Rule 4.2A

Appendix 4D

1. Half yearly report

Name of entity

Pacific Current Group Limited

ABN:	39 006 708 792

Report for the half-year ended	31 December 2016
Previous corresponding period is the financial year ended and half year ended	30 June 2016 31 December 2015

2. Results for announcement to the market

				A$'000s
Revenues *(item 2.1)**	~~up~~/down	(34%)	to	1,754
Profit after tax attributable to members (*item 2.2*)	up/~~down~~	122%	to	2,167
Net profit for the period attributable to members *(item 2.3)*	up/~~down~~	122%	to	2,167

Dividends *(item 2.4)*

The directors of the Company did not declare an interim dividend on ordinary shares in respect of the half-year ended 31 December 2016.

Record date for determining entitlements to the dividend *(item 2.5)*	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):

Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):

The Company generated a net profit attributable to the members of the Company of $2.2 million for the half-year ended 31 December 2016. The PAC results are directly correlated to the result of Aurora Trust (the Trust), the vehicle through which all investments and operations are made. During the period, the Trust revalued the carrying value of its X-Redeemable Preferred Units (X-RPU) and as a result, a revaluation gain of $15.3m was reflected in the Trust's profit and loss. The Trust also booked $11.4m of impairment charges and $7.7m revaluation loss in relation to its 10% interest in RARE. The Trust also reflected an investment revaluation increment of $9.9 million that was booked to reserves for its investment in GQG.

The Company reported a net loss of $10.0 million for the corresponding period ended 31 December 2015.

The Trust is classified as a joint venture and the principles of equity accounting are applied.

The underlying profit of the Pacific Current as reported in the 31 December 2016 half year report had increased compared to the 31 December 2015 half year result due to the following one-off items as shown in the table below:

	Consolidated	
	Half-year ended	
	31 December 2016 $	31 December 2015 $
Net profit/(loss) before tax attributable to members of the Company	**3,781,271**	(12,376,452)
Income tax (expense)/benefit	**(1,613,985)**	2,335,425
Net profit/(loss) after tax	**2,167,286**	(10,041,027)
Add/(deduct):		
- Gain on revaluation of X-RPU	**(9,973,068)**	-
- Gain on sale of investments	**(719,632)**	(6,639,460)
- Impairment of investments	**7,454,135**	13,600,563
- Loss on revaluation of Fair Value Through Profit or Loss (FVTPL) investment	**5,001,824**	-
- Amortisation of identifiable intangibles	**761,779**	840,163
- Fair value adjustments	**587,532**	1,355,981
- Long term incentives amortisation	**523,733**	27,334
- Deal costs	**39,148**	340,579
- Transaction costs at RARE	**-**	3,677,299
- Prepayment penalty on Medley debt/loan origination costs write off	**-**	1,528,714
- Transaction costs at the Trust for RARE	**-**	976,498
- Employee restructuring	-	90,444
Underlying profit	**5,842,737**	5,757,088
Underlying earnings per share	**20.77**	20.60
Statutory earnings/(losses) per share	**7.71**	(35.93)

3. Net tangible assets per security *(item 3)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	701¢	803¢

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	NA
Date(s) of gain of control *(item 4.2)*	

Loss of control of entities

Name of entities *(item 4.1)*	NA
Date(s) of loss of control *(item 4.2)*	
Contribution to net profit from discontinuing operations after tax by the controlled entities to the date(s) in the current period when control was lost *(item 4.3).*	-
Contribution to net profit from net gain on discontinued operation (net of transaction cost and income tax expense) in the current period when control was lost *(item 4.3).*	-
Contribution to net profit from discontinuing operations after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	-

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Final dividend – year ended 30 June 2016	30 September 2016	1,406,298

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Interim dividend:	Current period	-	-	-
	Previous period	20.00¢	100%	-¢

Interim dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	-	5,625
Preference securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	-	5,625

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

7. Details of joint venture entities and associates *(item 7)*

Name of joint venture entity and associate	% Securities held
Aurora Trust	65
Celeste Funds Management Ltd*	27
*Pacific Current Group Limited holds a direct interest of 27% but the economic benefits flow through Aurora.	

Aggregate share of profits/(losses) of associates and joint venture entities – continued operations *(where material)*

Group's share of joint venture entities' and associates' profit/(loss):	6mths to 31 Dec 2016 $	6mths to 31 Dec 2015 $
Profit/(loss) before tax	5,675,163	(19,114,973)
Income tax expense	(88,931)	(1,477,529)
Net profit/(loss) after tax	5,586,232	(20,592,502)
Adjustments	-	-
Share of net profit/(loss) of joint venture entities and associates	3,574,397	(13,314,895)

Aggregate share of profits (losses) of associates and joint venture entities from discontinued operations - *(where material)*

Group's share of joint ventures entities and associates' profit/(loss):	6mths to 31 Dec 2016 $	6mths to 31 Dec 2015 $
Profit (loss) before tax	-	-
Income tax	-	-
Net profit (loss) after tax	-	-
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	-	-

8. The information provided in the Appendix 4D is based on the interim financial report (attached), which has been prepared in accordance with Australian accounting standards *(item 8)*.

9. The interim financial report is not subject to audit dispute or qualification.
(item 9)

Periodic Disclosure Requirements Compliance Statement

1 An interim report for the half-year ended 31 December 2016 is provided with the Appendix 4D information.

2 The interim report has been prepared in accordance with AASB 134 Interim Financial Reporting.

3 Except where noted in the report, the interim report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2016, except mandatory changes under the Australian equivalents to International Financial Reporting Standards (A-IFRS).

4 The Appendix 4D information gives a true and fair view of the matters disclosed in the interim financial report.

5 The Appendix 4D information is based on the interim financial report, which has been subject to review.

6 The audit report or review by the auditor is provided with the interim financial report.

Sign here: .... Date: 28 February 2017
(Chief Operating Officer/Chief Financial Officer)

Print name: Joseph Ferragina

PACIFIC CURRENT GROUP

Pacific Current Group Limited

ABN 39 006 708 792

Interim Consolidated Financial Report for the half-year ended 31 December 2016

Contents

Directors' report

The directors submit herewith the interim consolidated financial report of Pacific Current Group Limited (the Company or the Group) for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the Company's directors in office during the half-year and until the date of this report are as below. Unless otherwise noted, the directors were in office for this entire period.

Names

M. Fitzpatrick, Chairman
P. Greenwood, Executive Director, Global Chief Investment Officer (CIO) and President, North America
P. Kennedy, Non-executive Director
M. Donnelly, Non-executive Director
J. Vincent, Non-executive Director
G. Guerin, Non-executive Director
T. Carver, Non-executive Director (resigned as Non-executive Director 24 October 2016)
T. Robinson, Executive Director
J. Ferragina, Finance Director (resigned as Finance Director 24 October 2016), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Company Secretary (resigned as Company Secretary 15 September 2016)
N. Bartrop, Company Secretary (appointed 15 September 2016)

The Company has prepared a condensed consolidated financial report incorporating the entities that it controlled and jointly controlled during the interim period ending 31 December 2016.

Corporate Structure

There was no change in the corporate structure of the Company during the half-year. The Company invests in global asset management companies through its investment in the Aurora Trust (the Trust). The Trust is an international multi-boutique funds management business that holds interests in 16 boutiques in Australia, the United States of America and other jurisdictions. These boutiques range in their sector exposures from traditional equities to alternatives and private equity. The overall ownership in the Trust did not materially change during the period. As at 31 December 2016, the Trust is owned by the Company (as a single entity) at 65.15%, Northern Lights Capital Partners, LLC (Northern Lights) at 27.19% and Fund BNP Paribas Capital Partners Participations represented by BNP Paribas Capital Partners (BNP Paribas) at 7.66%. Whilst the ownership exceeds 50% and results in a presumption of control, the Trust is referred to as a joint venture arrangement among the Company, Northern Lights and BNP Paribas. The Company and Northern Lights contributed their businesses to the Trust to conduct investment activities, and BNP Paribas Asset Management, Inc. (BNP Paribas AM) was an investor in Northern Lights prior to the merger between the Company and Northern Lights. The key function of the Trust and the overall business is investment in asset managers. Former Northern Lights executives are responsible for investment analyses and due diligence. Recommendations are undertaken by the majority Northern Lights controlled investment committee. Investment decisions require approval by a majority vote of the Trustee board. The decision making process leading to execution requires all parties to agree.

The Trust is referred to as a joint venture of the Company and the principles of the equity method of accounting are applied.

Directors’ report

Proposed Restructure and Simplification

The Company expects to simplify its corporate structure in the second half of the year as a result of extensive discussions among the Company and the various stakeholders in the Trust. This simplification (Simplification) is expected to yield greater alignment of all stakeholders and a partial deleveraging of the Trust. The Simplification proposals are subject to approval by shareholders on 15 March 2017.

Overview of Simplification

In November 2014, the Company undertook to merge its business with the US-based group, Northern Lights via the creation of a jointly controlled entity, the Trust. The rights of the Unitholders of the Trust are set out in a number of underlying governing documents to the Trust, including the Unitholders’ Deed among the unitholders of the Trust, and the Trust Deed (the Governing Documents). The relevant interests of the parties in the Trust are currently made up of the following units:

- Class A Units – owned by the Company
- Class B Units and Class B-1 units – owned by Northern Lights and BNP Paribas
- X-Redeemable Preferred Units (X-RPUs) – owned by Northern Lights and BNP Paribas

The primary driver of the Simplification is for the Trust to become wholly-owned by the Company, without materially shifting value between current unitholders in the Trust. The simplification involves two transactions as follows: 1) exchange of the Trust’s Class B and vested B-1 units for 13,675,677 PAC shares (PAC Shares) **(Exchange Transaction)** and 2) amending the terms of the X-RPUs so that the redemption price is fixed at US$21.0 million and the X-RPUs are required to be redeemed on or before 31 March 2018 **(Settlement Transaction)**.

The Exchange Transaction and Settlement Transaction are subject to Company shareholder approval and approvals from the X-RPU holders, Class B and Class B-1 unitholders. An Extraordinary General Meeting (EGM) of the Company shareholders (PAC Shareholders) will be held on 15 March 2017 in Sydney, Australia, to approve these transactions. A Notice of Meeting and Explanatory Memorandum was lodged with the ASX and mailed to shareholders on 13 February 2017. The purpose of the EGM is to seek approval from the shareholders to pass resolutions to undertake the Exchange and Settlement Transactions that will simplify the Company’s corporate structure.

Overview of Exchange Transaction

The PAC Shareholders are asked to approve the issue of 13,675,677 PAC Shares to holders of Class B units and vested Class B-1 units in the Trust in exchange for their Trust units (Exchange). PAC Shares will be issued to Class B and Class B-1 unitholders in proportion to their holdings.

As part of the Exchange Transaction, all or part of the PAC Shares issued to Class B and Class B-1 unitholders will be subject to escrow arrangements for a period of up to 12 months from issue.

Prior to the Exchange, a consolidation of the units in the Trust will occur on a pro rata basis to ensure that the number of Class A units equal the number of PAC Shares on issue.

If the Exchange Transaction is approved by the PAC Shareholders and Class B and B-1 unitholders, the Company’s ownership in the Trust will be 100% once the X-RPUs have been redeemed in the Settlement Transaction.

Proposed Restructure and Simplification (continued)

Overview of Settlement Transaction

The second element of the simplification relates to the variation of the terms of the X-RPUs. As a result of the structure of the Trust, Northern Lights, LNC Investments Co., LLC (LNC) as represented by Mr Vincent, BNP Paribas as represented by Mr Gilles and Mr Greenwood are director-related parties of the Company. Therefore, in addition to approving the Exchange, PAC Shareholders are asked to approve certain elements of the settlement of the X-RPUs (Settlement).

Under the existing arrangements, full payment of the US$42.0 million face value of the X-RPUs is contingent on the performance of six previously held Northern Lights asset management firms, relative to two asset management firms previously owned by the Company before forming the Trust.

The Settlement will result in the new face value of this security being a fixed amount of US$21.0 million, to be paid on or before 31 March 2018. If the Settlement does not occur on or before 31 March 2018, interest will accrue at increasing rates over time until paid.

Under the Settlement, the new face value of the X-RPUs of US$21.0 million will be lower than the current maximum face value of US$42.0 million. Removing the contingency feature of the existing X-RPUs has the following advantages:

- The uncertainty in relation to the liability associate with the X-RPU is removed, which eliminates potential conflict of interests and the difference in agenda that flows from joint ownership of the Trust; and
- The liability associated with the X-RPUs is de-risked for all parties, which is significant given that determining the relative contributions of the reference asset management firms as contemplated at the time of merger of operations and investments has proven difficult due to changes in the portfolio since that time.

PAC Shareholders are asked to approve certain elements of the Settlement of the X-RPUs.

Completion of the Transactions

If the resolutions are passed at the EGM to undertake the Exchange and Settlement Transactions, then the parties will proceed to completion which is expected to occur shortly after the EGM. On completion, the underlying Governing Documents of the Trust will be amended to give effect to the terms of the Transactions with the Exchange expected to occur on or before 31 March 2017.

The Exchange Transaction is contingent on Shareholders approving the Settlement Transaction. That means, if the Exchange Transaction is approved by Shareholders but the Settlement Transaction is not passed by Shareholders, then neither Transaction will proceed.

If the Exchange Transaction does not proceed, then the current ownership structure of Class A, Class B and Class B-1 Units within the Trust will be maintained, with the Class B and Class B-1 Unitholders retaining their existing rights to exchange their units for PAC Shares at their election.

If the Settlement Transaction does not proceed, then the X-RPUs will be paid in accordance with their existing terms at a redemption price of up to US$42 million.

If the Settlement Transaction proceeds, but the Exchange Transaction does not proceed, the parties will proceed to completion in respect of the Settlement Transaction only.

Directors' report

Review of Operations

On 23 December 2016, the Trust sold its interest in Aubrey Capital Management to Treetop Asset Management S.A. for US$1.14 million. The proceeds are expected to be received in the first quarter of 2017 following regulatory approvals in the United Kingdom which have been received.

On 16 December 2016, the Trust made its second and final payment of US$16.3 million for its investment in Aperio Group, LLC (Aperio). The second and final payment was funded out of existing cash balances and a US$10.0 million US Prime+3.5% interest rate, two-year short-term secured debt facility entered into by the Trust.

On 14 October 2016, the Trust sold its interest in Raven Capital Management, LLC (Raven) to Raven's founder and current management team. In exchange for selling its 25% interest in Raven, the Trust received US$6.5 million in upfront cash consideration and US$3.5 million deferred cash consideration based upon future Funds Under Management (FUM) growth. The Trust retained its interest in the general partnerships, which have a small investment in Raven's first two private credit funds, and thus retain the right for any performance bonuses earned by the two private credit funds.

On 7 October 2016, the employment terms of Paul Greenwood as Executive Director, Global CIO and President, North America were restructured. Summary of his employment agreement terms include an increased base-compensation from US$0.6 million to US$0.675 million per annum. In addition, the Company granted 250,000 performance rights and will issue a further 250,000 performance rights on 5 October 2017, provided that he is still employed on that date. The vesting date of the rights issued on 7 October 2016 is 1 July 2018. Any securities to be allocated on vesting of the performance rights will be purchased on the market under the Long Term Incentive Plan and therefore shareholder approval is not required.

Directors' report

Results of Operations

The Company reports its half year financial results to 31 December 2016.

The Company generated a net profit attributable to the members of the Company of $2.1 million for the half-year ended 31 December 2016. The Company's results are directly correlated to the results of the Trust, the vehicle through which all investments and operations are made. During the period, the Trust revalued the carrying value of its X-RPUs and as a result, a revaluation gain of $15.3m was reflected in the Trust's profit and loss. The Trust also booked $11.4m of impairment charges and $7.7m revaluation loss in relation to its 10% interest in RARE. The Company reported a net loss of $10.0 million for the corresponding period ended 31 December 2015.

The Trust is classified as a joint venture and the principles of equity accounting are applied.

The underlying profit of the Company as reported in the 31 December 2016 half-year report has increased compared to the 31 December 2015 half-year result due to the following one-off items as shown in the table below:

	Consolidated Half-year ended	
	31 December 2016 $	31 December 2015 $
Net profit/(loss) before tax attributable to members of the Company	**3,781,271**	(12,376,452)
Income tax (expense)/benefit	**(1,613,985)**	2,335,425
Net profit/(loss) after tax	**2,167,286**	(10,041,027)
Add/(deduct):		
- Gain on revaluation of X-RPUs	**(9,973,068)**	-
- Gain on sale of investments	**(719,632)**	(6,639,460)
- Impairment of investments	**7,454,135**	13,600,563
- Loss on revaluation of Fair Value Through Profit or Loss (FVTPL) investment	**5,001,824**	-
- Amortisation of identifiable intangible assets	**761,779**	840,163
- Fair value adjustments	**587,532**	1,355,981
- Long term incentives amortisation	**523,733**	27,334
- Deal costs	**39,148**	340,579
- Transaction costs at RARE	**-**	3,677,299
- Prepayment penalty on Medley debt/loan origination costs write off	**-**	1,528,714
- Transaction costs at the Trust for RARE	**-**	976,498
- Employee restructuring	-	90,444
Underlying profit	**5,842,737**	5,757,088
Underlying earnings per share	**20.77**	20.60
Statutory earnings/(losses) per share	**7.71**	(35.93)

The current period reconciling items to the underlying profit are included within the share of profit/(loss) of equity accounted investments in the condensed consolidated statement of profit or loss.

Directors' report

Subsequent events

The directors of the Company did not declare an interim dividend on ordinary shares in respect of the half-year ended 31 December 2016. On 13 February 2017, a Notice of Meeting and Explanatory Memorandum was lodged with the ASX and mailed to shareholders. The EGM will be held on 15 March 2017 in Sydney, Australia. The purpose of the EGM is to seek approval from the PAC Shareholders to undertake the Exchange and Settlement Transactions as discussed above.

The principal goal of the Exchange and Settlement Transactions is to create a simpler and more transparent structure for the Company while not materially shifting the value of the respective shareholders.

The Board is strongly of the view that eliminating a layer of complexity and simplifying the balance sheet will be significant benefit to all stakeholders.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the half-year review is provided with this report on Page 9.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the *Coporations Act 2001*.

On behalf on the directors

M. Fitzpatrick
Chairman
28 February 2017

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Pacific Current Group Limited
Level 29, 259 George Street
Sydney NSW 2000

28 February 2017

Dear Directors

Pacific Current Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pacific Current Group Limited.

As lead audit partner for the review of the financial statements of Pacific Current Group Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan

Declan O'Callaghan
Partner
Chartered Accountants

Condensed consolidated statement of profit or loss

for the half-year ended 31 December 2016

	Notes	CONSOLIDATED Half-year ended 31 December 2016 $	31 December 2015 $
Continuing operations			
Revenues	3(a)	**1,754,466**	2,667,405
Gain on investments	3(b)	**20,110**	-
Salaries and employee benefits expenses	3(c)	**(1,106,030)**	(1,443,005)
Other expenses	3(d)	**(461,672)**	(285,957)
Share of net profit/(loss) of equity accounted investments	3(e)	**3,574,397**	(13,314,895)
Profit/(loss) before income tax		**3,781,271**	(12,376,452)
Income tax (expense)/benefit		**(1,613,985)**	2,335,425
PROFIT/(LOSS) FOR THE PERIOD		**2,167,286**	(10,041,027)
ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**2,167,286**	(10,041,027)
Profit/(loss) per share (cents per share):			
• basic for profit/(loss) for the period	5	**7.71**	(35.93)
• diluted for profit/(loss) for the period	5	**7.71**	(35.93)
Interim franked dividends per share (cents per share)	4(c)	**-**	20.00

The statement of condensed consolidated profit or loss should be read in conjunction with the accompanying notes.

Condensed consolidated statement of other comprehensive income or loss
for the half-year ended 31 December 2016

	CONSOLIDATED Half-year ended 31 December 2016 $	31 December 2015 $
PROFIT/(LOSS) FOR THE PERIOD	**2,167,286**	(10,041,027)
Other comprehensive income or loss		
Items that may be reclassified subsequently to profit or loss		
Share of exchange differences on translating foreign operation of a joint venture, net of tax	**3,969,493**	4,068,091
Share of net fair value gain on available-for-sale financial assets of a joint venture, net of tax	**4,375,008**	(739,206)
Other comprehensive income for the period, net of tax	**8,344,501**	3,328,885
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**10,511,787**	(6,712,142)
ATTRIBUTABLE TO MEMBERS OF THE COMPANY	**10,511,787**	(6,712,142)

The statement of condensed consolidated comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 31 December 2016

	Notes	CONSOLIDATED 31 December 2016 $	30 June 2016 $
CURRENT ASSETS			
Cash and cash equivalents	7	**1,033,012**	2,997,744
Trade and other receivables	8	**921,745**	11,906,851
TOTAL CURRENT ASSETS		**1,954,757**	14,904,595
NON-CURRENT ASSETS			
Investments in joint venture/associate	9	**236,379,665**	210,056,666
Other non-current assets		**164,845**	-
TOTAL NON-CURRENT ASSETS		**236,544,510**	210,056,666
TOTAL ASSETS		**238,499,267**	224,961,261
CURRENT LIABILITIES			
Trade and other payables	10	**777,752**	2,000,884
Provision for income tax	11	**14,529,800**	14,157,614
Provisions		**264,098**	236,468
TOTAL CURRENT LIABILITIES		**15,571,650**	16,394,966
NON-CURRENT LIABILITIES			
Provisions		**138,989**	175,268
Deferred tax liability	12	**25,729,809**	20,961,430
TOTAL NON-CURRENT LIABILITIES		**25,868,798**	21,136,698
TOTAL LIABILITIES		**41,440,448**	37,531,664
NET ASSETS		**197,058,819**	187,429,597
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	13	**74,556,705**	74,556,705
Reserves		**30,269,876**	21,401,642
Retained earnings		**92,232,238**	91,471,250
TOTAL EQUITY		**197,058,819**	187,429,597

The statement of condensed consolidated financial position should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2016

CONSOLIDATED	Notes	**Issued capital** **$**	**Equity-settled employee benefits reserve** **$**	**Investment revaluation reserve** **$**	**Foreign currency translation reserve** **$**	**Retained earnings** **$**	**Total** **$**
AT 1 JULY 2016		**74,556,705**	**3,255,351**	**1,457,306**	**16,688,985**	**91,471,250**	**187,429,597**
Total comprehensive income for the period		**-**	**-**	**4,375,008**	**3,969,493**	**2,167,286**	**10,511,787**
Share-based payments		**-**	**523,733**	**-**	**-**	**-**	**523,733**
Dividends paid	4(b)	**-**	**-**	**-**	**-**	**(1,406,298)**	**(1,406,298)**
AT 31 DECEMBER 2016		**74,556,705**	**3,779,084**	**5,832,314**	**20,658,478**	**92,232,238**	**197,058,819**

CONSOLIDATED		Issued capital $	Equity-settled employee benefits reserve $	Investment revaluation reserve $	Foreign currency translation reserve $	Retained earnings $	Total $
AT 1 JULY 2015		69,500,943	2,938,463	1,569,431	9,723,255	151,414,592	235,146,684
Total comprehensive (loss)/income for the period		-	-	(739,206)	4,068,091	(10,041,027)	(6,712,142)
Issuance of shares		4,999,991	-	-	-	-	4,999,991
Issuance of shares due to vesting of performance rights		55,771	(55,771)	-	-	-	-
Share-based payments		-	27,334	-	-	-	27,334
Dividends paid	4(b)	-	-	-	-	(7,738,683)	(7,738,683)
AT 31 DECEMBER 2015		74,556,705	2,910,026	830,225	13,791,346	133,634,882	225,723,184

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2016

	CONSOLIDATED Half-year ended 31 December 2016 $	31 December 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**1,900,898**	4,500,179
Payments to suppliers and employees	**(2,603,795)**	(3,257,450)
Dividends and distributions received	**-**	7,729,161
Interest received	**10,784**	17,432
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	**(692,113)**	8,989,322
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from winding up of a subsidiary	**133,679**	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	**133,679**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	**(1,406,298)**	(7,738,683)
NET CASH USED IN FINANCING ACTIVITIES	**(1,406,298)**	(7,738,683)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(1,964,732)**	1,250,639
Cash and cash equivalents at the beginning of the period	**2,997,744**	1,056,243
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,033,012**	2,306,882

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes. The non-cash investing activities in relation to acquisition of units in the Trust in the half-year were $10,827,886 (2015: $4,999,991). There were no non-cash financing activities during the half-year (2015: Nil).

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

1. CORPORATE INFORMATION

The condensed consolidated financial report of Pacific Current Group Limited (the Company or the Group) for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 28 February 2017. The Company is incorporated in Australia and is limited by shares. The shares are publicly traded on the Australian Securities Exchange (ASX: PAC).

Going concern

Notwithstanding the fact that the Group shows a net current asset deficiency as at 31 December 2016, the directors believe that the company remains a going concern and that the Group is therefore able to satisfy its obligations. The net current asset deficiency is largely due to current taxation liabilities. The Group has total equity of $197.1 million as at 31 December 2016. The Group owns a 65% stake in the Aurora Trust, which has liquid assets and is in ongoing discussions with respect to the sale of non-core assets as part of its strategy to rationalise its portfolio. The directors have also various capital management initiatives under consideration which are discussed and reviewed on an ongoing basis. On the basis of the above factors, the directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation
This general purpose condensed consolidated financial report for the half-year ended 31 December 2016 has been prepared in accordance with Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report has also been prepared on a historical cost basis.

The half-year condensed consolidated financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year condensed consolidated financial report should be read in conjunction with the annual report for the year ended 30 June 2016 and considered together with any public announcements made by the Company during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

The financial report is presented in Australian dollars unless otherwise noted.

All other accounting policies applied are consistent with the annual financial report for the year ended 30 June 2016. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards (IFRS).

(b) Compliance with International Financial Reporting Standards (IFRS)
Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

Application to AASBs and the new Interpretations that are mandatorily effective for the current year
The Company has adopted the following new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current half-year:

- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*
  The amendments to AASB 127 Separate Financial Statements, allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:
  - At cost
  - In accordance with AASB 9 *Financial Instruments* (or, where AASB 9 is not applied, AASB 139 *Financial Instruments: Recognition and Measurement*), or
  - Using the equity method as described in AASB 128 *Investments in Associates and Joint Ventures.*

  The Company has continued to account for its investments in subsidiaries, joint ventures and associates at cost in its separate financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
  The Company has applied these amendments in the prior year. The amendments clarify that an entity need not provide a specific disclosure required by an AASB if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in AASB is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance. In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company, and should be separated into the share of items that, in accordance with other Accounting Standards:
    (a) Will not be reclassified subsequently to profit or loss
    (b) Will be reclassified subsequently to profit or loss when specific conditions are met.
  As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not had a material presentation impact on the financial performance or financial position of the Company.

Standards and Interpretations in issue not yet adopted
At the date of authorisation of the condensed consolidated financial statements, the Standards and Interpretations listed below were in issue but not yet effective. Their adoption may affect the accounting for future transactions or arrangements.

Standard/ Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2018
AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture', AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	30 June 2019
AASB 9 'Financial Instruments', and the relevant amending standard	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

3. REVENUE AND EXPENSES

	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
(a) Revenues from continuing operations		
Service fees	**1,743,682**	2,649,973
Interest income	**10,784**	17,432
Total revenues	**1,754,466**	2,667,405
(b) Gain on investments		
Net gain on winding up of a subsidiary	**20,110**	-
(c) Salaries and employee benefits expenses		
Salaries and employee benefits	**582,297**	1,415,671
Share-based payment expense arising from equity-settled share-based payment transactions	**523,733**	27,334
Total salaries and employee benefits expenses	**1,106,030**	1,443,005
(d) Other expenses		
Accounting & audit fees*	-	-
Directors' fees	**228,737**	199,232
Payroll tax	**67,857**	82,979
Others	**165,078**	3,746
Total other expenses	**461,672**	285,957

* Accounting and audit fees are borne by the Trust on behalf of the Company.

	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
(e) Share of net profit/(loss) of equity accounted investments		
Share of net profit/(loss) of the Trust	**3,574,397**	(13,314,895)

4. DIVIDENDS PAID AND PROPOSED

Dividends paid or provided for in the current and comparative periods are:

	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
(a) Dividends proposed and recognised as a liability		
Fully franked dividends	-	-
(b) Dividends paid during the half-year		
Final fully franked dividends (5 cents per share) (2015: 28 cents per share)	**1,406,298**	**7,738,683**
(c) Interim dividends proposed and not recognised as a liability		
Interim fully franked dividends (Nil) (2015: 20 cents per share)*	-	5,625,191
Price per share	**4.21**	7.95

* Calculation based on the ordinary shares on issue as at 31 January 2016

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

5. PROFIT/(LOSS) PER SHARE

	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
The following reflects the profit/(loss) and share data used in the calculations of basic and diluted profit/(loss) per share:		
Net profit/(loss) attributable to members of the Company	**2,167,286**	(10,041,027)
Weighted average number of ordinary shares used in calculating basic profit/(loss) per share	**28,125,955**	27,943,029
Effect of dilutive securities		
Dilutive effect of potential ordinary shares – equity-settled employee benefits and performance rights	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted profit/(loss) per share	**28,125,955**	27,943,029
Basic for profit/(loss) for the period	**7.71**	(35.93)
Diluted for profit/(loss) for the period	**7.71**	(35.93)

In the opinion of management, the performance rights do not have a dilutive effect on the profit/(loss) per share calculation, as the vesting of these rights is uncertain.

6. SEGMENT INFORMATION

Information reported to the Company's Board of directors for the purposes of resource allocation and assessment of performance is specifically focused on the profit/(loss) after tax earned by each business within the Company. Therefore, the Company's reportable segment under AASB 8 are included in the table below.

The accounting policies of the reportable segments are the same as the Company's accounting policies.

As at 31 December 2016, the Company has identified the Trust as the sole operating segment. The Trust is equity accounted by the Company. All the operational and investment activities are undertaken by the Trust. It is the financial performance of the Trust that affects the financial performance of the Company as no other significant operations are undertaken at the Company.

The following is an analysis of the Company's results by reportable operating segment:

Segment profit/(loss) after tax for the period	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
Australian unlisted trust	**3,574,397**	(13,314,895)
	3,574,397	(13,314,895)
Central administration costs	**(1,407,111)**	3,273,868
Total per condensed consolidated statement of profit or loss	**2,167,286**	(10,041,027)

Segment net assets for the period	31 December 2016 $	30 June 2016 $
Australian unlisted trust	**196,120,057**	185,765,507
Central administration	**938,762**	1,664,090
Total per condensed consolidated statement of financial position	**197,058,819**	187,429,597

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2016

7. CASH AND CASH EQUIVALENTS

	31 December 2016	30 June 2016
Cash and cash equivalents are comprised of the following:	$	$
Cash at bank and on hand	**1,033,012**	2,997,744

8. TRADE AND OTHER RECEIVABLES

	31 December 2016	30 June 2016
	$	$
Trade receivables	**826,292**	1,017,762
Sundry receivables	**95,453**	61,203
Related party receivables		
Trust	**-**	10,827,886
	921,745	11,906,851

9. INVESTMENTS IN JOINT VENTURE/ASSOCIATE

	31 December 2016	30 June 2016
	$	$
Investment in the Trust	**236,379,665**	210,056,666
Investment in Celeste Funds Management Limited (Celeste)*	-	-
	236,379,665	210,056,666
Investment in the Trust is comprised of the following:		
Beginning balance	**210,056,666**	290,163,883
Non-cash investment	**10,827,886**	60,381,631
Share in net profit/(loss) for the period	**3,574,397**	(78,486,842)
Distribution received/receivable	**-**	(71,855,912)
Share in unrealised foreign currency translation reserve	**5,670,704**	9,951,045
Share in investment revaluation reserve	**6,250,012**	(97,139)
Total	**236,379,665**	210,056,666

* Celeste is an Australian equity manager with a smaller companies focus. It is incorporated and domiciled in Australia. The equity holding in Celeste is legally owned by the Company, but the economic benefits flow to the Trust and therefore the investment carrying value and the share of net profits/(losses) of Celeste are reflected in the Trust.

The non-cash investment relates to reinvestment of distributions from the sale proceeds of RARE into additional units in the Trust to fund the Trust's repayment of the Medley Capital debt facility and its acquisition of Aperio. The relative ownership in the Trust did not change as all unitholders reinvested at their respective unitholdings. The non-cash investment at 30 June 2016 includes $4,999,991 conversion of the 487,804 Class C units in the Trust held by BNP Paribas to 487,804 ordinary shares of the Company on 7 September 2015.

Summarised profit and loss financial information in respect of the Company's material joint venture is set out below. Additional financial information of the joint venture is contained in Note 17 and these are in accordance with the Accounting Standards.

	31 December 2016	31 December 2015
Revenue	**20,086,117**	18,889,209
Profit/(loss) for the period attributable to unitholders	**5,486,412**	(20,437,291)
Other comprehensive income for the period	**18,297,340**	6,964,717
Total comprehensive income/(loss) for the period attributable to unitholders	**23,783,752**	(13,472,574)
Distributions received/receivable from the joint venture during the period	-	-

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

10. TRADE AND OTHER PAYABLES

	31 December 2016 $	30 June 2016 $
Trade payables	**37,600**	27,590
Other payables	**740,152**	1,858,030
Related party payables		
Trust	-	115,264
	777,752	2,000,884

11. PROVISION FOR INCOME TAX

	31 December 2016 $	30 June 2016 $
Provision for income tax	**14,529,800**	14,157,614

This represents the amount of income tax liability that arose from the capital gains distributions of the Trust, net of the previously recognised tax losses of the Company.

12. DEFERRED TAX LIABILITY

	31 December 2016 $	30 June 2016 $
Deferred tax liability	**25,729,809**	20,961,430

This represents the deferred tax liability on the difference between the carrying value and cost base for tax purposes of the Company's investment in the Trust.

13. ISSUED CAPITAL

(a) Ordinary shares

	31 December 2016 $	30 June 2016 $
Issued and fully paid ordinary shares	**74,556,705**	74,556,705

Fully paid ordinary shares carry one vote per share and carry the right to receive dividends.

(b) **Movement in ordinary shares on issue**	31 December 2016 Number	$
At 1 January 2016	**28,125,955**	74,556,705
At 30 June 2016	**28,125,955**	74,556,705
At 31 December 2016	**28,125,955**	74,556,705

There were no shares issued during the half-year ended 31 December 2016.

(c) Capital management

The Company's capital management policies focus on ordinary share capital. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders.

Management is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders or conduct share buybacks.

During the half-year ended 31 December 2016, management paid dividends of $1,406,298 (2015: $7,738,683). Directors anticipate that the payout ratio is 60%-80% of the Trust's distribution to the Company over the medium term.

13. ISSUED CAPITAL (continued)

As at 31 December 2016, the Trust has on issue Class B units which are exchangeable (at the holders' election) to the Company shares at the following fixed ratios:

(i) Any time from 24 November 2014 – 2 Company shares for every 3 Class B units or B-1 units

(ii) Any time from 24 November 2017 – 5 Company shares for every 6 Class B units or B-1 units

(iii) In the event of takeover – 1 Company share for each Class B units

(iv) In the event of a Qualified Public Offering (QPO) does not occur during the QPO period, for an exchange occurring on and from the expiration of the QPO period – 1 Company share for each Class B units

The Company expects to simplify its corporate structure in the second half of the year as a result of extensive discussions among the Company and the various stakeholders in the Trust. The Simplification is expected to yield greater alignment of all stakeholders and a partial deleveraging of the Trust. The Simplification proposals are subject to approval by shareholders on 15 March 2017.

As part of the Exchange Transaction, all or part of the PAC Shares issued to Class B and Class B-1 unitholders will be subject to escrow arrangements for a period of up to 12 months from issue.

Prior to the Exchange, a consolidation of the units in the Trust will occur on a pro rata basis to ensure that the number of Class A units equal the number of PAC Shares on issue.

If the Exchange Transaction is approved by the PAC Shareholders and Class B and B-1 unitholders, the Company's ownership in the Trust will be 100% once the X-RPUs have been redeemed in the Settlement Transaction.

On 7 October 2016, the Company granted 250,000 performance rights to Mr Greenwood. Two tranches of rights were issued with equal proportions (50%) vesting based on the relative total shareholder return (TSR) of the Company compared to the ASX 300 (Hurdle 1) and a group of seven other domestic and international fund managers (Hurdle 2). The value of each right for Hurdle 1 and 2 were $1.06 and $0.10, respectively. Total value of the outstanding performance rights is $144,950 amortised over one year and eight months from the grant date. The performance rights on issue were valued on 7 October 2016 by an independent adviser using a monte-carlo pricing model. The vesting date of these rights is 1 July 2018.

On 15 February 2016, the Company granted 1,199,000 performance rights to officers and certain employees as part of their long-term incentives. Two tranches of rights were issued with equal proportions (50%) vesting based on the relative TSR of the Company compared to the ASX 300 (Hurdle 1) and a group of seven other domestic and international fund managers (Hurdle 2). The value of each right for Hurdle 1 and 2 were $1.26 and $2.46, respectively. Total value of the outstanding performance rights is $2,222,945 amortised over two years and four months from the grant date. The performance rights on issue were valued on 15 February 2016 by an independent adviser using a monte-carlo pricing model. The vesting date of these rights is 1 July 2018.

On 7 August 2016, the 100,000 performance rights that were issued to an officer on 7 August 2013 did not vest. The amount of performance rights amortisation expense for the period was $523,733 (2015: $27,334).

14. COMMITMENTS AND CONTINGENCIES

The Group has entered into a number of commercial property leases to meet its office accommodation requirements. These non-cancellable leases have various remaining terms as at 31 December 2016. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals payable under the non-cancellable operating leases are not provided as at 31 December 2016.

15. KEY MANAGEMENT PERSONNEL (KMP)

Remuneration arrangements of KMP are disclosed in the annual financial report. In addition, during the half-year, Mr Greenwood, Executive Director, Global CIO and President, North America was paid a total of US$400,000 representing the deferred component of his short term incentive (STI) for 2015 and 50% of his STI for 2016. Mr Greenwood's base salary increased to US$675,000. In addition, the Company issued 250,000 performance rights and will issue a further 250,000 performance rights on 5 October 2017, provided that he is still employed on that date. The vesting date of the rights issued on 7 October 2016 is 1 July 2018. Any securities to be allocated on vesting of the performance rights will be purchased on the market under the Long Term Incentive Plan and therefore shareholder approval is not required.

Mr Ferragina, COO and CFO was paid $112,500 representing 50% of his STI for 2016.

16. SUBSEQUENT EVENTS

The directors of the Company did not declare an interim dividend on ordinary shares in respect of the half-year ended 31 December 2016. On 13 February 2017, a Notice of Meeting and Explanatory Memorandum was lodged with the ASX and mailed to shareholders. The EGM will be held on 15 March 2017 in Sydney, Australia. The purpose of the EGM is to seek approval from the Company's Shareholders to undertake the Exchange and Settlement Transactions.

The principal goal of the Exchange and Settlement Transactions is to create a simpler and more transparent structure for the Company while not materially shifting the value of the respective shareholders.

The Board is strongly of the view that eliminating a layer of complexity and simplifying the balance sheet will be significant benefit to all stakeholders.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

17. JOINT VENTURE PRIMARY CONSOLIDATED FINANCIAL STATEMENTS

	Half-year ended	
	31 December 2016	31 December 2015
	$	$
Aurora Trust interim consolidated statement of profit or loss		
Continuing operations		
Revenues	**20,086,117**	18,889,209
Net gains recognised on sale of investments	**1,104,577**	10,192,611
Gain on revaluation of X-RPUs	**15,307,855**	-
Loss on revaluation of FVTPL investment	**(7,677,396)**	-
Share of net profits of equity accounted investments	**7,606,670**	4,140,421
Salaries and employee benefits expenses	**(9,471,753)**	(11,226,129)
Amortisation of other identifiable intangibles	**(1,071,233)**	(971,811)
Depreciation expense	**(156,272)**	(131,943)
Interest expense	**(1,937,928)**	(8,839,369)
Impairment expense	**(11,441,497)**	(20,802,142)
Other expenses	**(6,673,977)**	(10,365,820)
Profit/(loss) before income tax	**5,675,163**	(19,114,973)
Income tax expense*	**88,931**	1,477,529
PROFIT/(LOSS) FOR THE PERIOD	**5,586,232**	(20,592,502)
Attributable to:		
Unitholders	**5,486,412**	(20,437,291)
Non-controlling interests	**99,820**	(155,211)

* This is the income tax expense of the joint venture's subsidiaries (2015: includes income tax expense of Treasury RARE Holdings).

The Trust consolidates the operations of Treasury Group Investment Services Limited, Global Value Investors Limited, Northern Lights MidCo, LLC, Seizert Capital Partners, LLC and Aether Investment Partners, LLC due to the fact that the Trust owns 100% of the ordinary equity of these managers.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

17. JOINT VENTURE PRIMARY CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Half-year ended	
	31 December 2016	31 December 2015
	$	$
Aurora Trust interim consolidated statement of other comprehensive income or loss		
PROFIT/(LOSS) FOR THE PERIOD	**5,586,232**	(20,592,502)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**8,704,075**	8,547,343
Net fair value gain/(loss) on available-for-sale investments	**9,593,265**	(1,582,626)
Other comprehensive income for the period	**18,297,340**	6,964,717
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**23,883,572**	(13,627,785)
Attributable to:		
Unitholders	**23,783,752**	(13,472,574)
Non-controlling interests	**99,820**	(155,211)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

17. JOINT VENTURE PRIMARY CONSOLIDATED FINANCIAL STATEMENTS (continued)

Aurora Trust interim consolidated statement of financial position	31 December 2016 $	30 June 2016 $
CURRENT ASSETS		
Cash and cash equivalents	**12,445,116**	20,784,134
Restricted cash	**7,988,353**	-
Trade and other receivables	**7,473,119**	8,088,830
Loan and other receivables	**853,013**	-
Other current assets	**4,009,104**	2,017,151
TOTAL CURRENT ASSETS	**32,768,705**	30,890,115
NON-CURRENT ASSETS		
Available-for-sale investments	**28,627,327**	23,262,682
Investment held at FVTPL	**29,872,604**	37,550,000
Loans and other receivables	**4,887,478**	5,295,915
Investments accounted for using the equity method	**154,843,253**	161,332,053
Deferred tax	**6,192**	31,490
Property and equipment	**1,227,453**	976,586
Goodwill	**134,986,666**	134,395,514
Other identifiable intangible assets	**41,878,408**	41,605,435
Other non-current assets	**11,408,668**	7,383,423
TOTAL NON-CURRENT ASSETS	**407,738,049**	411,833,098
TOTAL ASSETS	**440,506,754**	442,723,213
CURRENT LIABILITIES		
Trade and other payables	**8,884,606**	24,107,078
Deferred consideration - Aperio	**-**	21,874,929
Financial liability	**6,168,976**	-
TOTAL CURRENT LIABILITIES	**15,053,582**	45,982,007
NON-CURRENT LIABILITIES		
Financial liabilities	**62,137,222**	73,939,097
TOTAL NON-CURRENT LIABILITIES	**62,137,222**	73,939,097
TOTAL LIABILITIES	**77,190,804**	119,921,104
NET ASSETS	**363,315,950**	322,802,109
EQUITY		
Units issued	**564,220,022**	547,596,022
Reserves	**58,087,469**	39,790,129
Retained losses	**(259,084,589)**	(264,571,001)
Total equity attributable to unitholders	**363,222,902**	322,815,150
Non-controlling interests	**93,048**	(13,041)
TOTAL EQUITY	**363,315,950**	322,802,109

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

17. JOINT VENTURE PRIMARY CONSOLIDATED FINANCIAL STATEMENTS (continued)

Aurora Trust interim consolidated statement of cash flows	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**19,625,128**	32,196,212
Payments to suppliers and employees	**(21,131,724)**	(39,730,641)
Dividends and distributions received	**7,340,328**	9,759,292
Interest received	**54,544**	148,957
Interest paid	**(45,449)**	(3,532,222)
Income tax paid	**(1,098,516)**	(1,761,600)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**4,744,311**	(2,920,002)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(395,069)**	(108,555)
Proceeds from disposal of available-for-sale investments	**773**	-
Purchase of available-for-sale investments	**(3,355,784)**	(686,106)
Repayment of loans by equity accounted investments	**-**	1,352,194
Purchase of equity accounted investments	**(23,674,529)**	(1,726,228)
Proceeds from disposal of equity accounted investments	**9,025,899**	110,805,799
Repayment of advances from related party	**-**	(1,444,363)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	**(18,398,710)**	108,192,741
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions paid	**-**	(12,130,615)
Proceeds from borrowings	**12,778,052**	-
Repayment of borrowings	**-**	(806,175)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	**12,778,052**	(12,936,790)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(876,347)**	92,335,949
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**20,784,134**	39,288,137
EXCHANGE DIFFERENCES IN TRANSLATING FOREIGN CURRENCY	**525,682**	(198,027)
LESS: RESTRICTED CASH	**(7,988,353)**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**12,445,116**	131,426,059

Non-cash financing activities during the period were the reinvestment of distributions of $16,624,001 (2015: $nil).

Directors' declaration

In accordance with a resolution of the directors of the Company made pursuant to s.303(5) of the Corporations Act 2001, I state that:

In the opinion of the directors:

(a) the condensed consolidated financial statements and notes to the financial statements of the Company are in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the condensed consolidated financial position as at 31 December 2016 and the performance for the half-year ended on that date of the Company; and

(ii) complying with Accounting Standard AASB 134 '*Interim Financial Reporting'* and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

M. Fitzpatrick
Chairman

28 February 2017

Deloitte.

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Independent Auditor's Review Report to the Members of Pacific Current Group Limited

We have reviewed the accompanying half-year financial report of Pacific Current Group Limited, which comprises the condensed statement of financial position as at 31 December 2016, and condensed consolidated statement of profit and loss, the condensed statement of other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 27.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pacific Current Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pacific Current Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pacific Current Group Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan

Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 28 February 2017