

GQG Partners

# ASX Earnings Call

17 August 2023

ASX Limited

ASX Market Announcements Office

Exchange Centre

20 Bridge Street

SYDNEY NSW 2000

GQG Partners Inc.

Interim results for the six-month period ended 30 June 2023

## SELECT HIGHLIGHTS

- Net flows of US\$6.2 billion
- Funds under management of US\$104.1 billion
- Net revenue up 6.5% to US\$237.1 million from 2022 half year results
- Net operating income up 1.3% to US\$176.4 million from 2022 half year results
- Board declares a quarterly interim dividend of US\$0.0217 per share. This represents 90% of distributable earnings for the quarter ended 30 June 2023.

## RESULTS SUMMARY

	1H 2023	1H 2022	Change
Average funds under management (US\$ billions)	95.2	91.0	4.7%
Closing FUM (US\$ billions)	104.1	86.7	20.1%
Net revenue (US\$ millions)	237.1	222.7	6.5%
Net operating income (US\$ millions)	176.4	174.2	1.3%
Net income after tax (US\$ millions)	128.6	125.3	2.6%
Distributable earnings (US\$ millions)	136.6	133.3	2.5%
Diluted EPS (US cents per share)	0.04	0.04	0.0%
Total dividends paid (US cents per share)	0.0387	0.0363	6.6%

Tim Carver, CEO, said, “We are pleased to announce our half year financial results for the period ending 30 June 2023. During the first six months of the year, GQG had positive net inflows of US\$6.2 billion. Our peak month end FUM this year was US\$104.1 billion, occurring in June, which represented a 20.1% increase from our 30 June 2022 FUM of US\$86.7 billion. This increase in FUM led to Net Revenue growth of 6.5% to US\$237.1 million during the first half of 2023 compared to the first half of last year. Net Operating Income increased by 1.3% during the period to US\$176.4 million from US\$174.2 million during the first half of 2022, reflecting a higher average FUM partially offset by an increase in expenses as GQG continues to invest in talent and overall business activities.

Our financial result is driven in large part by our investment performance over the long term. As at the end of June 2023 our strategies continued to provide solid long-term performance as compared to their benchmarks, which we believe provides the underpinnings for continued business success.”

## GQG PARTNERS STRATEGY COMPOSITES TOTAL RETURN PERFORMANCE

As at 30 JUNE 2023

GQG PARTNERS GLOBAL EQUITY STRATEGY		GQG PARTNERS INTERNATIONAL EQUITY STRATEGY	
TOTAL RETURNS SUMMARY	5 YRS	TOTAL RETURNS SUMMARY	5 YRS
Composite net of fees %	10.84	Composite net of fees %	8.56
MSCI ACWI Index (Net) %	8.10	MSCI ACWI Ex USA Index (Net) %	3.52
GQG PARTNERS EMERGING MARKETS EQUITY STRATEGY		GQG PARTNERS US EQUITY STRATEGY	
TOTAL RETURNS SUMMARY	5 YRS	TOTAL RETURNS SUMMARY	5 YRS
Composite net of fees %	5.88	Composite net of fees %	14.45
MSCI Emerging Markets Index (Net) %	0.93	S&P 500® %	12.31

Represents composite performance for GQG Partners’ primary investment strategies calculated in US dollars. Returns are presented net of management fees and include the reinvestment of all income. Net performance is calculated after the deduction of actual trading expenses and other administrative fees (custody, legal, administration, audit and organization fees). Net of fee returns also are calculated by deducting GQG’s stated annual fee for separately managed accounts, pro-rated on a quarterly basis. Net performance is net of foreign withholding taxes. Performance presented does not include composite performance achieved prior to 1 June 2016. Returns for periods greater than one year are annualized. **PAST PERFORMANCE MAY NOT BE INDICATIVE OF FUTURE RESULTS.** The complete composite track records for the above strategies can be found in GQG Partners’ 2023 Half Year Earnings Presentation. The above information is provided for informational purposes and is not intended as an offer of any GQG products or services.

We continued to have positive net flows, averaging just over US\$1 billion per month during the first half of 2023, despite a difficult industry environment. We believe these flows reflect clients’ trust in our approach, driven by the consistency of our long-term returns, and we continue to see a reasonable pipeline of client demand across multiple geographies and channels.

We continue to offer what we believe are attractive fees relative to our competition. Our weighted average management fee for the half year period increased from 47.6 basis points in 2022 to 48.3 basis points, driven by a shift in FUM mix. As in prior periods, our revenue is overwhelmingly derived from asset-based fees, with only 3% of our revenues for the first half of 2023 coming from performance fees. We expect this revenue mix to remain stable over time, contributing to what we consider to be a high-quality earnings profile.

“We continue to believe if we react to dynamic markets in a disciplined manner, we will have the opportunity to find solid investments for our clients over the long-term. Thank you for your trust in our business and our leadership team,” Mr. Carver concluded.

## QUARTERLY DIVIDEND

On 17 August 2023, the Company announced that the Board of Directors declared a quarterly interim dividend of US\$0.0217 per share / CHESS Depository Interest.

Below is the timetable for the upcoming dividend (dates in Australian eastern time):

Announcement Date	17 August 2023
Ex-Dividend Date	22 August 2023
Record Date	23 August 2023
Cash Payment Date	28 September 2023

In line with the capabilities of our share registry, the currency conversion rate from US dollars to Australian dollars for the dividend will be released on or before 14 September 2023.

Find our Half Year Report and more at our Investor Centre:

<https://investors.gqgpartners.com/investor-centre/>

## ABOUT GQG PARTNERS INC.

GQG Partners Inc. is a global investment boutique headquartered in the United States that focuses on managing active equity portfolios. As at 31 July 2023, our group managed US\$108.1 billion for investors that include many large pension funds, sovereign funds, wealth management firms, and other financial institutions around the world. GQG is listed on the Australian Securities Exchange (ASX Code: GQG). Further information can be obtained from [www.gqgpartners.com](http://www.gqgpartners.com).

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**INFORMATION ABOUT BENCHMARKS**

MSCI benchmark returns have been obtained from MSCI, a non-affiliated third-party source. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing, or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The **MSCI All Country World (Net) Index (MSCI ACWI)** is a global equity index, which tracks stocks from 23 developed and 24 emerging markets countries. Developed countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. Emerging Markets countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. With 2,935 constituents (as at 30 June 2023), the index covers approximately 85% of the global investable equity opportunity set.

The **MSCI All Country World ex USA (Net) Index (MSCI ACWI ex USA)** is an international equity index that excludes securities from the United States. The index tracks stocks from 22 developed and 23 emerging markets countries. Developed countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK. Emerging Markets countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. With 2,308 constituents (as at 30 June 2023), the index covers approximately 85% of the international equity opportunity set outside of the US.

The **MSCI Emerging Markets (Net) Index** is a free float-adjusted market capitalization index that consists of indices in 24 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. With 1,423 constituents (as at 30 June 2023), the index covers about 85% of the free float-adjusted market capitalization in each country.

The **S&P 500® Index** is a widely used stock market index that can serve as barometer of US stock market performance, particularly with respect to larger capitalization stocks. It is a market-weighted index of stocks of 500 leading companies in leading industries and represents a significant portion of the market value of all stocks publicly traded in the United States. The S&P 500 Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates (SPDJ) and has been licensed for use by GQG Partners LLC. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global (S&P); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). GQG Partners US Equity is not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to nonresident institutional investors who do not benefit from double taxation treaties.

Information about benchmark indices is provided to allow you to compare it to the performance of GQG strategies. Investors often use these well-known and widely recognized indices as one way to gauge the investment performance of an investment manager's strategy compared to investment sectors that correspond to the strategy. However, GQG's investment strategies are actively managed and not intended to replicate the performance of the indices; the performance and volatility of GQG's investment strategies may differ materially from the performance and volatility of their benchmark indices, and their holdings will differ significantly from the securities that comprise the indices. You cannot invest directly in indices, which do not take into account trading commissions and costs.