

Quarterly activity report – for the quarter ended 31 December 2022

FUM Update

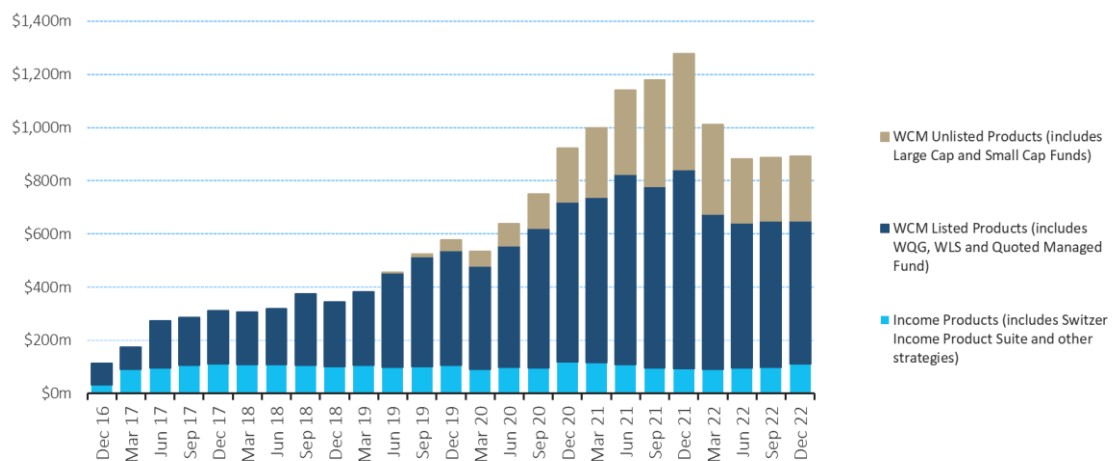
Associate Global Partners Limited (ASX:APL) (**AGP** or the **Company**) is pleased to announce that its total Funds Under Management (**FUM**) was \$893 million as at 31 December 2022. As at 27 January 2023, total FUM was \$905 million¹ reflective of improved market conditions to start the calendar year.

The December 2022 quarter remained challenging for global markets with central banks determined to tighten financial conditions further by pushing official interest rates higher. The path to higher interest rates has had a material impact on global equity markets in 2022. In addition, persistently high inflation and the rise of bond yields provided a major headwind for equity valuations.

Pleasingly, markets have started the year stronger in January 2023, which has had a positive impact on portfolio performance, especially with the WCM Large and Small Cap strategies.

FUM remained steady for the December 2022 quarter, with continued contributions from the WCM Large Cap strategy and Woodbridge Private Credit Fund offsetting volatility in global equity and bond markets.

The chart below illustrates the quarterly movement in FUM since 31 December 2016:¹

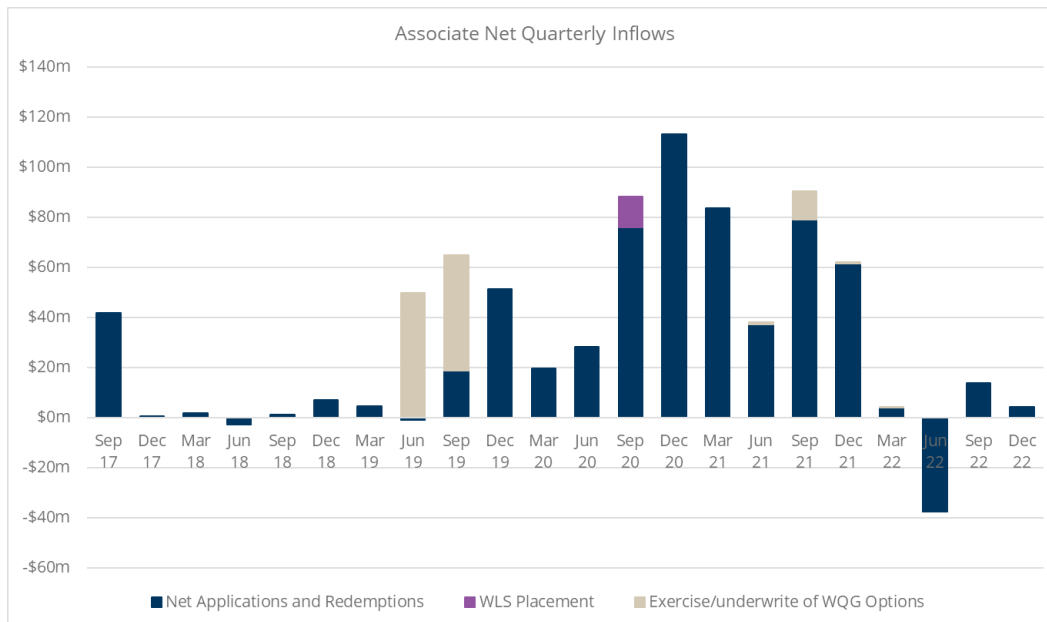


NB: Excludes Contango Microcap management rights reassigned in October 2017. Excludes FUM associated with the Vantage distribution initiative.

The total net inflows for the December 2022 quarter were \$4.2 million. Fund inflows remain positive for the financial year, notwithstanding the continued difficult market conditions, which continues to highlight the strength and importance of our strong relationships with financial advisers and investors.

¹ All FUM and flow information is approximate, rounded, and has not been audited. FUM information is provided by AGP’s appointed custodian NAB Asset Servicing.

The chart illustrates the quarterly net inflows and outflows since June 2018.



NB: Excludes WCM Global Long Short Limited selective buy-back in July 2021. Excludes payments and reinvestment of dividends and distributions. Source: Link Market Services and Link Funds Solutions.

WCM Strategies

WCM Investment Management (**WCM**) is a global and international equities specialist with total FUM of over A\$105.5 billion². AGP has an exclusive retail distribution arrangement to distribute WCM’s strategies in Australia.

Global equity markets declined in December 2022, ending the worst calendar year of returns for the MSCI All Country World Index benchmark since 2008. Once again it was the familiar themes of inflation, interest rates, recession fears and the war in Ukraine which weighed on markets in the quarter. While inflation is showing tentative signs of having peaked, it remains significantly above global central banks’ tolerance levels. The 2022 bear market for equities was driven by the compression effect on valuation multiples as a result of sharply rising bond yields. This environment has been particularly challenging for WCM’s Quality Global Growth Equity Strategy given its bias to companies with investment theses based on growth over longer duration investment timeframes.

Trying to forecast the timing and scale of any possible global economic downturn in these conditions is a near impossible task. However, should this occur, the market’s attention will likely move more to the sustainability of corporate earnings. This will provide a more positive backdrop for WCM’s portfolios given their exposure to high quality (i.e., expanding economic moat) companies now trading at relatively low valuations.

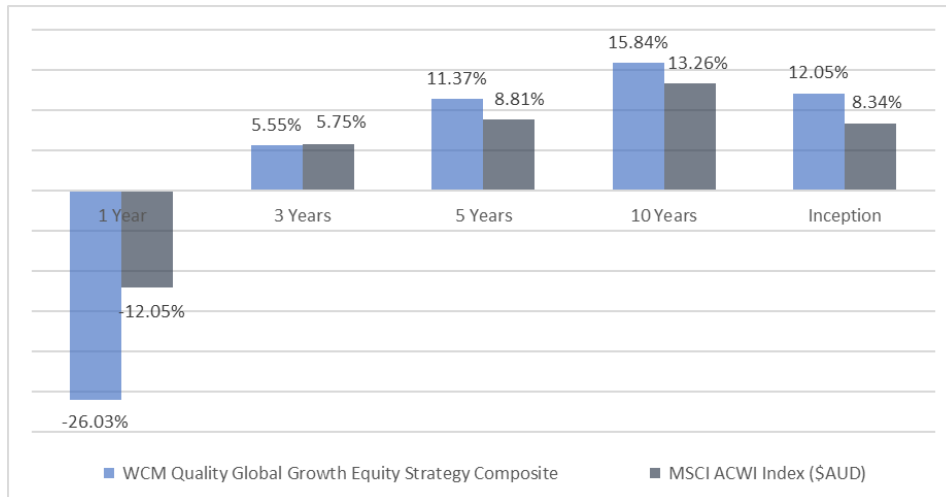
In terms of the December 2022 quarter: WCM’s Large Cap strategy, the WCM Quality Global Growth Equity Strategy Composite, delivered a return of -0.71%, relative to its benchmark which delivered 4.18%; the WCM International Small Cap Growth Strategy Composite delivered a return of 4.05%, compared with its benchmark of 7.51%; and the WCM Quality Global Growth Long Short Strategy Composite delivered 2.88%, compared with its benchmark of 4.18%.

While short-term performance continues to be impacted by global market instability, it was pleasing to see the outperformance of all three strategies, well above benchmarks, for all periods of five years and more, highlighting the positive, long-term performance of each strategy.

² As at 31 December 2022 in AUD.

Large Cap Track Record

Returns of the WCM Quality Global Growth Equity Strategy Composite versus its benchmark are shown below. All figures below are returns on a per annum basis:⁴



Small Cap Track Record

Returns of the WCM International Small Cap Growth Strategy Composite versus its benchmark are shown below. All figures below are returns on a per annum basis:³



³ Source: WCM. Data as at 31 December 2022 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Returns for periods of more than one year are annualised. Past performance is not indicative of future results. Inception date of the WCM Quality Global Growth Equity Strategy Composite is 31 March 2008. Inception date of the WCM International Small Cap Growth Strategy Composite is 31 December 2014. The WCM International Small Cap Growth Strategy is accessible to Australian wholesale investors through the WCM International Small Cap Growth Fund (Managed Fund) which is an unlisted managed fund. WCM is the investment advisor for WCM Global Growth Limited (WQG) and the investment manager for WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ) and WCM Quality Global Growth Fund (Managed Fund) (WCMF). WCM applies the same investment principles, philosophy, and execution approach of its WCM Quality Global Growth Equity Strategy (QGG), ex-Australia, to WQG, WCMQ and WCMF.

WCM Global Long Short Limited (WLS) – Scheme of Arrangement Completion

On 12 December 2022, WLS shareholders voted at a Scheme of Arrangement (**Scheme**) Meeting to approve a restructure (**Restructure**) of WLS to address its share price discount to net asset value (**NAV**). Over 98% of votes cast by WLS shareholders were in favour of the Scheme and over 92% of WLS shareholders present and voting, voted in favour of the Scheme.

Under the terms of the Restructure:

- WLS shareholders exchanged their shares in WLS, a listed investment company, for units in the WCM Quality Global Growth Fund (Quoted Managed Fund) (ASX:WCMQ); and
- WLS became wholly owned by WCMQ.

Upon Federal Court of Australia approval of the Scheme on 16 December 2022: WLS shares were suspended from ASX at the close of trading on 19 December 2022; new WCMQ units were issued for each WLS share on 30 December 2022; and WLS was delisted from ASX on 12 January 2023.

Woodbridge Capital

The Woodbridge Private Credit Fund (the **Fund**) has continued to attract interest from both financial advisers and direct investors, capitalising on the significant investor interest in private credit strategies emerging in the market. In the two quarters since launch, the Fund has been a positive contributor to the total FUM of the Company. There is also a healthy pipeline for future growth.

The Fund is available via several wealth management platforms including Netwealth, Mason Stevens, HUB24, Powerwrap and Macquarie Wrap. SQM Research has recently initiated coverage on the Fund with a favourable rating.⁴

Since inception on 31 May 2022, the Fund has delivered a return of 4.97%. The Fund has an objective of returning 6-8% above the RBA cash rate to investors over a 12-month period⁵.

Switzer Product Suite

Switzer Dividend Growth Fund (Quoted Managed Fund) (ASX:SWTZ)

Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited and the fund has achieved a return of 5.26%, compared with the ASX 200 Accumulation Index benchmark return of 4.61%⁶.

Over the quarter to 31 December 2022, the fund delivered a return of 7.24%, compared with the benchmark return of 9.40%.

Over the past 12 months, SWTZ has paid a distribution yield of 5.89% or 7.84% including franking credits. Distribution yield is calculated as the distributions received over the 12 months to 31 December 2022 relative to the SWTZ unit price at the beginning of the period.

⁴ The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

⁵ Source: Woodbridge Capital as at 31 December 2022. Fund performance is in AUD and calculated based on net asset value per unit after management fees and expenses and assumes that all distributions are reinvested in the Fund. Inception date is 31 May 2022.

⁶ From the period 21 April 2021 to 31 December 2022.

In the December 2022 quarter, a secondary market offer was concluded, offering the ability for investors to purchase new units in SWTZ directly without transacting through a broker. The offer was taken up by 197 investors and 764,615 new units were issued on 16 December 2022.

Switzer Higher Yield Fund (Managed Fund) (CXA:SHYF)

The Switzer Higher Yield Fund (Managed Fund) has been managed by Coolabah Capital Institutional Investments since December 2020. Over the quarter to 31 December 2022, the fund returned 0.75%, compared with the RBA Overnight Cash Rate which delivered 0.71% and its benchmark which delivered 1.08%.

Change of Company Name

At the Company's Annual General Meeting held on 9 November 2022, 99.23% of votes cast by shareholders approved the special resolution to change the Company name from Contango Asset Management Limited to **Associate Global Partners Limited**. Subsequently, the ASX ticker code of the Company has been changed to **APL**.

The Company and its Responsible Entity now operate under a single identity. This provides clarity for the Company's clients and investors, enables the Company to focus on its core objective of promoting its investment managers and positions the Company for future growth.

The word "Associate" means partnership and the Company's mission is to partner with investment managers and clients for the long term. As "Associate Global Partners Limited", the Company will continue to seek and build quality relationships, based on trust and the strength of its expertise, while always endeavouring to deliver exceptional service and results for clients.

Financial Update

The underlying net management fee revenues from the Group's FUM remained consistent from the September to December 2022 quarters, reflecting relatively steady FUM over the two quarters. However, the reduction in cash receipts from those revenues, reported in the December 2022 quarter, was essentially due solely to the timing of management fee receipts and payments to WCM throughout this period.

Payments in the December 2022 quarter for administration and corporate costs comprise a number of full year expenses and annual costs associated with 30 June financial year end, including fund audit fees, as well as a one-off recruitment fee. Consequently, net operating cash outflow for the quarter is reported at \$1.11 million. Pleasingly, however, there was a favourable reduction of \$0.128 million in ongoing payroll payments, compared with the September 2022 quarter.

The Company's key focus remains on investing in the distribution of the products of our key investment manager partners, in support of further growth in total FUM, while closely managing operational cash flows.

Cash balances for the Company as at 31 December 2022 totalled \$4.731 million and debt was \$1.25 million.

This solid financial position enabled AGP to continue to invest in the establishment and support of its product suite during the quarter, while exploring other new product and distribution opportunities.

Yours faithfully,



Marty Switzer
CEO and Managing Director
Associate Global Partners Limited
M: **0407 297 702**
E: marty.switzer@associateglobal.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Associate Global Partners Limited and Controlled Entities

ABN

Quarter ended ("current quarter")

56 080 277 998

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,396	3,421
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(570)	(1,109)
(c) advertising and marketing	26	22
(d) leased assets	-	-
(e) staff costs	(784)	(1,696)
(f) administration and corporate costs	(1,143)	(2,063)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – advances re new funds	(54)	(309)
Other – GST paid on NAOS receivable	-	(166)
1.9 Net cash from / (used in) operating activities	(1,111)	(1,863)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – GST on Item 2.2 (l) above	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,842	6,594
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,111)	(1,863)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,731	4,731

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,231	2,342
5.2	Call deposits	3,500	3,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,731	5,842

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 - paid to Directors in accordance with remuneration arrangements	205
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,252	1,252
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,252	1,252
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The Company has an unsecured loan facility of \$750,000 with an unrelated private family trust. The loan carries an interest rate of 8% per annum and does not have loan covenant requirements. The Company has an additional unsecured loan facility of \$502,000 from that party. The loan is for 10 years expiring on 28 August 2028 with an interest rate of 8% per annum and does not have loan covenant requirements.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,111)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,731
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,731
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.3
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023



Authorised by:

Marty Switzer (CEO and Managing Director)