

ASX ANNOUNCEMENT

30 July 2020

Funds under management as at 30 June 2020

Pacific Current Group Limited (**ASX:PAC**), a global multi-boutique asset management firm, is pleased to announce that total Funds under Management (FUM) controlled by boutique asset managers within Pacific Current Group increased 17.8% to AUD 93.3 billion (USD 64.3 billion) during the quarter ended 30 June 2020.

Highlights from the quarter include the following:

- GQG FUM grew significantly during the quarter as a result of net inflows and the rebound in equity markets;
- In native currencies, USD oriented fund managers saw FUM increase by 34.5%. When converting to AUD, the increase was partly offset by the significant appreciation of the AUD against the USD.

FUM flows and balances as at 31 March 2020 and 30 June 2020, by boutique tier and category, are shown in the Appendix attached.

Pacific Current CEO, Paul Greenwood, stated, "It was another strong quarter of growth, almost exclusively driven by massive inflows at GQG. Aside from GQG it was a quiet period in terms of new business, largely due to a decline in new allocations among institutional investors in the wake of the Covid-19 pandemic." Greenwood further noted, "We are starting to see signs that the significant disruption in the fundraising environment is beginning to improve, but it is still too early to know when we might get back to historical levels of allocation activity."

Other Considerations

The relationship between the boutiques' FUM and the economic benefits received by PAC can vary dramatically based on factors such as:

- the fee structures of each boutique;
- PAC's ownership interest in the boutique; and
- the specific economic features of each relationship between PAC and the boutique.

Accordingly, PAC cautions against simple extrapolation based on FUM trends.

Tier 1 Boutique is a term used to describe an asset manager that PAC expects to produce at least an average of A\$4m of annual earnings for PAC over the next three years, while a **Tier 2 Boutique** is one that PAC expects will contribute less than this amount. Although there is no guarantee any Tier 1 boutique will meet this threshold, this categorisation is intended to provide insight into which boutiques are expected to be the most economically impactful to Pacific Current Group.

Open-end is a term used to indicate funds under management that are not committed for an agreed period and therefore can be redeemed by an investor on relatively short notice. **Closed-end** is a term used to denote funds under management where the investor has committed capital for a fixed period and redemption of these funds can only eventuate after an agreed time and in some cases at the end of the life of the fund.

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ABOUT PACIFIC CURRENT GROUP

Pacific Current Group Limited is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 30 June 2020, Pacific Current Group has investments in 15 boutique asset managers globally.

Appendix

Funds Under Management – 30 June 2020

A\$millions	Open End		Closed End		Total FUM as at 30 June 2020
	31 March 2020 Beg FUM	30 June 2020 Ending FUM	31 March 2020 Beg FUM	30 June 2020 Ending FUM ⁴	
Tier 1 Boutiques					
Aether	-	-	2,502	2,230	2,230
Carlisle	3,518	3,085	494	503	3,588
GQG	47,625	64,695	-	-	64,695
Proterra ⁴	-	-	5,178	4,198	4,198
Victory Park	-	-	5,210	4,747	4,747
Total Tier 1 Boutiques	51,143	67,779	13,384	11,679	79,458
Tier 2 Boutiques					
Blackcrane	934	724	-	-	724
CAMG	-	-	-	-	-
EAM	1,318	1,533	-	-	1,533
ROC	-	-	6,909	6,649	6,649
Pennybacker ⁴	3,216	2,712	-	-	2,712
SCI	-	-	-	-	-
Seizert	2,308	2,245	-	-	2,245
Total Tier 2 Boutiques	7,774	7,214	6,909	6,649	13,863
Total FUM	58,917	74,993	20,293	18,328	93,321

	Total FUM as at 31 March 2020	Net Flows ¹	Other ²	FX movement ³	Total FUM as at 30 June 2020
Open End	58,917	12,166	11,387	(7,478)	74,993
Closed End	20,293	7	(529)	(1,443)	18,328
Total	79,210	12,173	10,858	(8,920)	93,321

1. For Closed End funds, Net Flows only includes additional capital commitments. Distributions to limited partners of Closed End funds will be reflected as reduction in Net Asset Value, which is included in the 'Other' category for PAC reporting.
2. Other includes investment performance, market movement and distributions.
3. The Australian dollar strengthened against US dollar during the quarter. The AUD/USD exchange rate was 0.6140 as at 31 March 2020 compared to 0.6890 as at 30 June 2020. The Net Flows and Other items are calculated using average rates.
4. FUM for Proterra Investment Partners and Pennybacker Capital Management represent regulatory FUM from one quarter in arrears.