strong>42.76</strong>
<strong>Growth Boutiques</strong>		
Blackcrane	0.30	0.54
ROC Partners	5.06	4.59
Raven	-	-
GQG Partners	0.14	1.05
EAM Global	0.52	0.54
	<strong>6.03</strong>	<strong>6.73</strong>
<strong>Other Boutiques</strong>	<strong>2.12</strong>	<strong>2.20</strong>
<strong>Total FUM</strong>	<strong>50.91</strong>	<strong>51.68</strong>

## CONTACT

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## ABOUT PACIFIC CURRENT GROUP // [www.paccurrent.com](http://www.paccurrent.com)

Pacific Current Group 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 January 2017, Pacific Current Group has 16 boutique asset managers globally.

