

11 November 2020

Attention: Company Announcements  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

**By:** E-Lodgement

**ANNUAL GENERAL MEETING**  
**ADDRESS BY THE CHAIRMAN: MR CHRIS KNOBLANCHE**

**TRANSCRIPT STARTS**

Welcome to the 2020 Annual General Meeting of the PM Capital Global Opportunities Fund Limited.

It should go without saying that the global environment within which the Company has been operating the past several months, and remains exposed to today, is unprecedented on a number of fronts, most particularly that associated with the COVID-19 pandemic. Not only has COVID-19 upended personal lives having major effects on the health, wellbeing and freedom of movement for the global population, it also had a profound impact on the real economy, financial markets and fiscal and monetary policy.

In the short term, COVID-19 and the resulting fiscal and monetary response has generated severe movements in stocks and markets. Among these movements, the Investment Manager observes an exacerbation of valuation disparities, now at record levels, between sectors of the market. It is this valuation disparity which the Investment Manager believes represents profound long term investment opportunities.

I would refer you to the various commentaries published by the Investment Manager in recent times, and would like to reiterate a key message which I found pertinent. That being, the sources of returns over the course of the next 10 years is most likely to be very different to that of the prior 10 years.

Our Investment Manager, PM Capital Limited, has a history of generating strong long-term returns through the consistent application of its philosophy which is centred on:

- finding genuine long term investment anomalies;
- patience in dealing with short-term price action; and
- alignment with its investors.

Immediately following the official business of this meeting, Paul Moore (Portfolio Manager for the Company and Chief Investment Officer of PM Capital) is available to answer questions on the portfolio, and his views on the market outlook generally.

For the year ended 30 June 2020, the Company reported a loss after tax of (\$18.7) million. However, taxable income for the year was \$25.6 million – driven by \$22.2 million of realised gains on sale of securities and \$8.7 million of dividends.

The Company paid a final dividend on 8 October 2020 of 2.5 cents per share fully franked. This represented a 25% increase over last year's final dividend. Together, this final dividend and the interim dividend represent an attractive gross dividend yield of 7.0%<sup>1</sup>.

Over the year the Board has remained conscious of the discount to NTA at which the Company's shares (and the International Equities LIC sector in general) have been trading and were constantly considering the merits of various capital initiatives. Consistent with prior communications, we reiterate that capital initiatives must be undertaken prudently and with due consideration to the production of positive short and long term outcomes for the Company and its shareholders.

To give our shareholders more choice in realising some of the value of the Company, the Company undertook an Equal Access Buy Back Offer for 5% of each shareholder's shares at a 5% discount to the after-tax NTA.

We appreciated shareholders' support of this capital management initiative.

During the year the Investment Manager continued to actively promote the Company through interaction with stockbrokers, financial planners and researchers. In addition, it continues to focus on communications and engagement with the market generally. Numerous portfolio manager insight and portfolio positioning articles and reports have been made available for investors through the year.

It is important to highlight that co-investment has always been, and remains, fundamental to the Investment Manager's belief of the importance of alignment with investors for whom they are managing money. The Investment Manager (and its associates and related parties) remain a substantial shareholder of the Company and are unquestionably aligned with shareholders towards generating appropriate investment returns and reducing the trading discount.

Before I finish my address, it is important to highlight the Company's stated objective is:

*"to provide long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of global (including Australian) equities and other investment securities which the Manager considers to be undervalued."*

During the previous financial year and continuing today, there exists extreme disparity in valuations between different types of business. This is a rare phenomena and the Investment Manager is deliberately positioned in those depressed value and cyclical opportunities that it believes are now in the very early stages of being recognised by the market. This is consistent with the Investment Manager's belief that markets are facing a major secular shift in the types of businesses that will generate appropriate returns over the next decade.

Accordingly, we believe that the Company is positioned to avail shareholders of the Investment Manager's long term philosophy and market insights.

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<sup>1</sup> Based on latest final and interim dividends including franking and using the 31 July 2020 closing share price of \$0.92.

Finally, I would like to take this opportunity to thank shareholders for your continued support for the Company.

Thank you.

**TRANSCRIPT ENDS**

Yours faithfully

**PM Capital Global Opportunities Fund Limited**

  
Richard Matthews  
Company Secretary