

# Net Tangible Assets & Monthly Investment Report

## Company commentary

- Global pandemic prompts historic market falls
- Australian Dollar hits a 17-year low against the US Dollar

The portfolio's value declined sharply during March as the coronavirus became a global pandemic, prompting the fastest bear market (classified as a fall of 20% or more) in the US market's history. All major equities markets declined heavily.

We discuss the portfolio's performance and prognosis more fully in the Quarterly Report.

We exited several short positions during the month, one of which was quick-service restaurateur Wendy's. Our initial thesis was that Wendy's operates in a highly competitive industry, struggles for growth, is highly indebted (both the firm and separately its franchisees), yet trades on a high

valuation. While we could not have foreseen the coronavirus and its impact on restaurant operations across the United States, Wendy's' poor fundamentals meant the stock was susceptible to economic disruption of any kind. We took advantage of Wendy's more than 50% fall during the month, exiting our position at just over \$8 a share.

The large fall in the value of the Australian Dollar (hitting a 17 year low over the quarter) facilitated us hedging a higher proportion of our portfolio back to Australian Dollars. This will benefit the portfolio under a scenario of an Australian Dollar medium/ long term recovery. The portfolio is now approximately 30% exposed to the Australian Dollar.

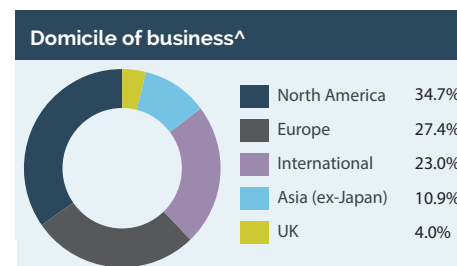
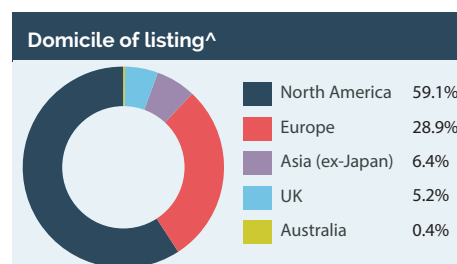
Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited) <sup>1</sup>	March 2020	Company performance (net of fees) <sup>4</sup>						
		1 Month	1 Year	3 Years p.a.	5 Years p.a.	Since inception p.a.	Total Return	
NTA before tax accruals <sup>2</sup>	\$ 1.0387							
NTA after tax (excluding deferred tax assets <sup>3</sup> )	\$ 1.0014							
		PM Capital Global Opportunities Fund	-21.5%	-12.4%	1.5%	3.0%	6.7%	50.4%

1. Past performance is not a reliable indicator of future performance. 2. NTA before tax accruals does not include franking credits. Franking credits per share are \$0.053. 3. Net Tangible Assets (NTA) after tax (including deferred assets) is \$1.0747. The disclosure format of NTA has been updated in accordance with a change to ASX Listing Rule 19.12 "Interpretation and definitions", which became effective on 31 March 2020. 4. Performance adjusted for capital flows including those associated with the payment of dividends and tax, share issuance as a result of option exercise and the dividend reinvestment plan, and including the value of franking credits.

Portfolio investments	Weighting <sup>^^</sup>	Current stock example
Housing - Ireland and Spain	8.2%	Cairn Homes
Global Domestic Banking	27.4%	Bank of America
Service Monopolies	12.4%	Visa
Gaming - Macau	7.3%	MGM China holdings
Alternative Investment Managers	13.4%	KKR & Co.
Industrial - Europe	5.9%	Siemens
Materials	6.5%	Freeport-McMoRan Copper
Other	12.3%	
<b>Long Equity Position</b>	<b>93.4%</b>	
Short Equity Position	-4.5%	
Net Invested Equities	88.9%	
Total holdings	42	

Currency exposure <sup>^^^</sup>	
USD	55.5%
AUD	31.0%
EUR	6.9%
GBP	5.0%
HKD	1.9%
CAD	-0.3%



<sup>^</sup> 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office, whereas 'Domicile of business' represents the location of the predominant business of those entities.

<sup>^^</sup> Quoted before tax liability on unrealised gains.

<sup>^^^</sup> Stated as effective exposure.

PM Capital Limited (‘the Manager’), founded in 1998, is a leading Australian based fund manager that has successfully achieved its goal of building long term wealth for its clients by investing in global markets with patience and conviction.

#### Company profile

The PM Capital Global Opportunities Fund Limited (ASX:PGF, ACN 166 064 875), which began trading of the ASX on 12 December 2013, provides investors with an opportunity to invest in global equities via an Australian Securities Exchange (ASX) listed investment company.

Managed by PM Capital (AFSL 230222), the aim is to create long term wealth through a concentrated portfolio of around 40 global companies that it believes are trading at prices different to their intrinsic values.

PM Capital has been operating its global investment strategy via an unlisted fund since October 1998. This unlisted fund's performance adjusted to reflect PGF's fee structure has produced a total pre-tax return of 514% vs the MSCI World Net Total Return Index (AUD) of 169% to 31 March 2020.

#### Manager's comparable track record



#### Who manages the Company's portfolio?

The Portfolio Manager for the Fund and CIO is Paul Moore. Paul is supported by a team of experienced investment analysts.

#### Investment philosophy

PM Capital aims to build long term wealth together with our co-investors by finding

and exploiting investment anomalies around the world. Using a focused, patient and considered approach to finding simple investment ideas produces the best environment for creating that long term wealth.

Our experience has shown us that while the market is largely efficient, it can, and regularly does, misprice a small proportion of companies. Our unique process is based on scanning the world for those companies (hence the radar in our logo), discovering the associated valuation anomalies and extracting value from them. We buy good businesses at a good price; businesses that we believe are being valued differently to their long term intrinsic value, but will return to their correct value over time.

#### Why the PM Capital Global Opportunities Fund Limited?

**Established:** The Company's process has been shown to be effective, based on a philosophy developed by Paul Moore, over 34 years.

**Unrestricted:** We have an authentic investment process where our exposure to countries, industry sectors or market capitalisation is determined solely by our conviction in the risk/reward opportunities that we identify in individual stocks. No conviction at the stock level = no investment.

**Opportunistic and focused:** The Company's portfolio is not built around a general market benchmark or index - it is highly focused based on our fundamental, bottom-up investment process. The portfolio only holds those stocks that we believe give the best opportunity to produce strong long term returns.

**Co-investment:** The Manager has a significant investment in the Company - it invests with and for you.

#### Key Company Details

##### ASX Code

PGF

##### ACN

166 064 875

##### Trading commenced

12 December 2013

##### Shares on issue

354,175,578

##### Category

Global equities (long/short)

##### Investment style

Fundamental, bottom-up, research-intensive approach

##### Number of stocks

As a guide, around 40 globally listed equities.

##### Suggested investment time

Seven years plus

##### Investor profile

PGF may be appropriate for investors seeking to profit from long-term capital growth over an investment horizon of seven years or longer, through investment in a concentrated portfolio of global (including Australian) equities and other investment securities.

#### Important Notice

PM Capital Global Opportunities Fund Limited ACN 166 064 875 (PGF) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in PGF. Nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of PGF and conduct its own investigations and analysis. Past performance is not a reliable indicator of future performance. All positions are reported net of all liabilities including tax. See the ASX Company Announcements platform at [www.asx.com.au](http://www.asx.com.au) for further information. Announcement authorised by: Benjamin Skilbeck - Director

#### Further Information

[www.pmcapital.com.au](http://www.pmcapital.com.au) T: +612 8243 0888 E: [pmcapital@pmcapital.com.au](mailto:pmcapital@pmcapital.com.au)

#### Share Registry Enquiries

[Boardroom Pty Limited](http://Boardroom Pty Limited) T: 1300 737 760 E: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

#### Address:

Level 27, 420 George Street, Sydney NSW 2000, Australia