

# PACIFIC CURRENT GROUP

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3 October 2017

## SALE OF INTEREST IN INVESTORS MUTUAL LIMITED

### HIGHLIGHTS

- Pacific Current Group Limited (**PAC** or **Pacific Current Group**) has agreed to sell its 40% equity stake in IML to Natixis Global Asset Management for approximately A\$120m (purchase price plus special dividend) in a transaction that will complete on 4 October 2017.
- All of the consideration will be paid upon completion, with the exception of A\$10m, which will be escrowed for 18 to 24 months.
- PAC plans to use the proceeds to reduce liabilities and make additional investments. It will provide an update on its capital management plans at its forthcoming AGM on 1 November.

### SALE OF IML

SYDNEY - Pacific Current Group (ASX code: PAC), announces it has entered into an agreement to sell its 40% stake in Australian equity manager Investors Mutual Limited (**IML**) to Natixis Global Asset Management for a total consideration of approximately A\$120m.

Natixis is simultaneously acquiring an 11.9% stake from IML founder, Anton Tagliaferro. Natixis required a holding of over 50%, and therefore PAC's sale of its equity was necessary for the transaction to proceed. PAC did not trigger its preemptive rights, as PAC's board concluded it could not match all Natixis' offer terms.

PAC Chairman, Mike Fitzpatrick, commented, "Anton Tagliaferro and his team at IML have built a highly regarded firm, and they have been great partners to PAC. We respect the strategic decisions made by the founders of all our boutiques and are therefore supportive of decisions to take up such opportunities where we are not positioned to be an alternative." Mr. Fitzpatrick added, "Natixis is well equipped to take the business forward with the current management team and to support the continued development of the firm."

Paul Greenwood, President of North America and Global CIO added, "We invest with an ultra-long term time horizon, yet there is a degree of recycling of capital that is inevitable. While IML has been a strong contributor over the years, we are excited to have a strong balance sheet with which to pursue new investment opportunities."



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## TRANSACTION OVERVIEW

The sale of PAC's 40% stake in IML is an all cash transaction, totaling approximately \$120m, including purchase price and special dividend, with the exception of \$10m that will be held in escrow, with \$5m to be released after 18 months and the remaining \$5m after 24 months provided certain customary commercial commitments are met. The sale agreement also includes customary warranties and indemnities and non-solicitation commitments.

There are no contingencies or conditions precedent for the sale of PAC's stake, and no shareholder approval is necessary for this transaction.

## USE OF PROCEEDS

PAC anticipates using proceeds from this transaction for a variety of purposes including to pay the resulting tax obligation and eliminate other outstanding liabilities and other capital management applications. It expects to allocate some portion of the proceeds to new investment opportunities. PAC will update the market on its capital management strategy at its 1 November 2017 AGM.

## CONFERENCE CALL

Investors and analysts are invited to participate in a conference call at **3:30pm AEDT on Tuesday, 3 October 2017** to be hosted by Pacific Current Group's Chairman, Mike Fitzpatrick, President, North America & Global CIO, Paul Greenwood and Executive Director, Tony Robinson.

The dial-in details will be advised later this morning Sydney time.

## 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 30 June 2017, Pacific Current Group has 16 boutique asset managers globally.

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