

ASX ANNOUNCEMENT

29 January 2021

Funds under management as at 31 December 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 8.3% to AUD 112.8 billion (USD 86.9 billion) during the quarter ended 31 December 2020.

Highlights from the quarter include the following:

- GQG's assets once again posted significant increases, ending a 12-month period that saw its FUM grow by more than USD 35 billion;
- Seizert was sold during the quarter, it had USD 1.5 billion FUM as at 30 September 2020;
- Market appreciation and increased valuations on private capital portfolios contributed to higher FUM as did inflows at Victory Park and Roc
- In native currencies, USD-oriented fund managers saw FUM increase by 16.9%. 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 30 September 2020 and 31 December 2020, by boutique tier and category, are shown in the Appendix attached.

Pacific Current CEO, Paul Greenwood, stated, "While not unscathed, we feel good about how our portfolio companies navigated 2020. The last quarter of the year was a quiet one from an inflow perspective, with the exception of the strong growth of GQG." Greenwood further noted, "In local dollars all 9 of the portfolio companies with FUM grew during the quarter, but when translated into AUD only 4 of the 9 did. This is a good reminder that PAC's underlying FUM and revenues are heavily skewed toward the US dollar, and therefore AUD appreciation detracts from the reported progress we have made."

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 AUD 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.

AUTHORISED FOR LODGEMENT BY:

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CONTACT

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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. Upon closing the investment in Astarte, Pacific Current Group will have investments in 15 boutique asset managers globally.

Appendix

Funds Under Management – 31 December 2020

A\$millions	Open End			Closed End		Total FUM as at 31 December 2020
	30 September 2020 Beg FUM	New Investment / (Divestment)	31 December 2020 Ending FUM	30 September 2020 Beg FUM	31 December 2020 Ending FUM ¹	
Tier 1 Boutiques						
Aether	-	-	-	2,142	1,993	1,993
Carlisle	2,712	-	2,554	511	485	3,040
GQG	77,666	-	86,944	-	-	86,944
Proterra ¹	-	-	-	4,476	4,216	4,216
Victory Park	-	-	-	4,737	4,524	4,524
Total Tier 1 Boutiques	80,378		89,498	11,865	11,219	100,717
Tier 2 Boutiques						
Blackcrane	509	-	589	-	-	589
CAMG	-	-	-	-	-	-
EAM	1,683	-	1,797	-	-	1,797
ROC	-	-	-	7,088	7,187	7,187
Pennybacker ¹	-	-	-	2,638	2,519	2,519
SCI	-	-	-	-	-	-
Seizert ⁵	2,204	(2,204)	-	-	-	-
Total Tier 2 Boutiques	4,395	(2,204)	2,386	9,726	9,706	12,093
Total FUM	84,773	(2,204)	91,884	21,591	20,926	112,810

	Total FUM as at 30 September 2020	New investment / (Divestment)	Net Flows ²	Other ³	FX movement ⁴	Total FUM as at 31 December 2020
Tier-1	92,243	-	10,414	5,273	(7,213)	100,717
Tier-2	14,121	(2,204)	206	327	(357)	12,093
Total	106,364	(2,204)	10,620	5,600	(7,571)	112,810

1. FUM for Proterra Investment Partners and Pennybacker Capital Management represent regulatory FUM from one quarter in arrears.
2. 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.
3. Other includes investment performance, market movement and distributions.
4. The Australian dollar strengthened against US dollar during the quarter. The AUD/USD exchange rate was 0.7174 as at 30 September 2020 compared to 0.7708 as at 31 December 2020. The Net Flows and Other items are calculated using average rates.
5. Seizert was sold on 9 November 2020.