



PACIFIC CURRENT GROUP

ASX Small and Mid -Cap Conference

PRESENTER

Paul Greenwood, CFA
Managing Director, CEO and CIO

20 September 2023



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Note that the relationship between FUM and the economic benefits received by Pacific Current can vary dramatically based on each boutique's fee levels, PAC's ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM updates/trends.

Certain statements in this presentation may constitute 'forward-looking statements.' Forward-looking statements are neither promises nor guarantees and involve known and unknown risks, uncertainties and other factors which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such forward-looking statements.

FY23 Overview

Pacific Current Group (PAC) is a global investor in investment management firms, with stakes in 16 investment firms across the US, Europe, Australia and Asia.

PAC's boutiques offer a diverse range of investment products across multiple asset classes, delivering sustainable and growing management fees and significant potential for performance fee income. This diversification reduces PAC's reliance on equity market returns to drive revenues and profits.

Operational Highlights

- § FUM grew 16% (21% AUD) to US\$136.1b (A\$204.3b) in FY23. Net flows have been positive for 26 consecutive quarters
- § Ownership Adjusted FUM grew 9% (13% AUD), from US\$12.9b to US\$14.1b
- § Invested US\$30m in Cordillera Investment Partners
- § Sold interest in Proterra Asia (a subsidiary of Proterra Investment Partners) for US\$8.3m
- § Considerable progress made toward securing external capital to manage

Financial Highlights

- § Boutique contributions, ex MTM, increased 2% (10% AUD). Management fee growth of 13% (22% AUD) was partially offset by a 22% (16% AUD) decline in performance fees
- § Corporate revenues declined from US\$2.9m to US\$0.9m, as a result of fewer products in fundraising mode
- § NPAT declined 11% (4% AUD), largely due to reduced corporate revenues and growth in interest expense
- § Revenues impacted by fundraising delays, which pushed some revenues from FY23 to FY24. Profits also impacted by drawing on debt facility 5 months before deploying capital
- § Dividend of A\$0.23 per share that is 67% franked
- § PAC's NAV adjusted for its fair value estimates exceeds statutory book value by A\$2.04 per share

Looking Ahead

- § An acquisition of PAC is possible based on UBS-led process currently underway. Difficult to forecast likely outcome of this process at this time
- § For FY24, PAC expects substantial growth in revenues and profits due to increased contributions from VPC, Pennybacker, IFP, Banner Oak, GQG and annualisation of Cordillera investment
- § PAC expects A\$2b - \$5b of gross new commitments in FY24, ex GQG
- § Attractive pipeline with at least one significant investment expected imminently

FY23 Underlying Results

Strong growth in management fee revenues, partially offset by decline in performance fee revenues

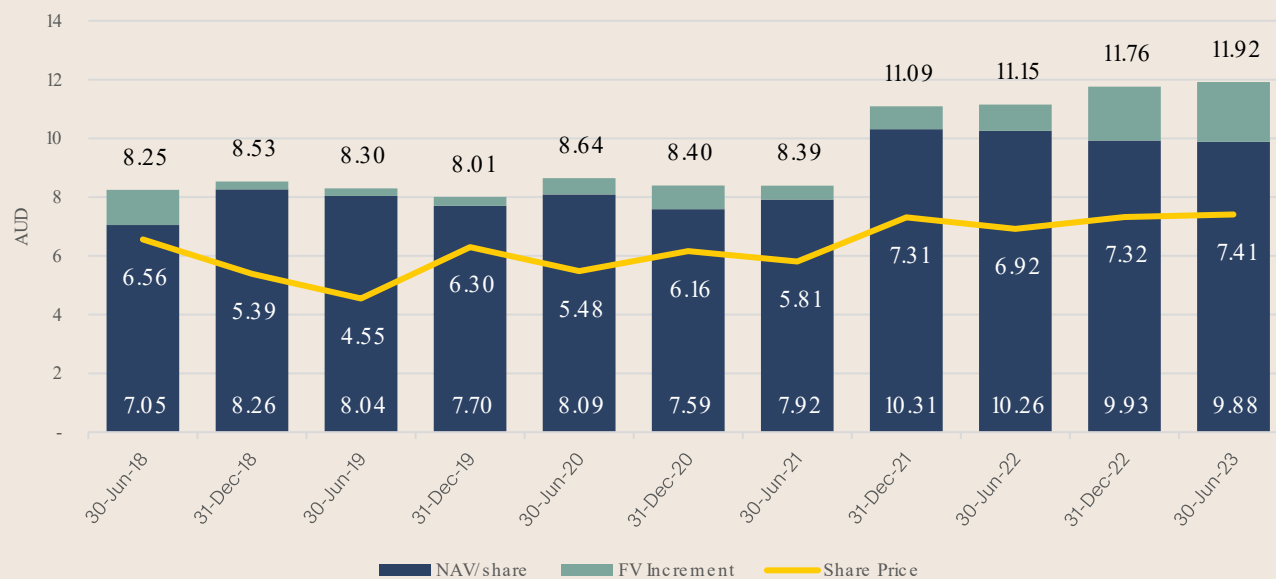
	FY23 (A\$m)	FY22 (A\$m)	FY23 (US\$m)	FY22 (US\$m)	Comments
Boutique management fees	39.7	32.5	26.7	23.6	Growth driven by annualisation of Banner Oak and GQG, as well as new investment in Cordillera
Boutique performance fees	12.2	14.5	8.2	10.5	Led by VPC, SCI, and Roc
Boutique unrealised MTM	(1.7)	(1.2)	(1.1)	(0.8)	Non-cash item, primarily related to VPC balance sheet items
Boutique contributions	50.2	45.8	33.8	33.3	2.4% growth (10% AUD) ex MTM
Corporate revenue	1.3	4.0	0.9	2.9	Reduced commission revenues due to current fundraising cycles and focus on raising capital for PAC to manage
Corporate overheads	16.1	14.1	10.8	10.2	T&E increased YoY; FX impact to A\$ overheads
Corporate contribution	(14.8)	(10.1)	(9.9)	(7.3)	
Underlying EBITDA	35.4	35.8	23.9	25.9	
Underlying NPAT	26.1	27.1	17.5	19.7	Debt facility interest expense of A\$3.2m reduced NPAT in FY23, though tax burden declined
Underlying earnings per share	51 cents	53 cents	34 cents	39 cents	
Dividends per share	38 cents	38 cents	-	-	
Net Asset Value per share	\$9.88	\$10.26	\$6.58	\$7.08	Decrease is mainly related to GQG share price movement and Aether impairment

Notes: Underlying results illustrated in table above are unaudited and non-IFRS financial measures used by PAC to manage its business.

For presentation of EBITDA, the prior period comparatives are adjusted to ensure consistency.

Building Value for Shareholders

NAV vs Fair Value NAV vs Share Price (per share)



- § IFRS requires PAC to use a variety of accounting treatments, resulting in some assets reported at fair value in PAC's statutory accounts, while others are initially reported at investment cost and can only be written down but not up
- § Accordingly, PAC's reported statutory NAV is significantly lower than its NAV using PAC's fair value estimates. As at 30 June, PAC's fair value adjusted NAV of A\$11.92 per share exceeds its statutory NAV by A\$2.04 per share
- § PAC believes there may be further upside to its fair value estimates should portfolio companies engage in any corporate transaction

Affiliate	Fair value (A\$m)*	Book value (A\$m)	Fair value uplift (A\$m)
VICTORY PARK CAPITAL	\$144.0m	\$80.4m	\$63.6m
Pennybacker Capital	\$76.0m	\$31.0m	\$45.0m
ROC PARTNERS	\$25.6m	\$10.0m	\$15.6m
Other boutiques	\$123.3m	\$112.7m	\$10.6m
Total	A\$368.9m	A\$234.1m	A\$134.8m

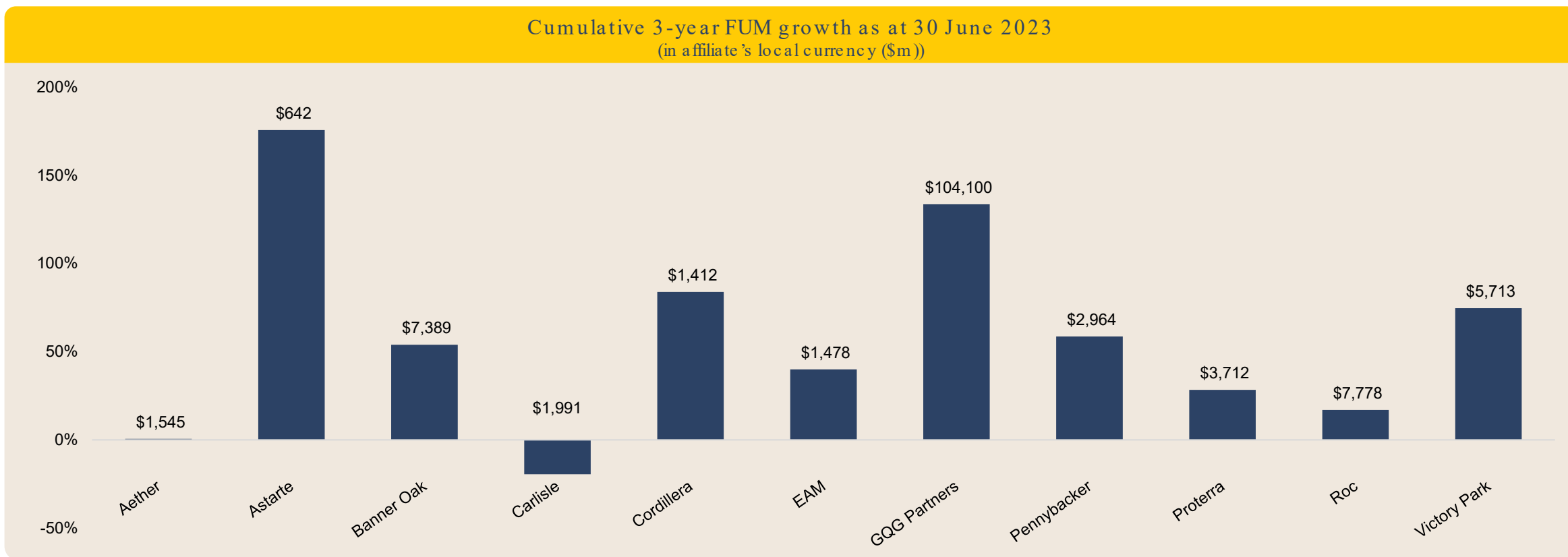
Increase to deferred tax liability	(\$29.7m)
Net fair value uplift	A\$105.1m
Net fair value uplift per share	+A\$2.04 per share

*Refer to the Understanding Fair Value NAV slide in the Appendices

Funds under Management – Affiliates

FUM managed by boutique asset managers within Pacific Current Group's portfolio

Cumulative 3-year FUM growth as at 30 June 2023
(in affiliate's local currency (\$m))



Notes: PAC invested in Astarte on 29 December 2020, Banner Oak on 31 December 2021, and Cordillera on 6 April 2023. FUM totals for Banner Oak and Proterra reflect total regulatory FUM from one quarter in arrears

Strategic Transaction Update

Board of Directors is considering strategic alternatives following unsolicited interest in a potential acquisition of PAC

In late July, Regal Partners announced that it had provided PAC with a NBIO to purchase PAC for A\$10.77 per share (based on 24 July GQG stock price). GQG Partners announced that it also intends to make an offer to acquire PAC

PAC has hired UBS to advise it on strategic matters and to ensure it considers a large group of high-quality prospective partners

The UBS led process involved discussions with a broad range of potential partners. As a result, PAC has now received multiple offers and expects to narrow the prospect list in the near future

PAC has established an Independent Board Committee of non-conflicted PAC board members who will recommend which, if any, proposal(s) should be advanced

If, and when, a party is selected, PAC will provide a multi-week diligence period. This would be followed by a broader Scheme of Arrangement, including the negotiation of various documents required in the process

Operational Outlook

The potential of PAC to be acquired will be clarified in the very near future

Actively soliciting acquisition proposals from a broad group of high-quality prospective partners

PAC expects its portfolio companies, ex GQG, to receive A\$2b-A\$5b of gross new commitments in FY24

PAC intends to make at least one significant investment in 1H24 into a high growth, private capital boutique

Reasonable likelihood of announcing one or more liquidity events in portfolio in FY24. Any portfolio realisations are likely to occur at valuations that exceed PAC's fair value estimates

Note: Outlook assumes flat equity markets and no change in currency. Growth expectations are based primarily but not exclusively on PAC or boutique knowledge of specific prospects that appear likely to allocate to boutiques through FY24. New allocations to boutiques cannot be known with certainty, nor can the timing of any allocations be precisely forecasted. Additionally, PAC revenues and earnings can be influenced by some marketable securities held on boutique balance sheets, which can impact results in ways that cannot be readily predicted.

Financial Outlook

Revenue and earnings growth should accelerate significantly in FY24

PAC expects strong growth in boutique contributions (both management fees and performance fees) in FY24 due to:

- § Growth in management fees from key boutiques, including Victory Park, Pennybacker, Roc, GQG, and IFP
- § Annualisation of Cordillera investment
- § Increased performance fees as some older Victory Park funds begin to distribute carried interest at an increasing rate
- § New investments

Growing progress in efforts to secure external capital to manage, which would offer high quality management fee revenues at the PAC corporate level

Operating expenses will show modest growth, though interest expense will grow more significantly as a result of the annualisation of outstanding credit line balance plus any subsequent draws

Pennybacker is being reclassified to Tier 1 effective in FY24

Note: Outlook assumes flat equity markets, no change in currency and no partial or complete sale of interests in boutiques. Growth expectations are based primarily but not exclusively on PAC or boutique knowledge of specific prospects that appear likely to allocate to boutiques through FY24. New allocations to boutiques cannot be known with certainty, nor can the timing of any allocations be precisely forecasted. Additionally, PAC revenues and earnings can be influenced by some marketable securities held on boutique balance sheets, which can impact results in ways that cannot be readily predicted.