



29 January 2020

## ASX ANNOUNCEMENT

### Funds under Management as at 31 December 2019

Pacific Current Group Limited (**ASX:PAC**) (**PAC, Pacific Current Group**) is pleased to announce that on a like-for-like basis, total Funds under Management (**FUM**) controlled by boutique asset managers within Pacific Current Group increased 5.0% during the quarter ended 31 December 2019. Including the new investment in Pennybacker Capital Management, total FUM grew 9.0%.

The increase in FUM over the quarter was widespread across Pacific Current Group's portfolio and reflects another quarter of large inflows at GQG as well as strong growth in Carlisle. The increase was partially offset by unfavorable movement in the AUD - USD currency exchange rate.

FUM flows and balances as at 30 September 2019 and 31 December 2019, by boutique tier and category, are shown in the Appendix attached.

#### **Other Considerations**

As announced to the market on 25 November 2019, PAC invested in Pennybacker Capital Management for an initial investment of US\$20.0m. PAC receives 16.5% of Pennybacker's net income, and 2.5% of all carried interest from new funds/accounts.

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

- the fee structures of each boutique;
- PAC's ownership interest in the boutique; and
- the specific economic features of each relationship between PAC and the boutique.

Accordingly, PAC cautions against simple extrapolation based on FUM trends.

**Tier 1 Boutique** is a term used to describe an asset manager that PAC expects to produce at least an average of A\$4m of annual earnings for PAC over the next three years, while a **Tier 2 Boutique** is one that PAC expects will contribute less than this amount. Although there is no guarantee any Tier 1 boutique will meet this threshold, this categorisation is intended to provide insight into which boutiques are expected to be the most economically impactful to Pacific Current Group.

**Open-end** is a term used to indicate funds under management that are not committed for an agreed period and therefore can be redeemed by an investor on relatively short notice. **Closed-end** is a term used to denote funds under management where the investor has committed capital for a fixed period and redemption of these funds can only eventuate after an agreed time and in some cases at the end of the life of the fund.



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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 at 31 December 2019, Pacific Current Group has investments in 16 boutique asset managers globally.

## Funds Under Management – 31 December 2019

A\$millions	Open End			Closed End		Total FUM as at 31 December 2019
	30 September 2019 Beg FUM	New Investment / (Divestment)	31 December 2019 Ending FUM	30 September 2019 Beg FUM	31 December 2019 Ending FUM <sup>4</sup>	
<b>Tier 1 Boutiques</b>						
Aether	-	-	-	2,283	2,139	2,139
Carlisle	2,785	-	2,949	348	341	3,289
GQG	39,676	-	43,715	-	-	43,715
Proterra <sup>4</sup>	-	-	-	4,809	4,369	4,369
Victory Park	-	-	-	4,388	4,258	4,258
<b>Total Tier 1 Boutiques</b>	<b>42,461</b>	<b>-</b>	<b>46,664</b>	<b>11,828</b>	<b>11,107</b>	<b>57,771</b>
<b>Tier 2 Boutiques</b>						
Alphashares	156	-	156	-	-	156
Blackcrane	1,012	-	1,106	-	-	1,106
CAMG	-	-	-	-	-	-
EAM	1,455	-	1,533	-	-	1,533
FIM <sup>5</sup>	574	(574)	-	-	-	-
ROC	-	-	-	6,660	6,475	6,475
Pennybacker <sup>6</sup>	-	2,763	2,703	-	-	2,703
SCI	137	-	85	-	-	85
Seizert	3,283	-	3,191	-	-	3,191
<b>Total Tier 2 Boutiques</b>	<b>6,617</b>	<b>2,190</b>	<b>8,775</b>	<b>6,660</b>	<b>6,475</b>	<b>15,251</b>
<b>Total FUM</b>	<b>49,078</b>	<b>2,190</b>	<b>55,439</b>	<b>18,488</b>	<b>17,583</b>	<b>73,022</b>

	Total FUM as at 30 September 2019	New Investment / (Divestment)	Net Flows <sup>1</sup>	Other <sup>2</sup>	FX movement <sup>3</sup>	Total FUM as at 31 December 2019
<b>Open End</b>	<b>49,078</b>	<b>2,190</b>	<b>2,596</b>	<b>3,767</b>	<b>(2,192)</b>	<b>55,439</b>
<b>Closed End</b>	<b>18,488</b>	<b>-</b>	<b>133</b>	<b>(568)</b>	<b>(470)</b>	<b>17,583</b>
<b>Total</b>	<b>67,566</b>	<b>2,190</b>	<b>2,729</b>	<b>3,199</b>	<b>(2,663)</b>	<b>73,022</b>

1. For Closed End funds, Net Flows only includes additional capital commitments. Distributions to limited partners of Closed End funds will be reflected as reduction in Net Asset Value, which is included in the 'Other' category for PAC reporting.
2. Other includes investment performance, market movement and distributions.
3. The Australian dollar strengthened against US dollar during the quarter. The AUD/USD exchange rate was 0.6746 as at 30 September 2019 compared to 0.7030 as at 31 December 2019. The Net Flows and Other items are calculated using average rates.
4. FUM for Proterra Investment Partners represent FUM from one quarter in arrears.
5. PAC sold its interest in FIM on 14 October 2019.
6. PAC invested in Pennybacker Capital on 16 December 2019.