

PACIFIC CURRENT GROUP

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ASX Investor Presentation

Investment in Aperio Group, LLC

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ASX: PAC



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PAC Investment Strategy

- › PAC seeks new investments that
 - Provide enhanced portfolio diversification across multiple dimensions (assets, geographies, investment strategies ...)
 - Are in “sunrise” (or strong secular growth) segments of the market
- › We seek two broad types of investments
 - Profitable businesses with strong growth prospects
 - Earlier stage, higher risk opportunities that can be viewed as relatively ‘inexpensive’ options
- › Our primary goal is to enhance earnings growth and resilience
 - We are currently seeking more exposure to non-active equity and private capital strategies

The investment in Aperio delivers on our stated strategy of diversifying our portfolio by investing in leading investment firms in growing market segments

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TRANSACTION DETAILS

Transaction: Overview

- › Pacific Current Group Limited (Pacific Current or PAC) to acquire minority equity interest in Aperio Group, LLC (Aperio), an A\$18.3bn FUM US-based smart beta, ESG and tax managed beta manager based in the US
- › Pacific Current capital commitment of US\$31.8m (A\$44.2m)*
 - 50% consideration to be paid upon Closing, with the remainder at the end of one year. The second payment includes a 5% interest payment
- › Upon completion Pacific Current will receive:
 - 23.4% of the common equity of Aperio
 - 2 of 6 board seats
- › Underlying pre-tax earnings delivered to Aurora through the combination of (1) Aurora's debt repayment (excluding pre-payment costs), and (2) earnings contributed by Aperio, - based on Aperio's run rate EBITDA as of 1 October, 2015 -- would equal A\$5.23m at Aurora Trust for a six month period
- › Pacific Current has negotiated a suite of minority shareholder protections
- › Completion expected beginning of January 2016

*\$0.72 USD/AUD

Transaction: Strategic Rationale

- › Investment is immediately accretive from completion
- › Aperio is a rapidly growing business – significant growth in FUM (+50% over last 4 years) and high demand for its services
- › Creates greater stability in earnings for PAC and greater diversification in asset classes with differing strategies
 - Opportunity to gain exposure to a rapidly growing asset manager well-positioned to exploit the growth in SRI, smart beta, and tax management
 - Non-active equity focused on different target market – Ultra High Net Worth (UHNW) individuals in US
- › Clients do not select Aperio to outperform on a pre-tax basis, thus likelihood of producing disappointing results is much lower

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OVERVIEW: APERIO GROUP

Aperio Group: Business Overview

- › Investment strategy targets intersection of passive management, smart beta, tax management and SRI investing
- › Products are distributed through financial intermediaries, providing leveraged distribution for Aperio
- › Exceptional management quality and robust technology infrastructure
 - Founded in 1999 by Paul Solli and Patrick Geddes
 - Widely recognised for its thought leadership in the areas of taxes, SRI and customised beta
- › Positive and significant high growth potential
 - Competitive advantage from unique ability to customise and tailor equity portfolios to complex individual needs (based on taxes, values and / or investment targets) in a low fee, transparent manner
 - Large capacity

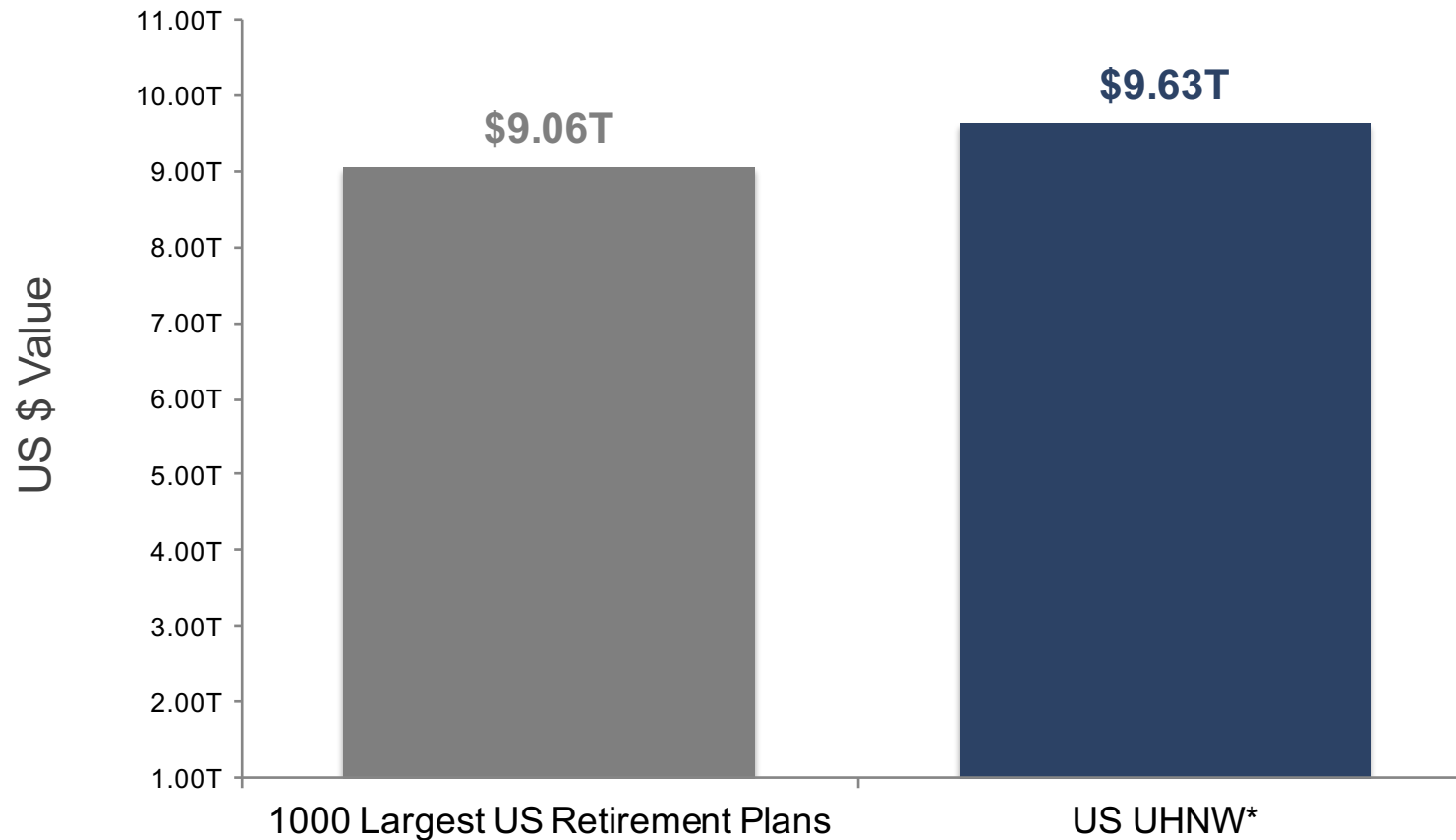
Emergence of the “New Institutional”

Positive US industry dynamics providing growth opportunity

- Outflows from defined benefit (institutional) are going into defined contribution and retail
- Active managers feeling pressure from indexing (Vanguard, I-Shares, etc.)
- UHNW market now larger than top 1000 US retirement plans in US and growing much faster
- Rise of the UHNW advisor including Registered Investment Advisors (RIAs), multi-family offices, family offices, large broker dealer teams, and consultants
 - UHNW individuals primarily taxable
 - Complex tax structures create a strong demand for solutions, customisation, and control (e.g. niche benchmarking, SMAs)
 - Sourcing alpha from alternative and private investments rather than public equities

Emergence of the “New Institutional”

US UHNW total net worth now greater than the top 1000 US retirement plans



Source: Pension & Investments Annual Survey 9/30/14

Wealth-x Special Report 2014-2015

* US Ultra High Net Worth Defined as >\$30m in Net Worth

Strong Demand in Current Industry

Aperio's expertise includes:

› Tax Management

- Tax alpha more predictable than stock selection alpha

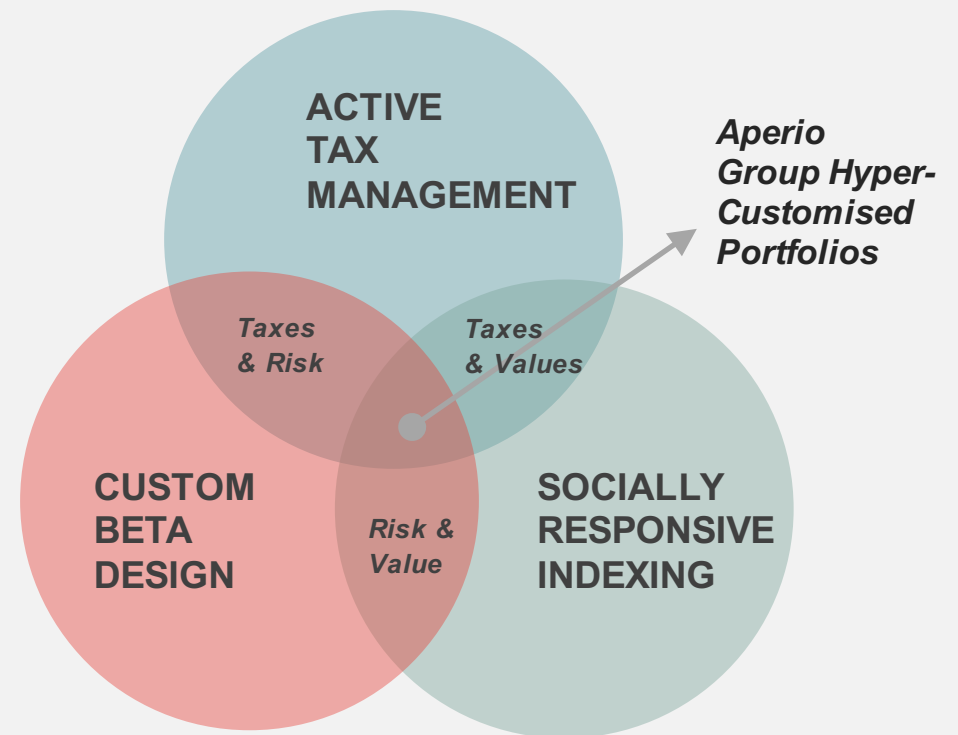
› SRI / Values Investing

- Interest is expanding rapidly
- Relatively few experts can guide clients through the “values conversation”
- Number of issues expanding rapidly (i.e., carbon divestment/footprint/, gender, animal rights, etc.

› Customised Betas

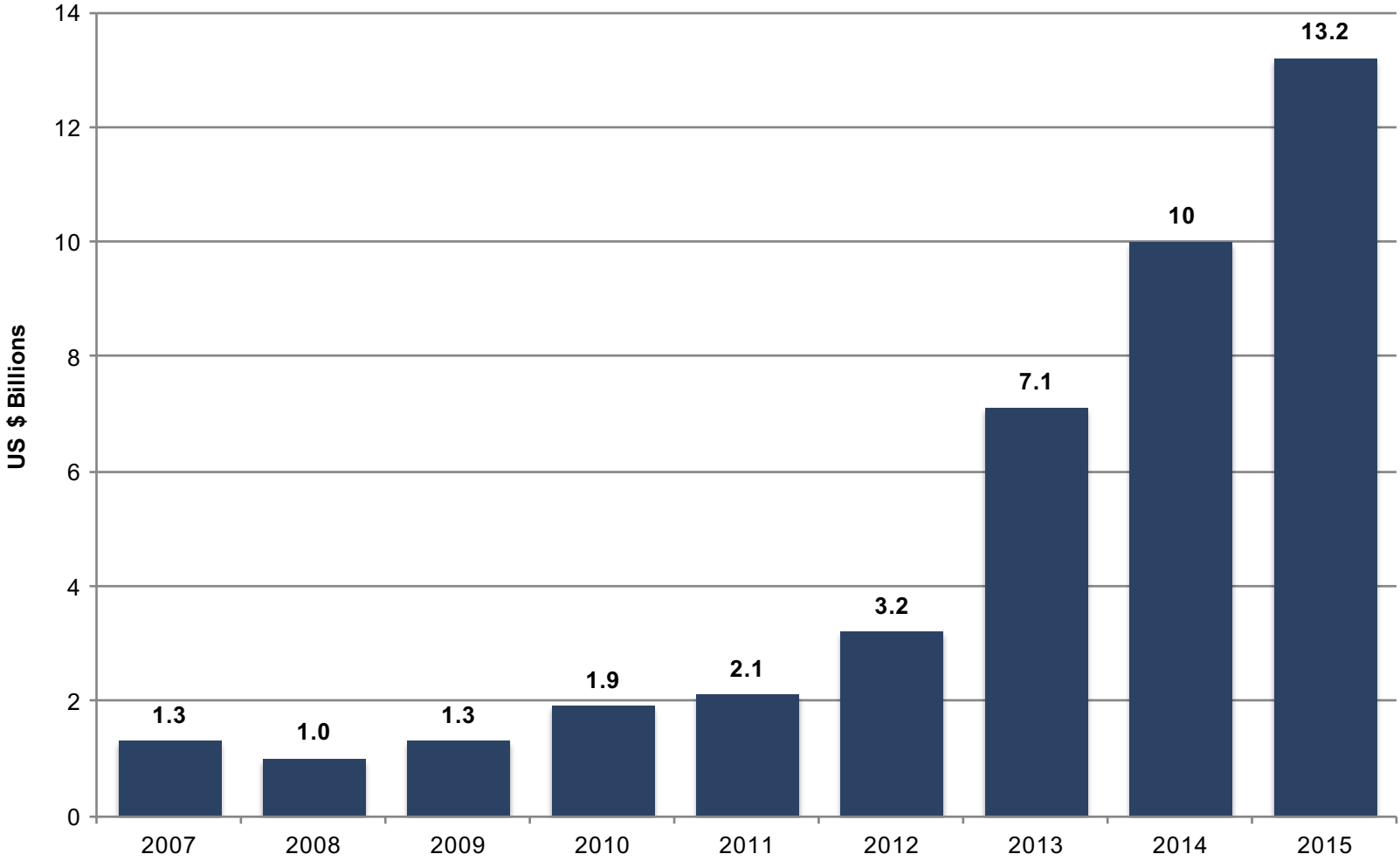
- Many clients have unique needs / preferences that can only be met with a customised beta exposure

Aperio Group's personalised level of portfolio customisation



Aperio's Vision is Gaining Traction

Aperio FUM (US\$bn)



PAC OUTLOOK

PAC Pipeline and Opportunities

- › Pipeline continues to look robust (>160 deals reviewed in 2015)
- › Several smaller “option” style investments look very promising
- › Will continue to look to add diversification, resilience and growth to the portfolio

Outlook

- › Poised for success with a proven leadership team focused on growing Pacific Current by diligently and strategically building our underlying boutiques
- › Continuing strong business momentum from many areas in the portfolio
- › Significantly improved access to global clients and deal flow
- › Well positioned with a strong balance sheet