

# Associate Global Partners Limited and Controlled Entities

ACN 080 277 998

## APPENDIX 4D HALF-YEAR REPORT

### HALF-YEAR ENDED 31 DECEMBER 2023

#### Results for Announcement to the Market

Reporting period: 1 July 2023 to 31 December 2023

Previous corresponding period: 1 July 2022 to 31 December 2022

Results 31 December 2023		\$'000	%		31 Dec 23 \$'000	31 Dec 22 \$'000
Revenue from ordinary activities	Up	576	22.7	to	3,115	2,539
Loss from ordinary activities after tax attributable to members	Down	813	70.9	to	(334)	(1,147)
Net loss for the period attributable to members	Down	813	70.9	to	(334)	(1,147)

Dividends	Amount per security	Franked amount per security
Final dividend – no dividend is proposed	Nil	Nil
Interim dividend – no dividend is proposed	Nil	Nil

Record date for determining entitlements to the interim dividend	N/A
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NTA Backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	3.9 cents	6.4 cents

Gain of control of subsidiaries	N/A
Date of gain of control	N/A
Loss of control of subsidiaries	N/A

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## **Associate Global Partners Limited and Controlled Entities**

### **Appendix 4D**

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This information should be read in conjunction with the 2023 Annual Financial Report of Associate Global Partners Limited (ASX code: APL) and its controlled entities and any public announcements made in the period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2023.

The Interim Financial Report has been subject to review by Ernst & Young and is not qualified.

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# Associate Global Partners Limited and Controlled Entities

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The Interim Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Associate Global Partners Limited (ASX code: APL) and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

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# Associate Global Partners Limited and Controlled Entities

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## CORPORATE INFORMATION

**Associate Global Partners Limited**  
**ABN 56 080 277 998**

### DIRECTORS

Nerida Campbell (Non-Executive Chair)  
Martin Switzer (Managing Director & Chief Executive Officer)  
Jason Billings (Non-Executive Director)  
Ken Poutakidis (Non-Executive Director)

### COMPANY SECRETARY

Mark Licciardo

### REGISTERED OFFICE

Level 12  
2 Chifley Square  
Sydney NSW 2000

Telephone: 1300 052 054

### PRINCIPAL PLACE OF BUSINESS

Level 12  
2 Chifley Square  
Sydney NSW 2000

Telephone: 1300 052 054

### AUDITORS

Ernst and Young  
200 George Street  
Sydney NSW 2000

### SHARE REGISTER

Link Market Services Limited  
Level 12  
680 George Street  
Sydney NSW 2000

Telephone: +61 2 8280 7100

### SECURITIES EXCHANGE LISTING

Australian Securities Exchange  
ASX Code – APL

### WEBSITE

[www.associateglobal.com](http://www.associateglobal.com)

### CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement for APL can be found at the Shareholder Centre at  
[www.associateglobal.com](http://www.associateglobal.com)

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## Managing Director’s Report For the Half-Year Ended 31 December 2023

Dear Shareholder,

I am pleased to present this report for Associate Global Partners Limited and its Controlled Entities (the **Group** or **AGP**) for the half-year to 31 December 2023 (**H1 FY2024**).

### Overview of AGP

AGP is an independent, multi-boutique asset management firm that partners with, and promotes, high quality fund managers in the Australian managed investments industry.

AGP has developed a distribution platform that provides investment managers with an end-to-end distribution solution which promotes their brand and grows funds under management (FUM). AGP’s platform consists of an experienced distribution team and access to the highly sought-after direct channel through its unique investor database.

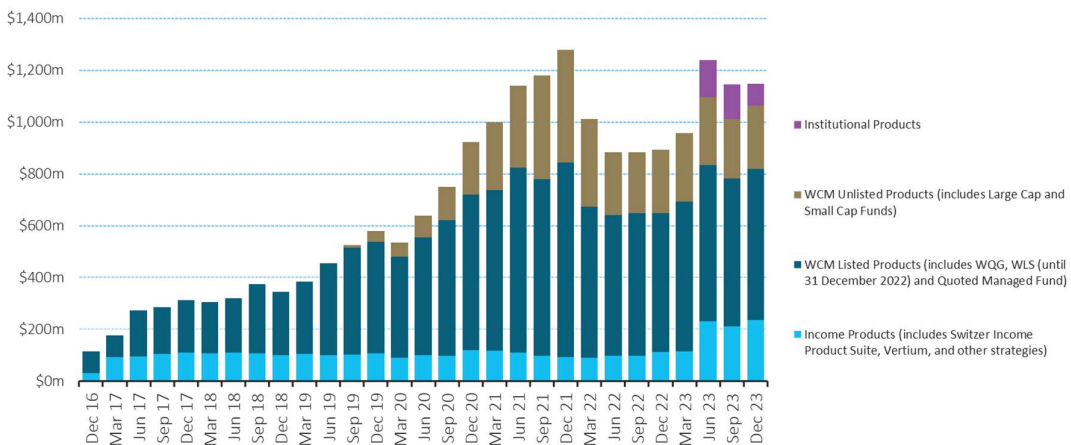
AGP continued to progress its strategic objectives in H1 FY2024, benefiting from overall improvement of global investment markets and subsequently improved investment performance, especially in the WCM Large and Small Cap strategies. The Group is undertaking several growth initiatives, including partnering with new managers, with the objective of growing FUM and achieving profitability in the near term, while continuing to invest in the business, by growing our team and improving our processes and capabilities.

### Funds Under Management<sup>1</sup>

The Group’s FUM grew to \$1.147 billion at 31 December 2023 (31 December 2022: \$893 million).

The key driver of growth was the significant improvement in overall performance of the Large and Small Cap strategies managed by WCM Investment Management, LLC (WCM), the continued strong growth in FUM for the Woodbridge Private Credit Fund managed by Woodbridge Capital (Woodbridge), as well as the acquisition of Brookvine Pty Limited (Brookvine) and new partnerships with Vertium Asset Management Pty Ltd (Vertium).

The chart below illustrates the strong growth in FUM from 31 December 2016 to 31 December 2023:

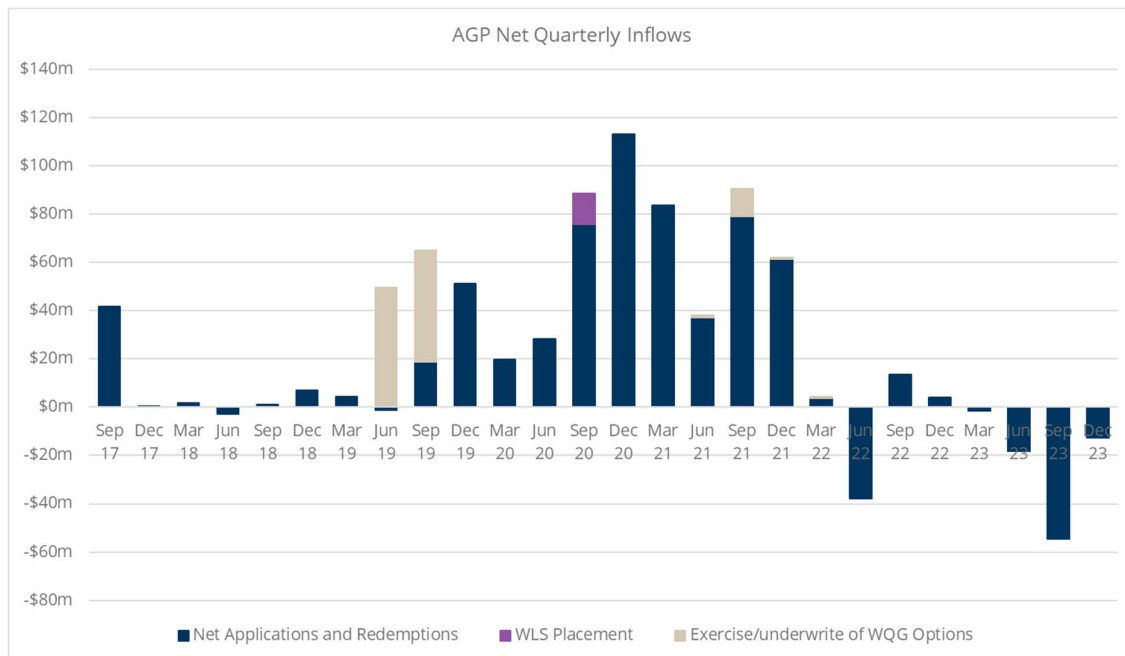


Since 31 December 2023, FUM has grown to \$1.241 billion as at 20 February 2024. This is largely attributable to the stronger performance in global equity markets in early 2024.

<sup>1</sup> All FUM and flow information is approximate, rounded, and has not been audited. FUM information is provided by AGP’s appointed custodian, NAB Asset Servicing.

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The chart illustrates the quarterly net inflows and outflows since September 2017.

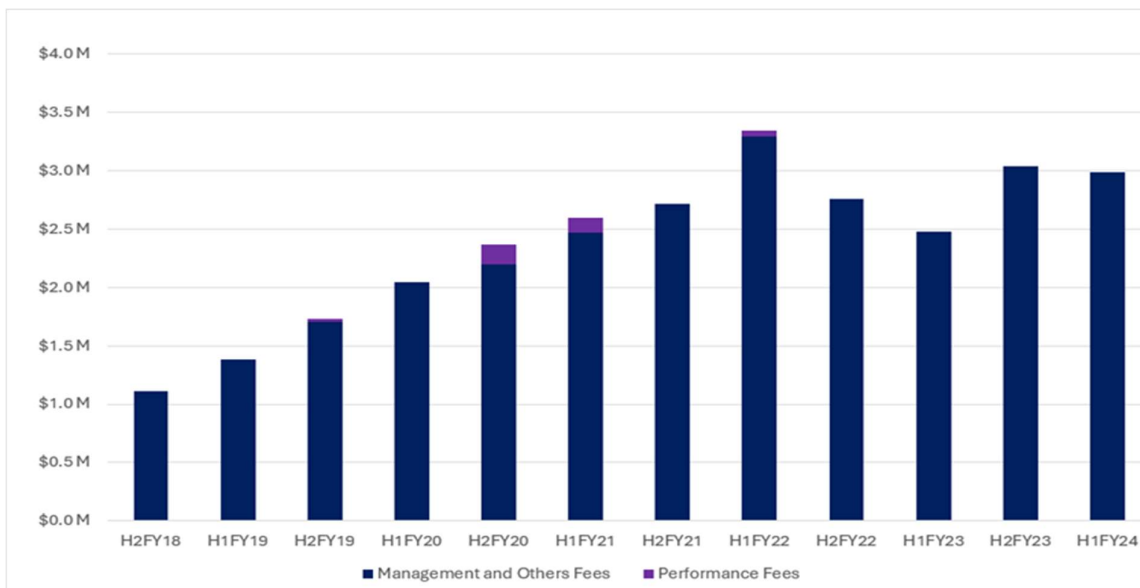


NB: Excludes WCM Global Long Short Limited selective buy-back in July 2021. Excludes outflows in relation to Switzer Higher Yield Managed Fund, Mittleman Global Value Equity Fund, and THB International Microcap Fund closure. Excludes payments and reinvestment of dividends and distributions. Source: Link Market Services.

Overview of Results and Operations

The Group’s total revenue for the half-year to 31 December 2023 was \$3,115,000 (31 December 2022: \$2,539,000). This result has been driven primarily by improving market conditions, FUM growth and strategic acquisitions. These factors resulted in higher FUM over H1 FY2024, following the global market pull back the previous financial year. The Group’s net loss after tax for the half-year to 31 December 2023 was \$334,000 (31 December 2022: net loss after tax of \$1,147,000).

Investment management, service and performance fees for the half-year period totalled \$2,986,000 (31 December 2022: \$2,474,000). This represented a 21% increase as a result of the increase in the Group’s FUM, improved service fee revenue generated through the Group’s direct wholesale investor platform and growth in revenue from WCM and Woodbridge compared with the previous corresponding period.



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In the reporting period, the Company successfully completed a fully underwritten, one for six pro-rata, non-renounceable entitlement offer. The offer raised \$1.456 million (net of costs) and the proceeds will be used to provide the regulatory capital required to execute on its strategic priority of growing FUM.

As at 31 December 2023, the Company’s cash balances totalled \$4.376 million, and debt was \$1.252 million.

Global Equity Update

WCM is a global and international equities specialist with total FUM of over A\$122.4 billion (as at 31 December 2023). Based in Laguna Beach, California, WCM's investment process is based on the belief that corporate culture is the biggest influence on a company's ability to grow its competitive advantage or 'moat'. This investment process has resulted in the WCM Quality Global Growth Equity Strategy Composite outperforming the MSCI World Index by 3.74% per annum since inception in 2008.

AGP has an exclusive retail distribution arrangement to distribute WCM’s investment strategies into the Australian market. WCM’s superior investment performance has contributed to the Group’s growth in FUM and will continue to be a key factor in driving future inflows. Since partnering with AGP in June 2017, WCM now has over \$828 million (31 December 2023) in FUM in Australia across its suite of retail and wholesale products.

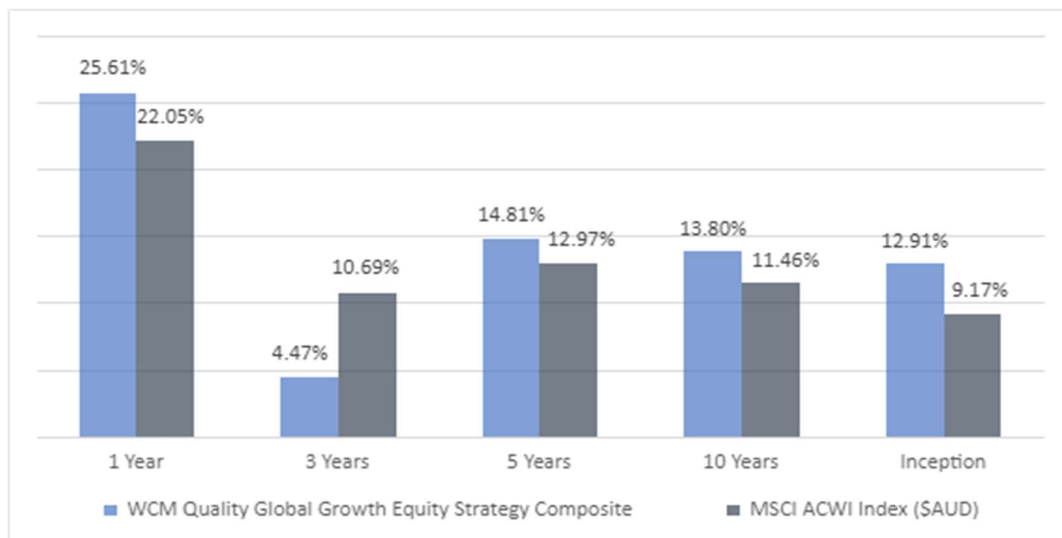
*WCM Quality Global Growth Equity Strategy Composite<sup>2</sup>*

WCM Quality Global Growth Equity Strategy Composite is WCM’s “large cap” strategy which delivered a return of 5.51% over the half-year period, outperforming its benchmark, the MSCI All Country World Index, by 0.67%.

The WCM Quality Global Growth Equity Strategy (ex-Australia) is accessible to Australian retail investors through the Group’s three investment products, being: a listed investment company, an exchange-traded managed fund, and an unlisted managed fund which offers both hedged and unhedged units.

Each investment product provides exposure to the same underlying portfolio of quality global companies managed by WCM.

Annualised returns of the WCM Quality Global Growth Equity Strategy Composite versus its benchmark are shown below<sup>2</sup>:



<sup>2</sup> Source: WCM. Data as at 31 December 2023 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Past performance is not indicative of future results. Returns for periods of more than one year are annualised. Inception date of the WCM Quality Global Growth Equity Strategy Composite is 31 March 2008. WCM applies the same investment principles, philosophy and execution approach of its WCM Quality Global Growth Equity Strategy Composite to WCM Global Growth Limited (WQG), the WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ) and the WCM Quality Global Growth Fund (Managed Fund). It should be noted that due to certain factors, there may be variances between the investment returns demonstrated by each portfolio in the future. Past performance is not indicative of future performance. The benchmark for WCM Quality Global Growth Equity Strategy Composite is the MSCI All Country World Index (MSCI ACWI Index). For further information please refer to [associateglobal.com](http://associateglobal.com).

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*WCM Global Growth Limited (WQG)*

WQG is an ASX listed investment company. During the reporting period, the pre-tax net tangible asset (NTA) value per share of the Company increased from \$1.47 as at 30 June 2023 to \$1.49 as at 31 December 2023. The increased NTA was after the payment of a 1.66 cents per share dividend (100% franked) paid on 29 September 2023 and a 1.68 cents per share dividend (100% franked) paid on 29 December 2023.

WQG has declared an increased FY2024 interim dividend of 1.72 cents per share to be paid on 29 March 2024, following which its present intention is to pay the following quarterly dividends, fully franked at a 30% tax rate :

- 1.74 cents per share for the quarter ending 31 March 2024, to be paid in June 2024;
- 1.76 cents per share for the quarter ending 30 June 2024, to be paid in September 2024;
- 1.77 cents per share for the quarter ending 30 September 2024, to be paid in December 2024; and
- 1.78 cents per share for the quarter ending 31 December 2024, to be paid in March 2025.

The increased fully franked FY2024 interim dividend and the WQG’s progressive quarterly dividend policy are important initiatives to add shareholder value as they will increase the amount and frequency of dividends and provide WQG shareholders with dividends sooner than would otherwise be the case.

*WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ)*

WCMQ is an exchange-traded managed fund. It has been well supported in the direct and intermediary channels and is approved for use on several leading wealth platforms.

On 31 December 2023, WCMQ’s FUM reached over \$315 million, growing by 6% from December 2022, predominantly due to improved market conditions and investment performance.

*WCM Quality Global Growth Fund (Managed Fund)*

The WCM Quality Global Growth Fund (Managed Fund) is accessible to retail investors via several wrap platforms.

The fund also has Class B units which are hedged back into Australian dollars to reduce the risk associated with exposure to international currencies. The Class B units have been awarded a ‘Recommended’ rating by a leading research house.

On 31 December 2023, the unhedged class of units had FUM of approximately \$86 million and the hedged class of units had FUM of approximately \$88 million, together representing growth in the WCM Quality Global Growth Fund (Managed Fund) by a combined total of \$5 million, up almost 3% from June 2023. Since 31 December 2023 to 20 February 2024, combined FUM has grown by approximately \$15m to \$189m.

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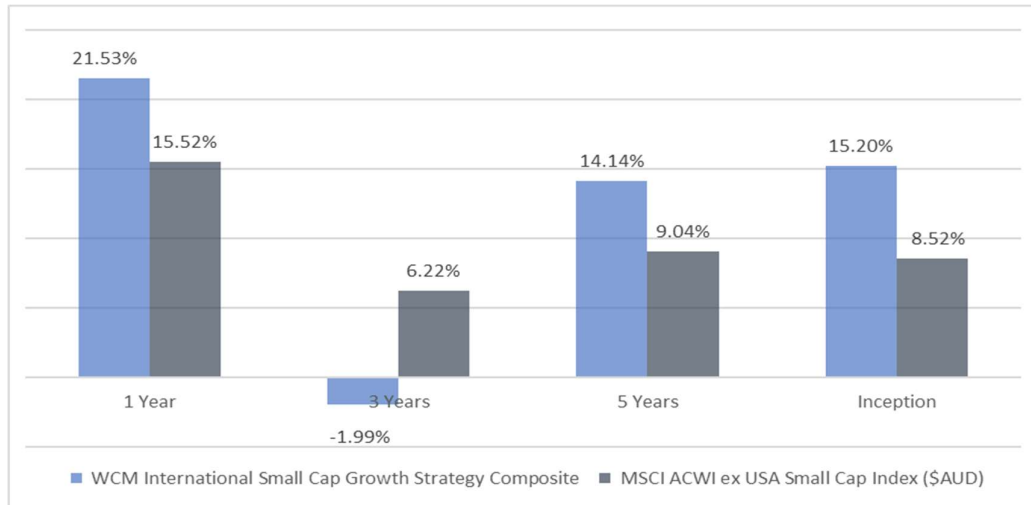


*WCM International Small Cap Growth Strategy Composite<sup>3</sup>*

The WCM International Small Cap Growth Strategy Composite delivered a return of 6.22% during the six-month period to 31 December 2023, outperforming its benchmark, the MSCI ACWI ex USA Small Cap Index, by 0.41%.

In March 2023, the WCM International Small Cap Growth Strategy was made available to retail investors through the issuance of a new Product Disclosure Statement.

Annualised returns of the WCM International Small Cap Growth Strategy Composite versus its benchmark are shown below<sup>3</sup>:



*WCM International Small Cap Growth Fund (Managed Fund)*

The WCM International Small Cap Growth Fund (Managed Fund) (WCMS) is a retail fund targeted at leading wealth managers and high net worth investors.

At 31 December 2023, WCMS had FUM of approximately \$70 million (30 June 2023: \$83 million), declining by 15% from June 2023 primarily due to client redemptions following difficult market conditions for small cap strategies.

During the reporting period, SQM Research affirmed a 'Superior' rating in the September 2023 quarter and Lonsec Research affirmed a rating of 'Recommended' in the December 2023 quarter. The 'Recommended' Rating indicates that Lonsec has strong conviction that WCMS can generate risk adjusted returns in accordance with its stated objectives.

These research ratings help to broaden the appeal of the Small Cap Growth Fund, including making it more accessible to investors by pursuing inclusion on various wealth management platforms to grow retail FUM in this product.

Woodbridge Capital

The Woodbridge Private Credit Fund (Woodbridge Fund) has continued to attract interest from both financial advisers and direct investors, capitalising on the significant investor interest in private credit strategies emerging in the market. The Woodbridge Fund was a positive contributor to the total FUM of the Company during the December 2023 quarter. There is also a healthy pipeline for future growth.

<sup>3</sup> Source: WCM. Data as at 31 December 2023 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Past performance is not indicative of future results. Returns for periods of more than one year are annualised. WCM applies the same investment principles, philosophy, and execution approach of its WCM International Small Cap Growth Strategy Composite, which was created 31 December 2014, to the WCM International Small Cap Growth Fund (Managed Fund). The benchmark for WCM International Small Cap Growth Strategy Composite is the MSCI ACWI ex USA Small Cap Index. For further information please refer to [www.associateglobal.com](http://www.associateglobal.com).

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The Woodbridge Fund is available via leading wealth management platforms, including Netwealth, Mason Stevens, HUB24, Powerwrap, BT Panorama, Macquarie Wrap and Praemium. SQM Research covers the Woodbridge Fund with a favourable rating.

For the 12 months to 31 December 2023, the Woodbridge Fund delivered an annualised return of 9.44%. The Woodbridge Fund has an objective of returning 6-8% above the RBA cash rate to investors over a 12-month period.

Vertium Asset Management

Since the announcement of the new distribution agreement with Vertium Asset Management (VAM) in June 2023, AGP has worked closely with VAM to distribute its Vertium Equity Income Fund (Vertium Fund) to the private wealth market, continuing to build on the strong growth of the VAM strategy to date. Pleasingly, the Vertium Fund was a positive contributor to FUM growth during the December 2023 quarter.

The Vertium Fund was awarded the Best Investment Manager in the Australian Equities Income category for the 2024 Money Magazine 'Best of the Best' Awards. The winners were announced at a Sydney awards event on 6 December 2023. Money Magazine's annual Best of the Best Awards recognises the leading financial product and service providers in Australia, designed to help Australians grow their personal wealth through the magazine's independent research and insights into the country's best-value providers.

VAM was previously awarded the Financial Standard Leadership Award in the Australian Equities Income Focused category in June 2023.

Vinva Investment Management

Following the announcement on 2 August 2023 that AGP had entered into a new distribution agreement with Specialised Private Capital Ltd (SPC) as the responsible entity for a new fund managed by Vinva Investment Management Limited (Vinva), the Company has been working closely with both SPC and Vinva to obtain the required product research and platform availability to allow for the broad distribution of the fund to the retail and wholesale market. The fund is due to be launched in early 2024.

THB Asset Management

Following the acquisition of Brookvine Pty Limited in April 2023, work continued to showcase the THB US Microcap Fund in the private wealth market. In October 2023, a national roadshow with Chris Cuesta, Chief Investment Officer of THB Asset Management was held. This has generated a solid pipeline for growth in the fund.

Switzer Product Suite

***Switzer Dividend Growth Fund (Quoted Managed Fund) (ASX:SWTZ)***

Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited and the fund has achieved a return of 5.74%, compared with the ASX 200 Accumulation Index benchmark return of 7.44%. Over the six months to 31 December 2023, the fund delivered a return of 4.36%, compared with the benchmark return of 7.57%.

Over the past 12 months, SWTZ has paid a distribution yield of 3.75% or 5.17% including franking credits. Distribution yield is calculated as the distributions received over the 12 months to 31 December 2023 relative to the SWTZ unit price at the beginning of the period.

Quality Retail Investor Base

As at 31 December 2023, total investors across AGP's product suite was 12,953 investors.

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Entitlement Offer

On 21 November 2023, the Company announced the successful completion of the fully underwritten, one for six pro-rata, non- renounceable entitlement offer (Entitlement Offer) at an offer price of \$0.20 per new share.

Pursuant to the Entitlement Offer, a total of 8,071,538 shares were issued raising \$1,614,000 before costs. Eligible shareholders applied for a total of 5,074,191 new shares under the Entitlement Offer (including the top up facility). The underwriter of the Entitlement Offer, Taylor Collison Limited and sub-underwriters took up the full amount of shortfall, being 2,997,347 shares. The sub-underwriters included directors of the Company.

The new shares issued under the Entitlement Offer rank equally with existing shares from issue. The new shares were issued on 24 November 2023 and commenced trading on the ASX on 27 November 2023.

The Company will use the proceeds raised from the Entitlement Offer to provide the additional regulatory capital required to execute on its strategic priority of growing FUM and to pay the costs of the

The Year Ahead

AGP's strategic priorities for the remainder of this financial year and into the next include continued growth in our partnerships with best of breed investment managers and providing products that capture investor interest.

The Group's future results will primarily reflect market movements and the Group's ability to grow and retain FUM across its expanding product range. This will be supported by a continued commitment to invest prudently in the growth of the business, its people, and capabilities, while maintaining a continued focus on cost control.

We believe with a rationalised and reinvigorated product suite and our focused effort on established managers and new partnerships, the Group is well positioned for accelerated growth in the future. We aim to increase annualised revenues with strict cost control and expect to reach positive cash flow and profitability in the near term.

Yours Sincerely



**Marty Switzer**

**Managing Director**

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## Associate Global Partners Limited and Controlled Entities

### Directors' Report

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The Directors of Associate Global Partners Limited (the Company) present their report on the Company and its controlled entities (the Consolidated Entity or the Group) for the half-year to 31 December 2023.

#### Directors

The following persons were Directors of the Company during the whole of the half-year to 31 December 2023 and up to the date of this report unless otherwise stated:

Nerida Campbell (Non-Executive Chair)

Martin Switzer (Managing Director & Chief Executive Officer)

Jason Billings (Non-Executive Director)

Ken Poutakidis (Non-Executive Director)

#### Principal Activities

The principal activity of the Group during the half-year was the provision of funds management services to retail and wholesale clients.

#### Review of financial results and operations

The Group's total revenue for the half-year to 31 December 2023 was \$3,115,000 (31 December 2022: \$2,539,000). The Group's net loss after tax for the half-year to 31 December 2023 was \$334,000 (31 December 2022: net loss after tax of \$1,147,000). Refer to the Managing Director's Report on page 5 for further information on the Group's operations, including details on the Group's results, strategy and future outlook.

#### Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the half-year ended 31 December 2023 other than those matters stated in this report and the half-year financial report.

#### Significant events after the balance date

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in future financial years.

#### Likely developments and expected results

Any further information on likely developments in the operations of the Group and the expected results of operations has not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

#### Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest thousand dollars (unless otherwise stated) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

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## Associate Global Partners Limited and Controlled Entities

### Directors' Report (continued)

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#### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 14.

This report is made in accordance with a resolution of the Directors.



Nerida Campbell  
Chair

Sydney  
22 February 2024

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GPO Box 2646 Sydney NSW 2001

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ey.com/au

## Auditor's independence declaration to the directors of Associate Global Partners Limited

As lead auditor for the review of the half-year financial report of Associate Global Partners Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Associate Global Partners Limited and the entities it controlled during the financial period.

Ernst & Young

Darren Handley-Greaves  
Partner  
22 February 2024

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## Associate Global Partners Limited and Controlled Entities

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<b>Revenue</b>			
Investment management fees		2,576	2,310
Other fees		410	164
Interest income		91	65
Other income		38	-
<b>Total revenue</b>		<b>3,115</b>	<b>2,539</b>
<b>Expenses</b>			
Employee benefit expenses		1,828	1,929
Corporate & administration expenses	3	938	818
Direct Fund expenses		444	608
Depreciation and amortisation expenses		116	57
Finance costs		74	54
Professional services expenses		49	220
<b>Total expenses</b>		<b>3,449</b>	<b>3,686</b>
<b>Net loss before income tax</b>		<b>(334)</b>	<b>(1,147)</b>
Income tax expense		-	-
<b>Net loss after tax</b>		<b>(334)</b>	<b>(1,147)</b>
<b>Other comprehensive income, net of income tax</b>			
Other comprehensive income		-	-
<b>Total comprehensive loss</b>		<b>(334)</b>	<b>(1,147)</b>
<b>Earnings per share attributable to the ordinary equity holders of the Company:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share		<b>(0.66)</b>	<b>(2.38)</b>

*The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.*

## Associate Global Partners Limited and Controlled Entities

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2023

	Note	31 December 2023 \$'000	30 June 2023 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		4,376	4,054
Trade and other receivables	4	2,041	2,003
Other financial assets		96	-
Other assets	5	262	318
Total current assets		<u>6,775</u>	<u>6,375</u>
<b>Non-current assets</b>			
Other financial assets		139	235
Property, plant and equipment		9	11
Right-of-use assets	6	381	494
Goodwill	7	5,979	5,979
Total non-current assets		<u>6,508</u>	<u>6,719</u>
<b>Total Assets</b>		<u><b>13,283</b></u>	<u><b>13,094</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	3,083	3,758
Provisions		300	292
Lease liabilities		177	206
Borrowings		750	155
Total current liabilities		<u>4,310</u>	<u>4,411</u>
<b>Non-Current Liabilities</b>			
Provisions		15	12
Lease liabilities		267	337
Borrowings		502	1,252
Total non-current liabilities		<u>784</u>	<u>1,601</u>
<b>Total Liabilities</b>		<u><b>5,094</b></u>	<u><b>6,012</b></u>
<b>NET ASSETS</b>		<u><b>8,189</b></u>	<u><b>7,082</b></u>
<b>EQUITY</b>			
Issued capital	9	152,011	150,555
Reserves		-	51
Accumulated losses		(143,822)	(143,524)
<b>Total equity</b>		<u><b>8,189</b></u>	<u><b>7,082</b></u>

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.



## Associate Global Partners Limited and Controlled Entities

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Half-Year Ended 31 December 2023

	Note	Issued Capital	Share Option Reserves	Accumulated Losses	Total
		\$'000	\$'000	\$'000	\$'000
<b>Equity - Balance at 1 July 2022</b>		<b>150,383</b>	<b>56</b>	<b>(141,539)</b>	<b>8,900</b>
Loss for the period		-	-	(1,147)	(1,147)
<b>Total comprehensive loss</b>		-	-	(1,147)	(1,147)
Issue of share capital		-	-	-	-
Transfer from share option reserve		101	(101)	-	-
Share based payment expense		-	144	-	144
<b>Balance at 31 December 2022</b>		<b>150,484</b>	<b>99</b>	<b>(142,686)</b>	<b>7,897</b>
<b>Equity - Balance at 1 July 2023</b>		<b>150,555</b>	<b>51</b>	<b>(143,524)</b>	<b>7,082</b>
Loss for the period		-	-	(334)	(334)
<b>Total comprehensive loss</b>		-	-	(334)	(334)
Issue of share capital (net of capital raising costs)		1,456	-	-	1,456
Transfer to/(from) accumulated losses		-	(36)	36	-
Performance rights cancellation payment		-	(28)	-	(28)
Share based payment expense		-	13	-	13
<b>Balance at 31 December 2023</b>		<b>152,011</b>	<b>-</b>	<b>(143,822)</b>	<b>8,189</b>

*The Condensed Statement of Changes in Equity is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.*

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## Associate Global Partners Limited and Controlled Entities

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the Half-Year Ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		6,692	5,181
Payments to suppliers and employees		(7,133)	(6,889)
Interest received		91	65
Finance costs paid		(62)	(51)
<b>Net cash flows from operating activities</b>		<b>(412)</b>	<b>(1,694)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(17)
Business acquisition		(455)	-
<b>Net cash flows from investing activities</b>		<b>(455)</b>	<b>(17)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(112)	(73)
Repayment of borrowings		(155)	(79)
Net proceeds from issue of share capital (net of capital raising costs)		1,456	-
<b>Net cash flows from financing activities</b>		<b>1,189</b>	<b>(152)</b>
<b>Net movement in cash and cash equivalents</b>		<b>322</b>	<b>(1,863)</b>
Cash and cash equivalents at the beginning of period		4,054	6,594
<b>Cash and cash equivalents at end of period</b>		<b>4,376</b>	<b>4,731</b>

*The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.*

## Associate Global Partners Limited and Controlled Entities

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### For the Half-Year Ended 31 December 2023

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##### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies adopted by Associate Global Partners Limited (the Company) and its controlled entities (the Consolidated Entity or the Group) in the preparation and presentation of the interim financial report. The accounting policies have been consistently applied, unless otherwise stated.

##### **(a) Basis of preparation of the interim financial report**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on the same date as the Directors' Declaration.

##### **(b) Comparatives**

Where necessary comparatives have been reclassified for consistency with current year disclosures.

##### **(c) Changes in significant accounting policies**

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2023. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2023 are the relevant policies for the purposes of comparatives.

##### **NOTE 2: DIVIDENDS**

No interim dividend has been declared or paid in respect to the half-year ended 31 December 2023 (31 December 2022: nil).

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## Associate Global Partners Limited and Controlled Entities

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the Half-Year Ended 31 December 2023

#### NOTE 3: CORPORATE & ADMINISTRATION EXPENSES

	31 December 2023 \$'000	31 December 2022 \$'000
Marketing and distribution expenses	276	192
Audit fees	86	137
Occupancy expenses	35	23
Legal expenses	133	72
Listing and registry expenses	25	37
IT, office and communication expenses	85	40
Insurance expenses	121	124
Other expenses	177	193
<b>Total corporate &amp; administration expenses</b>	<b>938</b>	<b>818</b>

For the half-year ended 31 December 2023, prior year comparatives for Professional services expenses totalling \$122,000 have been reclassified from Professional services expenses to Corporate & administration expenses.

Insurance expenses totalling \$124,000 have been reclassified from Other expenses to Insurance expenses within Corporate & administration expenses.

These reclassifications have been completed to align the disclosures for the half-year ended 31 December 2022 to the disclosures presented as at 30 June 2023 as this better reflects the category of the expenses incurred.

#### NOTE 4: TRADE AND OTHER RECEIVABLES

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Current</b>		
Trade receivables	308	1,240
Accrued income	1,198	313
Other receivable	535	450
<b>Total current trade and other receivables</b>	<b>2,041</b>	<b>2,003</b>

#### NOTE 5: OTHER ASSETS

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Current</b>		
Prepayments	262	318
<b>Total current other assets</b>	<b>262</b>	<b>318</b>

#### NOTE 6: RIGHT-OF-USE ASSET

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Leased office space</b>		
Right-of-use asset	808	808
Accumulated amortisation	(427)	(314)
<b>Total right-of-use asset</b>	<b>381</b>	<b>494</b>

#### a Movements in carrying amounts of right-of-use asset

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Opening balance at 1 July</b>	<b>494</b>	<b>208</b>
Additions	-	392
Amortisation	(113)	(106)
<b>Net carrying amount</b>	<b>381</b>	<b>494</b>

## Associate Global Partners Limited and Controlled Entities

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the Half-Year Ended 31 December 2023

#### NOTE 6: RIGHT-OF-USE ASSET (CONTINUED)

**a Movements in carrying amounts of right-of-use asset (continued)**

The Group leases an office space in Sydney, with a lease term of four years which commenced on 1 July 2020. The lease was subleased as an operating lease on 13 June 2023 until lease expiry as the Group has relocated. The Group's new office lease, with a lease term of three years, started on 1 August 2023, however, the Group exercised its early access option during the rent-free period from 16 June 2023.

The Group does not have any leases that contain variable lease payments.

**b AASB 16 related amounts recognised in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	31 December 2023 \$'000	31 December 2022 \$'000
Amortisation charge related to right-of-use asset	113	52
Interest expense on lease liabilities	12	3
	<u>125</u>	<u>55</u>

#### NOTE 7: GOODWILL

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Goodwill</b>		
At cost	8,636	8,636
Goodwill at cost-business combination Brookvine	1,173	1,173
Accumulated impairment loss	(3,830)	(3,830)
<b>Total goodwill</b>	<u>5,979</u>	<u>5,979</u>

**a Movements in carrying amounts of goodwill**

	Goodwill \$'000
Opening balance at 1 July 2023	5,979
Impairment loss	-
Closing balance at 31 December 2023	<u>5,979</u>

**b Impairment testing**

Goodwill acquired in a business combination is tested for impairment at least annually and when there is an indication that there may be impairment. The Group performed its annual impairment test in June 2023.

In assessing impairment, the Directors have compared the Group's carrying value of the cash generating unit at 30 June 2023 with the recoverable amount, being the cash generating unit's fair value less costs to sell, using a percentage of funds under management (FUM) approach. This approach used a multiple of between 1.2% to 1.4%, which is the same as last year. There has been no change in the valuation technique or methodology since the prior year. The FUM percentage is the midpoint of the 2022 range which was derived from trading data of comparable companies and transaction data from comparable company acquisitions that have occurred in the market.

The Directors have not identified any indicators for impairment since 30 June 2023 to require impairment as at 31 December 2023.

#### NOTE 8: TRADE AND OTHER PAYABLES

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Current</b>		
Trade payables	656	536
Other Payables - Brookvine Acquisition	341	890
GST payable	161	278
Accrued expenses	1,925	2,054
<b>Total current trade and other payables</b>	<u>3,083</u>	<u>3,758</u>

## Associate Global Partners Limited and Controlled Entities

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### For the Half-Year Ended 31 December 2023

##### NOTE 9: CONTRIBUTED EQUITY

Movements in ordinary share capital:

Details	Number of shares	\$'000
Opening balance at 1 July 2023	48,420,888	150,555
Issue of share capital (net of capital raising costs)	8,071,538	1,456
<b>Closing balance at 31 December 2023</b>	<b>56,492,426</b>	<b>152,011</b>

On 21 November 2023, the Company announced the successful completion of a fully underwritten, one for six pro-rata, non-renounceable entitlement offer at an offer price of \$0.20 per new share.

Pursuant to the entitlement offer, a total of 8,071,538 shares were issued raising \$1,614,000 before costs. Eligible shareholders applied for a total of 5,074,191 new shares under the entitlement offer (including the top up facility). The underwriter of the entitlement offer, Taylor Collison Limited and sub-underwriters took up the full amount of shortfall, being 2,997,347 shares. The sub-underwriters included directors of the Company.

The new shares issued under the entitlement offer rank equally with existing shares from issue. The new shares were issued on 24 November 2023 and commenced trading on the ASX on 27 November 2023.

##### NOTE 10: SHARE-BASED PAYMENTS

Movements in ordinary share capital:

Details	Number	Weighted Average Exercise Price \$
Performance rights outstanding as at 1 July 2023	130,000	-
Cancelled during the period <sup>1</sup>	(130,000)	0.21
<b>Closing balance at 31 December 2023</b>	<b>-</b>	<b>-</b>

1) 130,000 performance rights were cancelled based on mutual agreement between the holder and the Company in lieu of a gross cash payment. The cash payment was comparable to the closing price on the cancellation date.

##### NOTE 11: RELATED PARTY TRANSACTIONS

The Group has an existing marketing and distribution agreement with Switzer Financial Group Pty Limited incurring \$100,000 excluding GST for this service during the half-year to 31 December 2023 (31 December 2022: \$100,000 excluding GST). There were amounts outstanding of \$66,667 excluding GST as at 31 December 2023 (31 December 2022: \$Nil). Martin Switzer (Managing Director of Associate Global Partners Limited) has a financial interest in Switzer Financial Group Pty Limited.

##### NOTE 12: SEGMENT INFORMATION

The Group operates solely in the business of providing investment management services. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (CODM) for the single identified operating segment are the amounts reflected in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows. The CODM has been identified as the Managing Director and Chief Executive Officer.

##### NOTE 13: CONTINGENT LIABILITIES

The Group has no material contingent liabilities as at 31 December 2023 (30 June 2023: \$Nil).

##### NOTE 14: EVENTS OCCURRING AFTER BALANCE DATE

The Directors are not aware of any matter or circumstance which are not otherwise dealt with in the financial statements that have significantly, or may significantly, affect the operations of the Group, the results of its operations or the state of the Group in subsequent years.

# Associate Global Partners Limited and Controlled Entities

## DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2023

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In the Directors' opinion

- 1 the financial statements and notes, as set out on pages 15 to 22, are in accordance with the *Corporations Act 2001*, including:
  - a complying with Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - b giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- 2 there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Nerida Campbell  
Chair

Sydney  
22 February 2024

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working world**

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## **Independent auditor's review report to the members of Associate Global Partners Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Associate Global Partners Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible





for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in grey ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in grey ink that reads 'Darren Handley-Greaves'.

Darren Handley-Greaves  
Partner  
Sydney  
22 February 2024

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