



## ASX ANNOUNCEMENT

28 January 2022

### Funds under management as at 31 December 2021

Pacific Current Group Limited (**ASX:PAC, Pacific Current Group**), a global multi-boutique asset management firm, is pleased to announce that total Funds under Management (**FUM**) managed by boutique asset managers within Pacific Current Group's portfolio increased from A\$150.1b to A\$165.4b for the quarter ended 31 December 2021 (including the new investment in Banner Oak Capital Partners (**Banner Oak**)).

Highlights from the quarter include the following:

- FUM grew 5.0% (10.2% including the new investment in Banner Oak);
- In native currency, USD-denominated fund managers saw FUM increase by 5.9% (11.4% including the new investment in Banner Oak); and
- GQG's growth continued while Victory Park and EAM posted particularly strong inflows.

With GQG now listed on the ASX, PAC is limited to reporting publicly available information regarding the firm's FUM. Accordingly, PAC will only include GQG's beginning and ending FUM in its FUM updates.

In its FY21 year-end results, PAC noted that it expected A\$3b to A\$8b of gross new commitments/inflows over the next 18-24 months for its non-GQG boutiques. In 1H22 these boutiques have already received A\$2.2b of gross new commitments, and as a result PAC is raising its estimate of new commitments over the same period to A\$5b to A\$8b.

Pacific Current Group CEO, Paul Greenwood, stated, "Our portfolio continues to make strong progress in terms of new commitments our boutiques are receiving. The standout over the last quarter was Victory Park, a business where growth continues to accelerate. We expect CY2022 to be another strong year for them, as well as many of our other portfolio companies."

FUM flows and balances as at 30 September 2021 and 31 December 2021, by boutique tier and category, are shown in the Appendix attached.

#### Other Considerations

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

- the fees charged by each boutique on the assets it manages;
- The varying size of PAC's ownership interest in each boutique; and
- the unique economic terms negotiated between PAC and each boutique including the manner in which PAC expects to realize value from its investment.

Accordingly, PAC cautions against simple extrapolation of PAC's projected results based on FUM trends.

**AUTHORISED FOR LODGEMENT BY:**

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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 28 January 2022, Pacific Current Group has investments in 16 boutique asset managers globally.



Appendix

Funds Under Management – 31 December 2021

FUM by Pacific Current Group boutique manager in reporting currency

\$m	Open End		Closed End			Total FUM as at 30 September 2021	Total FUM as at 31 December 2021
	30 September 2021 Beg FUM	31 December 2021 Ending FUM	30 September 2021 Beg FUM	New Investment / (Divestment)	31 December 2021 Ending FUM <sup>1</sup>		
<b>Tier 1 - Boutiques reporting in USD</b>							
Aether	-	-	1,536	-	1,526	1,536	1,526
Banner Oak <sup>1</sup>	-	-	-	5,712	5,712	-	5,712
Carlisle	1,245	1,232	1,085	-	1,066	2,329	2,298
GQG	85,797	91,200	-	-	-	85,797	91,200
Proterra <sup>1</sup>	-	-	3,826	-	3,721	3,826	3,721
Victory Park <sup>2</sup>	-	-	3,996	-	4,450	3,996	4,450
<b>Total Tier 1</b>	<b>87,042</b>	<b>92,432</b>	<b>10,442</b>	<b>5,712</b>	<b>16,476</b>	<b>97,484</b>	<b>108,908</b>
<b>Tier 2 - Boutiques reporting in USD</b>							
Astarte <sup>3</sup>	-	-	317	-	454	317	454
Blackcrane	436	403	-	-	-	436	403
CAMG	-	-	-	-	-	-	-
EAM	1,722	1,914	-	-	-	1,722	1,914
Pennybacker <sup>1</sup>	-	-	2,172	-	2,143	2,172	2,143
SCI	-	-	-	-	-	-	-
<b>Total Tier 2</b>	<b>2,158</b>	<b>2,317</b>	<b>2,489</b>	<b>-</b>	<b>2,597</b>	<b>4,647</b>	<b>4,914</b>
<b>FUM (USD) - Boutiques reporting in USD</b>	<b>89,200</b>	<b>94,748</b>	<b>12,931</b>	<b>5,712</b>	<b>19,073</b>	<b>102,131</b>	<b>113,822</b>
<b>FUM (AUD) - Boutiques reporting in USD</b>	<b>123,403</b>	<b>130,367</b>	<b>17,889</b>	<b>7,859</b>	<b>26,243</b>	<b>141,292</b>	<b>156,610</b>
<b>Tier 2 - Boutique reporting in AUD</b>							
Roc	-	-	8,771	-	8,777	8,771	8,777
<b>Total FUM (AUD) - PAC Boutiques</b>	<b>123,403</b>	<b>130,367</b>	<b>26,661</b>	<b>7,859</b>	<b>35,020</b>	<b>150,063</b>	<b>165,387</b>

1. FUM for Banner Oak Capital Partners, Proterra Investment Partners and Pennybacker Capital Management represent regulatory FUM from one quarter in arrears.
2. Victory Park Capital has sponsored multiple Special Purpose Acquisition Companies (SPACs). SPACs do not represent funds under management, but rather may economically benefit Victory Park through enhanced performance fees generated from the vehicles/funds managed by Victory Park that provide risk capital to the SPACs.
3. Astarte FUM represents aggregate FUM of funds managed by investment managers in which Astarte has an interest as well as the unallocated committed capital from funds managed by Astarte.

## FUM by Pacific Current Group Tier 1/Tier 2 Classification in AUD

A\$m	Total FUM as at 30 September 2021	New investment / (Divestment)	Net Flows <sup>4</sup>	Other <sup>5</sup>	FX movement <sup>6</sup>	Total FUM as at 31 December 2021
Tier-1 (Ex-GQG)	16,168	7,859	932	(526)	(69)	24,364
Tier-2	15,200	-	43	284	11	15,538
<b>Sub-Total</b>	<b>31,368</b>	<b>7,859</b>	<b>975</b>	<b>(241)</b>	<b>(58)</b>	<b>39,903</b>
GQG <sup>7</sup>	118,695					125,484
<b>Total</b>	<b>150,063</b>					<b>165,387</b>

4. 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.
5. Other includes investment performance, market movement and distributions.
6. The Australian dollar strengthened against US dollar during the quarter. The AUD/USD exchange rate was 0.7228 as at 30 September 2021 compared to 0.7268 as at 31 December 2021. The Net Flows and Other items are calculated using average rates.
7. Beginning with quarter ending 31 December 2021, GQG is now separated in the table above as GQG is now a listed entity, therefore PAC will only include GQG's beginning and ending FUM in its quarterly FUM announcement. GQG continues to be a Tier-1 boutique in the PAC portfolio.

**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.