PACIFIC CURRENT GROUP

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ASX ANNOUNCEMENT

23 February 2024

Updated Appendix 4D and Condensed Interim Financial Report

Pacific Current Group Limited (ASX:PAC) advises that the Appendix 4D released on 23 February 2024 contained a minor typographical error at Item 2.5 being the record date for determining entitlements to the dividend. The Appendix 4D has been amended to reflect the correct record date of 7 March 2024. There are no other changes to the Appendix 4D or to the Condensed Interim Financial Report for the half year ended 31 December 2023 (**Financial Report**).

The amended Appendix 4D together with the unchanged Financial Report are attached for immediate release.

-ENDS-

Authorised for lodgement by the Board of Pacific Current Group Limited.

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 23 February 2024, Pacific Current Group has investments in 16 boutique asset managers globally.

PACIFIC CURRENT GROUP LIMITED
(ABN 39 006 708 792)

ASX LISTING RULES – APPENDIX 4D
HALF YEAR REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

The following information is presented in accordance with ASX Listing Rule 4.2.A.3.

1. Details of the reporting period and the previous corresponding period

Current reporting period	- the half year ended 31 December 2023
Previous corresponding periods	- the half year ended 31 December 2022
	- the financial year ended 30 June 2023

2. Results for announcement to the market

Six-month period ended 31 December

		2023 $'000	2022 $'000	Increase /(Decrease) $'000	%
2.1	Revenue from ordinary activities	22,088	22,491	(403)	(1.79)
	Underlying profit before interest, tax, depreciation and amortisation	25,324	19,566	5,758	29.43
	Net profit/(loss) before tax	17,544	(12,238)	29,782	243.36
	Underlying net profit before tax	21,756	18,541	3,215	17.34
	Underlying net profit after tax (before minority interest)	16,768	14,960	1,808	12.09
2.2	Net profit/(loss) from ordinary activities after tax attributable to members	11,655	(10,034)	21,689	216.16
	Underlying net profit from ordinary activities after tax attributable to members	16,673	14,090	2,583	18.33
2.3	Net profit/(loss) for the period attributable to members	11,655	(10,034)	21,689	216.16
	Underlying net profit for the period attributable to members	16,673	14,090	2,583	18.33

Underlying results are unaudited Non-IFRS measures. Refer to the attached Condensed Interim Financial Report for the half year ended 31 December 2023 for details of these calculations.

		Amount per security (cents)	Franking %	Conduit foreign income per security
2.4	Dividends (distributions)			
	2024 Interim	15.00	Nil	Nil

2.5 Record date for determining entitlements to the dividend

7 March 2024

2.6 Commentary on "Results for Announcement to the Market"

A brief explanation of any figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Condensed Interim Financial Report for the half year ended 31 December 2023.

3. Net tangible assets per security

	31 December 2023	30 June 2023
Net tangible assets per security	$9.20	$9.08

4. Details of entities over which control has been gained or lost during the period

During the period, control was gained

Name of entity	Date control gained
Nil	N/A

During the period, control was lost

Name of entity	Date control lost
Nil	N/A

5. Details of individual and total dividends or distributions and dividend or distribution payments.

Type	Payment date	Amount per Security (cents)	Franked amount per security (%)	Conduit foreign income per security
2023 Final	12 October 2023	23.00	67.3	Nil

6. Details of any dividend or distribution reinvestment plans

On 27 August 2020, the Board approved a Dividend Reinvestment Plan ("DRP") for the Company. The Company's DRP will not apply to the interim dividend.

7. Details of associates and joint venture entities

	Ownership %	
	31 December 2023	**30 June 2023**
Aether General Partners	25.00	25.00
ASOP - Profit Share LP	39.06	39.06
Astarte Capital Partners, LLP[1]	44.51	44.46
Avante Capital Partners, LP[2]	24.90	-
Banner Oak Capital Partners, LP	35.00	35.00
Capital & Asset Management Group, LLP	40.00	40.00
Independent Financial Planners Group, LLC	24.90	24.90
Northern Lights Alternative Advisors LLP	23.00	23.00
Roc Group[3]	29.71	30.01
Victory Park Capital Advisors, LLC	24.90	24.90
Victory Park Capital GP Holdco, L.P.	24.90	24.90
Copper Funding, LLC	50.00	50.00
Nereus Capital Investments (Singapore) Pte. Ltd ("NCI")	74.19	74.19
Pennybacker Capital Management, LLC	16.50	16.50

	31 December 2023	**31 December 2022**
	$'000	**$'000**
PAC share of profits of associates/joint ventures[4]	11,618	5,255

Notes:
[1] - On 14 September 2023, the Group contributed an additional capital to Astarte Capital Partners, LLP.
[2] - On 21 September 2023, the Group acquired an equity interest in Avante Capital Partners, LP.
[3] - On 15 August 2023, Roc Partners Pty Limited granted shares to an executive employee which resulted to the slight dilution of the Group's equity interest in Roc Group.
[4] - Further information on the contribution of these entities to the financial performance and financial position of the Group is contained in the attached Condensed Interim Financial Report for the Half Year ended 31 December 2023.

8. For foreign entities, which set of accounting standards is used in compiling the report

Not applicable

9. Audit / Review of Accounts upon which this report is based and qualification of audit / review

This Half Year Report is based on the attached Condensed Interim Financial Report for the half year ended 31 December 2023, which includes the Independent Auditor's Review Report. The Condensed Interim Financial Report for the half year ended 31 December 2023 is not subject to a modified opinion, emphasis of matter or other matter paragraph.

Pacific Current Group Limited

ABN 39 006 708 792

Financial Report
For the half-year ended 31 December 2023

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Your Directors submit their Report for the half-year ended 31 December 2023.

DIRECTORS AND OFFICERS

The Directors and officers of Pacific Current Group Limited (the "Company") at the date of this report or at any time during the half-year ended 31 December 2023 were:

Name	Role	Date
Mr. Antony Robinson	Non-Executive Chairman	
Mr. Paul Greenwood	Executive Managing Director	
Mr. Jeremiah Chafkin	Non-Executive Director	Resigned - 17 November 2023
Ms. Melda Donnelly	Non-Executive Director	
Mr. Gilles Guérin	Non-Executive Director[1]	
Mr. Peter Kennedy	Non-Executive Director	Resigned - 16 November 2023
Mr. Michael Clarke	Non-Executive Director	Appointed - 14 February 2024
Ms. Clare Craven	Company Secretary	

Notes:
1 Mr. Guerin was appointed by the Board as Lead Independent Director on 24 August 2023.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Company is a company limited by shares and is incorporated and domiciled in Australia. Its shares are listed for trading on the Australian Securities Exchange ("ASX") with the ticker code PAC. The Company and its controlled entities (the "Group") invest in asset managers, private advisory, placement and investment related firms on a global basis. The Group also provides, on an as agreed basis, distribution and management services to specific investee companies.

The primary criteria the Company looks for in these potential investments are high quality people, a robust investment process, competitive performance and strong growth potential. The strategy of the Company is to build shareholder value through identifying, investing, and managing investments in investment management firms that exhibit moderate to high sustainable growth while delivering exceptional results to their clients.

The Company is agnostic in respect to geography so long as an investment meets the Group's investment criteria. The Group invests across the life cycle continuum, from start-up opportunities to established but growing businesses. The portfolio is targeted to have a mix of businesses from those with solid earnings to those with dramatic earnings acceleration, albeit from a smaller investment base.

OPERATING AND FINANCIAL REVIEW

REVIEW OF OPERATIONS

Investment activities during the period

Acquisition of a new investment

On 21 September 2023, the Group acquired 24.90% equity interest in Avante Capital Partners, LP ("Avante") and 12.50% limited partnership interests in Avante GP entities ("Avante GPs"), (collectively "Avante Group") for an initial contribution of USD15,000,000 ($22,985,000); deferred contribution of USD13,000,000 ($19,920,000) payable in September 2024; and an additional deferred contribution of up to USD12,000,000 ($18,388,000). This additional deferred contribution will be paid based on Avante's new run rate management fees on capital commitments as at 31 August 2025. At the date of acquisition, the fair value of the additional deferred contribution of the Group was USD5,800,000 ($8,888,000) and had been added to the acquisition cost of Avante Group and the related liability was offset to the investment in associate account. As Avante Group is expected to produce an average of at least $4,000,000 of annual earnings contribution over the next three years, it has been classified as Tier 1 Boutique.

The investment has been accounted for as an investment in associate. For the half-year ended, the share in profits from Avante Group amounted to $439,000.

Avante is based in San Francisco, California, USA and manages three closed-end small business investment company private credit funds. Avante provides loans to sponsor-backed lower-middle-market companies in the USA and also allocates a small portion of its funds to make equity co-investments alongside its sponsors.

Additional contribution to existing investment

On 14 September 2023, the Group alongside the other owners of Astarte contributed additional capital to Astarte of which the Group's proportionate contribution amounted to GBP508,000 ($980,000). Since one of Astarte's owners opted not to make a contribution, this resulted in the minimal increase of the Group's ownership in Astarte from 44.46% to 44.51%.

The existing accounting treatment of the investment as an associate did not change.

Changes in fair values and impairment

At 31 December 2023, the Company assessed the carrying values of all its investments and recognised the increase and decrease of these investments through changes in fair values and impairment. GQG Partners Inc. ("GQG") share price increased at end of the period to $1.705 per share resulting to an increase in its fair value by $43,369,000. Aether's carrying value decreased by $15,808,000 due to delays in new fund-raising activities and smaller than expected fund sizes. Despite preparing to launch a new strategy with improved margins, the Company adjusted the probabilities of different outcomes, resulting in an impairment of the goodwill. Banner Oak's carrying value decreased by $25,199,000 due to the economic conditions and impact on capital raising over the last six months being below forecast and the lower probability of success for new funds.

Financing activities during the period

The 67.3% franked final dividend declared on 25 August 2023 in respect of the 2023 financial year was paid on 12 October 2023 totalling to $11,862,000.

Refer to Dividend section in this report for further details.

On 21 September 2023, the Company made an additional drawdown of USD11,000,000 ($16,856,000) was drawn down from its Senior Secured Debt Facility ("Debt Facility") with Washington H. Soul Pattinson and Company Limited ("WHSP"). A 2.5% discount of USD275,000 ($424,000) was deducted upon receipt of the proceeds.

Other activities during the period

On 26 July 2023, the Company received an unsolicited, non-binding, indicative proposal from Regal Partners Limited (ASX: RPL) ("Regal") in co-operation with River Capital Pty Ltd ("River Capital"), both major shareholders of the Company, to acquire 100% of the shares in the Company by way of a scheme of arrangement. Under Regal's proposal, the Company's shareholders would receive an implied total value of $11.12 per share, with the consideration comprising $7.50 in cash per Company share plus $3.62 being 2.2 x GQG shares based on the closing price of GQG shares on 25 July 2023 of $1.655. Regal's proposal also stated that the Company shareholders may elect to substitute either or both elements of the consideration for Regal shares.

On 27 July 2023, the Company was notified by GQG (ASX: GQG) that the latter intended to submit a non-binding indicative proposal to acquire 100% of the shares in the Company.

The Company's Board of Directors had established an Independent Board Committee ("IBC") of the Company to facilitate a strategic review of options to realize the underlying value of the business for shareholders. The IBC then oversaw a process to identify and engage with any further interested parties and evaluate any resulting proposals.

On 28 September 2023, Regal notified the Company that it was formally withdrawing its unsolicited, non-binding, indicative proposal.

On 1 November 2023, the Company received a non-binding indicative proposal from GQG for the acquisition of 100% of the issued shares of the Company for $11.00 in cash consideration per share by way of a scheme of arrangement, following completion of its due diligence. A condition of the proposal was that the Company's largest shareholder River Capital would provide its support for the GQG proposal (in the absence of a superior proposal). GQG subsequently informed the Company that, GQG had been unable to obtain River Capital's support.

On 7 November 2023, the Company received a signed letter in draft format from River Capital outlining its proposed acquisition of 100% of the issued shares of the Company for $10.50 cash consideration per share by way of a scheme of arrangement, subject to due diligence and other conditions. The River Capital proposal would be predominantly funded by the sale of most of the Company's interests in its affiliates/investments to GQG for cash consideration at a premium to their fair market value as published in the Company's FY2023 results. Upon inquiry from the IBC, GQG confirmed that it was unaware of the submission of the River Capital proposal, but in any event was not prepared to provide funding on the terms proposed. The IBC was then informed by River Capital that discussions between River Capital and GQG had ceased.

On 16 November 2023, the Company, after considering other potential strategic alternatives, had determined that the process of reviewing strategic transactions to sell the Company's entire business had not resulted in a binding offer for the Company that can be recommended to its shareholders. In light of this, the Board determined to conclude the strategic transaction process and dissolve the IBC.

Funds under management ("FUM")

As at 31 December 2023, the FUM of the Group's asset managers was $227,286,527,000 (30 June 2023: $204,349,907,000).

	Open-end Boutiques		Closed-end Boutiques			
	FUM as at 30 June 2023 USD'000	FUM as at 31 December 2023 USD'000	FUM as at 30 June 2023 USD'000	FUM as at 31 December 2023 USD'000	Total FUM as at 30 June 2023 USD'000	Total FUM as at 31 December 2023 USD'000
Tier 1 - Boutiques reporting in USD						
Avante Capital Partners, LP[1]	—	—	—	556,911	—	556,911
Banner Oak Capital Partners, LP[2]	—	—	7,388,800	8,001,100	7,388,800	8,001,100
Carlisle Management Company, S.C.A.	987,619	964,783	1,002,931	999,351	1,990,550	1,964,134
Cordillera Investment Partners, LP	158,234	159,496	1,253,512	1,331,568	1,411,746	1,491,064
GQG Partners Inc.	104,100,000	120,600,000	—	—	104,100,000	120,600,000
Pennybacker Capital Management, LLC[3]	273,567	270,641	2,690,504	3,402,278	2,964,071	3,672,919
Proterra Investment Partners, LP[2]	—	—	3,711,960	3,457,201	3,711,960	3,457,201
Victory Park Capital Advisors, LLC[4]	—	—	5,712,846	5,863,762	5,712,846	5,863,762
	105,519,420	121,994,920	21,760,553	23,612,171	127,279,973	145,607,091
Tier 2 - Boutiques reporting in USD						
Aether Investment Partners, LLC[3]	—	—	1,545,245	1,545,245	1,545,245	1,545,245
Astarte Capital Partners, LLP[5]	—	—	642,226	533,669	642,226	533,669
EAM Global Investors, LLC	1,477,911	1,515,660	—	—	1,477,911	1,515,660
	1,477,911	1,515,660	2,187,471	2,078,914	3,665,382	3,594,574
Total Boutiques reporting in USD	106,997,331	123,510,580	23,948,024	25,691,085	130,945,355	149,201,665
	$'000	$'000	$'000	$'000	$'000	$'000
Total Boutiques reporting in USD (converted in Australian dollar)	160,621,682	181,507,479	35,950,167	37,754,857	196,571,849	219,262,336
Tier 2 - Boutiques reporting in Australian dollar						
Roc Partners Capital Pty Ltd	—	—	7,778,058	8,024,191	7,778,058	8,024,191
Total	**160,621,682**	**181,507,479**	**43,728,225**	**45,779,048**	**204,349,907**	**227,286,527**

Boutique	Total FUM as at 30 June 2023 $'000	Inflows from Boutique Acquisitions/ (Divestments) $'000	Net Flows[6] $'000	Other[7] $'000	Foreign Exchange Movement[8] $'000	Total FUM as at 31 December 2023 $'000
Tier 1 (excluding GQG Partners Inc.)[9]	34,797,188	549,214	1,865,241	408,663	(870,632)	36,749,674
Tier 2	13,280,436	(257,665)	145,857	250,867	(112,825)	13,306,670
Subtotal	48,077,624	291,549	2,011,098	659,530	(983,457)	50,056,344
GQG Partners Inc.[9]	156,272,283	—	5,669,257	19,666,988	(4,378,345)	177,230,183
Total Boutiques	**204,349,907**	**291,549**	**7,680,355**	**20,326,518**	**(5,361,802)**	**227,286,527**

Notes:
1. The Group invested in Avante on 21 September 2023.
2. Banner Oak Capital Partners LP ("Banner Oak") and Proterra Investment Partners, LP ("Proterra") represent regulatory FUM from one quarter in arrears.
3. From 1 July 2023, Pennybacker Capital Management, LLC ("Pennybacker") has been moved from Tier 2 to Tier 1 since it has been assessed that Pennybacker would produce at least an average of $4,000,000 of annual earnings for the Group over the next three years. Aether Investment Partners, LLC ("Aether") has been moved from Tier 1 to Tier 2 since it has been assessed that Aether would no longer meet the $4,000,000 annual earnings for the Group.
4. Victory Park Capital Advisors, LLC ("VPC") FUM includes its regulatory capital for 31 December 2023, as well as other client FUM where VPC is paid a one-time, upfront fee.

[5] 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.
[6] For Closed-end funds, Net Flows 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.
[7] Other includes investment performance, market movement and distributions.
[8] The Australian dollar ("AUD") strengthened against the USA dollar ("USD") during the period resulting to a favourable foreign exchange movement of USD denominated FUM when converted to AUD. The AUD/USD was 0.6805 as at 31 December 2023 compared to 0.6661 as at 30 June 2023. The Net Flows and Other items are calculated using the average rates.
[9] GQG being a listed entity is shown separately. GQG continues to be a Tier-1 boutique in the Group portfolio.

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

- the fee structures of each boutique including whether revenue is generated off committed or invested capital;
- the Group's ownership interest in the boutique; and
- the specific economic features of each relationship between the Group and the boutique.

Accordingly, the Company cautions against simple extrapolation based on FUM trends.

Tier 1 Boutique is a term used to describe an asset manager that the Group expects to produce at least an average of $4,000,000 of annual earnings for the Group over the next three years, while a Tier 2 Boutique is one that the Group expects will contribute less than this. 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 the Group.

Open-end is a term used by the Group to indicate FUM 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 by the Group to denote FUM 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

	Private Market / Public Market Strategy	Total FUM as at 30 June 2023	Total FUM as at 31 December 2023	Group Interest 30 June 2023	Group Interest 31 December 2023	Ownership Adjusted FUM as at 30 June 2023	Ownership Adjusted FUM as at 31 December 2023
		USD'000	USD'000			USD'000	USD'000
Tier 1							
Avante Capital Partners, LP	Private	—	556,911	—%	24.90%	—	138,671
Banner Oak Capital Partners, LP	Private	7,388,800	8,001,100	35.00%	35.00%	2,586,080	2,800,385
Carlisle Management Company, S.C.A.	Private	1,990,550	1,964,134	40.00%	40.00%	796,220	785,654
Cordillera Investment Partners, LP	Private	1,411,746	1,491,064	24.90%	24.90%	351,525	371,275
GQG Partners Inc.	Public	104,100,000	120,600,000	4.03%	4.03%	4,195,230	4,860,180
Pennybacker Capital Management, LLC	Private	2,964,071	3,672,919	16.50%	16.50%	489,072	606,032
Proterra Investment Partners, LP	Private	3,711,960	3,457,201	16.00%	16.00%	593,914	553,152
Victory Park Capital Advisors, LLC	Private	5,712,846	5,863,762	24.90%	24.90%	1,422,499	1,460,077
Tier 2							
Aether Investment Partners, LLC	Private	1,545,245	1,545,245	100.00%	100.00%	1,545,245	1,545,245
Astarte Capital Partners, LLP	Private	642,226	533,669	44.46%	44.51%	285,534	237,536
EAM Global Investors, LLC	Public	1,477,911	1,515,660	18.75%	18.75%	277,108	284,186
Roc Partners Capital Pty Ltd	Private	5,181,313	5,460,231	30.01%	29.71%	1,554,912	1,622,235
Total		**136,126,668**	**154,661,896**			**14,097,339**	**15,264,628**

The Group interest used in the calculation of Ownership Adjusted FUM reflects the proportion of proceeds that the Group, 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.

FINANCIAL REVIEW

Operating results for the year

The Group's net profit/(loss) after tax ("Statutory Results") and earnings/(loss) per share are prepared in accordance with Australian Accounting Standards. The Group also reports non-International Financial Reporting Standards ("non-IFRS") financial measures such as "underlying net profit before tax", "underlying net profit after tax", "underlying earnings per share", and "normalised cash flows" which are shown in the subsequent pages of this Report.

Underlying net profit after tax ("NPAT") attributable to members of the Company

The Group generated a net profit before tax ("NPBT") of $17,544,000 for the year ended 31 December 2023 (31 December 2022: $12,238,000 was net loss before tax ("NLBT")); an increase of 243.36%. This result, however, has been significantly impacted by non-cash and other normalising adjustments/items. Normalising this result for the impact of these non-cash and other normalising adjustments/items results in underlying NPAT to members of the Company of $16,673,000 (31 December 2022: $14,090,000), an increase of 18.33%.

	31 December 2023 $'000	31 December 2022 $'000
Reported NPBT/(NLBT)	17,544	(12,238)
Non-cash items		
- Amortisation of identifiable intangible assets[1]	4,328	4,508
- Fair value adjustments of financial assets at fair value through profit or loss ("FVTPL")	(40,651)	15,812
- Fair value adjustments of financial liabilities at FVTPL	(1,239)	3,318
- Impairment of investments[2]	41,007	(9)
- Share-based payment expenses	1,027	1,029
- Other	–	2
	4,472	24,660
Other normalising adjustments/items		
- Deal, establishment and litigation costs[3]	1,660	1,179
- Net foreign exchange (gain)/loss	(1,920)	13
- Hareon liability settlement expense	–	4,927
	(260)	6,119
Unaudited underlying NPBT	21,756	18,541
Income tax expense[4]	(4,988)	(3,581)
Unaudited underlying NPAT	16,768	14,960
Less: non-controlling interests	(95)	(870)
Unaudited underlying NPAT attributable to the members of the Company	**16,673**	**14,090**

Notes:
1 The amortisation of identifiable intangible assets included the amortisation of intangible assets of the associates and joint venture amounting to $3,066,000 (31 December 2022: $2,989,000). The amortisation is recorded as an offset to the share in net profit of the associates.
2 The impairment relates to the impairment of investment in Aether and Banner Oak.
3 These were costs incurred in relation to the derivative action against several of the Group's current and former directors, together with deal costs on the acquisitions of investments. In addition, the current period also include costs and related expenses incurred by the Group in relation to the unsolicited, non-binding, indicative proposal from Regal, River Capital and GQG.
4 The net income tax expense is the reported income tax expense adjusted for the tax effect of the normalisation adjustments.

Non-IFRS Financial Measures

Non-IFRS financial measures are measures that are not defined or specified under IFRS. The Directors believe that non-IFRS measures assist in providing meaningful information about the Group's performance and periodic comparability. The non-IFRS measures should not be viewed as substitute for the Group's Statutory Results.

The unaudited underlying NPAT, unaudited normalised cash flow from operations and unaudited underlying earnings per share are forms of non-IFRS financial information per ASIC Regulatory Guide (RG) 230: Disclosing non-IFRS financial information. Non-IFRS financial measures are not subject to review or audit.

The criteria for calculating the underlying NPAT attributable to members of the Company are based on the following:

- Non-cash items relate to income and expenses that are accounting entries rather than movements in cash; and
- Other normalising adjustments/items items relate to income and expenses from events that are non-recurring and infrequent in nature including their related costs and foreign exchange impact.

Earnings/(loss) per share

Set out below is a summary of the earnings/(loss) per share.

	31 December 2023	**31 December 2022**
Reported net income/(loss) after tax ("NLAT") attributable to the members of the Company ($'000)	11,655	(10,034)
Unaudited underlying NPAT attributable to the members of the Company ($'000)	16,673	14,090
Weighted average number of ordinary shares on issue (Number)	51,573,734	51,232,250
Basic earnings/(loss) per share (cents)	22.60	(19.59)
Diluted earnings/(loss) per share (cents)	21.42	(19.59)
Unaudited underlying earnings per share (cents)	32.33	27.50

The options and performance rights outstanding at 31 December 2022 were anti-dilutive and were not included in determining the weighted average number of ordinary shares for diluted earnings/(loss) per share at 31 December 2022.

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year:

	Cents per Share	Total Amount $'000	Franked at 30%	Date of Payment
Declared and paid during the period:				
- Final for 2023 on ordinary shares	23.00	11,862	67.3%	12 October 2023
Declared after the end of the period:				
- Interim for 2024 on ordinary shares	15.00	7,736	0%	12 April 2024

On 25 August 2023, the Company declared a 67.3% franked final dividend of 23.00 cents per share (26 August 2022: fully franked 23.00 cents per share) in respect of the 2023 financial year. The total amount of the dividend was $11,862,000.

On 23 February 2024, the Company declared an unfranked interim dividend of 15.00 cents per share (24 February 2023: fully franked 15.00 cents per share) in respect of the 2024 financial year. The interim dividend for the 2024 financial year will not be eligible for the DRP.

Cash flows

Set out below is a summary of the cash flows for the period ended 31 December 2023.

	31 December 2023 $'000	31 December 2022 $'000
Cash provided by operating activities	12,358	2,463
Cash used in investing activities	(23,250)	(19,951)
Cash provided by financing activities	3,842	30,065
Net (decrease)/increase in cash and cash equivalents	(7,050)	12,577

Operating activities

Cash flows from operations have increased from a net inflow of $2,463,000 for the period ended 31 December 2022 to net inflow of $12,358,000 for the period ended 31 December 2023. This was mainly attributed to the decrease in income tax paid of $1,346,000 for this period from $13,598,000 in the prior period and an increase in the dividends and distributions received of $26,184,000 for this period from $22,814,000 in the prior period. This was offset by the decrease in receipts from customers of $6,875,000 for this period from $9,414,000 in the prior period. Further, this was offset by the increase in the payment of interest from $727,000 in the prior period to $2,932,000 in the current period mainly from the interest on the Debt Facility.

Investing activities

Cash flows from investing activities have increased from a net outflow of $19,951,000 for the period ended 31 December 2022 to net outflow of $23,250,000 for the period ended 31 December 2023. This was primarily attributable to the acquisition of equity interest in Avante of $22,985,000. In the prior period, this was primarily attributable to the settlement of Hareon liability of $17,718,000.

Financing activities

Cash flows from financing activities decreased from a net inflow of $30,065,000 for the period ended 31 December 2022 to net inflow of $3,842,000 for the period ended 31 December 2023. This was mainly attributed to the proceeds from the additional drawdown from the Debt Facility of $16,856,000 and offset by the payment of dividends of $11,862,000. In the prior period, this was mainly attributed to the proceeds from the initial drawdown from the Debt Facility of $44,785,000 and offset by the payment of dividends of $10,500,000 excluding dividends reinvested of $1,264,000.

Normalised cash flow from operations

The normalised cash flow from operations is presented to reconcile the unaudited underlying NPBT with the cash provided by operating activities.

	31 December 2023 $'000	31 December 2022 $'000
Unaudited underlying NPBT	**21,756**	**18,541**
Cash items[1]		
- Dividends and distributions received	26,184	22,814
- Net interest paid	(2,748)	(641)
	23,436	22,173
Non-cash items[2]		
- Dividends and distributions income	(15,805)	(13,173)
- Share of profits of associates and joint venture[3]	(14,684)	(8,244)
- Net interest expense	3,116	779
- Depreciation of plant and equipment and amortisation of right-of-use assets	454	291
	(26,919)	(20,347)
Increase/decrease in assets and liabilities[4]	(1,379)	(3,595)
Unaudited underlying pre-tax cash from operations	**16,894**	**16,772**
Other normalising adjustments/items[5]		
- Deal, establishment and litigation costs	(1,660)	(1,179)
- Net foreign exchange (gain)/loss	(1,530)	468
	(3,190)	(711)
Pre-tax cash from operations	**13,704**	**16,061**
Income tax paid	(1,346)	(13,598)
Cash provided by operating activities	**12,358**	**2,463**

The main drivers for the increase in the cash provided by operating activities during the period is primarily the decrease in income tax paid.

Notes:
1 Cash items are added to reflect the actual receipts.
2 Share of profits of associates and joint venture exclude the related amortisation of associates and joint venture intangible assets of $3,066,000 (31 December 2022: $2,989,000).
3 Non-cash items are either deducted if income or added if expense to remove the non-cash components in the unaudited underlying NPBT.
4 Increase/decrease in assets and liabilities relate to the differences in the beginning and closing balances of operating assets and liabilities.
5 Other normalising adjustments/items are included as deductions since these items were excluded in the determination of unaudited underlying NPBT.

Financial position

Set out below is a summary of the financial position at end of the period.

	31 December 2023 $'000	30 June 2023 $'000
Cash and cash equivalents	17,601	23,201
Other current assets	20,441	20,854
Current liabilities	(25,440)	(9,204)
	12,602	34,851
Non-current assets	592,311	562,255
Non-current liabilities	(105,842)	(86,876)
	499,071	510,230
Non-controlling interest	(291)	(708)
Net assets attributable to the members of the Company	**498,780**	**509,522**
	$	$
Net assets per share at end of the period	9.67	9.88

Included in the cash balances are amounts held by operating subsidiaries. The remainder of the cash and cash equivalents at 31 December 2023 amounted to $12,113,000 (30 June 2023: $16,096,000) which was held by Central Administration that can be used to provide the Group with liquidity and flexibility to fund future acquisition of new businesses.

The decrease in net assets is attributed mainly to the impairment of investments, increase in financial liabilities as a result of the additional drawdown from the Debt Facility and offset by acquisition of interest in Avante and net increase in the value of fair value investments.

Set out below is a summary of the contribution to the net assets of the Group from the Boutique Investments:

	31 December 2023 $'000	30 June 2023 $'000
Aether and Aether General Partners	24,655	41,254
Astarte and ASOP Profit Share LP ("ASOP PSP")	8,997	8,224
Avante	21,913	—
Banner Oak	24,165	50,247
Carlisle	60,899	65,067
Cordillera	44,649	44,855
EAM Global Investors, LLC ("EAM Global")	9,702	9,331
GQG	203,102	164,983
IFP	7,338	7,537
Pennybacker	32,011	28,724
Proterra	38,229	39,612
Roc Group	13,246	10,011
VPC and Victory Park Capital GP Holdco, L.P. ("VPC-Holdco")	76,084	80,423
Other	1,173	1,934
Book value of Boutique Investments	**566,163**	**552,202**

AUDITOR INDEPENDENCE

The Directors received an independence declaration from the auditors of the Group. A copy of the declaration is set out on page 13.

OTHER MATTERS

On 17 September 2019, the Company received an originating application in the Federal Court of Australia in Melbourne by Michael Brendan Patrick de Tocqueville and ASI Mutual Pty Limited (collectively "ASI") seeking leave of the court to commence a derivative action on behalf of the Company against individuals serving as Directors at the time of the 2014 merger between the Company and the Northern Lights Capital Group, LLC (including two current Directors) for matters arising out of the merger. On 20 February 2020, the Federal Court of Australia granted ASI leave to bring the proceedings. Omni Bridgeway (Fund 5) Australian Invt. Pty Ltd ("Litigation Funder") has given an undertaking to cover the Company's costs and any liabilities or adverse cost orders made against the Company in favour of the defendants. As a result, the claims are not expected to have a material adverse financial effect on the Company. If the proceedings are successful or are settled on terms that the defendants pay an agreed amount, the Company will be entitled to the net proceeds after deducting specified legal costs and the Litigation Funder's share. The hearing of the proceeding concluded on 31 October 2023, and the parties are currently awaiting the decision of the Court.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

On 23 February 2024, the Directors of the Company declared an interim dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is $7,736,000 which represents an unfranked dividend of 15.00 cents per share. The interim dividend will not apply to the DRP. The dividend has not been provided for in the 31 December 2023 consolidated financial statements.

Other than the matters detailed above, there has been no matter or circumstance, which has arisen since 31 December 2023 that has significantly affected or may significantly affect either the operations or the state of affairs of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

A. Robinson
Chairman
23 February 2024

Building a better
working world

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Auditor's independence declaration to the directors of Pacific Current Group Limited

As lead auditor for the review of the half-year financial report of Pacific Current Group Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pacific Current Group Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

RDaSilva

Rita Da Silva
Partner
23 February 2024

	Note	31 December 2023 $'000	31 December 2022 $'000
Revenue	1	**6,135**	**9,247**
Other income and net gains/(losses) on investments and financial instruments			
Distributions and dividend income	2	15,805	13,173
Sundry income	2	148	71
Net change in fair values of financial assets and liabilities	2	41,890	(19,130)
		57,843	**(5,886)**
Expenses			
Salaries and employee benefits	3	(8,416)	(7,492)
Impairment expense	3	(41,007)	9
Administration and general expenses	3	(3,649)	(10,711)
Depreciation and amortisation expense	3	(1,716)	(1,810)
Interest expense	3	(3,264)	(850)
		(58,052)	**(20,854)**
Share of net profits of associates and joint venture accounted for using the equity method	18	11,618	5,255
Profit/(loss) before income tax expense		**17,544**	**(12,238)**
Income tax (expense)/benefit	4	(5,794)	3,074
Profit/(loss) for the period		**11,750**	**(9,164)**
Attributable to:			
The members of the Company		11,655	(10,034)
Non-controlling interests		95	870
		11,750	**(9,164)**
Profit/(loss) per share attributable to the members of the Company (cents per share):			
- Basic	6	22.60	(19.59)
- Diluted	6	21.42	(19.59)
67.3% franked dividends paid per share (cents per share) for the period (31 December 2022: fully franked dividends)	13	23.00	23.00

The accompanying notes form part of these consolidated financial statements.

	Note	31 December 2023 $'000	31 December 2022 $'000
Profit/(loss) for the period		**11,750**	**(9,164)**
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Change in fair value of financial assets, net of income tax	12(i)	426	(2,862)
Foreign currency movement of investment revaluation reserve	12(i)	45	63
		471	(2,799)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	12(ii)	(12,026)	7,164
Share in foreign currency reserve of an associate, net of income tax	12(ii)	(10)	(56)
		(12,036)	7,108
Other comprehensive loss/(income) for the period		**(11,565)**	**4,309**
Total comprehensive income/(loss)		**185**	**(4,855)**
Attributable to:			
The members of the Company		93	(5,736)
Non-controlling interests		92	881
		185	**(4,855)**

The accompanying notes form part of these consolidated financial statements.

	Note	31 December 2023 $'000	30 June 2023 $'000
Current assets			
Cash and cash equivalents		17,601	23,201
Trade and other receivables	8	6,271	7,295
Other financial assets	9	—	808
Current tax assets	4	13,060	11,521
Other assets		1,110	1,230
Total current assets		**38,042**	**44,055**
Non-current assets			
Trade and other receivables	8	330	646
Other financial assets	9	357,610	324,893
Plant and equipment		3,151	3,396
Right-of-use assets		1,893	2,140
Intangible assets	17	24,148	41,388
Investments in associates and joint ventures	18	205,114	189,715
Other assets		65	77
Total non-current assets		**592,311**	**562,255**
Total assets		**630,353**	**606,310**
Current liabilities			
Trade and other payables		5,409	7,756
Provisions		449	409
Financial liabilities	10	19,104	—
Lease liabilities		277	359
Current tax liabilities	4	201	680
Total current liabilities		**25,440**	**9,204**
Non-current liabilities			
Provisions		54	38
Financial liabilities	10	61,791	48,655
Lease liabilities		2,280	2,467
Deferred tax liabilities	4	41,717	35,716
Total non-current liabilities		**105,842**	**86,876**
Total liabilities		**131,282**	**96,080**
Net assets		**499,071**	**510,230**
Equity			
Share capital	11	189,897	189,897
Reserves	12	79,878	90,413
Retained earnings		229,005	229,212
Total equity attributable to the members of the Company		498,780	509,522
Non-controlling interests		291	708
Total equity		**499,071**	**510,230**

The accompanying notes form part of these consolidated financial statements.

	Share capital $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 July 2023	**189,897**	**90,413**	**229,212**	**708**	**510,230**
Profit for the period	—	—	**11,655**	**95**	**11,750**
Other comprehensive income/(loss):					
(i) Net movement in investment revaluation reserve net of income tax (Note 12)	—	471	—	—	471
(ii) Net movement in foreign currency translation reserve (Note 12)	—	(12,023)	—	(3)	(12,026)
(iii) Share in foreign currency reserve of an associate, net of income tax (Note 12)	—	(10)	—	—	(10)
Total comprehensive (loss)/income for the period	**—**	**(11,562)**	**11,655**	**92**	**185**
Transactions with members in their capacity as members:					
(i) Dividends paid (Note 13)	—	—	(11,862)	(509)	(12,371)
(ii) Share-based payments (Note 12(iii))	—	1,027	—	—	1,027
Total transactions with members in their capacity as members	**—**	**1,027**	**(11,862)**	**(509)**	**(11,344)**
Balance as at 31 December 2023	**189,897**	**79,878**	**229,005**	**291**	**499,071**
Balance as at 1 July 2022	**186,927**	**73,415**	**264,468**	**1,916**	**526,726**
(Loss)/profit for the period	—	—	**(10,034)**	**870**	**(9,164)**
Other comprehensive income/(loss):					
(i) Net movement in investment revaluation reserve net of income tax (Note 12)	—	(2,799)	—	—	(2,799)
(ii) Net movement in foreign currency translation reserve (Note 12)	—	7,153	—	11	7,164
(iii) Share in foreign currency reserve of an associate, net of income tax (Note 12)	—	(56)	—	—	(56)
Total comprehensive income/(loss) for the period	**—**	**4,298**	**(10,034)**	**881**	**(4,855)**
Transactions with members in their capacity as members:					
(i) Issuance of shares, net of share issue costs and income tax (Note 11)	1,349	—	—	—	1,349
(ii) Dividends paid (Note 13)	—	—	(11,764)	(1,325)	(13,089)
(iii) Share-based payments	—	1,029	—	—	1,029
(iv) Shares bought on market to settle performance rights vested	—	(137)	—	—	(137)
Total transactions with members in their capacity as members	**1,349**	**892**	**(11,764)**	**(1,325)**	**(10,848)**
Balance as at 31 December 2022	**188,276**	**78,605**	**242,670**	**1,472**	**511,023**

The accompanying notes form part of these consolidated financial statements.

PACIFIC CURRENT GROUP LIMITED
(ABN 39 006 708 792)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 $'000	31 December 2022 $'000
Cash flow from operating activities			
Receipts from customers		6,875	9,414
Payments to suppliers and employees		(16,607)	(15,526)
Dividends and distributions received		26,184	22,814
Interest received		184	86
Interest paid		(2,932)	(727)
Income tax paid		(1,346)	(13,598)
Net cash provided by operating activities	7	**12,358**	**2,463**
Cash flow from investing activities			
Collections of receivable from EAM Global		431	420
Collections of receivable from Raven Capital Management, LLC ("Raven")		—	656
Collections of loans from an associate		383	—
Loans provided to associates		—	(532)
Repayment of earn-out obligations		—	(2,375)
Repayment of Hareon liability		—	(17,718)
Payments for the purchase of associates		(22,985)	—
Additional contributions to associates		(1,019)	(31)
Payment for the purchase of plant and equipment		(60)	(371)
Net cash used in investing activities		**(23,250)**	**(19,951)**
Cash flow from financing activities			
Proceeds from the Debt Facility		16,856	44,785
Transaction costs paid and discount from the Debt Facility		(424)	(2,714)
Repayments of principal portion of lease liabilities		(219)	(129)
Dividends paid		(11,862)	(10,500)
Dividends paid to non-controlling interest in a subsidiary		(509)	(1,325)
Payments to settle share based payments		—	(52)
Net cash provided by financing activities		**3,842**	**30,065**
Net (decrease)/increase in cash and cash equivalents held		**(7,050)**	**12,577**
Cash at beginning of the financial period		23,201	34,886
Foreign exchange difference in cash		1,450	(311)
Cash at end of financial period		**17,601**	**47,152**
Non-cash investing and financing activities			
Investing activities	7	19,920	—
Financing activities	7	—	1,349

The accompanying notes form part of these consolidated financial statements.

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A. BASIS OF PREPARATION

This condensed interim consolidated financial report for the Company and the consolidated entities (the "Group") for the half-year ended 31 December 2023, was authorised for issue in accordance with a resolution of the Directors on 23 February 2024 and the Directors have the power to amend and reissue this financial report.

It has been prepared in accordance with AASB 134 '*Interim Financial Reporting*' ("AASB 134") and the *Corporations Act 2001*. Compliance with AASB 134 ensures that the financial statements and notes of the Group comply with International Financial Reporting Standard ("IFRS") IAS 34 '*Interim Financial Reporting*' as issued by the International Accounting Standards Board ("IASB"). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual report for the year ended 30 June 2023. It should also be considered together with any public announcements made by the Company in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial report for the year ended 30 June 2023, except for those disclosed in Note 21.

All amounts are presented in Australian dollars, unless otherwise stated.

The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

The nature of operations, principal activities, and operating and financial review of the Company are disclosed in the Directors' report.

a. Critical accounting estimates, judgments, and assumptions

The preparation of the condensed interim financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts in the condensed interim financial statements. Management continually evaluates its estimates and judgments in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its estimates and judgments on historical information and other factors, including expectations of future events that may have an impact on the Group. All estimates, judgments and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates, judgments, and assumptions.

Significant estimates, judgments and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

- Income tax, tax basis for USA investments, recovery of deferred tax assets, tax losses not recognised and uncertainty over income tax treatments – refer to Note 4;
- Impairment of goodwill and other identifiable intangible assets – refer to Note 17; and
- Impairment of investments in associates and a joint ventures – refer to Note 18.

b. Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

B. GROUP RESULTS FOR THE FINANCIAL YEAR

This section provides information regarding the results and performance of the Group during the period, including further details on revenue, other income, and net gains/(losses) on investments and financial instruments, expenses, income tax, segment information, earnings/(loss) per share and notes to consolidated statement of cash flows.

1. Revenue

Analysis of balances

The Group derives its revenue from the transfer of services over time and at a point in time as below:

	31 December 2023 $'000	31 December 2022 $'000
Timing of revenue recognition		
Over time		
- Fund management fees	5,702	6,779
- Performance fees	—	2,157
- Retainer revenue	198	287
- Sundry revenue	72	24
	5,972	9,247
At a point in time		
- Commission revenue	163	—
Total revenue	**6,135**	**9,247**

2. Other income and net gains/(losses) on investments and financial instruments

Analysis of balances

	31 December 2023 $'000	31 December 2022 $'000
Distributions and dividend income:		
- Financial assets at FVTPL	14,892	12,241
- Financial assets at fair value through other comprehensive income ("FVTOCI")	913	932
	15,805	**13,173**
Sundry income:		
Interest income:		
- Other persons/corporations	73	62
- Related party	75	9
Total other income	**148**	**71**
Changes in fair values of financial assets and liabilities:		
Financial assets through profit or loss:		
- Investment in Carlisle	(2,918)	(5,669)
- Investment in Cordillera	770	—
- Investment in GQG	43,369	(10,240)
- Investment in Proterra	(573)	240
- Receivable from Raven	—	13
- Other	3	(156)
	40,651	(15,812)
Financial liabilities through profit or loss:		
- Earn-out obligations and deferred considerations	1,239	(3,318)
Total changes in fair values of financial assets and liabilities through profit or loss	**41,890**	**(19,130)**

3. Expenses

Analysis of balances

	31 December 2023 $'000	31 December 2022 $'000
Salaries and employee benefits:		
- Salaries and employee benefits	7,389	6,463
- Share-based payment expense	1,027	1,029
Total salaries and employee benefits	**8,416**	**7,492**
Impairment expenses:		
- Impairment in goodwill in subsidiaries (refer to Note 17):		
- Aether	15,808	—
- Impairment of investment in associates (refer to Note 18):		
- Banner Oak	25,199	—
- Blackcrane	—	(9)
	25,199	(9)
Total impairment expenses	**41,007**	**(9)**
Administration and general expenses		
- Accounting and audit fees	714	934
- Commission and marketing expenses	255	176
- Computer and software maintenance expenses	346	295
- Deal, establishment and litigation costs	1,660	1,179
- Directors' fees	474	375
- Hareon liability settlement expense	—	4,927
- Insurance expense	397	419
- Lease expenses	71	45
- Net foreign exchange gain[1]	(2,011)	(5)
- Professional and consulting fees	546	1,083
- Share registry and regulatory fees	84	99
- Taxes and license fees	311	310
- Travel and accommodation costs	382	469
- Other general expenses	420	405
Total administration and general expenses	**3,649**	**10,711**
Depreciation and amortisation expense:		
- Depreciation of plant and equipment	243	152
- Amortisation of management rights (refer to Note 17)	1,262	1,519
- Amortisation of right-of-use assets	211	139
Total depreciation and amortisation expense	**1,716**	**1,810**
Interest expense:		
- Lease liabilities	98	32
- Debt facility	3,166	818
Total interest expenses	**3,264**	**850**
Total expenses	**58,052**	**20,854**

Notes:
[1] The net foreign exchange gain for the current period mainly comprised of the unrealised gain on conversion of the Debt Facility outstanding balance from USD to AUD.

4. Income tax

a. Analysis of balances

	31 December 2023 $'000	31 December 2022 $'000
Income tax expense/(benefit)		
Components of income tax expense/(benefit)		
- Current tax	646	1,369
- Deferred tax	4,279	(2,481)
- Over provision in prior periods	869	(1,962)
Reconciliation of income tax expense/(benefit) recognised in profit or loss	**5,794**	**(3,074)**
Tax losses not recognised		
- Unused tax losses for which no deferred tax asset has been recognised	46,222	33,876
- Potential tax benefit at relevant tax rate	**13,343**	**8,989**

The unused tax losses pertained to the parent entity in Australia (consisted of $12,063,000 incurred revenue and capital losses and $23,687,000 capital losses not yet incurred) and the UK (consisted of $4,998,000 incurred capital losses and $5,474,000 not yet incurred) [31 December 2022: parent entity in Australia (consisted of $5,179,000 incurred revenue and capital losses) and the UK (consisted of $5,095,000 incurred capital losses and $5,582,000 capital losses not yet incurred)].

	31 December 2023 $'000	30 June 2023 $'000
Current tax assets		
Income tax receivable[1]	**13,060**	**11,521**
Current tax liabilities		
Provision for income tax[2]	**201**	**680**

Notes:
[1] This is the estimated income receivable in the USA (30 June 2023: USA).
[2] This is the estimated income tax liability in the UK (30 June 2023: UK).

	31 December 2023 $'000	30 June 2023 $'000
Non-current liabilities – net deferred tax liabilities		
Components of net deferred tax liabilities:		
Liabilities:		
- Investments	45,773	41,754
- Dividend receivable	5	35
	45,778	41,789
Assets:		
- Deductible capital expenditures	(2,218)	(1,764)
- Adjustment on financial liabilities at FVTPL	(1,476)	(1,733)
- Accruals and provisions	(663)	(514)
- Tax losses	(224)	(2,065)
- Impact of leases	(37)	(24)
- Foreign exchange and others	557	27
	(4,061)	(6,073)
Net deferred tax liabilities	**41,717**	**35,716**

b. Key estimates, judgments, and assumptions

(i) Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are a number of transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may differ from the taxation authorities' view. The Group recognises the impact of the anticipated tax liabilities based on the Group's current understanding of the tax laws. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(ii) Tax basis for USA investments

The Group determines its tax obligation in the event of liquidation and/or disposal of its USA investments. This is calculated by determining the tax basis and tax basis adjustments as permitted under the USA Internal Revenue Code. The tax basis adjustments involved an estimation of the additional tax basis specific to the USA investments.

The tax calculated at the Group level is also dependent on the notification of allocated taxable income by the USA investments that are deemed as partnerships in the USA. The amount of taxable income allocated from such partnerships to the Group may be subject to judgement and hence be amended in future periods.

(iii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences.

(iv) Tax losses not recognised

A deferred tax asset in relation to tax losses is regarded as recoverable and therefore recognised only when, on the basis of available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover the losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax assets in relation to tax losses in Australia have not been recognised on the basis that there remains uncertainty regarding the timing and quantum of the generation of taxable profits.

c. Uncertainty over income tax treatments

The Group operates in multiple geographic regions and is therefore subject to various taxation jurisdictions. Furthermore, the nature of the Group's business model and its bespoke approach to tailoring investment structures can often lead to complex and unique tax treatments. The Group continually assesses these tax treatments and as part of this process it obtains advice from its tax advisors to ensure that it is properly complying with the specific jurisdiction's regulations.

These assessments often involve judgement and may be based on a specific set of assumptions. For example, the Group provides for deferred tax liability on the unrealised appreciation in the value of its Boutique Investments relating to uncertain tax positions when such liabilities [are probable and] can be reasonably estimated. Generally, for this tax to become due and payable, the appreciation in value would need to be realised. The nature by which this realisation occurs can often impact on the specific tax outcome. In determining a deferred tax liability, at a specific point in time, the most likely circumstances surrounding the realisation need to be assumed. These circumstances, combined with changes to enforcing tax regulations as of realisation date, may change through time or not occur as previously assumed therefore adding uncertainty to the taxable outcome.

The Group assesses whether a tax position is probable to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In determining this, the Group assesses whether there is a greater than 50% likelihood of the tax authority accepting this tax position. If this is less than 50%, the Group records as a tax liability its best estimate of the amount that would be realised upon ultimate settlement of the tax position.

The Group has analysed the positions held during the period ended 31 December 2023 in its major jurisdictions to determine whether or not there are uncertain tax positions that require financial statement recognition. Based on this review, the Group has determined the deferred tax liabilities of $45,778,000 (30 June 2023: $41,789,000) has been recorded in the accompanying consolidated financial statements.

The tax calculated at the Group level is dependent on the notification of allocated taxable income by investments in the USA deemed as pass-through vehicles for tax purposes. The amount of taxable income allocated from such partnerships to the Group may be subject to judgement and hence be amended in future periods.

In some tax jurisdictions, legislation is announced that when enacted it will apply from the date of announcement. At a specific point in time, there may be tax legislation that has not yet been enacted (and therefore not yet in force) that may subsequently be enacted and thereby affect the taxation treatment at that point in time. Given the uncertainty of this legislation being enacted, the Group has only adopted tax treatments that are in force at the date of these financial statements.

Other than the above, the Group's income taxes provision does not currently include any tax treatments for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under current taxation laws.

5. Segment information

a. Reportable segments

Information reported to the Company's Board of Directors (the "Board") as chief operating decision maker ("CODM") for the purposes of resource allocation and assessment of performance is focused on the profit/(loss) for the year earned by each segment.

The Group's segment reporting is categorised on the following criteria:

- Tier 1 boutiques – investments where the Group expects to produce at least an average of $4,000,000 of annual earnings; and
- Tier 2 boutiques – investments where the Group expects to produce less than an average of $4,000,000 of annual earnings.

For subsequent segment reporting purposes, transfer from/to Tier 1 boutiques to/from Tier 2 boutiques will be based on either of the following:

- their annual earnings contribution for either of two consecutive immediately prior reporting periods. For example, an investment with an earnings contribution of $4,000,000 in the first reporting period and $3,000,000 in the second reporting period will still be classified as a Tier 1 boutique since one of its two reporting periods has an earnings contribution of $4,000,000; or
- assessment of the Board that the category of a particular investment be amended because of a substantial loss of funds under management ("FUM") and significant decline in the contribution to the Group.

The Group's categorisation of its reportable segments under AASB 8: 'Operating Segments' are as follows:

	31 December 2023 Segment Category	30 June 2023 Segment Category
Avante Capital Partners, LP[1]	Tier 1	-
Banner Oak Capital Partners, LP	Tier 1	Tier 1
Carlisle Management Company S.C.A.	Tier 1	Tier 1
Cordillera Investment Partners, LP	Tier 1	Tier 1
GQG Partners, Inc[2]	Tier 1	Tier 1
Pennybacker Capital Management, LLC[2]	Tier 1	Tier 2
Proterra Investment Partners, LP	Tier 1	Tier 1
Victory Park Capital Advisors, LLC	Tier 1	Tier 1
Victory Park Capital GP Holdco, L.P.	Tier 1	Tier 1
Aether Investment Partners, LLC[3]	Tier 2	Tier 1
Aether General Partners[3]	Tier 2	Tier 1
Astarte Capital Partners, LLP	Tier 2	Tier 2
ASOP Profit Share LP	Tier 2	Tier 2
Capital & Asset Management Group, LLP	Tier 2	Tier 2
EAM Global Investors, LLC	Tier 2	Tier 2
IFP Group, LLC	Tier 2	Tier 2
Nereus Capital Investments (Singapore) Pte Ltd ("NCI")	Tier 2	Tier 2
Nereus Holdings, L.P.	Tier 2	Tier 2
Northern Lights Alternative Advisors, LLP ("NLAA")	Tier 2	Tier 2
Roc Group	Tier 2	Tier 2
Strategic Capital Investments, LLP	Tier 2	Tier 2

Notes:
[1] Avante was acquired on 21 September 2023 (refer to Note 18 a(ii) for details).
[2] Pennybacker was recategorised from Tier 2 boutique to Tier 1 boutique beginning 1 July 2023.
[3] Aether and Aether General Partners were recategorised from Tier 1 boutiques to Tier 2 boutiques beginning 1 July 2023.

b. Analysis of balances

(i) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments. The results reflect the elimination of intragroup transactions including those between the Group and its boutiques.

	Segment revenue		Share of net profits of associates and joint venture		Segment profit/(loss) for the year	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	$'000	$'000	$'000	$'000	$'000	$'000
Tier 1 boutiques	183	6,667	8,217	4,220	40,059	2,404
Tier 2 boutiques	5,900	2,574	3,401	1,035	(10,192)	(4,577)
	6,083	9,241	11,618	5,255	29,867	(2,173)
Central administration	52	6	—	—	(18,117)	(6,991)
Total per consolidated statement of profit or loss	**6,135**	**9,247**	**11,618**	**5,255**	**11,750**	**(9,164)**

The following details of segment revenue:

	Tier 1 boutiques	Tier 2 boutiques	Central administra-tion	Total
	$'000	$'000	$'000	$'000
31 December 2023				
Over time				
- Fund management fees	—	5,702	—	5,702
- Performance fees	—	—	—	—
- Commission revenue	—	—	—	—
- Retainer revenue	—	198	—	198
- Sundry revenue	20	—	52	72
	20	5,900	52	5,972
At a point in time				
- Commission revenue	163	—	—	163
	183	**5,900**	**52**	**6,135**

	Tier 1 boutiques $'000	Tier 2 boutiques $'000	Central administration $'000	Total $'000
31 December 2022				
Over time				
- Fund management fees	6,649	130	—	6,779
- Performance fees	—	2,157	—	2,157
- Commission revenue	—	—	—	—
- Retainer revenue	—	287	—	287
- Sundry revenue	18	—	6	24
	6,667	2,574	6	9,247
At a point in time				
- Commission revenue	—	—	—	—
- Sundry revenue	—	—	—	—
	—	—	—	—
	6,667	**2,574**	**6**	**9,247**

The following details segment profit after tax for central administration:

	31 December 2023 $'000	31 December 2022 $'000
Revenue	52	6
Sundry income	62	23
Changes in fair values of financial assets and liabilities	—	13
	114	42
Salaries and employee benefits	(5,849)	(5,114)
Administration and general expenses	(2,958)	(3,945)
Depreciation and amortisation expense	(369)	(205)
Interest expense	(3,261)	(843)
	(12,437)	(10,107)
Income tax (expense)/benefit	(5,794)	3,074
	(18,117)	**(6,991)**

(ii) Segment assets and liabilities

	Segment assets		Segment liabilities		Segment net assets	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	$'000	$'000	$'000	$'000	$'000	$'000
Tier 1 boutiques	525,353	496,714	64,254	43,553	461,099	453,161
Tier 2 boutiques	73,882	75,479	7,117	8,479	66,765	67,000
	599,235	572,193	71,371	52,032	527,864	520,161
Central administration	31,118	34,117	59,911	44,048	(28,793)	(9,931)
Total per consolidated statement of financial position	**630,353**	**606,310**	**131,282**	**96,080**	**499,071**	**510,230**

6. Earnings/(loss) per share

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	31 December 2023	31 December 2022
Basic earnings/(loss) per share:		
Net profit/(loss) attributable to the members of the Company ($'000)	11,655	(10,034)
Weighted average number of ordinary shares for basic earnings/(loss) per share	51,573,734	51,232,250
Basic earnings/(loss) per share (cents)	**22.60**	**(19.59)**
Diluted earnings/(loss) per share:		
Net profit/(loss) attributable to the members of the Company ($'000)	11,655	(10,034)
Weighted average number of ordinary shares for diluted earnings/(loss) per share	54,416,234	51,232,250
Diluted earnings/(loss) per share (cents)	**21.42**	**(19.59)**
Reconciliation of profit/(loss) used in calculating earnings/(loss) per share:		
Net profit/(loss) attributable to the members of the Company used in the calculation of basic earnings/(loss) per share ($'000)	11,655	(10,034)
Net profit/(loss) attributable to the members of the Company used in the calculation of diluted earnings/(loss) per share ($'000)	11,655	(10,034)
Reconciliation of weighted average number of ordinary shares in calculating earnings/(loss) per share:		
Weighted average number of ordinary shares for basic earnings/(loss) per share	51,573,734	51,232,250
Weighted average number of the options and performance rights converted to ordinary shares for diluted earnings/(loss) per share	2,842,500	—
Weighted average number of ordinary shares for diluted earnings/(loss) per share	54,416,234	51,232,250

The options and performance rights outstanding at 31 December 2022 were anti-dilutive and were not included in determining the weighted average number of ordinary shares for diluted earnings/(loss) per share at 31 December 2022.

7. Notes to consolidated statement of cash flows

Analysis of balances

(i) Reconciliation of loss to net cash inflow from operating activities

	31 December 2023 $'000	31 December 2022 $'000
Profit/(loss) from ordinary activities after income tax	11,750	(9,164)
Adjustments and non-cash items:		
- Impairment of assets	41,007	(9)
- Dividends received/receivable from associates and joint venture	9,920	7,580
- Depreciation and amortisation expense	1,716	1,810
- Share-based payments	1,027	1,029
- Hareon liability settlement expense	—	4,927
- Net foreign exchange (gains)/losses	(3,449)	479
- Share of net profit from associates and joint venture	(11,618)	(5,255)
- Changes in fair values of financial assets and liabilities	(41,890)	19,130
- Other	343	152
Changes in operating assets and liabilities:		
- Decrease in trade and other receivables	1,224	2,219
- Decrease/(increase) in other assets	110	(18)
- Decrease in trade and other payables	(2,294)	(3,710)
- Decrease in current taxes	(2,335)	(11,903)
- Increase/(decrease) in deferred taxes	6,784	(4,770)
- Increase/(decrease) in provisions	63	(34)
Cash flows provided by operating activities	**12,358**	**2,463**

(ii) Non-cash investing and financing activities

	31 December 2023 $'000	31 December 2022 $'000
Investing activities:		
- Increase in investment in Avante and recognition of deferred consideration	**19,920**	**—**
Financing activities:		
- Dividends reinvested	—	1,264
- Recognition of lease liabilities	—	85
	—	**1,349**

C. OPERATING ASSETS AND LIABILITIES

This section provides information regarding the operating assets and liabilities of the Group as at end of the year, including further details on trade and other receivables and other financial assets.

8. Trade and other receivables

Analysis of balances

	31 December 2023 $'000	30 June 2023 $'000
Current		
Trade receivables	1,386	2,043
Dividend receivable	4,754	5,214
Sundry receivables	136	44
	6,276	7,301
Loss allowance for expected credit losses	(5)	(6)
	6,271	**7,295**
Non-current		
Trade receivables	**330**	**646**

Impairment

For the half-year ended 31 December 2023, the expected credit losses for trade and other receivables were adequate and therefore no additional impairment provision was recognised (30 June 2023: nil).

9. Other financial assets

Analysis of the balances

	Type of Instrument	31 December 2023 $'000	30 June 2023 $'000
Current			
Financial assets at amortised cost:			
- Receivable from EAM Global	Debt	—	433
- Loans receivable from IFP	Debt	—	375
		—	**808**
Non-current			
Financial assets at amortised cost:			
- Loans receivable from Astarte	Debt	918	936
Loss allowance for expected credit losses		(6)	(7)
		912	929
Financial assets at FVTPL:			
- Investment in GQG	Equity	203,102	164,983
- Investment in Carlisle	Debt and Equity	60,899	65,067
- Investment in Cordillera	Equity	44,649	44,855
- Investment in Proterra	Equity	38,229	39,612
- Other	Debt	117	116
		346,996	314,633
Financial assets at FVTOCI:			
- Investment in EAM Global	Equity	9,702	9,331
		357,610	**324,893**

D. CAPITAL, FINANCING AND FINANCIAL RISK MANAGEMENT

This section provides information regarding the capital, financing, and financial risk management of the Group, including further details on financial liabilities, share capital, reserves, dividends paid and proposed, fair values of financial instruments and capital commitments and contingencies.

10. Financial liabilities

a. Analysis of balances

	31 December 2023 $'000	30 June 2023 $'000
Current		
Financial liabilities at FVTPL:		
- Deferred payment - Avante[1]	**19,104**	**—**
Non-current		
Financial liabilities at amortised cost:		
- Senior Secured Debt Facility[2]	57,788	42,789
Financial liabilities at FVTPL:		
- Earn-out liability - Aether	3,708	3,614
- Earn-out liability - Pennybacker	295	2,252
	4,003	5,866
	61,791	**48,655**

Notes:

[1] The deferred contribution $19,104,000 (USD13,000,000) represents the amount owed by the Group on its acquisition of 24.9% equity interest in Avante. The deferred contribution is payable in September 2024. Refer to Note 18 for further details.

[2] On 24 October 2022, the Company secured a $74,306,000 (USD50,000,000) Debt Facility from WHSP. The Debt Facility has a term of five years from the first draw down (subject to extension option) and bears an interest per annum of the aggregate of a term secured overnight financing rate (subject to a floor of 1%) and 4.8% margin. In addition, the Group is required to maintain a loan to net assets ratio of less than 0.5 times. The Debt Facility is secured by the assets of the Group.

On 26 October 2022, the initial amount of $44,583,000 (USD30,000,000) was drawn down from its Debt Facility. A 2.5% discount of $1,115,000 (USD750,000) was deducted upon receipt of the proceeds.

On 21 September 2023, the Company made an additional drawdown of $16,856,000 (USD11,000,000) from its Debt Facility. A 2.5% discount of $424,000 (USD275,000) was deducted upon receipt of the proceeds.

At 31 December 2023, the remaining undrawn debt facility amounted to $13,226,000 (USD9,000,000).

11. Share capital

a. Analysis of balances

	31 December 2023 $'000	30 June 2023 $'000
Issued and fully paid ordinary shares	**189,897**	**189,897**

Movements in ordinary shares on issue

	31 December 2023		30 June 2023	
	No. of shares	$'000	No. of shares	$'000
Opening balance	51,573,734	189,897	51,149,723	186,927
Shares issued:				
- 13 April 2023 under the DRP	—	—	236,267	1,621
- 13 October 2022 issuance to settle the vested performance rights	—	—	11,182	85
- 11 October 2022 under the DRP	—	—	176,562	1,264
Closing balance	51,573,734	189,897	51,573,734	189,897

The Company offers shareholders the opportunity to increase their holdings by participation in the DRP. The Company's DRP offers shareholders the option to reinvest all or part of their dividend in new ordinary shares.

The new shares rank equally with existing shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

b. Capital management

The Company's capital management policies focus on ordinary share capital. When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders.

During the year ended 31 December 2023, the Company paid dividends of $11,862,000 (31 December 2022: dividends of $11,764,000 including dividends reinvested of $1,264,000). The Board anticipates that the payout ratio is 60% to 80% of the underlying net profit after tax of the Group. The Board continues to monitor the appropriate dividend payout ratio over the medium term.

The Board is constantly reviewing the capital structure to take advantage of favourable cost of capital or high returns on assets. As the market is constantly changing, the Board may change the amount of dividends to be paid to shareholders or conduct share buybacks.

12. Reserves

Analysis of balances

	31 December 2023 $'000	30 June 2023 $'000
Investment revaluation reserve	(2,499)	(2,970)
Foreign currency translation reserve	71,524	83,557
Equity-settled employee benefits reserve	10,853	9,826
	79,878	**90,413**

(i) Investment revaluation reserve

This reserve records the Group's net gain on its financial assets at FVTOCI.

Movements in reserve:

Opening balance	(2,970)	1,102
Movement in the other comprehensive income:		
- Change in fair value of financial assets at FVTOCI, net of income tax	426	(4,071)
- Effect of foreign currency differences	45	(1)
	471	(4,072)
Closing balance	**(2,499)**	**(2,970)**

(ii) Foreign currency translation reserve

The reserve records the Group's foreign currency translation reserve on foreign operations.

Movements in reserve:

Opening balance	83,557	64,405
Movement in the other comprehensive income:		
- Exchange differences on translating foreign operations of the Group	(12,026)	19,242
- Share in foreign currency reserve of an associate, net of income tax	(10)	(15)
- Share of non-controlling interests	3	(75)
Closing balance	**71,524**	**83,557**

(iii) Equity-settled employee benefits reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 19 for further details of these plans.

Movements in reserve:

Opening balance	9,826	7,908
Share-based payments	1,027	2,055
Value of shares to settle performance rights vested	—	(137)
Closing balance	**10,853**	**9,826**

13. Dividends paid and proposed

Analysis of balances

	31 December 2023 $'000	31 December 2022 $'000
Previous year final dividend paid during the half-year:		
67.3% franked dividend (23 cents per share) (31 December 2022: Fully franked dividend of 23 cents per share)	11,862	11,764
Declared after the reporting period and not recognised:		
Unfranked dividend at 15 cents per share (31 December 2022: Fully franked dividend of 15 cents per share)[1]	7,736	7,701
	19,598	**19,465**

Notes:
[1] Calculation was based on the ordinary shares on issue as at 31 January 2024 (31 December 2022: 31 January 2023).

14. Fair value of financial instruments

Fair value estimation

(i) Fair value hierarchy

Some of the Group's financial assets and financial liabilities are measured on a recurring basis at fair value at the end of each reporting period.

The Group classifies fair value measurements using the fair value hierarchy categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table represents the Group's assets and liabilities measured and recognised at fair value as at 31 December 2023 and 30 June 2023.

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
31 December 2023				
Financial assets	203,102	44	153,552	356,698
Financial liabilities	—	—	23,107	23,107
30 June 2023				
Financial assets	164,983	41	158,940	323,964
Financial liabilities	—	—	5,866	5,866

The following table gives information about how the fair values of those financial assets / liabilities categorised as Level 3 items are determined (in particular, the valuation techniques and inputs used):

Financial instruments	31 December 2023 $'000	30 June 2023 $'000	Valuation techniques and unobservable inputs	Range of inputs	Sensitivity analysis
Financial assets at FVTPL					
Investments	143,850	149,609	Discounted Cash Flow • Revenue growth derived from FUM growth • Discount rate • Terminal growth rate	 -3.66% to 69.59% (30 June 2023: -4.09% to 32.97%) 11.43% to 14.35% (30 June 2023: 10.95% to 14.29%) 3% (30 June 2023: 3%)	1% (30 June 2023: 1%) lower or higher terminal growth rate while all the other variables were held constant, the fair value would decrease by $8,312,000 and increase by $10,013,000 (30 June 2023: decrease by $9,120,000 and increase by $11,047,000).
Financial assets at FVTOCI					
Investments	9,702	9,331	Discounted Cash Flow • Revenue growth derived from FUM growth • Discount rate • Terminal growth rate	 12.18% (30 June 2023: 6.04% to 12.18%) 17.81% (30 June 2023: 18.10%) 3% (30 June 2023: 3%)	1% (30 June 2023: 1%) lower or higher terminal growth rate while all the other variables were held constant, the fair value would decrease by $435,000 and increase by $498,000 (30 June 2023: decrease by $429,000 and increase by $490,000).
Total	**153,552**	**158,940**			
Financial liabilities at FVTPL					
Earn out liabilities and deferred consideration	23,107	5,866	Discounted Cash Flow • Projected revenue • Earn-out factor to earn-out multiplier • Discount rate	 $2,190,000 (30 June 2023: $4,795,000) 50% (30 June 2023: 50%) 9.98% to 11.98% (30 June 2023: 9.95% to 13.20%)	1% (30 June 2023: 1%) lower or higher discount rate while all the other variables were held constant, the fair value would increase by $109,000 and decrease by $99,000 (30 June 2023: increase by $150,000 and decrease by $145,000).
Total	**23,107**	**5,866**			

(ii) Transfers between levels and changes in valuation techniques

There were no transfers between the levels of fair value hierarchy during the financial year. There were also no changes made to any of the valuation techniques applied as at 31 December 2023.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the table below, the carrying amounts of financial assets (cash and cash equivalents, trade and other receivables and security deposits) and financial liabilities (trade and other payables) recognised in the consolidated financial statements approximate their fair values.

	31 December 2023		30 June 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Financial assets at amortised cost				
- Receivable from EAM Global	—	—	433	433
- Loans receivable from IFP	—	—	375	375
- Loans receivable from Astarte	918	988	936	1,006
Financial liabilities at amortised cost				
- Debt facility	57,788	59,257	42,789	43,466

15. Capital commitments and contingencies

a. Capital commitments

	31 December 2023 $'000	30 June 2023 $'000
The Group has outstanding capital commitments as follows:		
- Aether GPs (USD229,000) (30 June 2023: USD268,000)	336	404
Total capital commitments	**336**	**404**

b. Earn-out payments for future funds of Aether

This represents the potential commitment by the Group to the two founders of Aether, for marketing and offering interests for the set-up and successful launching of future Aether funds (ARA Fund VI and interim funds related to ARA Fund V and ARA Fund VI).

c. Contingent assets

On 17 September 2019, the Company received an originating application in the Federal Court of Australia in Melbourne by Michael Brendan Patrick de Tocqueville and ASI Mutual Pty Limited (collectively "ASI") seeking leave of the court to commence a derivative action on behalf of the Company against individuals serving as Directors at the time of the 2014 merger between the Company and the Northern Lights Capital Group, LLC (including two current Directors) for matters arising out of the merger. On 20 February 2020, the Federal Court of Australia granted ASI leave to bring the proceedings. Omni Bridgeway (Fund 5) Australian Invt. Pty Ltd ("Litigation Funder") has given an undertaking to cover the Company's costs and any liabilities or adverse cost orders made against the Company in favour of the defendants. As a result, the claims are not expected to have a material adverse financial effect on the Company. If the proceedings are successful or are settled on terms that the defendants pay an agreed amount, the Company will be entitled to the net proceeds after deducting specified legal costs and the Litigation Funder's share. The hearing of the proceeding concluded on 31 October 2023, and the parties are currently awaiting the decision of the Court.

E. GROUP STRUCTURE

This section provides information regarding the group structure of the Group, including further details on interests in subsidiaries, intangible assets and investment in associates and joint ventures.

16. Interests in subsidiaries

The following are the Company's subsidiaries:

Name of subsidiaries	Country of incorporation	Ownership interest held by the Company	
		%	%
Aurora Investment Management Pty Ltd	Australia	100	100
The Aurora Trust	Australia	100	100
Treasury Group Investment Services Pty Ltd	Australia	100	100
Treasury ROC Pty Ltd[1]	Australia	100	100
Northern Lights MidCo, LLC	USA	100	100
Carlisle Acquisition Vehicle, LLC ("CAV")[2]	USA	100	100
Northern Lights Capital Group, LLC	USA	100	100
NLCG Distributors, LLC	USA	100	100
Northern Lights Capital Partners (UK) Ltd ("NLCPUK")	UK	100	100
Strategic Capital Investments, LLP	UK	60	60
Northern Lights MidCo II, LLC	USA	100	100
Aether Investment Partners, LLC	USA	100	100

Notes:
[1] This subsidiary is a holding company and non-operating.
[2] CAV is a limited liability company that holds the Group's investment in Carlisle. Midco owns 1% and NLCPUK owns 99% of CAV.

17. Intangible assets

a. Analysis of balances

	31 December 2023 $'000	30 June 2023 $'000
Goodwill, net of impairment	11,000	26,722
Other identifiable intangible assets, at carrying amount		
- Brand and trademark	7,936	8,106
- Management rights	5,212	6,560
	13,148	14,666
Total intangible assets	**24,148**	**41,388**

	Goodwill $'000	Brand and trademark $'000	Manage-ment rights $'000	Total $'000
Movement of intangible assets				
31 December 2023				
Opening balance	26,722	8,106	6,560	41,388
Amortisation	—	—	(1,262)	(1,262)
Impairment	(15,808)	—	—	(15,808)
Effect of foreign currency differences	86	(170)	(86)	(170)
Closing balance	**11,000**	**7,936**	**5,212**	**24,148**
30 June 2023				
Opening balance	37,217	7,821	9,277	54,315
Amortisation	—	—	(3,024)	(3,024)
Impairment	(11,731)	—	—	(11,731)
Effect of foreign currency differences	1,236	285	307	1,828
Closing balance	**26,722**	**8,106**	**6,560**	**41,388**
Cash generating units				
Goodwill and other identifiable intangible assets:				
31 December 2023				
- Aether	11,000	7,936	5,212	24,148
30 June 2023				
- Aether	26,722	8,106	6,560	41,388

b. Key estimates, judgments, and assumptions

Impairment of goodwill and other identifiable intangible assets

At the end of each half-year reporting period, management assesses the level of goodwill and other identifiable intangible assets of each of the underlying assets of the Group. Should assets underperform or not meet expected growth targets from prior expectations, a resulting impairment of the goodwill and other identifiable intangible assets is recognised if that deterioration in performance is deemed not to be derived from short term factors such as market volatility. Factors that are considered in assessing possible impairment in addition to financial performance include changes to key investment staff, significant investment underperformance and litigation. Impairments of goodwill in relation to subsidiaries cannot be reversed if a business recovers or exceeds previous levels of financial performance.

Aether

The recoverable amount of Aether, a cash-generating unit, is determined based on its fair value calculation which uses cash flow projections. These cash flow projections include expected revenues from existing funds, which are largely certain, as well as anticipated new fund raising. A five-year discrete period was applied as it is believed that it is sufficient time for the business to be in a steady state in terms of launching new funds based on the existing plan for the business. At 31 December 2023, management assessed goodwill and other identifiable intangible assets for impairment triggers. An impairment of goodwill of $15,808,000 was recognised due to Aether's new fund raising activity being slower than previously anticipated (31 December 2022: no impairment).

A weighted average discount rate of 9.98% in the cash flow projections during the discrete period, tax rate of 24.66% and the terminal growth rate of 3% were applied.

18. Investment in associates and joint ventures

a. Analysis of balances

	31 December 2023 $'000	30 June 2023 $'000
Investment in associates		
Opening balance	158,739	164,050
Acquisition of associates	42,906	—
Additional contribution to associates	1,019	28
Share of net profits of associates	7,788	7,827
Dividends and distributions received/receivable	(8,157)	(17,098)
Impairment	(25,199)	(1,925)
Change in fair value of the deferred consideration of an associate	(575)	—
Share in foreign currency reserve of an associate	(14)	(22)
Effect of foreign currency differences	(3,699)	5,879
Closing balance	172,808	158,739
Investment in joint ventures		
Opening balance	30,976	31,067
Share of net profits of a joint venture	3,830	235
Dividends and distributions received/receivable	(1,762)	(1,446)
Effect of foreign currency differences	(738)	1,120
Closing balance	32,306	30,976
Total	**205,114**	**189,715**

(i) Details of associates and joint ventures

Associates	Principal activity	Ownership interest 31 December 2023 %	Ownership interest 30 June 2023 %	Place of incorporation and operation
Aether General Partners	Funds Management	25.00	25.00	USA
ASOP Profit Share LP	Investment Entity	39.06	39.06	Cayman Islands
Astarte Capital Partners, LLP	Funds Management	44.51	44.46	UK
Avante Group[1]	Funds Management	24.90	-	USA
Banner Oak Capital Partners, LP	Funds Management	35.00	35.00	USA
Capital & Asset Management Group, LLP	Funds Management	40.00	40.00	USA/UK
IFP Group, LLC	Investment Adviser	24.90	24.90	USA
Northern Lights Alternative Advisors LLP	Placement Agent	23.00	23.00	UK
Roc Group[2]	Funds Management	29.71	30.01	Australia
Victory Park Capital Advisors, LLC	Funds Management	24.90	24.90	USA
Victory Park Capital GP Holdco, L.P.	Funds Management	24.90	24.90	USA

Notes:
1 Avante Group consisted of 24.9% equity interest in Avante and 12.5% limited partnership interests in Avante GP entities (refer to Note 18a(ii) for details.

Avante is based in San Francisco, California, USA and manages three closed-end small business investment company private credit funds. Avante provides loans to sponsor-backed lower-middle-market companies in the USA and also allocates a small portion of its funds to make equity co-investments alongside its sponsors.

2 On 15 August 2023, Roc Group granted one of its executive 1% equity interest in Roc Partners Pty Ltd resulting in the reduction of the Group's equity interest in Roc Partners Pty Ltd from 30.01% to 29.71%. The Group's equity interest in Roc Partners (Cayman) Limited remained at 30.01%.

	Principal activity	Ownership interest 31 December 2023 %	30 June 2023 %	Place of incorporation and operation
Joint ventures				
Copper Funding, LLC	Investment Entity	50.00	50.00	USA
Nereus Capital Investments (Singapore) Pte. Ltd	Investment Entity	74.19	74.19	Singapore
Associate of the joint venture Copper Funding, LLC				
Pennybacker Capital Management, LLC	Funds Management	16.50	16.50	USA

(ii) Acquisitions of associates

On 21 September 2023, the Group acquired 24.90% equity interest in Avante and 12.50% limited partnership interests in Avante GPs, for an initial contribution of $22,985,000 (USD15,000,000); deferred contribution of $19,920,000 (USD13,000,000) payable in September 2024; and an additional deferred contribution of up to $18,388,000 (USD12,000,000). This additional deferred contribution will be paid based on Avante's new run rate management fees on capital commitments as at 31 August 2025. At the date of acquisition, the fair value of the additional deferred contribution of the Group was $8,888,000 (USD5,800,000) and had been added to the acquisition cost of Avante Group and the related liability was offset to the investment in associate account.

(iii) Additional contributions to an associate

On 14 September 2023, the Group alongside the other owners of Astarte contributed additional capital to Astarte of which the Group's proportionate contribution amounted to $980,000 (GBP508,000). Since one of Astarte's owners opted not to make a contribution, this resulted in the minimal increase of the Group's ownership in Astarte from 44.46% to 44.51%.

b. Summarised financial information for associates and joint ventures

	31 December 2023					31 December 2022			
	Avante[1]	Banner Oak	Pennybacker	VPC	VPC-Holdco	Banner Oak	Pennybacker	VPC	VPC-Holdco
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Comprehensive income									
Revenue and other income for the period	4,698	17,743	47,529	20,400	252	12,555	22,884	19,377	8,810
Profit after tax for the period	1,762	12,157	27,233	(7,352)	252	7,211	4,037	(1,851)	8,525
Other comprehensive income for the period	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	1,762	12,157	27,233	(7,352)	252	7,211	4,037	(1,851)	8,525
Dividends/distributions during the period	—	7,570	1,762	—	32	4,292	542	281	2,189

	31 December 2023					30 June 2023			
	Avante	Banner Oak	Pennybacker	VPC	VPC-Holdco	Banner Oak	Pennybacker	VPC	VPC-Holdco
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial position									
Current assets	4,190	3,478	23,447	61,797	—	3,665	13,289	50,519	—
Non-current assets	933	459	5,276	20,494	— [2]	661	1,746	22,939	— [2]
Current liabilities	(3,119)	(342)	(9,258)	(61,303)	(1,319)	(922)	(9,263)	(50,700)	(1,941)
Non-current liabilities	(669)	—	(640)	(24,888)	—	(233)	(785)	(27,533)	—
Net assets/(liabilities)	1,335	3,595	18,825	(3,900)	(1,319)	3,171	4,987	(4,775)	(1,941)

Notes:
1 Avante Group was acquired on 21 September 2023; therefore the comprehensive income information only covers the period from acquisition to 31 December 2023.
2 The non-current assets balance of VPC-Holdco included the carried interest amounting to $56,297,000, of which the Group has $14,018,000 share (30 June 2023: $36,615,000, of which the Group has $9,117,000 share), was not recognised in accordance with AASB 15: Revenue ("AASB 15").

	31 December 2023					30 June 2023			
	Avante[1]	Banner Oak	Pennybacker	VPC	VPC-Holdco	Banner Oak	Pennybacker	VPC	VPC-Holdco
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Reconciliation of the summarised financial position to the carrying amount recognised by the Group:									
- Net assets/(liabilities) before determination of fair values	1,335	3,595	18,825	(3,900)	(1,319)	3,171	4,987	(4,775)	(1,941)
- Ownership interest in %	24.90%	35.00%	16.50% [2]	24.90%	24.90%	35.00%	16.50% [2]	24.90%	24.90%
- Proportion of the Group's ownership interest	332	1,258	3,106	(971)	(328)	1,110	823	(1,189)	(483)
- Increase/decrease in net assets/liabilities	(146)	(862)	(3,047)	(2,450)	(214)	(705)	(762)	(2,306)	(101)
- Acquired goodwill and other identifiable intangibles	40,961	46,335	28,881	54,194	21,731	48,532	30,144	56,299	22,199
- Impairment during the period[3]	—	(24,166)	—	—	—	—	—	—	—
- Undistributed profits	421	1,601	3,365	4,122	—	1,309	771	6,004	—
- Change in fair value of the deferred consideration of an associate	(551)	—	—	—	—	—	—	—	—
Closing balance	41,017	24,166	32,305	54,895	21,189	50,246	30,976	58,808	21,615

Notes:
1 Avante Group was acquired on 21 September 2023; therefore the comprehensive income information only covers the period from acquisition to 31 December 2023.
2 The effective ownership interest of the Group of 16.50% was used calculating the proportion of the Group's ownership at Pennybacker through the joint venture in CFL.
3 The impairment during the period was converted based on the spot rate at end of the period.

c. Key estimates, judgments, and assumptions

Impairment of investments in associates and joint venture

At the end of each half-year reporting period, management is required to assess the carrying values of each of the underlying investments in associates and joint venture of the Group. Should assets underperform or not meet expected growth targets from prior expectations, a resulting impairment of the investments is recognised if that deterioration in performance is deemed not to be derived from short term factors such as market volatility. Factors that are considered in assessing possible impairment in addition to financial performance include changes to key investment staff, significant investment underperformance and litigation. A significant or prolonged decline in the fair value of an associate or joint venture below its cost is also an objective evidence of impairment. At 31 December 2023, the investments in associates and joint ventures were assessed for impairment triggers. The investment in Banner Oak was impaired by $25,199,000 (31 December 2022: no impairment) due to the economic conditions and impact on capital raising over the last six months being below forecast and the lower probability of success for new funds.

A weighted average discount rate of 18.93% was applied in the cash flow projections during the discrete period, tax rate of 21% and inflation rate of 3%.

F. OTHER INFORMATION

This section provides other information of the Group, including further details of share-based payments, significant events subsequent to reporting date and adoption of new and revised Standards.

19. Share-based payments

(i) Options and performance rights recognised in the profit or loss

The amount of option expense for the period was $607,000 (31 December 2022: $607,000) and the performance rights amortisation expense for the period was $420,000 (31 December 2022: $422,000).

(ii) Payments to settle share-based payments

There were no settlement of vested performance rights during the period (31 December 2022: $137,000).

20. Significant events subsequent to reporting date

On 23 February 2024, the Directors of the Company declared an interim dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is $7,736,000 which represents an unfranked dividend of 15.00 cents per share. The interim dividend will not apply to the DRP. The dividend has not been provided for in the 31 December 2023 consolidated financial statements.

Other than the matters detailed above, there has been no matter or circumstance, which has arisen since 31 December 2023 that has significantly affected or may significantly affect either the operations or the state of affairs of the Group.

21. Adoption of new and revised Standards

a. New and amended AASB standards that are effective from 1 July 2023

All new and revised accounting standards relevant to the Group that are mandatorily effective for the current year have been adopted by the Group. Adoption of these other new and revised accounting standards did not result in a material financial impact to the consolidated financial statements of the Group.

b. Standards and interpretations in issue not yet adopted

The AASB has issued several new and amended accounting standards and Interpretations that have mandatory application dates for future reporting periods have not been early adopted by the Group.

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Directors declare that:

(1) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(2) in the Directors' opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in Section A in the notes to the financial statements;

(3) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(4) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the half-year ended 31 December 2023.

Signed in accordance with a resolution of the Directors made pursuant to s.305(5) of the *Corporations Act 2001*.

On behalf of the Directors

A. Robinson
Chairman

23 February 2024

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Independent auditor's review report to the members of Pacific Current Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Pacific Current Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

i. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Rita Da Silva
Partner

Sydney
23 February 2024

Jaddus Manga
Partner

Sydney
23 February 2024

Directors
Mr. Antony Robinson, Non-Executive Chairman
Mr. Paul Greenwood, Executive Managing Director
Mr. Jeremiah Chafkin, Non-Executive Director (resigned: 17 November 2023)
Ms. Melda Donnelly, Non-Executive Director
Mr. Gilles Guérin, Non-Executive Director
Mr. Peter Kennedy, Non-Executive Director (resigned: 16 November 2023)
Mr. Michael Clarke, Non-Executive Director (appointed: 14 February 2024)

Executive Management
Mr. Paul Greenwood, Chief Executive Officer and Chief Investment Officer
Mr. Ashley Killick, Chief Financial Officer

Company Secretary
Ms. Clare Craven

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Stock Exchange Listing
Pacific Current Group Limited shares are listed on the Australian Securities Exchange, code: PAC.