

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 BRETT SPORK

TRANSCRIPT STARTS

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

As reported in our Annual Report, the COVID-19 pandemic combined with the ever twisting and turning US/China trade dispute presented a challenging and unprecedented operating environment for the Company over the course of the 2020 financial year. Not only has COVID-19 dramatically effected 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.

Despite COVID-19, and its resulting public lockdowns and the like, I can confirm to shareholders that the work of the company, and that of its Investment Manager, has continued un-interrupted.

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, and that the markets over the next 10 years are most likely to be very different to that of the prior 10 years.

Underlying Investment performance over the year ended 30 June 2020 was negative -10.8%¹ in an environment where the broader MSCI All-Country Asia ex Japan Net Total Return Index (in Australian dollar terms) experienced a modestly positive return of +3.6% and the local S&P/ASX200 Accumulation Index declined -7.7%. This resulted in a loss after tax of \$4.2 million for the year ended 30 June 2020. Despite this loss, the Company received dividends and realised gains on the sale of a number of its investments which were the primary drivers of taxable income for the year, being \$1.0 million.

The Investment Manager considers that many of the stocks and sectors within the portfolio are continuing to sell at near record relative valuation discounts and therefore remain compelling long-term opportunities. Recent stock price movements may indicate that we are starting to see the early stages of markets rotating

1 Before tax, after all fees and expenses, adjusted for capital flows associated with the payment of dividends, share issuance as a result of the dividend reinvestment plan, and including the value of franking credits.

from expensive large cap momentum stocks toward value stocks. The Company's NTA before tax has grown 9.75% since 30 June through to the end of October.

Immediately following the official business of this meeting, the Portfolio Manager, Mr Kevin Bertoli will take questions on portfolio performance, insights into the market, and current investment positioning.

Despite having adequate franking credits, the Company had insufficient retained earnings to enable the franking of a final dividend. As such, the Board determined to not declare a final dividend. The ability to recommence the Board's policy of paying fully franked semi-annual dividends will require an increase in the retained earnings of the Company and is subject to financial conditions, future prospects and other factors, on a forward-looking basis.

Being aware that not receiving a dividend would have an impact on shareholders, and also being conscious of the discount to NTA at which the Company's shares (and the International Equities LIC sector in general) have been trading, the Company undertook an Equal Access Buy Back Offer for 5% of each shareholder's ordinary shares priced at a 5% discount to the after-tax NTA (excluding deferred tax assets).

We appreciated shareholders' support of this capital management initiative.

During the year the Investment Manager has continued to actively promote the Company. 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.

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 Asian Opportunities Fund Limited



Richard Matthews
Company Secretary