

ASSOCIATE GLOBAL PARTNERS LIMITED (ASX: APL)

ASX Announcement

2024 Annual General Meeting

Monday, 11 November 2024 | 11:30AM

Chair's Address – Ms Nerida Campbell

FY2024 saw the return of more buoyant markets and improved market conditions. Following a challenging FY2023, it was promising to see renewed optimism in markets, with many indices experiencing new highs during FY2024. These stronger market conditions had a positive effect on the Company's total Funds Under Management (FUM) during the financial year.

Following the achievement of several significant milestones in the second half of FY2023 and the first half of FY2024, including the acquisition of Brookvine Pty. Ltd and new distribution agreements with Vertium Asset Management (Vertium) and Specialised Private Capital Ltd to distribute the Vinva Global Systematic Equities Fund managed by Vinva Investment Management, it was pleasingly to see this broader product suite contribute to FUM growth. In addition to these newer initiatives, the Company retained its significant focus on distribution and marketing activities to support WCM Large and Small Cap FUM growth throughout FY2024.

The Board was very pleased that these strategies contributed to modest growth in FUM in FY2024 which totalled \$1.292 billion as at 30 June 2024.

The stronger market conditions had a positive impact on the Company's investment and service fees in FY2024, resulting in a 7.9% improvement from FY2023. The Company's FY2024 net loss after tax decreased by 59.8% from that of the previous financial year, reflecting both business growth and strict cost control.

The Board does note that during the first quarter of FY2025, Magellan Financial Group Limited and Vinva Investment Management announced the establishment of a strategic partnership. As a result, the Distribution Agreement established with the Company to distribute Vinva funds ended on 31 October 2024. The cessation of this Arrangement will not have a material impact on AGP, with revenues from the Agreement accounting for only 4.8% of the Company's FY2024 revenue and less than 5% of the Company's expected revenue for FY2025. As part of the cessation of the Agreement, AGP will be paid a termination sum of \$300,000, plus continuation fees until the earlier of:

- the effective retirement by SPC as responsible entity of the Vinva Fund and the effective appointment of Magellan as the replacement responsible entity of the Vinva Fund; or
- the appointment of Magellan as the sole distributor of the Vinva Fund.

Despite this recent development, the Company is well positioned with a diversified product suite, with a view to further expanding the product offerings, to continue to grow FUM in the future.

To support the Company's growth strategy, a fully underwritten, one for six pro-rata, non-renounceable entitlement offer (Entitlement Offer) was undertaken in the first half of FY2024. The Company is using the majority of the proceeds raised from the Entitlement Offer to provide the additional regulatory capital that is required to achieve its strategic priority of growing FUM.

In addition to the growth initiatives that the Company undertook throughout the year, it also took further steps to review and rationalise its product suite, including the appointment of Vertium as Investment

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Manager of the Switzer Dividend Growth Fund, with the view to improve this fund's capital growth and income performance.

The important components that will secure the ongoing success of the Company are its product set and its marketing and distribution capability.

To support the expansion and diversification of the product suite, the Company further strengthened its distribution capabilities during the financial year, with several new appointments to the distribution team to build out its national capabilities. These senior appointments, to cover key markets such as New South Wales, Western Australia, South Australia and Victoria, further enhance the Company's ability to support its investment manager partners and grow FUM in the future.

The Company will continue to invest in and build the distribution capability needed to support its investment managers and its clients in the advised and self-directed market, and to grow FUM. The Board and management of the Company will also explore new revenue-accretive initiatives and other options to accelerate growth in the future.

I would like to thank the Company's Chief Executive Officer, Martin Switzer, and his management team for their drive and energy in delivering for our clients throughout the year. The Board remains focused on continuing the Company's growth trajectory into FY2025 and beyond.

I would also like to thank my fellow Directors for their oversight of the Company throughout the year, and our loyal shareholders for continuing to support our vision. Additionally, in August 2024, the Board was pleased to welcome Dr. Brett Cairns as a Non-executive Director, subject to the vote by shareholders here today. Dr Cairns has had a long and distinguished involvement in the financial services sector including in-depth knowledge of funds management. His skills and experience will further strengthen the Company Board in the future.

I would also like to thank my fellow Directors for their support and oversight throughout the year, and our loyal shareholders for continuing to support our vision.

Nerida Campbell
Chair

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