



## ASX ANNOUNCEMENT

31 July 2023

### Funds under management as at 30 June 2023

Pacific Current Group Limited (**ASX:PAC**), a global multi-boutique asset management firm, is reporting total Funds under Management (**FUM**) managed by boutique asset managers within Pacific Current Group's portfolio increased from A\$187.3b to A\$204.4b for the quarter ended 30 June 2023.

Highlights from the quarter include the following:

- aggregate FUM grew 9.1% in AUD. In native currency, USD-denominated fund managers saw FUM increase by 9.1% as a result of the rebound in global equity markets, strong inflows and the new investment in Cordillera;
- excluding GQG, FUM increased 5.1% for USD-denominated fund managers and decreased 5.4% for the AUD-denominated fund manager;
- GQG had notable inflows and benefited from the rebound in equity markets during the quarter, while PAC's private capital boutiques received combined new commitments of approximately A\$0.6b;
- Roc Partners had some outflows in March and June 2023 quarters, this was related to low or no fee paying commitments and no material impact on revenues is expected;
- PAC's Ownership Adjusted FUM grew from US\$13.4b to US\$14.1b; and,
- PAC's boutiques (excluding GQG) have received A\$10.1b of new capital commitments from 1 July 2021 and A\$5.2b from 1 July 2022.\*

Pacific Current Group's CEO, Paul Greenwood, noted, "While the general fundraising environment across the investment management industry has been less than ideal, we are pleased with the progress our boutiques made during the quarter. He added, "Moreover, we expect some significant fundraising progress among key boutiques during 1H24."

FUM flows and balances as at 31 March 2023 and 30 June 2023, by boutique tier and category, are shown in the Appendix attached.

\* The reported new capital commitments of A\$10.1b and A\$5.2b includes new commitments through 30 June 2023 for all boutiques except Banner Oak and Proterra given each boutique reports FUM one quarter in arrears. The new commitment amounts for Banner Oak and Proterra for the quarter ended 30 June 2023 will be reported/included in the following quarter.

## **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, including one-time, up-front fees;
- 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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## **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. As of 31 July 2023, Pacific Current Group has investments in 16 boutique asset managers globally.

Funds Under Management – 30 June 2023

FUM by Pacific Current Group boutique manager in reporting currency

\$m	Open End			Closed End			Total FUM as at 31 March 2023	Total FUM as at 30 June 2023
	31 March 2023	New Investment / (Divestment)	30 June 2023	31 March 2023	New Investment / (Divestment)	30 June 2023		
<b>Tier 1 - Boutiques reporting in USD</b>								
Aether	-	-	-	1,545	-	1,545	1,545	1,545
Banner Oak <sup>1</sup>	-	-	-	7,249	-	7,389	7,249	7,389
Carlisle	1,011	-	988	1,010	-	1,003	2,021	1,991
Cordillera <sup>4</sup>	-	157	158	-	1,180	1,254	-	1,412
GQG	94,500	-	104,100	-	-	-	94,500	104,100
Proterra <sup>1</sup>	-	-	-	3,945	-	3,712	3,945	3,712
Victory Park <sup>2</sup>	-	-	-	5,566	-	5,713	5,566	5,713
<b>Total Tier 1</b>	<b>95,511</b>	<b>157</b>	<b>105,246</b>	<b>19,315</b>	<b>1,180</b>	<b>20,615</b>	<b>114,826</b>	<b>125,861</b>
<b>Tier 2 - Boutiques reporting in USD</b>								
Astarte <sup>3</sup>	-	-	-	638	-	642	638	642
EAM	1,507	-	1,478	-	-	-	1,507	1,478
Pennybacker <sup>5</sup>	271	-	274	2,798	-	2,691	3,069	2,964
<b>Total Tier 2</b>	<b>1,778</b>	<b>-</b>	<b>1,751</b>	<b>3,435</b>	<b>-</b>	<b>3,333</b>	<b>5,214</b>	<b>5,084</b>
<b>FUM (USD) - Boutiques reporting in USD</b>	<b>97,289</b>	<b>157</b>	<b>106,997</b>	<b>22,750</b>	<b>1,180</b>	<b>23,948</b>	<b>120,040</b>	<b>130,945</b>
<b>FUM (AUD) - Boutiques reporting in USD</b>	<b>145,147</b>	<b>236</b>	<b>160,622</b>	<b>33,942</b>	<b>1,769</b>	<b>35,950</b>	<b>179,090</b>	<b>196,572</b>
<b>Tier 2 - Boutique reporting in AUD</b>								
ROC Partners	-	-	-	8,219	-	7,778	8,219	7,778
<b>Total FUM (AUD) - PAC Boutiques</b>	<b>145,147</b>	<b>236</b>	<b>160,622</b>	<b>42,161</b>	<b>1,769</b>	<b>43,728</b>	<b>187,309</b>	<b>204,350</b>

1. FUM for Banner Oak Capital Partners and Proterra Investment Partners represent regulatory FUM from one quarter in arrears.
2. Victory Park FUM includes the firm's regulatory capital for 30 September, as well as other client FUM where VPC is paid a one-time, upfront fee.
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.
4. PAC invested in Cordillera on 6 April 2023.
5. Pennybacker recently launched a hybrid strategy where investors commit funds for a period of two years, then it becomes an Open-end fund. Above table is adjusted to classify it as Open-end despite the remaining committed period.

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

A\$m	FUM as at 31 March 2023	New investment / (Divestment)	Net Flows <sup>6</sup>	Other <sup>7</sup>	FX movement <sup>8</sup>	FUM as at 30 June 2023
Tier-1 (Ex-GQG)	30,325	2,004	514	(367)	192	32,667
Tier-2	15,997	-	(748)	113	49	15,410
<b>Sub-Total</b>	<b>46,322</b>	<b>2,004</b>	<b>(234)</b>	<b>(255)</b>	<b>241</b>	<b>48,078</b>
GQG <sup>9</sup>	140,986	-	1,796	12,572	918	156,272
<b>Total</b>	<b>187,309</b>	<b>2,004</b>	<b>1,562</b>	<b>12,317</b>	<b>1,159</b>	<b>204,350</b>

6. 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.

7. Other includes investment performance, market movement and distributions.

8. The Australian dollar weakened against US dollar during the quarter. The AUD/USD exchange rate was 0.6703 as at 31 March 2023 compared to 0.6661 as at 30 June 2023. The Net Flows and Other items are calculated using average rates.

9. Beginning with quarter ending 31 December 2021, GQG is separated in the table above as GQG is now a listed entity, therefore PAC will only include GQG's FUM data as it is disclosed by GQG 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.

## Ownership Adjusted FUM by Pacific Current Group boutique manager in USD

US\$m	Private Market / Public Market Strategy	Total FUM as at 31 March 2023	Total FUM as at 30 June 2023	PAC Interest	Ownership Adjusted FUM (OAF) as at 31 March 2023	Ownership Adjusted FUM (OAF) as at 30 June 2023
<b>Tier 1</b>						
Aether	Private	1,545	1,545	100.0 %	1,545	1,545
Banner Oak	Private	7,249	7,389	35.0 %	2,537	2,586
Carlisle	Private	2,021	1,991	40.0 %	808	796
Cordillera	Private	-	1,412	24.9 %	-	352
GQG	Public	94,500	104,100	4.0 %	3,808	4,195
Proterra	Private	3,945	3,712	16.0 %	631	594
Victory Park	Private	5,566	5,713	24.9 %	1,386	1,422
<b>Tier 2</b>						
Astarte	Private	638	642	44.5 %	284	286
EAM	Public	1,507	1,478	18.8 %	283	277
Pennybacker	Private	3,069	2,964	16.5 %	506	489
ROC Partners	Private	5,510	5,181	30.0 %	1,653	1,554
<b>Total (USD)</b>		<b>125,550</b>	<b>136,127</b>		<b>13,441</b>	<b>14,096</b>

**Ownership Adjusted FUM (OAF)** - The ownership percentage used in the calculation of OAF reflects the proportion of proceeds that PAC, absent any distribution preferences, would receive in the event of the sale or liquidation of the business. The portfolio above does not include boutiques that do not manage FUM.