

Pacific Current Group Limited

ACN 006 708 792

Prospectus

For the offer of 37 Shares at a price of \$6.50 per Share to raise \$240.50 (before the costs of the Offer) by the Company.

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date (including Shares issued by the Company under the Exchange Transaction).

IMPORTANT NOTICE

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY. AFTER READING THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, FINANCIAL ADVISER, TAXATION ADVISER, OTHER INDEPENDENT PROFESSIONAL ADVISER OR THE SHARE REGISTRY IF YOU HAVE ANY QUESTIONS. YOU SHOULD HAVE REGARD TO ALL PUBLICLY AVAILABLE INFORMATION CONCERNING THE COMPANY.

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1 Important Notes

About this Prospectus

This Prospectus is for the offer of 37 Shares at a price of \$6.50 per Share to raise \$240.50 (before the costs of the Offer) (the Offer), by Pacific Current Group Limited ACN 006 708 792 (**Pacific Current or Company**).

This Prospectus is dated 13 October 2017 (**Lodgement Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the Lodgement Date pursuant to section 718 of the Corporations Act.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713(1) of the Corporations Act and as such it should be read in conjunction with the Company's other periodic and continuous disclosure announcements given to ASX Limited (**ASX**) which are available at www.asx.com.au. The Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representation in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus expires on the date which is 13 months after the Lodgement Date, being 13 November 2018 (**Expiry Date**), and no Shares will be issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an Application Form which accompanies this Prospectus.

ASIC and ASX disclaimer

A copy of this Prospectus has been lodged with ASIC and ASX. Neither ASIC nor ASX, nor any of their respective Officers, take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

Defined terms

A number of defined terms are used in this Prospectus. These terms are defined in section 9.1 of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to the time in Sydney, New South Wales.

Risk Factors

Investors should note that there are a number of risks attached to their investment in Pacific Current. Please refer to section 6 of this Prospectus (**Risk Factors**) for further information on those risks.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in Pacific Current should be considered highly speculative.

Not Investment Advice

This Prospectus and the other information contained in it do not constitute financial product advice. This Prospectus does not take into account the individual investment objectives, financial situation and particular needs of each investor and does not contain personal advice.

It is important that you read this Prospectus carefully and in its entirety before making any investment decision and any decision relating to the Shares issued under the Offer. You should carefully consider

the Risk Factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding on whether to invest in Shares. There may be risks in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, warrants or guarantees the performance of Pacific Current, the repayment of capital by Pacific Current or any return on investment in Shares made pursuant to this Prospectus.

Forward-looking statements

This Prospectus contains various forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Statements other than statements of historical fact may be forward looking statements. Pacific Current believes that it has reasonable grounds for making all statements relating to future matters attributed to it in this Prospectus. Such forward-looking statements are not guarantees of future performance and are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Pacific Current, the Directors of Pacific Current and Pacific Current's management. Pacific Current, the Directors of Pacific Current and Pacific Current's management cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements in this Prospectus speak only as of the Lodgement Date. Subject to any continuing obligations under law or the Listing Rules, Pacific Current and its Directors do not undertake to, and does not intend to, update or revise any forward looking statements. To the maximum extent permitted by law, Pacific Current and its Directors disclaim any obligation to update or revise any forward looking statement after the Lodgement Date, to reflect any change in the views, expectations or assumptions on which those statements are made. Any forward- looking statement in this Prospectus is qualified by this cautionary statement.

These forward-looking statements are subject to the Risk Factors, which could cause actual results to differ materially from the results expressed or anticipated in these statements. Forward-looking statements in this Prospectus should be read in conjunction with, and are qualified by reference to, the Risk Factors and other information contained in this Prospectus. The Risk Factors are set out in section 6 of this Prospectus.

Investors should note that any reference to past performance is not intended to be, nor should it be relied upon as, a guide to any future performance.

Foreign jurisdictions

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. As at the date of this Prospectus, no action has been taken to register or qualify the Shares under the Offer or to otherwise permit a public offering of Shares outside of Australia.

This Prospectus (including electronic copies) may not be distributed or released, in whole or in part, in the United States. The Shares under the Offer have not been or will not be registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States. Such securities are being offered and sold solely outside the United States pursuant to Regulation S under the US Securities Act.

Currency

Unless otherwise stated, the currency referred to in this Prospectus is Australian dollars.

Financial Periods

All references to FY2016 and FY2017 appearing in this Prospectus are to the financial years ended 30 June 2016 and 30 June 2017 respectively, unless otherwise indicated.

No representations other than in this Prospectus

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained in this Prospectus may not be relied on as having been authorised by the Company, the Directors or any other person in connection with the Offer. You should rely on the information in this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Enquiries

If you have any questions in relation to the Offer or this Prospectus, please call Pacific Current between 8:30am and 5:00pm (Sydney time) Monday to Friday during the period from and including the date on which the Offer opens until and including the date on which it closes on +61 2 8243 0400.

Obtaining a copy of this Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.paccurrent.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia. To view annual reports, shareholder information and company information about the Pacific Current announcements, background information on the operations and performance of Pacific Current and historical information, visit Pacific Current's website at www.paccurrent.com.

Applications for Shares may only be made during the Offer Period on an Application Form attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

This document is important and should be read in its entirety.

2 Key dates for the Offer

Event	Date
Lodgement of Prospectus with ASIC and ASX	13 October 2017
Offer opens	13 October 2017
Offer closes	5:00pm (Sydney time) on 16 October 2017
Settlement	18 October 2017
Issue and allotment of Shares	19 October 2017
Expected dispatch of holding statements	20 October 2017
Expected commencement of trading on ASX on a normal settlement basis	20 October 2017

Dates and times in this Prospectus are indicative only and subject to change. Unless otherwise indicated, all times are stated in Sydney time. Pacific Current reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws, to vary any or all of the dates and times of the Offer without prior notice, including extending the Offer or accepting late applications, either generally or in particular cases, or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of Shares under the Offer. If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

3 Investment Overview

3.1 Introduction

Topic	Summary	For more information
What is Pacific Current?	<p>Pacific Current is a global multi boutique asset management firm.</p> <p>Pacific Current partners with investment managers to combine capital with strategic business development and a strong network of consultant and client relationships to generate returns for investors.</p> <p>For more information, see Section 4.1.</p>	Section 4.1
What is Pacific Current's investment portfolio?	<p>Pacific Current, through the Aurora Trust, holds various ownership interests in the following boutique investment managers:</p> <ul style="list-style-type: none"> • Aether Investment Partners • Aperio Group • RARE Infrastructure • Seizert Capital Partners • Blackcrane Capital • EAM Global Investors • GQG Partners • Roc Partners • AlphaShares • Celeste Funds Management¹ • Freehold Investment Management • Goodhart Partners • Northern Lights Alternative Advisors • Nereus Holdings • Strategic Capital Investors <p>For more information, see Section 4.1.</p>	Section 4.1
How does Pacific Current generate its income?	<p>As at 30 June 2017, the 16 boutiques in which Pacific Current holds economic stakes, managed assets totalling \$62 billion (PAC held an interest in Investors Mutual Limited that was sold on 3 October 2017 for approximately A\$120 million (purchase price plus special dividend).</p> <p>Pacific Current generates income from fees and distributions paid by the boutique investment managers to the Aurora Trust in accordance with the arrangements</p>	Section 4.1

¹ Pacific Current is the legal owner of the shares held in Celeste Funds Management, but the economic benefits flow through the Aurora Trust.

	<p>negotiated with each of those investment managers.²</p> <p>Aurora Trust also generates income from the sale of its interest in the boutique investment managers from time to time.</p> <p>For more information, see Section 4.1.</p>	
What is Pacific Current's business strategy?	<p>Pacific Current continues to focus on sourcing new funds management opportunities in different asset classes and is generally agnostic in terms of the geographical location of such opportunities.</p> <p>The basic premise of Pacific Current's business model is for the core investment team to retain control and ownership. The model is one based on partnership as opposed to levels of control based on ownership.</p> <p>For more information, see Section 4.2.</p>	Section 4.2
What is Pacific Current's dividend policy?	<p>Pacific Current has a stated dividend policy of paying dividends based on a payout range of 60% - 80% over the medium term. This policy is subject to periodic review which takes account of the company's ability to pay franked dividends, the mix of Australian and off-shore earnings and the availability of attractive new investment opportunities.</p> <p>Pacific Current is in the process of reviewing its dividend policy following completion of the Investors Mutual Fund sale.</p> <p>For more information, see Section 4.3.</p>	Section 4.3
What is the Exchange Transaction?	<p>The Exchange Transaction refers to the issue of Shares in Pacific Current to Class B and vested Class B-1 unitholders in the Aurora Trust on 13 April 2017, as announced to the ASX on 13 February 2017 and as approved by shareholders in Pacific Current at an extraordinary general meeting held on 15 March 2017</p>	Section 5.2
Why is the Offer being conducted?	<p>The Company is seeking to raise only a nominal amount of \$240.50 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.</p> <p>The primary purpose of this Prospectus is to remove the on-sale trading restrictions that are attached to the Shares issued by the Company before the Closing Date (including those Shares issued in connection with the Exchange Transaction).</p>	Section 6.1

² It should be noted that the relationship between the boutiques' funds under management and the economic benefits received by the Aurora Trust can vary dramatically based on each boutiques fee levels, Aurora Trust's ownership stakes and the specific features of each relationship

3.2 Key Risks

For more detail on the risks referred to below and for additional information on the risks which may adversely impact the future operating and financial performance of Pacific Current and the value of its Shares, see Section 8.1 and Section 8.2.

Topic	Summary	For more information
Global market risk	<p>The nature of Pacific Current's business means that Pacific Current is highly exposed to market volatility and potential adverse market conditions.</p> <p>These risks are external and beyond the control of Pacific Current and its boutique investment managers and may have an adverse impact on Pacific Current's earnings and profitability of Pacific Current and its boutique investment managers that invest in listed equity.</p>	Section 8.1
Foreign currency risk	<p>Pacific Current is exposed to A\$/US\$ exchange rate risk through its investment in the Aurora Trust, which holds the US and other foreign currency denominated investments, and receives income from those investments in those currencies. Whilst Pacific Current and Aurora Trust may hedge certain short term foreign currency denominated obligations, Pacific Current and Aurora does not currently hedge their offshore earnings. Post simplification Pacific Current has adopted hedge accounting such that the impact of foreign currency translation is taken up through foreign currency translation reserve of the Aurora Trust. Pacific Current consolidates the movement of the Aurora Trust's foreign currency translation reserve in its equity. As a result, unfavourable movements in foreign exchange rates may have an adverse impact on Pacific Current's earnings and profitability.</p>	Section 8.1
Dependence on FUM of Pacific Current's boutique investment managers	<p>Revenues generated by Pacific Current's boutique investment managers is derived directly from fees calculated on the basis of the funds managed or advised, and the success of each of Pacific Current's investment managers depends on its ability to attract and retain FUM. Pacific Current is highly dependent on the quality of its boutique investment managers and their investment teams and their success in attracting and retaining FUM.</p> <p>Pacific Current's cash flow and earnings are dependent on the FUM of those boutique investment managers and will be adversely affected by a loss of FUM. Additionally, the value of Pacific Current's investment in its boutique investment managers is dependent on the FUM of its boutique investment</p>	Section 8.1

	managers. As such, if a boutique investment manager suffers a significant or sustained loss of FUM, the carrying value of Pacific Current's investment in that investment manager may be adversely affected, which may in turn adversely affect Pacific Current's earnings and profitability.	
Control	Pacific Current's investments are not always a controlling interest in boutique investment managers, which means that Pacific Current cannot exercise full control of the day-to-day operations of those investment managers. The various shareholders of the boutique investment managers may have different objectives and opinions regarding the management and operation of those businesses. There is a risk that a material disagreement between Pacific Current and its co-investors could have an adverse effect on Pacific Current's investment in those boutique investment managers.	Section 8.1
Regulatory environment risk	Pacific Current operates in a highly regulated environment that is frequently subject to review and regular change of law, regulations and policies. Pacific Current and its boutique investment managers are subject to a range of industry specific and general legal and other regulatory controls (including Australian Financial Services Licensing and Anti Money Laundering / Counter Terrorism Funding requirements in Australia and equivalent regimes in the United States and other jurisdictions in which Pacific Current and its boutique investment managers operate). Regulatory breaches, including regulatory breaches by Pacific Current's boutique investment managers, may affect Pacific Current's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs.	Section 8.1
Acquisition, investment and divestment risk	<p>From time to time, Pacific Current evaluates and undertakes acquisitions of, or makes investments in, other businesses and funds. There is a risk that Pacific Current may not achieve expected returns from those acquisitions or investments. This may adversely affect Pacific Current's earnings and profitability.</p> <p>In relation to divestments, Pacific Current evaluates its businesses and funds regularly, including in light of its business strengths; the competitive environment in which it operates; its risk appetite; the objectives of its investing partners, and the ability to obtain an appropriate return against the cost of capital and funding.</p> <p>There is a risk that Pacific Current may</p>	Section 8.1

	<p>experience disruptions in the divestment process or that Pacific Current is unable to realise the business or investment within a short period of time or obtain expected value for a divested business or investment. This may adversely affect Pacific Current's earnings and profitability.</p>	
Competition risk	<p>There is substantial competition for the provision of financial services in the markets in which Pacific Current operates. Pacific Current must compete with a variety of market participants who compete vigorously for investments and the provision of financial services. In addition, many of Pacific Current's boutique investment managers face significant competition within their style/strategy or asset class, which may put pressure on an investment manager's revenues or operating margins. Any such adverse impacts on an investment manager's revenue or operating margins that may arise from these competitive market conditions may in turn adversely affect Pacific Current's earnings and profitability.</p>	Section 8.1
Reliance on key personnel risk	<p>Pacific Current depends substantially on its senior management to oversee the day-to-day operations and the strategic management of Pacific Current. The loss of senior management, or other key personnel, could adversely affect Pacific Current's earnings and profitability.</p> <p>Additionally, many of Pacific Current's boutique investment managers also depend on the quality and skills (especially investment management skills) of their founders and key executives. The loss of any of those key individuals may adversely affect both an investment manager's investment performance and its ability to attract and retain client FUM, which may in turn adversely affect Pacific Current's earnings and profitability.</p>	Section 8.1
Operational risk	<p>Pacific Current has operational exposure to its business and the businesses of its boutique investment managers including exposures in relation to disclosure, investment management, legal and regulatory compliance, tax and financial advice, process error, human error, system failure, failure of security and failure to meet privacy requirements. Pacific Current's earnings and profitability may be adversely affected if it and its boutique investment managers are unable to manage these exposures appropriately.</p>	Section 8.1
Litigation risk	<p>Legal proceedings and claims may arise from time to time against Pacific Current or</p>	Section 8.1

	<p>its boutique investment managers in the ordinary course of business. Pacific Current is currently subject to an application in the Federal Court of Australia, brought by a shareholder under section 247A of the Corporations Act.</p> <p>There is a risk that material or costly claims or litigation against Pacific Current or its directors or a boutique investment manager could impact on the financial performance and reputation of Pacific Current or that investment manager, which may in turn adversely affect the earnings and profitability of Pacific Current.</p>	
Inability to achieve or fund strategic plans	<p>Pacific Current's stated strategies include the expansion and diversification of its portfolio, and partnering with asset management professionals worldwide. Pacific Current's continued ability to implement its strategies over time may be impacted by a variety of factors including market volatility, an inability to generate organic growth, the cost of capital, an inability to capitalise on identified acquisition or expansion opportunities, an inability to successfully integrate acquired businesses and acquired or expanded businesses not meeting expectations.</p> <p>Pacific Current's ability to pursue its strategies may in part also depend on its ability to raise additional equity and debt and for its boutique investment managers to raise additional equity and debt. An inability to obtain necessary funding may adversely affect Pacific Current's earnings and profitability.</p>	Section 8.1
Information system disruption	<p>Pacific Current and its boutique investment managers rely on its infrastructure and information technology in order to operate their businesses. A severe disruption to or failure of Pacific Current's or its boutique investment managers' information technology systems may adversely impact the operations of Pacific Current and its boutique investment managers, which may adversely affect Pacific Current's earnings and profitability.</p>	Section 8.1

3.3 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
What is the Offer?	<p>The Offer is an offering of 37 Shares at the Offer Price of \$6.50 per Share to raise approximately \$240.50 (before the costs of the Offer).</p> <p>The Offer will only be extended to specific</p>	Sections 5.1 and 9

	parties by invitation from the Directors. Application Forms will only be provided to these parties.	
Who is the issuer of this Prospectus?	Pacific Current Group Limited (ACN 006 708 792).	Sections 4 and 5.1
What is the proposed use of funds raised under the Offer?	All of the funds raised from the Offer will be applied towards expenses of the Offer.	Section 6.1
Is the Offer underwritten?	No. The Offer is not underwritten.	N/A
Will the Shares be quoted on ASX?	Pacific Current will apply to ASX for official quotation of the Shares offered under this Prospectus as soon as possible and in any event within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.	Section 9.7
What is the allocation policy?	The allocation of Shares among Applicants in the Offer will be determined by the Company in its absolute discretion.	Section 9.4
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.	Section 10.5
What are the tax implications of investing in the Shares?	The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicant's should obtain their own tax advice prior to deciding whether to invest.	Section 10.4
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 20 October 2017.	Section 2
What is the minimum and maximum Application size?	The minimum application size under the Offer is \$240.50 of Shares. The maximum application size under the Offer is \$240.50.	Sections 9.3 and 9.4
How can I apply?	The Offer will only be extended to specified parties on invitation from the Directors. Application Forms will only be provided to these parties. To apply, these parties must ensure that their completed Application Form, along with payment for such number of new Shares for which they wish to apply at the Offer Price ³ , is received by the Company by no later than 5.00pm (Sydney time) on the Closing Date.	Section 9
When can I sell my Shares on ASX?	It is expected that dispatch of holding statements will occur on or about 20	Section 2

³ Payment may be made by cheque, bank draft or money order. Cash payments will not be accepted.

	October 2017 and that Shares will commence trading on a normal settlement basis on 20 October 2017.	
Can the Offer be withdrawn?	<p>The Company can withdraw the Offer at any time before the issue of Shares to successful Applicants under the Offer.</p> <p>If the Offer does not proceed, all relevant Application Monies will be refunded.</p> <p>No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>	Section 9.8

4 About Pacific Current

4.1 Overview

Pacific Current is a global multi boutique asset management firm. Pacific Current partners with investment managers to combine capital with strategic business development and a strong network of consultant and client relationships to generate returns for investors.

Pacific Current commenced operations in 2000 as Treasury Group Limited and in 2014 merged with Northern Lights Capital Partners, LLC (**Northern Lights**), a similar multi-boutique asset management business based in Seattle in the United States. Pacific Current now has 16 boutique partnership investments located in Australia, the United States, the United Kingdom and India. These boutique investment managers specialise in various asset classes including Australian equities, US equities, Global and Emerging markets as well as private equity.

During 2016 and 2017 the corporate structure through which Pacific Current holds its investments in asset management firms was simplified so that Pacific Current's ownership of these investments is now wholly through the ASX listed entity. Pacific Current had previously owned 65% of the voting units in the Aurora Trust, a joint controlled entity that holds interests in boutique investment managers. Northern Lights⁴ owned the remaining 35% of the voting units in the Aurora Trust.

Following an internal simplification process completed in April 2017, Pacific Current acquired Northern Lights 35% interest, and now holds 100% of the voting units in the Aurora Trust. In consideration for the acquisition of 35% of the voting units in the Aurora Trust, Pacific Current issued 13,675,667 Shares to Northern Lights and various investors aligned with Northern Lights. Pacific Current, through the Aurora Trust, holds various ownership interests in the following boutique investment managers:

- Aether Investment Partners;
- Aperio Group;
- RARE Infrastructure;
- Seizert Capital Partners;
- Blackcrane Capital;
- EAM Global Investors;
- GQG Partners;
- Roc Partners;
- AlphaShares;
- Celeste Funds Management;⁵
- Freehold Investment Management;

⁴ Or interests aligned with Northern Lights.

⁵ Pacific Current is the legal owner of the shares held in Celeste Funds Management, but the economic benefits flow through the Aurora Trust.

- Goodhart Partners;
- Northern Lights Alternative Advisors;
- Nereus Holdings; and
- Strategic Capital Investors

As at 30 June 2017, the 16 boutiques in which Pacific Current held economic stakes managed assets totalling \$62 billion. Pacific Current held an interest in Investors Mutual Limited that was sold on 3 October 2017 for approximately A\$120 million (purchase price plus special dividend). Subsequent to the sale, Pacific Current repaid a line of debt known as XRPU's to a total of USD 21 million.

Pacific Current generates income from fees and distributions paid by the boutique investment managers to the Aurora Trust in accordance with the arrangements negotiated with each of those investment managers.⁶ Aurora Trust also generates income from the sale of its interest in the boutique investment managers from time to time.

Pacific Current announced a statutory net profit after tax for the year ended 30 June 2017 of \$10.6 million and an underlying net profit after tax of \$16.6 million for the same period.

The last 12 months have seen Pacific Current focus on the following four strategic goals that were set at the beginning of FY2017:

- Reduction in group leverage
- Reduction in cost structure
- Diversification of earnings and sources of growth
- Corporate structure simplification

As previously disclosed to the market, over the past 12 months, Pacific Current has disposed of a number of smaller boutique investment managers. Pacific Current and the other shareholders in the boutiques have received a number of approaches in relation to the potential sale of both core and non-core investments. Pacific Current evaluates all divestment opportunities that it receives, and has engaged in confidential discussions and negotiations with third parties with respect to some of those opportunities.

At this stage, none of the opportunities or the negotiations have been progressed to a point that the prospects of reaching agreement with a third party or completing a transaction are sufficiently certain.

4.2 Strategy

Pacific Current continues to focus on sourcing new funds management opportunities in different asset classes and is generally agnostic in terms of the geographical location of such opportunities. The basis of Pacific Current's business model is to seek opportunities that are expected to provide growth as a result of compelling investment proposition and growing demand. Pacific Current evaluates the quality of prospective investments through a holistic approach that includes detailed scrutiny of each firm's investment professionals, investment process, performance and corporate culture.

The basic premise of Pacific Current's business model is for the core investment team to retain control and ownership. The model is one based on partnership as opposed to levels of control based on ownership.

4.3 Capital Management

Pacific Current has a stated dividend policy of paying dividends based on a payout range of 60% - 80% over the medium term. This policy is subject to periodic review which takes account of the company's ability to pay franked dividends, the mix of Australian and off-shore earnings and the availability of attractive new investment opportunities. Over recent years Pacific Current has had a relative high level of gearing that has been materially reduced. It is the board's preferred position to now maintain a conservative gearing level and to apply relative conservative funding parameters to new investments. Pacific Current is

⁶ It should be noted that the relationship between the boutiques' funds under management and the economic benefits received by the Aurora Trust can vary dramatically based on each boutique's fee levels, Aurora Trust's ownership stakes and the specific features of each relationship

in the process of reviewing its dividend policy following completion of the Investors Mutual Fund sale.

5 Details of the Offer

5.1 Overview of the Offer

Under this Prospectus, Pacific Current is offering the opportunity to subscribe for 37 Shares at a price of \$6.50 per Share to raise \$240.50 (before the costs of the Offer).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided to these parties.

All of the Shares under the Offer will rank equally in all respects with existing Shares on issue at the date of this Prospectus.

5.2 Objective and legal regime

On 13 April 2017 Pacific Current issued Shares to Class B and vested Class B-1 unitholders in the Aurora Trust, as announced to the ASX on 13 February 2017 and as approved by shareholders in Pacific Current at an extraordinary general meeting held on 15 March 2017 (**Exchange Transaction**). Shares issued under the Exchange Transaction are subject to escrow arrangements which expire on 13 October 2017.

The issue of Shares in connection with the Exchange Transaction was made without disclosure under Chapter 6D.2 of the Corporations Act. However, a cleansing statement under section 708A(5) of the Corporations Act was not issued within 5 days of the date of issue of those Shares.

If securities are issued to an investor without a disclosure document then the on-sale of those securities is generally restricted pursuant to the Corporations Act, unless an exemption applies (such as those under section 708A of the Corporations Act).

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure (and therefore would be exempt from the on-sale provisions) if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Therefore, the primary purpose of this Prospectus is to remove the on-sale trading restrictions that may have attached to the Shares issued by the Company before the Closing Date (including those Shares issued in connection with the Exchange Transaction).

6 Purpose and effect of the Offer

6.1 Purpose and use of proceeds

As noted in section 5.2, the primary purpose of this Prospectus is to remove the on-sale trading restrictions that may have attached to the Shares issued by the Company before the Closing Date (including those Shares issued in connection with the Exchange Transaction).

The Company is seeking to raise only a nominal amount of \$240.50 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital. All of the funds raised from the Offer will be applied towards expenses of the Offer.

6.2 Capital structure as at the date of this Prospectus and immediately after the Offer

The effect on the capital structure of Pacific Current as a result of the Offer is set out below.

Type of securities	Date of Prospectus	Completion of the Offer
Shares	47,642,330	47,642,367
Performance Rights	1,512,333*	1,512,333*

* this excludes 250,000 performance rights contractually earned by Paul Greenwood but not formally issued as at the date of this Prospectus.

There are no options or convertible notes on issue as at the date of the Prospectus.

6.3 Financial effect of the Offer

After paying the expenses of the Offer of approximately \$42,000 (excluding any GST), there will be no net proceeds from the Offer. The expenses of the Offer (exceeding \$240.50) will be met from the Company's existing cash reserves.

The effect of the Offer on the Company's financial position will be a net decrease in cash held of approximately \$41,759.50 (excluding any GST).

7 Rights and liabilities attached to Shares under the Offer

7.1 Shares

The rights attaching to Shares (including to Shares offered under this Prospectus) are described in the Constitution and, to the extent applicable, are regulated by the Corporations Act, the Listing Rules and general law. The following is a summary of certain rights attaching to Shares (including to Shares offered under this Prospectus).

- (a) **Voting rights:** subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll (with adjusted voting rights for partly paid shares). Voting may be in person or by proxy, attorney or representative.
- (b) **Meetings of shareholders:** each Shareholder is entitled to receive notice of, and attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Corporations Act and ASX Listing Rules. The Company must give Shareholders at least 28 days' written notice of a general meeting.
- (c) **Dividends:** the Board may pay interim and final dividends that, in its judgement, the financial position of Pacific Current justifies. The Board may also pay any dividend required to be paid under the terms of issue of a share, and fix a record date for a dividend and method of payment.
- (d) **Future issues of securities:** the Board may, subject to the Constitution, the Corporations Act and the Listing Rules, issue, allot or grant options for, or otherwise dispose of, Shares on such terms as the Board decides.
- (e) **Transfer of Shares:** subject to the Constitution, the Listing Rules and to any restrictions attached to a Shareholder's Shares, Shares may be transferred by:
 - a proper transfer executed in accordance with the ASX Settlement Operating Rules, Corporations Act and ASX Listing Rules;
 - a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements.
- (f) **Winding up:** if the Company is wound up, then subject to the Constitution, the Corporations Act and any rights and restrictions attached to any shares or classes of shares, shareholders will be entitled to share in any surplus property of Pacific Current in proportion to the number of shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution of shareholders divide the property of the Company amongst the

shareholders and decide how the property will be divided between the shareholders or different classes of shareholders.

(g) **Preference shares:** the Company may issue preference shares, including preference shares which are, or at the option of the Company are, liable to be redeemed or convertible into ordinary shares.

(h) **Directors – appointment and removal:** under the Constitution, Pacific Current must have at least three Directors and no more than fifteen directors, unless the Shareholders resolve otherwise in a general meeting.

No director may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (except for the managing director). The Board may also appoint any eligible person to be a Director, either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of the Company following their appointment.

(i) **Directors – voting:** questions arising at meetings of the Board must be decided by a majority of votes cast by the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote, in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote in which case the chairperson does not have a deliberative or casting vote and the proposed resolution is taken as lost.

(j) **Directors – remuneration:** the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. The total aggregate amount provided to all non-executive directors for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not the CEO or an executive director) must not include a commission on, or a percentage of, profits or operating revenue. The current maximum of Non-Executive Director remuneration is \$650,000. Any change to that aggregate maximum amount needs to be approved by Shareholders.

Directors are entitled to be paid for all travelling and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. Any Director who performs extra services, makes special exertions for the benefit of the Company or otherwise performs services, which, in the opinion of the Board, are outside the scope of ordinary duties of non-executive directors, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

(k) **Indemnities:** the Company must indemnify Directors, alternate directors and executive officers on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by those individuals as officers of the Company or a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each Director, alternate director and executive officer of the Company against all liability incurred by that person as an officer of the Company or a related body corporate, including but not limited to a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

(l) **Powers and duties of Directors:** the business of the Company is to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company that are not directed to be done by the Company in general meeting by the Constitution or by law.

- (m) **Amendments:** the Constitution can only be amended by special resolution passed by at least three quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

This summary does not provide an exhaustive statement of rights and liabilities attaching to the Shares and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

8 Risk Factors

There are a number of risks, both specific to Pacific Current and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of Pacific Current and the funds management industry in which it operates, and the value of Shares under the Offer.

Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade.

The risks summarised below describe what Pacific Current believes to be the key risks associated with its business, the funds management industry in which it operates and the risks associated with an investment in Pacific Current. It does not purport to list every risk that may be associated with Pacific Current's business, the funds management industry in which it operates and the risks associated with an investment in Pacific Current now or in the future. The occurrence or consequence of some of the risks described below are partially or completely outside of the control of Pacific Current, Pacific Current Directors and Pacific Current management

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and Pacific Current's management as at the Lodgement Date. Pacific Current does not give any assurances or guarantees of the future performance or profitability of Pacific Current or the value of Shares, or that the importance of different risks will not change or other risks or matters that may adversely impact will not emerge.

The future dividends, the value of Pacific Current's assets and the market value or price of Shares quoted on ASX may be influenced by these and other Risk Factors.

Every investor should:

- (a) rely on their own knowledge of Pacific Current;
- (b) refer to disclosures made by Pacific Current on ASX; and
- (c) consult their professional advisers before deciding whether to apply for Shares under the Offer.

8.1 Specific Company and industry risks

(a) Global market risk

The nature of Pacific Current's business means that Pacific Current is highly exposed to market volatility and potential adverse market conditions. Major international listed equity markets continue to display volatility on both upside and downside with publicised global macro risks such as lower European growth and deflation, slower growth in China and monetary policies in the United States and Japan. These risks are external and beyond the control of Pacific Current and its boutique investment managers and may have an adverse impact on Pacific Current's earnings and profitability of Pacific Current and its boutique investment managers that invest in listed equity.

(b) Foreign currency risks

Pacific Current is exposed to A\$/US\$ exchange rate risk through its investment in the Aurora Trust, which holds the US and other foreign currency denominated investments, and

receives income from those investments in those currencies. Whilst Pacific Current and Aurora Trust may hedge certain short term foreign currency denominated obligations, Pacific Current and Aurora does not currently hedge their offshore earnings. Post simplification Pacific Current has adopted hedge accounting such that the impact of foreign currency translation is taken up through foreign currency translation reserve of the Aurora Trust. Pacific Current consolidates the movement of the Aurora Trust's foreign currency translation reserve in its equity. As a result, unfavourable movements in foreign exchange rates may have an adverse impact on Pacific Current's earnings and profitability.

(c) **Dependence on FUM of Pacific Current's boutique investment managers**

Revenues generated by Pacific Current's boutique investment managers is derived directly from fees calculated on the basis of the funds managed or advised, and the success of each of Pacific Current's investment managers depends on its ability to attract and retain FUM. Pacific Current is highly dependent on the quality of its boutique investment managers and their investment teams and their success in attracting and retaining FUM. Pacific Current's cash flow and earnings are dependent on the FUM of those boutique investment managers and will be adversely affected by a loss of FUM. Additionally, the value of Pacific Current's investment in its boutique investment managers is dependent on the FUM of its boutique investment managers. As such, if a boutique investment manager suffers a significant or sustained loss of FUM, the carrying value of Pacific Current's investment in that investment manager may be adversely affected, which may in turn adversely affect Pacific Current's earnings and profitability.

The ability of Pacific Current's boutique investment managers to attract and retain FUM are impacted by a number of factors. For example:

- sustained periods of underperformance relative to investment benchmarks or peers, may lead to an investment manager suffering loss of FUM to competitors or to other investment strategies;
- if an investment manager's strategies or asset class may fall out of market favour from time to time, FUM may be lost to other strategies or asset classes that may or may not be represented in Pacific Current's overall portfolio; and
- adverse market conditions may lead to the loss of FUM at one or more of Pacific Current's boutique investment managers, even when the investment manager continues to outperform its benchmark without any loss of clients.

Furthermore, many of Pacific Current's boutique investment managers manage assets for institutional (wholesale) clients, who typically transact with high dollar values of FUM when hiring and firing investment managers, including Pacific Current's boutique investment managers. This can lead to substantial volatility in an investment manager's results, especially when an investment manager is small or when the loss of FUM is significant in relation to the manager's aggregate FUM.

(d) **Control**

Pacific Current's investments are not always a controlling interest in boutique investment managers, which means that Pacific Current cannot exercise full control of the day-to-day operations of those investment managers. The various shareholders of the boutique investment managers may have different objectives and opinions regarding the management and operation of those businesses. There is a risk that a material disagreement between Pacific Current and its co-investors could have an adverse effect on Pacific Current's investment in those boutique investment managers.

(e) **Regulatory environment risks**

Pacific Current operates in a highly regulated environment that is frequently subject to review and regular change of law, regulations and policies. Pacific Current and its boutique investment managers are subject to a range of industry specific and general legal and other regulatory controls (including Australian Financial Services Licensing and Anti Money Laundering / Counter Terrorism Funding requirements in Australia and equivalent regimes in the United States and other jurisdictions in which Pacific Current and its boutique investment managers operate). ASIC routinely undertakes surveillance and review of Australian financial services licensees, and from time-to-time undertakes regulatory and enforcement

action in relation to such licensees. Regulatory breaches, including regulatory breaches by Pacific Current's boutique investment managers, may affect Pacific Current's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs.

Pacific Current will be exposed to any changes in the regulatory conditions under which it and its boutique investment managers operate in Australia and overseas. Such regulatory changes can include changes in financial services laws or compulsory superannuation contribution levels, taxation laws and policies, accounting laws policies and procedures, privacy laws and anti-money laundering and counter terrorism funding laws. For example, in the United States, proposed changes to the regulation of the sale of advisory services and fund products (principally, the Department of Labor's proposed Fiduciary Rule) may adversely impact Pacific Current's ability to assist its boutique investment managers to attract additional FUM. Such changes may adversely affect Pacific Current's earnings and profitability.

(f) Acquisition, investment and divestment risk

From time to time, Pacific Current evaluates and undertakes acquisitions of, or makes investments in, other businesses and funds. There is a risk that Pacific Current may not achieve expected returns from those acquisitions or investments. This may adversely affect Pacific Current's earnings and profitability.

In relation to divestments, Pacific Current evaluates its businesses and funds regularly, including in light of its business strengths; the competitive environment in which it operates; its risk appetite; the objectives of its investing partners, and the ability to obtain an appropriate return against the cost of capital and funding. In particular, Pacific Current and the other shareholders in boutiques have received a number of approaches in relation to the potential sale of both core and non-core investments. Pacific Current evaluates all divestment opportunities that it receives, and has engaged in confidential discussions with third parties with respect to some of these opportunities. There is a risk that Pacific Current may experience disruptions in the divestment process or that Pacific Current is unable to realise the business or investment within a short period of time or obtain expected value for a divested business or investment. This may adversely affect Pacific Current's earnings and profitability.

Furthermore, each of Pacific Current's investments in its boutique investment managers is made on the basis of separately negotiated terms and conditions. Where those terms and conditions contain buy-sell or put-call provisions, Pacific Current may not always be in a position to control the timing of the disposition of its investments. This may adversely impact the value realised for its investments, which may in turn adversely affect Pacific Current's earnings and profitability.

(g) Competition risk

There is substantial competition for the provision of financial services in the markets in which Pacific Current operates. Pacific Current must compete with a variety of market participants who compete vigorously for investments and the provision of financial services. In addition, many of Pacific Current's boutique investment managers face significant competition within their style/strategy or asset class, which may put pressure on an investment manager's revenues or operating margins. Any such adverse impacts on an investment manager's revenue or operating margins that may arise from these competitive market conditions may in turn adversely affect Pacific Current's earnings and profitability.

(h) Reliance on key personnel risk

Pacific Current depends substantially on its senior management to oversee the day-to-day operations and the strategic management of Pacific Current. The loss of senior management, or other key personnel, could adversely affect Pacific Current's earnings and profitability.

Additionally, many of Pacific Current's boutique investment managers also depend on the quality and skills (especially investment management skills) of their founders and key executives. The loss of any of those key individuals may adversely affect both an investment manager's investment performance and its ability to attract and retain client FUM, which may in turn adversely affect Pacific Current's earnings and profitability.

(i) **Operational risks**

Pacific Current has operational exposure to its business and the businesses of its boutique investment managers including exposures in relation to disclosure, investment management, legal and regulatory compliance, tax and financial advice, process error, human error, system failure, failure of security and failure to meet privacy requirements. Pacific Current's earnings and profitability may be adversely affected if it and its boutique investment managers are unable to manage these exposures appropriately.

(j) **Litigation risk**

Legal proceedings and claims may arise from time to time against Pacific Current or its boutique investment managers in the ordinary course of business. Pacific Current is currently subject to an application in the Federal Court of Australia, brought by a shareholder under section 247A of the Corporations Act. The application is for the inspection of certain documents in relation to the establishment of the joint venture between Treasury Group Limited (now Pacific Current) and Northern Lights (the Aurora Trust). The stated purpose of the application is to obtain information to allow or assist that shareholder in the determination of whether it should continue to hold Shares and whether there may be claims to be brought against Pacific Current's directors relating to the creation of the Aurora Trust. This application is expected to be heard on or around 27 October 2017. There is a risk that material or costly claims or litigation against Pacific Current or its directors or a boutique investment manager could impact on the financial performance and reputation of Pacific Current or that investment manager, which may in turn adversely affect the earnings and profitability of Pacific Current.

(k) **Inability to achieve or fund its strategic plans risk**

Pacific Current's stated strategies include the expansion and diversification of its portfolio, and partnering with asset management professionals worldwide. Pacific Current's continued ability to implement its strategies over time may be impacted by a variety of factors including market volatility, an inability to generate organic growth, the cost of capital, an inability to capitalise on identified acquisition or expansion opportunities, an inability to successfully integrate acquired businesses and acquired or expanded businesses not meeting expectations. If Pacific Current is unable to implement its strategic plan, Pacific Current's earnings and profitability may be adversely affected.

Pacific Current's ability to pursue its strategies may in part also depend on its ability to raise additional equity and debt and for its boutique investment managers to raise additional equity and debt. Any additional equity financing may be dilutive to shareholders. Debt financing may not be available to Pacific Current on acceptable terms or at commercial rates, may involve restrictions on operations or may not be available at all. An inability to obtain necessary funding may adversely affect Pacific Current's earnings and profitability.

(l) **Information system disruption**

Pacific Current and its boutique investment managers rely on its infrastructure and information technology in order to operate their businesses. A severe disruption to or failure of Pacific Current's or its boutique investment managers' information technology systems may adversely impact the operations of Pacific Current and its boutique investment managers, which may adversely affect Pacific Current's earnings and profitability.

8.2 **General Risks**

(a) **General economic conditions**

The financial performance of Pacific Current may be affected by a number of factors outside its control and which are common to public companies generally or common to companies operating in the industries in which Pacific Current operates. These factors include:

- movements in the Australian and international equity markets;
- movements in foreign currency exchange rates;
- the liquidity of the market for Pacific Current's Shares;
- the level of interest and inflation rates;

- the level of borrowing, if any, which Pacific Current or the boutique investment managers undertake;
- general economic conditions;
- government, fiscal, monetary and regulatory policies;
- levels of consumer confidence and spending;
- access to debt and capital markets; and
- acts of terrorism, hostilities, war or natural disasters.

(b) **Share market fluctuations**

There are risks associated with an investment in a company listed on the ASX. The value of Pacific Current's shares may rise above or fall below the current price and the Offer price depending on the financial and operating performance of Pacific Current and external factors over which Pacific Current has no control. These external factors include recommendations by brokers and analysts, Australian and international economic conditions, inflation rates, interest rates, exchange rates, changing investor sentiment in the local and international stock markets, changes in Australian or international fiscal, monetary, regulatory or other government policies (including APRA prudential requirements), changes to laws (particularly taxation laws), global geo-political events and hostilities and developments and general conditions in the markets in which Pacific Current operates or proposes to operate and which may impact on the future value and pricing of shares.

(c) **Accounting standards**

Pacific Current prepares its financial statements in accordance with relevant accounting standards and the Corporations Act. The accounting standards may change, and any change is outside the control of Pacific Current. Such changes may adversely impact the financial performance and position of Pacific Current reported in its financial statements.

(d) **Liquidity and realisation risk**

There can be no guarantee that there will be an active market in Pacific Current's shares or that the price of new Shares will increase. There may be relatively few or many potential buyers or sellers of the shares on ASX at any time. This may increase the volatility of the market price of the shares and may affect the price at which shareholders are able to sell their new Shares.

(e) **Dilution risk**

Future capital raisings or equity funded acquisitions by Pacific Current may, in certain circumstances dilute the holdings of particular shareholders (relative to other shareholders). Pacific Current may need to raise additional capital in the future in order to meet its operating or financing requirements (including by way of additional borrowings or increases in the equity of any of the companies within Pacific Current), not all of which can be anticipated at this point in time. In the event that an increase in the equity of Pacific Current is required, particular shareholders may be requested to subscribe for additional equity which may be substantial. To the extent that shareholders do not subscribe for such additional equity, or are otherwise not invited to subscribe, their holdings in Pacific Current may be diluted (relative to other shareholders).

(f) **Taxation risk**

Future changes in Australian taxation law (including the goods and services tax and stamp duty), including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of your investment in Pacific Current shares or the holding and disposal of those shares. Further, changes in tax law (including the goods and services tax and stamp duty) or changes in the way tax law is expected to be interpreted in the jurisdictions in which Pacific Current operates, may impact the future tax liabilities of Pacific Current.

9 How to apply

9.1 Opening and closing dates of the Offer

The Opening Date of the Offer will be on 13 October 2017 and the Closing Date will be on 16 October 2017. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

9.2 Application for Shares under the Offer

Applications for Shares under the Offer must be made by investors at the direction of the Company and must be made using the relevant Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$6.50 per Share.

If you apply and pay for Shares before the close of the Offer, it is expected that you will be issued your Shares as soon as possible following the Closing Date and in any event, no later than the time specified in section 9.7.

9.3 Minimum and maximum Application size under the Offer

The minimum Application size under the Offer is \$240.50 of Shares. The maximum Application size under the Offer is \$240.50 of Shares.

9.4 Allocation policy

The allocation of Shares among Applicants in the Offer will be determined by the Company in its absolute discretion.

Pacific Current also reserves the right (in its absolute discretion) to reduce the number of Shares allocated to investors if Pacific Current believes their claims to be incorrect or overstated or if they, or their nominees, fail to provide information to substantiate their claims to Pacific Current's satisfaction.

9.5 Payment

It is your responsibility to ensure that your payment is received by the Company by no later than 5:00pm (Sydney time) on the Closing Date. Cash payments will not be accepted. Receipts for payment will not be issued.

Please ensure that you make arrangements so that your cheque, money order or bank draft is received at the below address no later than 5:00pm (Sydney time) on the Closing Date:

Pacific Current Group Limited
Level 29, 259 George Street
Sydney NSW 2000

9.6 Issue of Shares

This Prospectus has primarily been issued to cleanse the issue of Shares issued in connection with the Exchange Transaction (and the Shares issued under this Prospectus).

The issue of Shares under this Prospectus will take place as soon as practicable after the Closing Date. Application Monies will be held by or on behalf of the Company in a separate account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the allottees of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

9.7 ASX quotation

Application for official quotation by ASX of the Shares offered under this Prospectus will be made as soon as possible and in any event within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), the Company will not issue any

Shares under this Prospectus and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

9.8 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue and allotment of Shares to successful Applicants under the Offer. If the Offer does not proceed, all relevant Application Monies will be refunded (without interest). The Company also reserves the right to close the Offer early, extend the Offer, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer shares than those applied for.

10 Important information

10.1 Currency of information

The information in this Prospectus is dated 13 October 2017. There may be additional announcements made by Pacific Current after the date of this Prospectus and through the Offer period that may be relevant to your consideration of whether to exercise or do nothing in respect of the Offer. Therefore, you are encouraged to check whether any further announcements have been made by Pacific Current before submitting your application. Pacific Current's market announcements can be viewed on ASX's website (ASX: PAC) or on Pacific Current's website at www.paccurrent.com.

No party other than Pacific Current has authorised or caused the issue of the information in this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in, this Prospectus.

10.2 Investors

The information in this Prospectus contains an offer of Shares to investors and has been prepared in accordance with section 713 of the Corporations Act.

Pacific Current, in its absolute discretion, reserves the right to determine whether an investor is able to participate in the Offer. Pacific Current disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether an investor is eligible to participate in the Offer.

By making a payment of your Application Monies or returning an Acceptance Form and a cheque, bank draft or money order for your Application Monies, you will be taken to have represented and warranted that you, and each person on whose account you are acting, satisfy each of the criteria listed above. Investors who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Persons acting as nominees for other persons must not subscribe for any Shares on behalf of, or send any documents related to the Offer to, any person in the United States.

10.3 Not investment advice or financial product advice

The information in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. Pacific Current is not licensed to (and does not) provide financial product advice in respect of the Shares under the Offer.

Applicants should consult their accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares.

10.4 Taxation

The taxation consequences of any investment in the Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

10.5 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.

10.6 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options	Performance Rights
Mr Michael Fitzpatrick	2,701,285 ¹	Nil	Nil
Mr Paul Greenwood	531,781 ²	Nil	750,000
Mr Peter Kennedy	242,628 ³	Nil	Nil
Ms Melda Donnelly	20,000 ⁴	Nil	Nil
Mr Gilles Guerin	Nil	Nil	Nil
Mr Tony Robinson	Nil	Nil	Nil

Notes:

1. 2,401,500 Shares are held by Squitchy Lane Holdings Pty Ltd (Michael Fitzpatrick is a director and shareholder of Squitchy Lane Holdings Pty Ltd); 250,000 Shares are held by HFM Investments Pty Limited (Michael Fitzpatrick is a director and shareholder of HFM Investments Pty Limited); 49,785 Shares are held by Log Creek Pty Limited ATF Log Creek Vineyard Trust. In addition, Mr Fitzpatrick holds 4,211,966.5367 units in Aubrey Global Conviction Fund (through Log Creek Pty Ltd ATF Log Creek Vineyard Trust (Michael Fitzpatrick is a director and shareholder of Log Creek Pty Ltd)).
2. Paul Greenwood holds all securities directly
3. 197,619 Shares are held by Drakevale Pty Ltd ATF The Joanne & Peter Kennedy Superannuation Fund (Peter Kennedy is a director of Drakevale Pty Ltd and a member of The Joanne & Peter Kennedy Superannuation Fund); 37,001 Shares are held by 29th Marsupial Pty Ltd ATF the Blue Chip Trust (which is partly owned by the Kennedy Superannuation Fund. Peter Kennedy is a director of 29th Marsupial Pty Ltd and a member of the Kennedy Superannuation Fund); 8,008 Shares are held by Drakevale Pty Ltd ATF the PRK Super Fund (Peter Kennedy is a director of Drakevale Pty Ltd and a member of the PRK Super Fund).
4. 20,000 Shares are held by MDFSSSF Co Pty Ltd ATF MD Fin Services Staff Super Fund (Melda Donnelly is a member of the MD Fin Services Staff Super Fund and a director of MDFSSSF Co Pty Ltd).

Remuneration

The Directors shall be paid out of the funds of the Company by way of yearly remuneration for their services as Directors, such sum as may from time to time be determined by the members of the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree or in default of agreement equally. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the members of the Company where notice of the suggested increase shall have been given to Shareholders in the notice convening that meeting.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial year ended 30 June 2016	Financial year ending 30 June 2017
Mr Michael Fitzpatrick	\$130,000	\$130,000
Mr Paul Greenwood	\$1,665,966	\$1,797,874
Mr Peter Kennedy	\$120,000	\$120,000
Ms Melda Donnelly	\$130,300	\$85,000
Mr Gilles Guerin	\$75,000	\$75,000
Mr Tony Robinson	\$49,611	\$300,000

10.7 Relevant reporting and continuous disclosure obligations

Pacific Current is a “disclosing entity” (as defined in section 111AC of the Corporations Act) and therefore is subject to regular reporting and disclosure obligations. Pursuant to those obligations, Pacific Current is required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, Pacific Current must comply with the requirement to disclose to ASX any information held by Pacific Current which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. Pacific Current is also required to prepare and lodge with ASIC both yearly and half-yearly financial statements accompanied by a directors' statement and report and an auditor's report.

Having taken such precautions and having made such enquiries as are reasonable, Pacific Current believes that it has complied with the general and specific requirements of ASX (as applicable from time to time throughout the 12 months before the issue of this Prospectus) which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the market.

Pacific Current believes there is no other information that investors and their professional advisers could reasonably require for the purposes of making an informed assessment of Pacific Current's assets and liabilities, financial position and performance, profits, losses and prospects, and the rights and obligations attaching to the Shares offered under this Prospectus, which has been excluded from a continuous disclosure notice in accordance with the Listing Rules.

10.8 Your right to obtain copies of Pacific Current's documents

Copies of documents lodged with ASIC in relation to Pacific Current may be obtained from, or inspected at, the offices of ASIC.

During the period that the Offer remains open, Pacific Current will provide a copies of the following documents, free of charge, to any person on request:

- (i) the annual financial report for the year ended 30 June 2017 (being the last annual financial report that has been lodged by Pacific Current with ASIC before lodgement of this Prospectus);
- (ii) the financial report for the half-year ended 31 December 2016 (being the last half-year financial report that has been lodged by Pacific Current with ASIC before lodgement of this Prospectus); and
- (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report on 31 August 2017 and before the lodgement of this Prospectus, being the following:

Date	Announcement
11/10/2017	Redemption, Cancellation and Settlement of the X-RPUs
05/10/2017	Becoming a substantial holder from WMI

Date	Announcement
05/10/2017	Becoming a substantial holder from WAX
05/10/2017	Becoming a substantial holder from WAM
03/10/2017	Conference Call Dial-in Details
03/10/2017	Sale of Interest in Investors Mutual Limited
29/09/2017	Notice of forthcoming release of Shares from Escrow
29/09/2017	Pacific Current Group – Annual Report 2017
14/09/2017	2017 Annual General Meeting Date
11/09/2017	Investor Presentation

Any Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included in this Prospectus may obtain a copy free of charge by writing to the Company Secretary or by contacting +61 2 8243 0400 (within Australia) at any time between 8:30 am and 5:00pm (Sydney time), Monday to Friday during the Offer period. Copies of all announcements made by Pacific Current may also be obtained from ASX's website (ASX:PAC) and on Pacific Current's website at www.paccurrent.com.

10.9 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$8.36	4 September 2017
Lowest	\$6.55	18 July 2017
Last	\$6.80	12 October 2017

10.10 Consents

Each of the persons listed below has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn their consent to the inclusion of the following information in this Prospectus in the form and context in which it is included and to all references in this Prospectus to that information in the form and context in which they appear:

- (a) each Director, to being named in this Prospectus as a Director and to the inclusion of any statements made by them;
- (b) Herbert Smith Freehills to being named in this Prospectus as Australian legal adviser in respect of this Prospectus and the Offer; and
- (c) Computershare Investor Services Pty Limited, to being named in this Prospectus as the Australian registry for Pacific Current.

10.11 Basis of consent

Each person named above as having given its consent to the inclusion of a statement or report or to being named in this Prospectus:

- (a) does not make, or purport to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement or report, a statement or report included in this Prospectus with the consent of that person; and

- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement or report, any statement or report which has been included in this Prospectus with the consent of that party.

10.12 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, no adviser involved in the preparation of this Prospectus (nor any firm in which any adviser is a partner), has held at any time in the past two years any Shares or others securities of Pacific Current.

In addition, other than as set out below, no amounts (whether in cash, Shares, convertible notes or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any adviser (or any firm in which the adviser is a partner) for services rendered by the adviser, or the adviser's firm in connection with the promotion or formation of the Company or in connection with the Offer (or any component of it).

Herbert Smith Freehills has acted as Australian legal adviser to the Company in relation to this Prospectus and the Offer. In aggregate, the Company estimates that it will pay \$42,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Herbert Smith Freehills in accordance with their usual time based charge out rates. Herbert Smith Freehills does not make any offer of Shares nor any statement in this Prospectus, and no statement in this Prospectus is based on any statement made by Herbert Smith Freehills.

10.13 Electronic Prospectus

Subject to compliance with certain specified conditions, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a compliant prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 2 8243 0400 between 8:30am and 5.00pm (Sydney time) during the Offer Period and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary Prospectus or any of those documents were incomplete or altered.

10.14 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates in respect of Shares issued pursuant to this Prospectus. The Company is a participant in CHES for those investors who have a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares allotted to them under the Offer. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

10.15 Privacy statement

Pacific Current and the Share Registry collect, hold and use certain personal information to assess your application, service your needs and provide facilities and services that you request and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

Under the Privacy Act 1988 (Cth), you may request access to your personal information held by or on behalf of Pacific Current. You can request access to your personal information or obtain further information about Pacific Current's management practices by contacting the Share Registry or Pacific Current. If the Share Registry's record of your personal information is incorrect or out of date, it is important that you contact Pacific Current or the Share Registry so that records can be corrected.

10.16 Governing law

The information in this Prospectus, the Offer, and the contracts formed on acceptance of the Offer pursuant to the Acceptance Forms are governed by the law in force in New South Wales. Each investor who applies for Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

10.17 Approval of Prospectus

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC. This Prospectus is issued by the Company and its issue has been approved by a resolution of the Board on 11 October 2017.

11 Glossary

In this Prospectus, unless the context otherwise requires:

A\$, \$, or AUD means the currency of Australia.

Acceptance Form means the acceptance form which accompanies this Prospectus.

Applicant means an investor who applies for Shares under the Offer.

Application Form means the application form attached to this Prospectus for Shares.

Application Monies means the amount payable by each Applicant under this Offer, being the amount equal to \$6.50 multiplied by the number of Shares that the Applicant applies for.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, and where the context requires, the Australian Securities Exchange.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement which govern the administration of CHESS.

Aurora Trust means the Aurora Trust.

Board means the board of Directors of Pacific Current.

Company, Pacific Current or PAC means Pacific Current Group Limited (ACN 006 708 792).

CHESS means the Clearing House Electronic Subregister System of ASX.

Closing Date means the date that the Offer closes, being 5:00pm (Sydney time) on 16 October 2017 (unless extended).

Constitution means the constitution of the Company.

Control has the meaning given in section 50AA of the *Corporations Act*.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company.

Exchange Transaction means the issue of Shares to Class B and vested Class B-1 unitholders in the Aurora Trust, as announced to the ASX on 13 February 2017 and as approved by existing shareholders in Pacific Current at an extraordinary general meeting held on 15 March 2017.

FUM means funds under management.

Offer means the offer of 37 Shares at a price of \$6.50 per Share to raise \$240.50 (before the costs of the Offer).

Offer Price means \$6.50 per Share.

Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time.

Lodgement Date means 13 October 2017 being the date this Prospectus was lodged with ASIC.

Northern Lights Group means Northern Lights Capital Partners, LLC

Offer Period means the period during which the Offer will remain open for acceptance being from 9:00am (Sydney time) on the Lodgement Date until 5:00pm (Sydney time) on the Closing Date (unless extended).

Officer has the same meaning given to it in section 9 of the *Corporations Act*.

Option means an option to subscribe for a Share at a prescribed exercise price.

Prospectus means this cleansing prospectus dated 19 April 2017 prepared in accordance with section 708A(11) of the *Corporations Act* and lodged with ASIC on that date.

Share means a fully paid ordinary share in Pacific Current, including a Share offered under this Prospectus.

Shareholder means a person registered in the register of members of Pacific Current as a holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

12 Corporate directory

Pacific Current Group Limited		Board
Level 29, 259 George Street Sydney NSW 2000 Tel: +61 2 8243 0400 Web: www.paccurrent.com ASX Code: PAC		Mr Paul Greenwood Mr Michael Fitzpatrick Mr Peter Kennedy Ms Melda Donnelly Mr Gilles Guerin Mr Tony Robinson
Australian legal counsel to the Offer		
Herbert Smith Freehills Level 34, ANZ Tower 161 Castlereagh Street Sydney NSW 2000		
Share Registry*		
Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford, Victoria, 3067		

**These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.*

Application Form

The Directors
Pacific Current Group Limited

.....(insert name of Applicant) applies for the issue to it of 37 ordinary shares in the capital of Pacific Current Group Limited (ACN 006 708 792) (**Pacific Current**) to be issued at \$6.50 each (**Shares**). The Shares are fully paid.

.....(insert name of Applicant):

- authorises the directors of the Company to enter its name on the register of members in respect of the Shares in the Company;
- agrees to hold its Shares in the Company subject to the constitution of the Company; and
- acknowledges that the Shares were issued with disclosure under the prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on or around 13 October 2017.

Date

Signed by

.....
(insert name of company)
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____

Signed by

.....
(insert name of natural person)

sign here ► _____

print name _____