

# Record Remuneration Rejection Should Have Real Results At Pacific Current Group Limited

The vote against the remuneration report was a record for an Australian Securities Exchange (ASX)-listed company.

Following the stunningly emphatic defeat of Pacific Current Group Limited's proposed 2015-16 remuneration plan at last week's annual general meeting, constructivist investor Advocate Strategic Investments (ASI) demands a claw-back of the wages and bonuses in the defeated plan.

The vote against the remuneration report was a record for an Australian Securities Exchange (ASX)-listed company.

Pacific Current reported a \$48.2 million loss in the 2015-16 year, mainly because of a \$77.5 million write-down of Seizert Capital Partners. Despite this, the company proposed to pay former Chief Executive Tim Carver \$1.72 million – including a cash payment of \$824,421 – despite Mr. Carver resigning in April, to join US investee fund manager GQG Partners.

Chief Investment Officer Paul Greenwood received \$1.79 million, while Finance Director and Chief Operating Officer Joe Ferragina was paid \$755,890.

These payments were followed up by the non-executive directors having their salaries increased by 42 percent. Shareholders at the annual general meeting last week were adamant – to the tune of an 84 per cent vote against the remuneration report – that these payments were manifestly excessive.

In the wake of the shareholder vote, ASI proposes that 84 per cent of these amounts are returned to the company.

That these handouts are excessive is true not only in the context of the company's disastrous actual performance in 2015-16, but also when set against the \$147 million worth of impairments that the assets brought into the company by Northern Lights have required, in less than two years, and the \$200 million that has been wiped off the market value of Pacific Current since the November 2014 tie-up with Northern Lights and BNP Paribas.

These are only the payments that shareholders know about – there are plenty of other passengers on the gravy train, in both Sydney and Seattle, whose remuneration is as difficult to identify as much of the company's financial information.

Pacific Current shareholders have seen \$288 million of their hard-earned equity transferred into the Aurora Trust, only to see more than half of this amount – \$148 million – go up in smoke in less than two years.

It's time for a bit of redress!

ASI intends to address the structure of the Pacific Current board. The board is top-heavy with people who are not, in ASI's opinion, adding demonstrable strategic value. As a result, we believe that Paul Greenwood, Melda Donnelly, Gilles Guerin and Jeff Vincent should step down.

---

#### About ASI

ASI is a Melbourne-based independent investment management firm that provides institutional and sophisticated investor clients with customised alternative investment strategies. The firm's senior investment team uses its unique, company-specific, value-oriented investment approach, with a strong focus on equity special events and credit opportunities. ASI's approach is focused on the preservation of capital through extensive and rigorous investment analysis on a position and portfolio basis. ASI is the manager and adviser to the Advocate Partners Constructivist investment strategy. Shareholder constructivism is about advocating an owner's perspective in relation to how a public company is governed and operated, in order to build the conditions necessary for its equity value to appreciate.

#### Disclaimer

This Press Release has been prepared by Advocate Strategic Investments Pty Ltd ABN 77 101 691 598 AFSL 224560 (ASI) for the information of shareholders. This release has been prepared from information available to ASI on the date of release and from publicly available sources. ASI has not verified this information and no responsibility is accepted for the accuracy, currency or completeness of this information. This release must not be taken to be financial product advice in respect of shares in the Company.

Advocate Strategic Investments Pty Ltd - ABN: 77 101 691 598 - AFSL 224560

Level 27, 101 Collins Street Melbourne, VIC 3000, Australia

e: [info@advocatesi.com.au](mailto:info@advocatesi.com.au)

t: +61 3 9653 9083

f: +61 3 9653 7373

Treasury Group Limited, Pacific Current Group Limited, ASX, PAC, Reuters, AAP, Northern Lights Capital Partners, NLCG Distributors, Northern Lights Midco, BNP Paribas Capital Partners, Laird Norton Company, AFR, Australian Financial Review, Australian Securities Exchange, Advocate Partners, Advocate Strategic Investments, Michael de Tocqueville, Constructivism, Shareholder Activist, twitter, LinkedIn, Aurora Trust, Aurora Investment Management, Invest Smart, Personal Investor, Australian Shareholders Association, [www.finnewsnetwork.com.au](http://www.finnewsnetwork.com.au), [www.paccurrent.com/](http://www.paccurrent.com/)

### **Contacts**

Michael Tocqueville  
0402039993 International +61 402 039 993  
mailto:mdet@advocatesi.com.au