

# PACIFIC CURRENT GROUP

33° 51' 50.457" S, 151° 12' 23.437" E

Level 29, 259 George Street, Sydney NSW 2000

T: +61 2 8243 0400 // F: +61 2 8243 0410

## ASX ANNOUNCEMENT

25 October 2017

### Market Update Including Funds Under Management as at 30 September 2017

#### HIGHLIGHTS

- Total FUM of A\$69.6bn, up 12.2%, driven primarily by A\$7.0bn of net inflows and market performance of A\$1.7bn
- Growth boutiques, led by GQG, EAM, and ROC, received net inflows totaling A\$4.5bn
- Core boutiques were led by Aperio's A\$1.7bn of net inflows, while RARE's FUM rebounded with inflows of A\$0.3bn
- The AUD appreciated against USD during the quarter by 2.3%
- PAC's interest in IML sold on 3 October for approximately A\$120m, and will be excluded from future FUM updates

#### Funds Under Management Commentary

Pacific Current Group (ASX:PAC, the Company, Pacific Current), a global multi-boutique asset management firm, today announces its Funds Under Management (FUM) for the quarter ended 30 September 2017.

As at 30 September 2017, PAC boutiques had aggregate FUM of A\$69.6bn, an increase of A\$7.6bn or 12.2% during the quarter. FUM growth was primarily driven by strong net inflows, totaling A\$7.0bn. Total FUM also benefitted from market appreciation. The USD weakened against AUD resulting in a negative conversion effect on total FUM and offsetting a portion of the market gains.

Growth boutiques received the majority of inflows during the quarter of A\$4.5bn. GQG, which started the quarter with FUM of A\$7.8bn, finished the quarter with A\$11.7bn. EAM saw FUM grow by 77% in the quarter, primarily due to large institutional inflows, while ROC also demonstrated strong growth.

Core boutiques produced solid results as well, with A\$2.3bn of net inflows, led by Aperio, RARE, and IML. Seizert experienced modest outflows. On 3 October, PAC announced the sale of its stake in IML. Had IML been excluded from this update, total FUM would have grown 14.1% from to A\$52.9 to A\$60.4bn and total inflows would have been A\$6.7bn.

Paul Greenwood, Pacific Current's President North America, commented: "Clearly, this was another excellent quarter of growth. While GQG and Aperio once again led the way,



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we are gratified by the breadth of the growth across the portfolio. Of particular note were the large inflows at EAM and ROC and the rebound of flows at RARE.”

## Capital Management Plan

PAC’s pipeline of appealing investment opportunities currently exceeds its cash balances. Accordingly, PAC will not consider a special dividend until it has greater visibility on how much capital it expects to deploy in FY18. As with FY17, PAC will decide on the full year dividend based on full year results.

## Other Considerations

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

## Funds Under Management by Category

Boutique & Channel Split (A\$bn)	30-Jun-17 Closing FUM	Net Flows	Other (1)	FX Impact (2)	30-Sep-17 Closing FUM
<b>Core Boutiques</b>					
Retail	9.61	0.74	(0.22)	(0.01)	10.13
Institutional	35.72	1.51	1.15	(0.75)	37.63
	<b>45.33</b>	<b>2.26</b>	<b>0.93</b>	<b>(0.76)</b>	<b>47.75</b>
<b>Growth Boutiques</b>					
Retail	0.46	0.55	0.05	(0.02)	1.04
Institutional	13.79	3.92	0.63	(0.33)	18.00
	<b>14.25</b>	<b>4.47</b>	<b>0.68</b>	<b>(0.35)</b>	<b>19.04</b>
<b>Other Boutiques</b>					
Retail	0.40	0.28	0.00	(0.01)	0.67
Institutional	2.07	0.02	0.11	(0.03)	2.17
	<b>2.47</b>	<b>0.30</b>	<b>0.11</b>	<b>(0.04)</b>	<b>2.84</b>
<b>Total FUM</b>	<b>62.05</b>	<b>7.02</b>	<b>1.71</b>	<b>(1.15)</b>	<b>69.63</b>

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

(2) The Australian dollar appreciated against US dollar during the quarter. The AUD/USD exchange rate was 0.7664 as at 30 June 2017 compared to 0.7841 as at 30 September 2017.

(3) Amounts may not add due to rounding.

(4) The split between retail and institutional investors for core boutiques has been updated this quarter resulting in slightly different figures than previously reported. Total FUM figure is not affected.



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## Funds Under Management by Boutiques

(A\$bn)	30-Jun-17	30-Sep-17
<strong>Core Boutiques</strong>		
Aether	1.57	1.53
Aperio	25.25	27.33
IML	9.11	9.20
RARE	5.35	5.78
Seizert	4.06	3.91
	<strong>45.33</strong>	<strong>47.75</strong>
<strong>Growth Boutiques</strong>		
Blackcrane	0.94	1.01
ROC Partners	4.84	5.19
GQG	7.81	11.70
EAM	0.66	1.14
	<strong>14.25</strong>	<strong>19.04</strong>
<strong>Other Boutiques</strong>	<strong>2.47</strong>	<strong>2.84</strong>
<strong>Total FUM</strong>	<strong>62.05</strong>	<strong>69.63</strong>

## CONTACT

For Investor Enquiries: Joseph Ferragina  
Chief Financial Officer and Chief Operating Officer  
+61 2 8243 0400

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

Pacific Current Group is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 30 September 2017, Pacific Current Group has investments in 16 boutique asset managers globally.

