



## ASX ANNOUNCEMENT

28 October 2022

### Funds under management as at 30 September 2022

Pacific Current Group Limited (**ASX:PAC**), a global multi-boutique asset management firm, is reporting total Funds under Management (**FUM**) managed by boutique asset managers within Pacific Current Group's portfolio increased from A\$169.3b to A\$171.2b for the quarter ended 30 September 2022.

Highlights from the quarter include the following:

- aggregate FUM grew 1.1% in AUD. In native currency, USD-denominated fund managers saw FUM decrease by 6.1% stemming primarily from the steep drop in global equity markets but partially offset by strong net inflows;
- excluding GQG, FUM increased 3.4% for USD-denominated fund managers and 7.0% for the AUD-denominated fund manager;
- PAC's private capital boutiques, led by Roc and Victory Park, continued to show strength, with 5 out of the 9 boutiques receiving new commitments. GQG also had significant inflows during the quarter; and,
- excluding GQG, PAC's boutiques have received A\$7.1b of new capital commitments from 1 July 2021.\*

Pacific Current Group's CEO, Paul Greenwood, noted, "While falling equity markets, rising interest rates and slowing economies create a headwind for most asset managers including ours, we continue to be pleased with the performance and growth of our boutiques. Despite the deteriorating economic environment, we continue to expect our non-GQG boutiques to secure A\$3b-A\$5b of gross new commitments this fiscal year."

FUM flows and balances as at 30 June 2022 and 30 September 2022, by boutique tier and category, are shown in the Appendix attached.

\* The reported new capital commitments of A\$7.1b includes A\$1.3b of new commitments noted in the prior quarter FUM announcement as commitments through 30 June 2022 associated with boutiques (Banner Oak, Proterra, and Pennybacker) reporting one quarter in arrears. This does not include new commitments to Banner Oak, Proterra, and Pennybacker for the quarter ended 30 September 2022 given their reporting in arrears, which will be reported in the following quarter.

## Other Considerations

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

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

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

## AUTHORISED FOR LODGEMENT BY:

**Paul Greenwood**

**Managing Director & Chief Executive Officer and Chief Investment Officer**

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## CONTACT

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## ABOUT PACIFIC CURRENT GROUP

Pacific Current Group Limited is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors, and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 28 October 2022, Pacific Current Group has investments in 16 boutique asset managers globally.



Appendix

Funds Under Management – 30 September 2022

FUM by Pacific Current Group boutique manager in reporting currency

\$m	Open End		Closed End		Total FUM as at 30 June 2022	Total FUM as at 30 September 2022
	30 June 2022 Beg FUM	30 September 2022 Ending FUM	30 June 2022 Beg FUM	30 September 2022 Ending FUM <sup>1</sup>		
<b>Tier 1 - Boutiques reporting in USD</b>						
Aether	-	-	1,589	1,589	1,589	1,589
Banner Oak <sup>1</sup>	-	-	6,237	6,507	6,237	6,507
Carlisle	1,125	1,052	1,032	966	2,157	2,018
GQG	86,700	79,200	-	-	86,700	79,200
Proterra <sup>1</sup>	-	-	4,021	3,917	4,021	3,917
Victory Park <sup>2</sup>	-	-	5,436	5,690	5,436	5,690
<b>Total Tier 1</b>	<b>87,825</b>	<b>80,252</b>	<b>18,315</b>	<b>18,667</b>	<b>106,140</b>	<b>98,919</b>
<b>Tier 2 - Boutiques reporting in USD</b>						
Astarte <sup>3</sup>	-	-	529	542	529	542
Blackcrane	15	15	-	-	15	15
CAMG	-	-	-	-	-	-
EAM	1,415	1,326	-	-	1,415	1,326
Pennybacker <sup>1</sup>	-	-	2,371	2,965	2,371	2,965
SCI	-	-	-	-	-	-
<b>Total Tier 2</b>	<b>1,430</b>	<b>1,341</b>	<b>2,900</b>	<b>3,508</b>	<b>4,329</b>	<b>4,848</b>
<b>FUM (USD) - Boutiques reporting in USD</b>	<b>89,254</b>	<b>81,593</b>	<b>21,215</b>	<b>22,175</b>	<b>110,469</b>	<b>103,768</b>
<b>FUM (AUD) - Boutiques reporting in USD</b>	<b>129,275</b>	<b>126,764</b>	<b>30,727</b>	<b>34,451</b>	<b>160,003</b>	<b>161,216</b>
<b>Tier 2 - Boutique reporting in AUD</b>						
Roc	-	-	9,286	9,939	9,286	9,939
<b>Total FUM (AUD) - PAC Boutiques</b>	<b>129,275</b>	<b>126,764</b>	<b>40,013</b>	<b>44,391</b>	<b>169,288</b>	<b>171,155</b>

1. FUM for Banner Oak Capital Partners, Proterra Investment Partners and Pennybacker Capital Management represent regulatory FUM from one quarter in arrears.
2. Victory Park Capital has sponsored multiple Special Purpose Acquisition Companies (SPACs). SPACs do not represent funds under management and are not reported in the numbers above. Rather, these amounts may economically benefit Victory Park through enhanced performance fees generated from the vehicles/funds managed by Victory Park that provide risk capital to the SPACs. Victory Park FUM includes the firm's regulatory capital for 30 September, as well as other client FUM where VPC is paid a one-time, upfront fee.
3. Astarte FUM represents aggregate FUM of funds managed by investment managers in which Astarte has an interest as well as the unallocated committed capital from funds managed by Astarte.

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

A\$m	Total FUM as at 30 June 2022	Net Flows <sup>4</sup>	Other <sup>5</sup>	FX movement <sup>6</sup>	Total FUM as at 30 September 2022
Tier-1 (Ex-GQG)	28,156	443	(34)	2,071	30,636
Tier-2	15,556	1,059	354	503	17,472
<b>Sub-Total</b>	<b>43,713</b>	<b>1,502</b>	<b>319</b>	<b>2,574</b>	<b>48,108</b>
GQG <sup>7</sup>	125,576	1,170	(12,141)	8,442	123,047
<b>Total</b>	<b>169,288</b>	<b>2,672</b>	<b>(11,821)</b>	<b>11,015</b>	<b>171,155</b>

4. For Closed End funds, Net Flows only includes additional capital commitments. Distributions to limited partners of Closed End funds will be reflected as reduction in Net Asset Value, which is included in the 'Other' category for PAC reporting.
5. Other includes investment performance, market movement and distributions.
6. The Australian dollar weakened against US dollar during the quarter. The AUD/USD exchange rate was 0.6904 as at 30 June 2022 compared to 0.6437 as at 30 September 2022. The Net Flows and Other items are calculated using average rates.
7. Beginning with quarter ending 31 December 2021, GQG is separated in the table above as GQG is now a listed entity, therefore PAC will only include GQG's FUM data as it is disclosed by GQG in its quarterly FUM announcement. GQG continues to be a Tier-1 boutique in the PAC portfolio.

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

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