



28 October 2021

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Off-Market Takeover Bid for PM Capital Asian Opportunities Fund Limited

In accordance with section 633(1) item 8 of the Corporations Act, WAM Capital Limited (ASX: WAM) (**WAM**) gives notice that it has today completed the despatch of its bidder's statement and offers (**Bidder's Statement**) in relation to its off-market takeover bid for shares in PM Capital Asian Opportunities Fund Limited (ACN 168 666 171) (ASX: PAF) (**PAF**).

The offer is dated 28 October 2021.

A copy of the Bidder's Statement as sent to PAF's shareholders was announced via ASX, lodged with the Australian Securities and Investments Commission, and sent to PAF on 14 October 2021. A copy of the Bidder's Statement is enclosed together with all additional information sent to PAF Shareholders today.

WAM's offer is now open for acceptance and WAM encourages PAF shareholders to accept the offer as soon as possible.

WAM's offer is scheduled to close on 29 November 2021, unless extended or withdrawn.

Yours faithfully,

Geoff Wilson AO
Chairman



28 October 2021

Dear PAF Shareholders,

WAM Capital Limited (ASX: WAM) is pleased to provide you with this Offer pack, outlining WAM's intention to acquire up to 100% of PM Capital Asian Opportunities Fund Limited's (ASX: PAF) Shares.

WAM does not support the Scheme and will vote against

WAM does not support the proposed scheme of arrangement announced on 15 September 2021 to merge PAF with PM Capital Global Opportunities Fund Limited (ASX: PGF) (**Scheme**). Should the Scheme progress and if WAM is entitled to vote at PAF's Scheme shareholder meeting, WAM will vote against implementing the Scheme.

If you accept the WAM Offer (even while it remains subject to defeating conditions), you are appointing WAM as your attorney to vote at any PAF Shareholder meeting (see Offer pack section 1.8 and Schedule 1 clauses 8.9(f) and 8.9(g)). WAM will vote all shares accepted into the Offer against the Scheme.

The Offer is scheduled to close at 7:00pm (Sydney time) on 29 November 2021, unless extended or withdrawn.

I encourage you to read the Offer pack for more details about the Offer and about WAM. If you have any questions, please call me on 02 9247 6755 or Head of Operations Martyn McCathie on 0433 312 603. For inquiries related to your personal financial situation please contact your legal, financial or other professional adviser.

Yours sincerely,
WAM Capital Limited

Geoff Wilson AO
Chairman



W | A | M Capital

*The most compelling undervalued growth opportunities
in the Australian market.*

Bidder's Statement

This is an important document and requires your immediate attention.
If you are in any doubt as to how to deal with it, you should consult your
financial or other professional advisor.

Offer of 1 WAM Share for every 1.99 of your PAF Shares.

Offer to acquire all the ordinary shares in

PM Capital Asian Opportunities Fund Limited (ASX: PAF)

(ACN 168 666 171)

By

WAM Capital Limited (ASX: WAM)

(ACN 086 587 395)

To accept the Offer please complete the enclosed Acceptance Form and use the enclosed reply-paid envelope to return the completed Acceptance Form to us or contact your Broker. The Offer is dated 28 October 2021 and will expire at 7.00pm (Sydney time) on 29 November 2021 (unless withdrawn or extended). ASIC takes no responsibility for this Bidder's Statement.

Important Information

Key dates

Event	Date
Date of Bidder's Statement	14 October 2021
Despatch of Bidder's Statement and Offer opens (date of Offer)	28 October 2021
Date of Offer Conditions notice	19 November 2021
Close of Offer*	29 November 2021

*This date is indicative only and may be changed as permitted by the Corporations Act.

Bidder's Statement and Offer

This is a Bidder's Statement dated 14 October 2021 given by WAM to PAF and each holder of PAF Shares under Part 6.5 of Chapter 6 of the Corporations Act. This Bidder's Statement was approved by a unanimous resolution of the WAM Board. It includes an Offer for PAF Shares dated 28 October 2021. The Offer extends to PAF Shares on issue on 20 October 2021 and any PAF Shares issued during the Offer Period.

All forward-looking statements attributable to WAM, or persons acting on behalf of WAM, are expressly qualified in their entirety by the cautionary statements in this Section. Except as expressly required by the Corporations Act, WAM makes no undertaking to publicly update or revise any forward-looking statements provided in this Bidder's Statement, whether as a result of new information, future events or otherwise, or the list of risks affecting this information.

ASIC and ASX

A copy of this Bidder's Statement was lodged with ASIC and the ASX on 14 October 2021. The ASX, ASIC and their officers take no responsibility for the contents of this Bidder's Statement.

None of WAM, the WAM Directors, any person named in this Bidder's Statement or any other person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law.

Investment decision

This is an important document. This Bidder's Statement does not take into account the individual investment objectives, financial situation or any particular needs of each PAF Shareholder or any other person. PAF Shareholders should seek independent financial and taxation advice before deciding whether or not to accept the Offer.

Distribution outside Australia

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

Disclaimer

Except for historical information contained in this booklet, there may be matters discussed in this Bidder's Statement that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Forward-looking statements, which are based on assumptions and estimates and describe WAM's future plans, strategies and expectations, are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'expect', 'intend', 'seek' or similar expressions. PAF Shareholders are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Those risks and uncertainties include factors and risks specific to the industry in which WAM and PAF operate as well as general economic conditions and prevailing exchange rates and interest rates. Actual events or results may differ materially.

Important notice to US shareholders

This Bidder's Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States (US). The securities described herein have not been, and will not be, registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold, directly or indirectly, to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. This Bidder's Statement may not be forwarded, distributed or reproduced in whole or in part in any jurisdiction where it would be unlawful, including the United States.

The Offer is made for the shares of an Australian registered company. It is important that US shareholders understand that the Offer is subject to disclosure requirements in Australia that are materially different from those in the US. US shareholders should be aware that, subject to the Corporations Act, WAM may purchase PAF Shares otherwise than under the Offer,

such as in open market during or after the Offer Period or privately negotiated purchases after the end of the Offer Period.

Notice to all other Foreign Shareholders outside the US

The Offer and this Bidder's Statement are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offer do not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

Defined terms

Defined terms are capitalised throughout this Bidder's Statement. Definitions of these terms are set out in Section 12. Unless the contrary intention appears, the context requires otherwise, or words are defined in Section 12, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Sources of information

Information included in this Bidder's Statement relating to PAF and its business has been derived solely from publicly available sources published by PAF, including its annual reports and PAF's announcements to the ASX and on its website.

Subject to the foregoing and to the maximum extent permitted by law, WAM, the WAM Directors, each person named in this Bidder's Statement and each other person involved in the preparation of this Bidder's Statement disclaim all liability for any information concerning PAF included in this Bidder's Statement. PAF Shareholders should form their own views concerning PAF from publicly available information.

Privacy statement

WAM has collected information from the register of PAF Shareholders. The Corporations Act permits information to be made available to certain persons, including WAM. Your information may also be disclosed on a confidential basis to WAM's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. You can contact us for details of information held by us about you.

Directory

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WAM Board

Geoff Wilson AO (Chairman)
Kate Thorley
Dr Philippa Ryan
James Chirnside
Lindsay Mann
Matthew Pancino

Company Secretary

Linda Kiriczenko (co-Company Secretary)
Jesse Hamilton (co-Company Secretary)

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Chairman's letter

Dear PAF Shareholders,

WAM Capital Limited (ASX: WAM) intends to acquire up to 100% of PM Capital Asian Opportunities Fund Limited's (ASX: PAF) Shares through the Offer outlined in this Bidder's Statement.

WAM Superior Offer

Based on WAM's 13 October 2021 share price of \$2.38, adjusted for the 7.75 cents per share fully franked final dividend payable on 29 October 2021, the Offer represents \$1.157 of implied value for PAF Shareholders. The implied value represents:

- a 7.1% premium to PAF's 8 October 2021 after-tax NTA;
- a 6.6% premium to the closing price of PAF Shares on the trading day before the date of this Bidder's Statement of \$1.085;
- a 5.7% premium to the implied value under the Scheme (see below); and
- a 5.2% premium to PAF's 8 October 2021 pre-tax NTA.

For further information see Section 11 of this Bidder's Statement.

PAF Directors believe PAF does not have a viable Future

The announcement of the proposed Scheme between PAF and PGF indicated that PAF Directors believe the company does not have a viable future as a listed investment company and as such, are now tasked with presenting PAF Shareholders with the most compelling exit opportunity. PAF's Directors have not undertaken a public or transparent process designed to elicit proposals that achieve a fair and equitable outcome for all PAF Shareholders.

A superior exit opportunity with WAM

WAM's Offer to acquire 100% of PAF Shares on superior terms to the opposed Scheme provides a meaningful choice for PAF Shareholders and their investments. Following acceptance of WAM's superior proposal, PAF Shareholders have the option to:

- remain a WAM Shareholder; or
- utilise WAM's superior on-market liquidity to exit your position at a premium to net tangible asset (NTA) backing.

The Offer allows PAF Shareholders to exit their PAF Shares by acquiring **1 WAM Share for every 1.99 PAF Shares** held. In the event that the Scheme Break Fee is removed, WAM's intention is to increase its Offer to **1 WAM Share for every 1.975 PAF Shares**.

PAF Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares.

Acquiring WAM Shares provides access to Wilson Asset Management's proven investment expertise and market-leading commitment to shareholder engagement, as well as WAM's diligent investment approach, which focuses on identifying undervalued growth companies with a catalyst and has led to strong investment portfolio outperformance since inception, greater market capitalisation, on-market liquidity, and a lower management expense ratio.

Competing inferior offer

PM Capital Global Opportunities Fund Limited – scheme of arrangement

As announced 15 September 2021, PAF entered into a Scheme Implementation Deed with PM Capital Global Opportunities Fund Limited (ACN 166 064 875) (PGF) (**Scheme Implementation Deed**) under which PGF and PAF agreed to merge by means of a scheme of arrangement under Part 5.1 of the Corporations Act (**Scheme**).

Based on the 8 October 2021 scheme exchange ratio of 0.7152 and the PGF closing share price of \$1.53 per share on 13 October 2021, the Scheme represents \$1.094 per share of implied value for PAF shareholders.

The implied value represents a 0.5% discount to PAF's 8 October 2021 pre-tax NTA and a 0.9% premium to the PAF closing share price of \$1.085 per Share 13 October 2021.

Offer benefits both WAM Shareholders and PAF Shareholders

WAM employs both a research-driven investment process focused on undervalued growth companies and a market-driven investment process that seeks to invest in discounted assets and market mispricing opportunities.

As a result of WAM's share price premium to its NTA backing, WAM's Offer provides the dual benefit of being accretive to WAM's pre-tax NTA while still delivering PAF Shareholders the benefits of the attractive premium as set out above.

Conditions of the Offer

The Offer is subject only to the following Defeating Conditions as summarised below. PAF Shareholders are reminded that this is a summary only – please refer to Schedule 1 clause 8 for full detail on the Conditions to the Offer:

- a) before the end of the Offer Period, WAM has a Relevant Interest in at least 50.1% (by number) of PAF Shares;
- b) the merger of PAF and PGF by way of Scheme as announced on 15 September 2021 does not progress (see also Section 1.8 and Section 1.21);
- c) between the date of this Bidder's Statement and the end of the Offer Period there is no:
 - a. regulatory action which materially affects the Offer;
 - b. change to the current Investment Management Agreement;
 - c. Prescribed Occurrence;
 - d. material adverse change to the assets, liabilities, financial position, performance, profitability or prospects of PAF and/or its Subsidiaries;
 - e. change to PAF's ordinary course of business (constitution or board changes, encumbering assets);
 - f. superior alternative proposal announced, noting that the Scheme as announced on 15 September 2021 is not a superior alternative proposal to the Offer - see Section 1 for details;
 - g. removal of PAF from the official list of the ASX;
 - h. Material Transaction;
 - i. Material Litigation;
 - j. person other than WAM or its associates gaining or increasing their voting power in PAF by 5% or more
- d) the pre-tax NTA of PAF does not decline by 5% or more below the pre-tax net NTA of PAF of 1.10 per share, announced to the ASX on 27 September 2021;
- e) the S&P/ASX All Ordinaries Accumulation Index does not close at a level that is 5% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to the Announcement Date and remaining at or below that level for at least two consecutive trading days;

The Offer is scheduled to close at 7:00pm (Sydney time) on 29 November 2021.

I encourage you to read this Bidder's Statement for more details about the Offer and about WAM. If you have any questions, please call me on 02 9247 6755, Wilson Asset Management's Chief Financial Officer Jesse Hamilton on 0401 944 807 or Head of Operations Martyn McCathie on 0433 312 603. For inquiries related to your personal financial situation please contact your legal, financial or other professional adviser.

Yours faithfully,



Geoff Wilson AO
Chairman

Summary of the Offer

The information set out below is only a summary of the Offer. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

The Offer	WAM is offering to acquire all of your PAF Shares. See Section 2 for information relating to WAM.
Offer Consideration	You are being offered 1 WAM Share for every 1.99 PAF Shares you own. In the event that the Scheme Break Fee imposed is removed, WAM's intention is to increase its Offer to 1 WAM Share for every 1.975 PAF Shares you own.
Closing date	The Offer is scheduled to close at 7:00pm (Sydney time) on 29 November 2021 (but it may be extended).
Offer Conditions	The Offer is subject to the conditions (Defeating Conditions) detailed at clause 8.1 of Schedule 1 of this Bidder's Statement, and also summarised in the Chairman's letter included in this Bidder's Statement and Section 1.7.
Settlement terms	<p>If you accept this Offer, WAM will, in the usual course, issue the WAM Shares to which you are entitled on or before the earlier of:</p> <ul style="list-style-type: none">a) the day one month after you accept this Offer or, if the Offer is subject to Conditions when accepted, one month after the contract resulting from your acceptance becomes unconditional; andb) the day 21 days after the end of the Offer Period. <p>Full details of when you will be issued the consideration are set out in Schedule 1. It is WAM's intention, however, to issue the Offer Consideration within seven days of the end of the Offer Period (provided that the Offer is then unconditional).</p>
How to accept the Offer	<p>CHESS Holdings</p> <p>If your PAF Shares are held in a CHESS Holding, to accept the Offer you must either:</p> <ul style="list-style-type: none">a) instruct your controlling participant (usually your Broker) to accept the Offer on your behalf; orb) complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it. <p>Issuer Sponsored Holdings</p> <p>If your PAF Shares are held through an Issuer Sponsored Holding, to accept the Offer you must complete, sign and return Acceptance Form in accordance with the instructions contained within it. Signed Acceptance Forms must be received before the end of the Offer Period at:</p> <p>By mail: PM Capital Asian Opportunities Fund Limited Takeover C/- Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001</p> <p>Hand delivered: Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000</p> <p>A reply-paid envelope is enclosed. If you wish to sell your PAF Shares on-market, please contact your Broker.</p>

No stamp duty	You will not pay any stamp duty on accepting the Offer.
No brokerage	<p>If you have an Issuer Sponsored Holding on acceptance of the Offer you will exchange your PAF Shares for WAM Shares without incurring brokerage fees.</p> <p>If your PAF Shares are registered in a CHESS Holding, you will generally not incur any brokerage fees in accepting the Offer (although you should ask your Controlling Participant, normally your broker, to confirm).</p> <p>If you sell your PAF Shares on the ASX instead of accepting the Offer, you may incur brokerage fees (and potentially GST on those fees).</p>
What to do next?	<p>You should read this Bidder's Statement in its entirety before deciding whether or not you will accept the Offer for your PAF Shares.</p> <p>If you wish to accept the Offer, please see Schedule 1 of this Bidder's Statement.</p>
Further information	For questions about your PAF Shares, the Offer, or how to accept the Offer please refer to the remainder of this Bidder's Statement. If you have any questions, please call Chairman Geoff Wilson AO on 02 9247 6755, Wilson Asset Management's Chief Financial Officer Jesse Hamilton on 0401 944 807 or Head of Operations Martyn McCathie on 0433 312 603.
Offers to Foreign Shareholders	<p>If you are a Foreign Shareholder, unless WAM otherwise determines that:</p> <ol style="list-style-type: none"> it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with WAM Shares on acceptance of the Offer; and it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia and its external territories, <p>you will not be entitled to receive WAM Shares as consideration for your PAF Shares.</p> <p>If you are a Foreign Shareholder and you accept the Offer, or your PAF Shares are compulsorily acquired, you will not receive WAM Shares. Instead, you will receive the cash amount calculated under clause 7.3 of Schedule 1 as part of the Nominee sale process explained in Section 11.11.</p> <p>Further information about the entitlement of a Foreign Shareholder is set out in Section 11.11.</p>

The above information is a summary only of key elements of this Bidder's Statement. PAF Shareholders should read this Bidder's Statement in its entirety before making any decision in relation to the Offer.

The Offer provides two significant benefits to all PAF Shareholders

1. A highly attractive premium

The Offer Consideration is 1 WAM Share for every 1.99 PAF Shares you own. This represents a highly attractive premium over the historical market price of PAF Shares.

As announced 15 September 2021, PAF entered into a Scheme Implementation Deed with PM Capital Global Opportunities Fund Limited (ACN 166 064 875) (**PGF**) (**Scheme Implementation Deed**) under which PGF and PAF agreed to merge by means of a scheme of arrangement under Part 5.1 of the Corporations Act (**Scheme**). The Scheme Implementation Deed provides for a mutual break fee of \$500,000 payable by each of PAF and PGF to the other in certain circumstances under which the Scheme does not proceed (**Scheme Break Fee**). As associates with a common investment manager, the cost, effort or risk involved for PAF and PGF in proposing the Scheme is minimal, and in these circumstances, the Scheme Break Fee should not have been agreed between PAF and PGF. WAM has encouraged PGF and PAF to remove the Scheme Break Fee by mutual agreement and if it is removed, WAM's intention is to increase its Offer to 1 WAM Share for every 1.975 PAF Shares, representing an additional implied value of 0.9 cents per PAF Share you own.

PM Capital Limited (ACN 083 644 731) (**PAF Manager**) is the investment manager for both PAF and PGF, and PGF presently holds a 19.9% shareholding interest in PAF.

WAM does not support the proposed Scheme. WAM's Offer is a superior alternative proposal to the proposed Scheme, representing a premium to the implied value to PAF Shareholders under that Scheme.

Based on the 8 October 2021 Scheme exchange ratio of 0.7152¹ and the PGF closing share price of \$1.53 per share on 13 October 2021, the Scheme represents \$1.094 per share of implied value for PAF Shareholders.

Based on WAM's 13 October share price, adjusted for the 7.75 cents per share fully franked final dividend payable on 29 October 2021, the Offer represents \$1.157² of implied value for PAF Shareholders. The implied value represents:

- a 7.1% premium to PAF's 8 October 2021 after-tax NTA;
- a 6.6% premium to the closing price of PAF Shares on the trading day before the date of this Bidder's Statement of \$1.085;
- a 5.7% premium to the implied value under the Scheme; and
- a 5.2% premium to PAF's 8 October 2021 pre-tax NTA.

2. A choice about their future as a shareholder

Subject to the Offer being successful WAM is providing PAF Shareholders who accept the Offer with a choice, either:

- a) remain a WAM Shareholder; or
- b) utilise WAM's superior on-market liquidity to exit their position.

¹ The Scheme calculation ratio of 0.7152 is calculated based on the PAF 8 October 2021 post-tax NTA (excluding deferred tax assets) announced on 11 October 2021 of \$1.08 per share dividend by the PGF 8 October 2021 post-tax NTA (excluding deferred tax assets) announced on 11 October 2021 of \$1.51 per share.

² The premium calculations are based on the WAM Share price of \$2.38 as at 13 October 2021.

a) Remain a WAM shareholder

The benefits of taking up the Offer and remaining a WAM Shareholder include gaining access to:

- Wilson Asset Management's investment expertise and experience;
- Wilson Asset Management's commitment to shareholder engagement;
- WAM's track record of investment portfolio outperformance;
- WAM's greater market capitalisation and on-market liquidity; and
- WAM's lower management expense ratio.

Wilson Asset Management's investment expertise and experience

Established in 1997 by Geoff Wilson AO, the investment manager of WAM, Wilson Asset Management is an independently owned investment manager and LIC specialist based in Sydney, Australia, responsible for investing more than \$5.0 billion in Australian and international companies on behalf of 110,000 retail investors across eight LICs. The investment team comprises 14 highly experienced professionals with more than 190 years' combined investment experience and a total focus on managing money. Wilson Asset Management has a strong track record of delivering risk-adjusted returns for shareholders and making a difference for investors and the community for more than 20 years.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement and provides all team members with \$10,000 each year to donate to charities of their choice. This philanthropic investment is made by Wilson Asset Management.

For further information about WAM see Section 2.

Wilson Asset Management's commitment to shareholder engagement

Shareholders are the owners of a LIC. Wilson Asset Management believes shareholder engagement is crucial to the success of a LIC and provides:

- Updates from our Lead Portfolio Managers;
- Investment team insights at WAM Vault: wilsonassetmanagement.com.au/vault;
- Regular roundtables with our shareholders and planners, advisers and their clients;
- NTA reports and investment updates;
- Shareholder Q&A calls;
- Presentations and lunches across Australia; and
- Annual and interim results announcements.

WAM's track record of investment portfolio outperformance

WAM's investment portfolio has returned 16.7% per annum over more than 20 years, outperforming the S&P/ASX All Ordinaries Accumulation Index by 8.0% per annum.

Performance at 30 September 2021	FYTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception % pa (Aug-99)
WAM Capital Investment Portfolio	6.4%	31.2%	11.8%	10.8%	15.0%	16.7%
S&P/ASX All Ordinaries Accumulation Index	2.0%	31.5%	10.4%	10.8%	10.9%	8.7%
Outperformance	+4.4%	-0.3%	+1.4%	0.0%	+4.1%	+8.0%

Investment Portfolio performance is before expenses, fees and taxes to compare with the relevant Index, which is also before expenses, fees and taxes.

WAM's greater market capitalisation and on-market liquidity

WAM believes that shares in larger LICs are more likely to trade at a premium to their pre-tax NTA than the shares of smaller LICs. WAM has a market capitalisation of \$2.1 billion as at 13 October 2021. Assuming the Offer is successful and WAM acquires 90% of PAF Shares and proceeds to compulsory acquisition, the combination of PAF and WAM will be significantly larger than PAF on a standalone basis. Based on the pre-tax NTA of WAM and PAF as at 30 September 2021, the Enlarged Group would have a combined pre-tax NTA of approximately \$1.8 billion, which would make it one of the largest ASX listed investment companies (LICs) in terms of pre-tax NTA. For further information about the Enlarged Group see Section 6.

WAM's lower management expense ratio

Apart from general corporate expenses, the main expenses that each of WAM and PAF incur as LICs are investment management expenses. These expenses, paid to WAM's and PAF's respective investment managers (excluding GST), are set out below:

- WAM management fee 1.0%; and
- PAF management fee 1.0%.

The historical management expense ratios³ for 2020 and 2021 of each WAM, PAF and PGF, are set out below:

MER	FY21	FY20
WAM Capital Limited	1.10%	1.12%
PM Capital Asian Opportunities Fund Limited	1.67%	1.59%
PM Capital Global Opportunities Fund Limited	1.21%	1.19%

b) Utilise WAM's greater on-market liquidity to exit their position

WAM has greater on-market liquidity than PAF. The Enlarged Group will also have a substantially greater market capitalisation than PAF. This may provide further increased levels of liquidity in contrast to the liquidity of PAF Shares. As a result, PAF Shareholders who do not wish to become long-term WAM Shareholders can accept the Offer and utilise WAM's liquidity to exit their position at a premium to both the PAF Share price and the PAF pre-tax NTA.⁴

³ The management expense ratios are calculated by comparing company related expenses, together with the management fee, to the average net assets over the period. The calculation excludes portfolio related expenses such as finance costs, dividends on borrowed stock and brokerage.

⁴ PAF Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration, and any premium as a result, will fluctuate depending on the value of WAM Shares, the value of PAF Shares and the value of PAF's underlying pre-tax NTA.

I. Key Questions

This Section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

1.1. What is the Bidder's Statement?

This Bidder's Statement sets out the terms of WAM's Offer and information relating to the Offer and the consideration you will receive.

1.2. What is the Offer?

WAM is offering to acquire all PAF Shares, by way of an off-market takeover offer.

The Offer extends to PAF Shares on issue at 7.00pm (Sydney time) on 20 October 2021 (**Register Date**) and any PAF Shares issued during the Offer Period, as set out in clause 1.2 of Schedule 1.

The Offer consideration is 1 WAM Share for every 1.99 PAF Shares you hold. In the event that the Scheme Break Fee is removed, WAM's intention is to increase its Offer to 1 WAM Share for every 1.975 PAF Shares you own. The terms of the Offer are set out in Schedule 1 of this Bidder's Statement.

1.3. What is the Value of the Offer?

Based on the closing price of WAM Shares on the ASX on 13 October 2021 (the last trading day before the date of this Bidder's Statement) of \$2.38, adjusted for the 7.75 cents per share fully franked final dividend payable on 29 October 2021, the implied Offer value is approximately \$1.157 per PAF Share, a premium of 6.6% to the closing price of PAF Shares on 13 October 2021.

The implied value represents:

- a 7.1% premium to PAF's 8 October 2021 after-tax NTA;
- a 6.6% premium to the closing price of PAF Shares on the trading day before the date of this Bidder's Statement of \$1.085;
- a 5.7% premium to the implied value under the Scheme; and
- a 5.2% premium to PAF's 8 October 2021 pre-tax NTA.

1.4. How do I accept the Offer?

CHES Holdings

If your PAF Shares are in a CHES Holding, to accept the Offer you must either:

- a) instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
- b) complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it.

Issuer Sponsored Holdings

If your PAF Shares are held in an Issuer Sponsored Holding, to accept the Offer you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it.

Participants

If you are a Participant (as defined in the ASX Settlement Rules – typically a Broker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules.

1.5. Can I accept the Offer for part of my holding?

No, you can only accept for your entire holding. Your acceptance will be treated as being for all your PAF Shares plus any additional PAF Shares registered as held by you at the date your acceptance is processed.

1.6. If I accept the Offer will I receive the WAM Dividend?

No, under the proposed timetable for the Offer, accepting PAF Shareholders will not be eligible to receive the WAM dividend payable on 29 October 2021. For further information about when you will be issued WAM Shares see section 1.10.

1.7. Are there any conditions to the Offer?

Yes, the Offer is subject to the conditions detailed at clause 8.1 of Schedule 1 of this Bidder's Statement (**Conditions**), and summarised in the Chairman's letter.

Please see Schedule 1 for further details of the Conditions to the Offer. If the Conditions are not satisfied before the Offer closes or waived by WAM the Offer will lapse. WAM will make an announcement to the ASX if the Conditions are satisfied or waived during the Offer Period.

1.8. What happens if I accept the Offer?

If you accept the Offer and it becomes or is declared unconditional, you will be issued WAM Shares within the specified timeframe. Once you accept the Offer in respect of all of your PAF Shares (even while it remains subject to Defeating Conditions), you will not be able to sell those PAF Shares or otherwise deal with the Rights attaching to those PAF Shares subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

This includes appointing WAM as your attorney to vote at any PAF Shareholder meeting (see Schedule 1 clauses 8.9(f) and 8.9(g)). WAM does not support the proposed Scheme; as demonstrated throughout this Bidder's Statement, the WAM Offer is a superior proposal for PAF Shareholders when compared with the proposed Scheme and WAM therefore expects PAF Directors to recommend WAM's Offer. Should the Scheme progress and if WAM is entitled to vote at PAF's Scheme meeting, WAM will vote against any PAF Shareholder resolution implementing the Scheme.

PAF Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares.

1.9. What happens if I do not accept the Offer?

Subject to the below, if you do not accept the Offer you will remain the holder of your PAF Shares and you will not be issued WAM Shares.

If WAM obtains a Relevant Interest in at least 90% of the PAF Shares (by number) on issue at any time during the Offer Period and the Defeating Conditions are satisfied or waived, WAM presently intends to proceed to compulsorily acquire your PAF Shares if you have not accepted the Offer (see Section 7.3). At the conclusion of the compulsory acquisition process, you will receive 1 WAM

Share for every 1.99 PAF Shares which are compulsorily acquired. You will receive consideration for your PAF Shares sooner if you accept the Offer. In the event that the Scheme Break Fee is removed, WAM's intention is to increase its Offer to 1 WAM Share for every 1.975 PAF Shares you own, and any increased Offer will be available to shareholders subject to the compulsory acquisition.

If WAM obtains a Relevant Interest in less than 90% of PAF Shares, WAM will not be able to proceed to compulsorily acquire your PAF Shares. WAM's intentions if it has a Relevant Interest in less than 90% of PAF Shares are described in Section 7.

1.10. If I accept the Offer, when will I receive my WAM Shares?

If you accept this Offer, WAM will, in the usual course, issue the WAM Shares to which you are entitled on or before the earlier of:

- the day one month after you accept this Offer or, if this Offer is subject to Conditions when accepted, one month after the contract resulting from your acceptance becomes unconditional; or
- the day 21 days after the end of the Offer Period.

Full details of when you will be issued the consideration are set out in Schedule 1. It is WAM's intention however to issue the Offer Consideration within seven days of the end of the Offer Period (provided that the Offer is then unconditional).

1.11. Am I entitled to receive any PAF dividend declared?

If a dividend is declared or paid by PAF after the Announcement Date, and you receive the dividend, or are issued PAF Shares under the PAF DRP, the consideration issued to you will be reduced. See clauses 7.6 and 7.7 of Schedule 1.

1.12. Can I withdraw my acceptance?

Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you accept the Offer, WAM varies the Offer in a way that postpones for more than one month from the time when WAM has to meet its obligations under the Offer.

In the event that the Offer is extended for any reason, but for less than one month you will not be able to withdraw from the Offer.

1.13. When does the Offer close?

The Offer is currently scheduled to close at 7:00 pm (Sydney time) on 29 November 2021, unless extended or withdrawn.

1.14. Can WAM extend the Offer Period?

Yes, the Offer can be extended by WAM or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

1.15. What rights will my WAM Shares have?

The WAM Shares issued under the Offer will be fully paid and will rank equally for dividends with existing WAM Shares and have the same rights (including voting rights) as existing WAM Shares.

A detailed explanation of the rights and liabilities attaching to WAM Shares is set out in Section 11.3.

1.16. Will my WAM Shares be listed on the ASX?

An application will be made within seven days after the date of this Bidder's Statement to the ASX for Official Quotation of the WAM Shares issued under the Offer. Quotation of the WAM Shares to be issued under the Offer will not be automatic but will depend on the ASX exercising its discretion to admit them to the Official List.

WAM is already admitted to the Official List of ASX and shares in WAM in the same class or on the same terms as those to be issued under the Offer are already quoted.

1.17. What are the tax implications of accepting the Offer?

A general description of the taxation treatment for certain Australian resident PAF Shareholders accepting the Offer is set out in Section 10.

You should consult your taxation adviser for detailed taxation advice before deciding whether or not to accept the Offer for your PAF Shares.

PAF Shareholders should be aware that if WAM does not acquire ownership of at least 80% of PAF Shares, then rollover relief will not be available to PAF Shareholders in respect of any capital gain that is made on the receipt of WAM Shares as consideration.

1.18. What are the significant risks of the Offer?

You should carefully consider the risk factors that could affect the performance of WAM and the Enlarged Group before deciding whether to accept the Offer. Many of these risks are outside the control of WAM and the WAM Board, and cannot be mitigated. A summary of the key risks is set out in Section 8.

1.19. Will I need to pay brokerage?

On acceptance of this Offer, if you have an Issuer Sponsored Holding you will exchange your PAF Shares for WAM Shares without incurring brokerage fees.

If your PAF Shares are held in a CHESS Holding or you hold your PAF Shares through a bank, custodian, or other nominee, you should ask your Controlling Participant (usually your Broker or the bank, custodian, or other nominee) whether it will charge you any transaction fees or service charges connected with you accepting the Offer.

If you are a Foreign Shareholder, the cash proceeds that you will be sent (following the sale of WAM Shares that you would otherwise have been entitled to receive under the Offer) will be net of transaction costs and will be paid by cheque in Australian dollars.

If you choose not to accept the Offer, should you wish to exchange your PAF Shares for WAM Shares, you may be required to sell your shares on market, and use the proceeds to purchase WAM Shares. You may ordinarily be required to pay brokerage fees on both the sale and the purchase of shares.

1.20. Will I need to pay stamp duty?

There should be no stamp duty payable by PAF Shareholders upon the issue to them of WAM Shares. Should any stamp duty be payable on the transfer of PAF Shares to WAM pursuant to the Offer due to a change in the relevant legislation during the Offer Period, these costs will be paid by WAM.

1.21. What happens if PAF progresses the Scheme?

WAM does not support the proposed Scheme. As demonstrated throughout this Bidders Statement, WAM Offer is a superior proposal for PAF Shareholders when compared with the Scheme and we therefore expect PAF Directors to recommend WAM's Offer.

One of the Offer's Conditions is that the Scheme does not progress – see Schedule 1 clause 8 for details of all Conditions. WAM would only seek to rely on this Condition in the event that PAF's Directors progressed the Scheme at odds with their previous statements in relation to superior proposals. Should the Scheme progress and if WAM is entitled to vote at PAF's Scheme meeting, WAM will vote against any PAF Shareholder resolution implementing the Scheme.

1.22. Why is WAM making the Offer?

Announcement of the proposed Scheme indicates that PAF's Directors do not consider PAF viable as a standalone entity in the future. WAM Shareholders can benefit from the WAM Share price premium to NTA to acquire PAF Shares a discount to PAF's (pre and post tax) NTA, while still delivering the attractive premiums to PAF Shareholders as set out at Section 1.3, above.

2. About WAM Capital Limited

2.1. Corporate

WAM Capital Limited (ASX: WAM), one of Australia's leading LICs, is managed by Wilson Asset Management. Listed in August 1999, WAM provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. WAM's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

2.2. WAM Directors

The WAM Board is:

- a) Geoff Wilson AO (Chairman);
- b) Kate Thorley;
- c) Dr Philippa Ryan;
- d) James Chirnside;
- e) Lindsay Mann; and
- f) Matthew Pancino.

2.3. Overview of WAM's historical financial performance

A summary of WAM's historical financial performance, financial position and cash flows for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019 is set out below:

Statement of Financial Performance	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$
Net realised and unrealised gains/(losses) on financial assets	285,626,844	(56,631,902)	(18,324,114)
Other revenue from operating activities	93,943,426	28,967,203	44,114,382
Management fees	(14,883,996)	(13,118,338)	(13,682,297)
Performance fees	(14,015,604)	-	-
Directors fees	(173,333)	(140,710)	(150,000)
Brokerage expense on share purchases	(5,121,104)	(4,811,676)	(4,251,736)
Expenses paid on borrowed stock	(18,770)	(138,909)	(93,367)
Custody fees	(77,342)	(107,464)	(101,841)
ASX listing and chess fees	(250,154)	(228,690)	(224,441)
Share registry fees	(413,073)	(291,044)	(315,925)
Disbursements, mailing and printing	(369,484)	(280,782)	(272,441)
Legal and professional fees	(475,968)	(41,307)	(170,203)
ASIC industry funding levy	(55,861)	(54,042)	(112,582)
Other expenses from ordinary activities	(372,781)	(371,378)	(427,834)
Profit/(loss) before income tax	343,342,800	(47,249,039)	5,987,601
Income tax (expense)/benefit	(76,727,686)	20,542,072	8,545,621
Profit/(loss) after income tax attributable to members of the Company	266,615,114	(26,706,967)	14,533,222
Other comprehensive income/(loss)			
Other comprehensive income/(loss) for the year, net of tax	-	-	-
Total comprehensive income/(loss) for the year	266,615,114	(26,706,967)	14,533,222
Basic and diluted earnings/(loss) per share	33.79 cents	(3.70 cents)	2.08 cents

Statement of Financial Position	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$
Current assets			
Cash and cash equivalents	149,614,471	203,400,924	325,988,043
Trade and other receivables	29,789,191	20,984,982	37,858,074
Financial assets	1,566,906,061	963,612,288	1,000,725,212
Current tax assets	-	22,676,280	-
Total current assets	1,746,309,723	1,210,674,474	1,364,571,329
Non-current assets			
Deferred tax assets	72,200,056	68,540,392	23,613,806
Total non-current assets	72,200,056	68,540,392	23,613,806
Total assets	1,818,509,779	1,279,214,866	1,388,185,135
Current liabilities			
Trade and other payables	80,983,842	32,857,926	31,424,411
Financial liabilities	-	897,913	10,049,817
Current tax liabilities	13,128,785	-	2,293,796
Total current liabilities	94,112,627	33,755,839	43,768,024
Non-current liabilities			
Deferred tax liabilities	27,179,121	23,778,042	-
Total non-current liabilities	27,179,121	23,778,042	-
Total liabilities	121,291,748	57,533,881	43,768,024
Net assets	1,697,218,031	1,221,680,985	1,344,417,111
Equity			
Issued capital	1,688,342,901	1,352,964,191	1,337,451,236
Profits reserve	184,758,357	44,600,021	54,582,036
Accumulated losses	(175,883,227)	(175,883,227)	(47,616,161)
Total equity	1,697,218,031	1,221,680,985	1,344,417,111

Statement of Cash Flows

30 June 2021 30 June 2020 30 June 2019

\$ \$ \$

Cash flows from operating activities

Proceeds from sale of investments	3,688,875,724	3,724,169,098	3,100,686,678
Payments for purchase of investments	(3,657,260,936)	(3,736,901,301)	(3,052,055,397)
Dividends received	89,575,572	23,775,239	32,001,949
Interest received	475,969	3,175,482	7,329,164
Other investment income received	2,743,637	3,540,505	5,330,021
Management fee (GST inclusive)	(15,491,367)	(14,233,258)	(14,713,922)
Performance fee (GST inclusive)	-	-	(364,295)
Brokerage expense on share purchases (GST inclusive)	(5,479,615)	(5,155,458)	(4,556,885)
Payments for administration expenses (GST inclusive)	(2,222,168)	(1,821,994)	(1,853,707)
Income tax paid	(45,955,387)	(24,471,376)	(42,959,890)
GST on brokerage expense on share sales	(338,163)	(364,037)	(309,398)
Net GST received from ATO	1,712,469	1,729,140	1,734,661
Net cash provided by/(used in) operating activities	56,635,735	(26,557,960)	30,268,979

Cash flows from financing activities

Dividends paid – net of reinvestment	(109,682,902)	(96,029,159)	(93,856,468)
Share issue costs	(739,286)	-	(99,534)
Net cash provided by/(used in) financing activities	(110,422,188)	(96,029,159)	(93,956,002)

Net increase/(decrease) in cash and cash equivalents held	(53,786,453)	(122,587,119)	(63,687,023)
Cash and cash equivalents at beginning of financial year	203,400,924	325,988,043	389,675,066

Cash and cash equivalents at end of financial year	149,614,471	203,400,924	325,988,043
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Non-cash transactions:

Shares issued via scrip consideration for the acquisition of Concentrated Leaders Fund	67,218,411	-	-
Shares issued via scrip consideration for the acquisition of Contango Income Generator	55,505,386	-	-
Shares issued via scrip consideration for the acquisition of amaysim Australia	196,402,497	-	-
Shares issued via scrip consideration for the acquisition of Wealth Defender Equities	-	-	99,976,817
Shares issued via dividend reinvestment plan	16,773,876	15,512,955	16,237,620

Source: The above information has been drawn from the audited financial statements for WAM and associated disclosures included in WAM's Annual Financial Reports for the years ended 30 June 2021, 30 June 2020 and 30 June 2019.

2.4. Public announcements by WAM

WAM is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require WAM to:

- a) prepare and lodge with the ASIC both annual and half-yearly financial statements accompanied by a Directors' statement and report and an audit or review report; and
- b) immediately notify the ASX of any information concerning WAM of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in WAM, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC in relation to WAM may be obtained from or inspected at an office of ASIC. Copies of documents lodged with the ASX in relation to WAM may be obtained from the ASX's website (www.asx.com.au). In addition, you may request a copy of any such document by contacting WAM and we will provide a copy of that document free of charge.

2.5. Investment manager

About Wilson Asset Management

Established in 1997 by Geoff Wilson AO, the investment manager of WAM, Wilson Asset Management, is an independently owned investment manager and LIC specialist based in Sydney, Australia. Wilson Asset Management has a strong track record of delivering risk-adjusted returns for shareholders and making a difference for investors and the community for more than 20 years. Established in 1997 by Geoff Wilson AO, Wilson Asset Management is responsible for investing more than \$5.0 billion in Australian and international companies on behalf of 110,000 retail investors across eight LICs: WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited, WAM Active Limited, WAM Strategic Value Limited and WAM Alternative Assets Limited.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement and provides all team members with \$10,000 each year to donate to charities of their choice. This philanthropic investment is made by Wilson Asset Management.

WAM Capital has an investment management agreement with Wilson Asset Management, providing shareholders with the following benefits:

Risk-adjusted returns. Wilson Asset Management is focused on delivering strong returns while taking the least risk possible to protect shareholders' capital.

Diversification. LICs managed by Wilson Asset Management hold small positions in many companies, providing shareholders with access to highly diversified portfolios.

Experience. Wilson Asset Management's investment team is comprised of 14 professionals with a total focus on protecting and growing shareholder capital and is informed by more than 190 years' combined equity market experience.

Market access. Wilson Asset Management's investment team hold more than 2,500 company meetings each year, that coupled with their extensive network in the market, provides insight, intelligence and opportunities.

Transparency. Wilson Asset Management values shareholder engagement and its LICs adhere to strict corporate governance requirements.

Shareholder advocacy. Wilson Asset Management regularly and actively engages in public debate on behalf of self-managed superannuation funds and retail investors.

A positive impact. Wilson Asset Management is passionate about making a difference to the broader community.

Objectives and investment process

The investment objectives of WAM are to:

- deliver investors a stream of fully franked dividends;
- provide capital growth; and
- preserve capital.

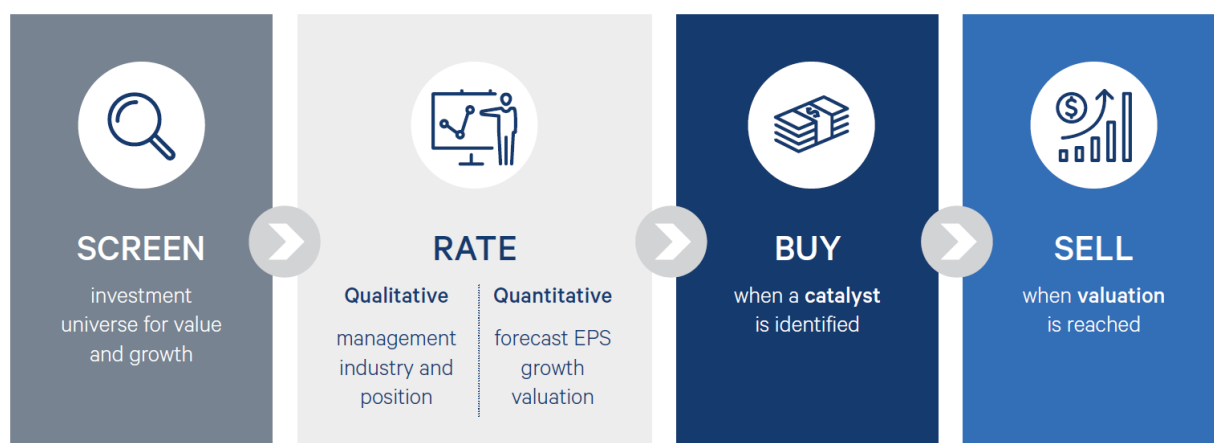
The above is not intended to be a forecast. It is merely the Investment objectives of WAM. WAM may not be successful in meeting these objectives.

WAM provides investors with access to Wilson Asset Management's two distinctive investment processes:

- a research-driven process focused on identifying undervalued growth companies; and
- a market-driven process that takes advantage of market mispricing opportunities.

Research-driven investing

The research-driven investment process identifies undervalued growth companies through diligent and deep research that focuses on free cash flow, return on equity and the quality of a company. Each company is carefully rated with respect to management, earnings growth potential, valuation, and industry position. Under this proprietary process, the investment team will only ever invest in a security once it can identify a catalyst or event that it expects will change the market's valuation of the company.



Market-driven investing

This investment process takes advantage of short-term mispricing opportunities in the Australian equity market. Opportunities are derived from initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangement, corporate spinoffs and restructures), arbitrage opportunities, LIC discount arbitrages, short selling and trading market themes and trends.

3. Information about WAM Shares

3.1. Issued Securities

As at the date of this Bidder's Statement, there are 878,319,194 WAM Shares on issue and no other WAM securities.

3.2. Substantial holders

As at the date of this Bidder's Statement there are no holders in WAM who have filed substantial holder notices on the ASX.

3.3. WAM Share Price

The closing price of WAM Shares on the ASX on 13 October 2021 (being the last trading day that WAM Shares traded prior to the date of this Bidder's Statement) was \$2.38.

The VWAP of WAM Shares on the ASX for the one month before the date of this Bidder's Statement was \$2.356.

The VWAP of WAM Shares on the ASX for the five trading days before the date of this Bidder's Statement was \$2.368.

The highest recorded sale price of WAM Shares on the ASX in the four months before the date this Bidder's Statement lodged with ASIC was \$2.38 on 25 August 2021.

The lowest recorded sale price of WAM Shares on the ASX in the four months before this Bidder's Statement lodged with ASIC was \$2.14 on 24 June 2021.

3.4. Rights and liabilities attached to WAM Shares offered

The WAM Shares issued as consideration under the Offer will be fully paid and rank equally with existing WAM Shares from the date of their issue.

WAM Shares are quoted on the ASX under the code 'WAM'.

An application will be made within seven days of the date of this Bidder's Statement to the ASX for Official Quotation of the WAM Shares issued under the Offer. Quotation is not guaranteed or automatic on such an application to the ASX. Nothing in this Bidder's Statement will be taken to state or imply that the WAM Shares issued under this Offer will be quoted on the ASX, but quotation is expected in the ordinary course as WAM is already admitted to the Official List of the ASX.

The rights and restrictions attaching to the WAM Shares that will be issued as the consideration, or part of the consideration, under the Offer are primarily set out in the WAM Constitution and in the Corporations Act and are subject to statutory, common law and ASX Listing Rule requirements.

4. About PM Capital Asian Opportunities Fund Limited

4.1. Disclaimer

The following description of PAF and the financial information concerning PAF contained in this Section has been prepared by WAM using publicly available information. To the extent permitted by law, WAM does not make any representation or warranty, express or implied, as to the currency, accuracy, or completeness of such information.

The primary sources of information about PAF used by WAM are as follows:

- a) annual and interim financial reports issued to PAF Shareholders;
- b) announcements issued by PAF through the ASX; and
- c) PAF's website.

4.2. Overview of PAF and its principal business activities

PAF is a listed investment company established to provide investors with exposure to a concentrated portfolio of predominately listed securities from Asian equity markets in the Asian Region (ex-Japan) or companies whose business is predominantly conducted in this region, with the objective of providing long-term capital growth.

Managed by PM Capital Limited (**PAF Manager**), PAF provides Shareholders with exposure to a concentrated portfolio of around 15-35, predominately listed, securities diversified across Asian equity markets in the Asian Region (ex-Japan), which the PAF Manager considers to be mispriced. This region includes China, Hong Kong, Taiwan, Korea, Vietnam, India, Indonesia, Malaysia, Singapore, Thailand, Philippines, Sri Lanka and Pakistan. PAF has a wide investment universe in that there are no formal restrictions based on industry or company size. PAF may obtain exposure to companies or other issuers listed on stock exchanges other than those in the Asian Region (ex-Japan), where the predominant business of such entity is conducted in that region and/or the entity benefits from exposure to that region. PAF is not intended to replicate an index, investing in a concentrated portfolio of predominately undervalued equities.

4.3. Directors

As at the date of this Bidder's Statement, there are three Directors of PAF, being:

- a) Mr Andrew McGill (Chairman);
- b) Chris Knoblanche; and
- c) Ben Skilbeck (both PAF Director and PAF Manager Chief Executive Officer).

4.4. PAF substantial holders

Based on the substantial shareholder announcements by PAF released to the ASX, PAF currently has the following substantial holders as at the date of this Bidder's Statement:

Rank	Name	Shares	% of Shares
1	PM Capital Global Opportunities Fund Limited	11,424,181	19.96
2	Paul Moore, PM Capital Limited, Roaring Lion Pty Limited and Horizon Investments Australia Pty Limited	7,488,910	13.09

4.5. PAF's performance track record

Performance at 30 September 2021	1 yr %	3 yrs %pa	5 yrs %pa	7 yrs %pa
PM Capital Asian Opportunities Fund (ASX: PAF) ¹	26.0%	4.2%	7.4%	7.5%
MSCI AC Asia ex Japan Net Total Return Index (AUD) ²	13.8%	9.3%	11.5%	10.5%
Outperformance	+12.2%	-5.1%	-4.1%	-3.0%

¹ 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.

² Index referenced in PAF's annual report 30 June 2021, using Bloomberg's conversion to AUD.

Source: PAF's Monthly Report 30 September 2021, as announced to the ASX on 12 October 2021 Index data has been sourced from Bloomberg (NDUECAXJ Index)

Over the 7 years to 30 September 2021, the MSCI AC Asia ex Japan Net Total Return Index (AUD) has returned 10.5% pa. The PAF investment portfolio returned 7.5% pa for PAF Shareholders, underperforming the MSCI AC Asia ex Japan Net Total Return Index (AUD) by 3.0% pa over this period.

4.6. Overview of PAF's historical financial performance

A summary of PAF's historical financial performance, financial position and cash flows for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019 is set out below:

Statement of Financial Performance	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$
Revenue			
Interest	993	17,322	45,796
Dividends	2,059,554	1,281,134	1,296,059
Gains/(losses) on investments at fair value through profit or loss	14,163,821	(6,620,177)	(5,907,383)
Gains/(losses) on foreign exchange	(11,361)	260,675	547,025
Other income	10,000	10,019	5
Total revenue/(loss)	16,223,007	(5,051,027)	(4,018,498)
Expenses			
Management fees	605,445	571,774	626,298
Insurance	84,691	59,963	47,748
Directors' fees	65,000	69,854	65,000
ASX fees	54,466	52,985	64,107
Brokerage and trading fees	48,559	71,733	77,315
Audit fees	42,770	43,076	41,256
Administration fees	41,797	40,880	-
Registry fees	40,036	34,849	40,040
Legal, and professional fees	38,709	20,722	-
Finance costs	24,276	74,669	-
Other operating expenses	22,854	8,947	55,341
Total expenses	1,068,603	1,049,452	1,017,105
Profit/(loss) for the year before income tax	15,154,404	(6,100,479)	(5,035,603)
Income tax (expense)/benefit	(4,488,369)	1,885,464	1,373,331
Profit/(loss) after income tax	10,666,035	(4,215,015)	(3,662,272)
Other comprehensive income for the year	-	-	-
Total comprehensive income / (loss) attributable to shareholders	10,666,035	(4,215,015)	(3,662,272)
Basic and diluted earnings / (loss) per share	18.64 cents	(7.36 cents)	(6.47 cents)

Statement of Financial Position

30 June 2021 30 June 2020 30 June 2019
\$ \$ \$

Current assets

Cash and cash equivalents	12,433,199	11,870,207	8,710,375
Financial assets at fair value through profit or loss	51,845,803	40,447,742	51,197,162
Receivables	1,701,386	280,219	684,158
Total current assets	65,980,388	52,598,168	60,591,695

Non-current assets

Deferred tax assets	1,907,877	5,278,620	3,158,790
Total non-current assets	1,907,877	5,278,620	3,158,790
Total assets	67,888,265	57,876,788	63,750,485

Current liabilities

Interest bearing liabilities	869,905	-	838,150
Financial liabilities at fair value through profit or loss	382,341	231,890	-
Payables	216,183	1,661,214	180,881
Income tax payable	701,067	53,710	1,457,100
Total current liabilities	2,169,496	1,946,814	2,476,131

Non-current liabilities

Deferred tax liabilities	394,958	83,745	44,219
Total non-current liabilities	394,958	83,745	44,219
Total liabilities	2,564,454	2,030,559	2,520,350

Net assets	65,323,811	55,846,229	61,230,135
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Shareholders' Equity

share capital	55,496,272	55,831,087	55,288,264
Retained profits	7,762,721	15,142	5,941,871
Profits reserve	2,064,818	-	-
Total shareholders' equity	65,323,811	55,846,229	61,230,135

Statement of Cash Flows

30 June 2021 30 June 2020 30 June 2019

	\$	\$	\$
Cash flows from operating activities			
Interest received	993	24,954	39,499
Dividends received	1,020,622	1,149,385	1,497,112
Other income received	10,000	10,019	5
Interest paid	(27,049)	(70,027)	-
Income tax paid	(159,056)	(1,598,230)	(2,351,305)
Management fees paid	(571,232)	(597,539)	(650,994)
Other operating expenses	(439,443)	(398,209)	(394,164)
Net cash provided by/(used in) operating activities	(165,165)	(1,479,647)	(1,859,847)
Cash flows from investing activities			
Proceeds from sale of investments	12,551,897	41,043,903	23,594,360
Purchase of investments	(11,579,430)	(34,288,525)	(18,961,641)
Net cash provided by/(used in) investing activities	972,467	6,755,378	4,632,719
Cash flows from financing activities			
Dividends paid (net of DRP)	(560,742)	(1,168,891)	(1,658,421)
Repurchase shares under buy-back	(627,711)	-	-
Net cash provided by/(used in) financing activities	(1,188,453)	(1,168,891)	(1,658,421)
Impact of exchange rate changes on cash and cash equivalents	74,238	(108,858)	160,811
Net increase/(decrease) in cash and cash equivalents held	(306,913)	3,997,982	1,275,262
Cash and cash equivalents at beginning of financial year	11,870,207	7,872,225	6,596,963
Cash and cash equivalents at end of financial year	11,523,294	11,870,207	7,872,225

Source: The above information has been drawn from the audited financial statements for PAF and associated disclosures included in PAF's Annual Financial Reports for the years ended 30 June 2021, 30 June 2020 and 30 June 2019.

4.7. Post balance date activities

As announced 15 September 2021, PAF entered into the Scheme Implementation Deed with PGF under which PGF and PAF agreed to merge by means of a Scheme. The Scheme Implementation Deed provides for the mutual Scheme Break Fee of \$500,000. From May 2014 until September 2021, PAF Manager and PGF lodged combined substantial holding notices of PAF voting power. Conveniently, on 15 September 2021 PAF Manager and PGF each lodged a change to their PAF substantial holdings, stating that their voting power in PAF had been split at or around the time of entering the Scheme Implementation Deed.

PAF Manager is the investment manager for both PAF and PGF. As announced 1 October 2021 PGF has disclosed 19.96% voting power in PAF. On 29 September and 13 October 2021, PAF Manager disclosed further acquisitions of PAF Shares.

As at 13 October 2021 according to the latest substantial holding notices available:

- PGF holds 19.96%;
- PAF Manager holds 13.09%; and
- PGF and PAF Manager's aggregated voting power in PAF is 33.05%.

Six months prior to 13 October 2021, PGF and PAF Manager's aggregated voting power was 26.39%

4.8. ASX announcements

PAF is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require PAF to:

- a) prepare and lodge with ASIC both annual and half-year financial statements accompanied by a Directors' statement and report and an audit or review report; and
- b) immediately notify the ASX of any information concerning PAF of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in PAF, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC in relation to PAF may be obtained from or inspected at an office of ASIC. Copies of documents lodged with the ASX in relation to PAF may be obtained from the ASX's website (www.asx.com.au), or inspected at the offices of the ASX.

Since 30 June 2021, PAF has issued the following announcements to the ASX:

Date	Announcement
14/10/2021	Application for quotation of securities
13/10/2021	Change in substantial holding
12/10/2021	Monthly Report - 30 September 2021
11/10/2021	Update - Dividend/Distribution - PAF
11/10/2021	Net Tangible Asset Backing - 8 October 2021
5/10/2021	Net Tangible Asset Backing - 4 October 2021
1/10/2021	Change in substantial holding from PGF
29/09/2021	Change in substantial holding
28/09/2021	Receipt of Conditional Takeover Bid from WAM
28/09/2021	WAM announces superior offer for PAF
28/09/2021	WAM: Proposed Off-Market Takeover Bid for PAF
27/09/2021	Net Tangible Asset Backing - 24 September 2021
20/09/2021	Net Tangible Asset Backing - 17 September 2021
15/09/2021	Merger of PAF and PGF
15/09/2021	Change in substantial holding from PGF
15/09/2021	Change in substantial holding
15/09/2021	Final Director's Interest Notice – Brett Spork
15/09/2021	Initial Director's Interest Notice – Andrew McGill
15/09/2021	Appointment & Resignation of Directors
13/09/2021	Net Tangible Asset Backing - 10 September 2021
07/09/2021	Company Secretary Appointment
06/09/2021	Net Tangible Asset Backing - 3 September 2021
02/09/2021	Monthly Report - 31 August 2021
31/08/2021	New Date for Annual General Meeting
30/08/2021	Net Tangible Asset Backing - 27 August 2021 - correction
30/08/2021	Net Tangible Asset Backing - 27 August 2021
23/08/2021	Net Tangible Asset Backing - 20 August 2021
17/08/2021	Net Tangible Asset Backing - 13 August 2021 - Update
16/08/2021	Net Tangible Asset Backing - 13 August 2021
12/08/2021	Date for Annual General Meeting
12/08/2021	Appendix 4G
12/08/2021	Corporate Governance Statement
12/08/2021	Dividend/Distribution - PAF
12/08/2021	Appendix 4E and Annual Report 2021 opens new window
11/08/2021	Monthly Report - 31 July 2021
09/08/2021	Net Tangible Asset Backing - 6 August 2021
02/08/2021	Net Tangible Asset Backing - 31 July 2021
26/07/2021	Net Tangible Asset Backing - 23 July 2021
19/07/2021	Net Tangible Asset Backing - 16 July 2021
15/07/2021	Quarterly Report and CIO update - 30 June 2021
12/07/2021	Net Tangible Asset Backing - 9 July 2021
08/07/2021	Monthly Report 30 June 2021
05/07/2021	Net Tangible Asset Backing - 2 July 2021

5. Information about PAF Shares

5.1. PAF capital structure

As at the date of this Bidder's Statement and according to the Application for quotation of securities lodged by PAF on 14 October 2021, there are 57,330,012 PAF Shares on issue.

5.2. Substantial holders

As at the date of this Bidder's Statement, according to the most recent substantial holder notices available on ASX, the substantial holders in PAF are:

Rank	Name	Shares	% of Shares
1	PM Capital Global Opportunities Fund Limited	11,424,181	19.96
2	Paul Moore, PM Capital Limited, Roaring Lion Pty Limited and Horizon Investments Australia Pty Limited	7,488,910	13.09
Aggregated substantial holders*		18,913,091	33.05%

*From May 2014 to September 2021, PM Capital Global Opportunities Fund Limited, Paul Moore, PM Capital Limited, Roaring Lion Pty Limited and Horizon Investments Australia Pty Limited lodged combined substantial holder notices of their PAF voting power. Conveniently, this changed in their respective notices announced on 15 September 2021, the date the Scheme Implementation Deed was announced.

5.3. PAF Share Price

The closing price of PAF Shares on the ASX on 13 October 2021 (being the last trading day that PAF Shares traded prior to the date of this Bidder's Statement) was \$1.085.

The VWAP of PAF Shares on the ASX for the one month before the date of this Bidder's Statement was \$1.077.

The VWAP of PAF Shares on the ASX for the five trading days before the date of this Bidder's Statement was \$1.087.

The highest recorded sale price of PAF Shares on the ASX in the four months before the date this Bidder's Statement was lodged with ASIC was \$2.14 on 15 September 2021.

The lowest recorded sale price of PAF Shares on the ASX in the four months before this Bidder's Statement was lodged with ASIC was \$0.935 on 24 June 2021, 29 June 2021 and 19 August 2021.

During the four months prior to the date of the Offer, neither of WAM or its associates have acquired PAF Shares.

5.4. WAM and its Associates' interests in PAF

As at the date of this Bidder's Statement, WAM and its associates do not hold a Relevant Interest in PAF Shares.

6. Profile of the Enlarged Group

6.1. Introduction

The profile of the Enlarged Group will vary depending on the outcome of this Offer. The description of the Enlarged Group in this Section (unless otherwise specified) assumes that PAF will become a wholly-owned Subsidiary of WAM.

There is no guarantee of this outcome occurring. If WAM does not acquire the 90% or more of PAF Shares required to entitle it to compulsorily acquire PAF Shares during the Offer Period, some of the benefits that would otherwise accrue to WAM if PAF were to become a wholly-owned Subsidiary of WAM may not be fully realised.

6.2. Overview of the Enlarged Group

The Enlarged Group would be publicly listed on the ASX. The Enlarged Group's investments will be managed by Wilson Asset Management, however, subject to WAM's intentions set out in Section 7, PAF's investments will continue to be managed by the PAF Manager under the PAF Investment Management Agreement.

Assuming that WAM acquires 100% of PAF as part of the Offer, the Enlarged Group would have a combined pre-tax NTA of approximately \$1,800.2 million as at 30 September 2021.

As at 30 September 2021	Total \$'m
WAM Capital Limited	1,736.5
PM Capital Asian Opportunities Fund Limited	63.7
Total Enlarged Group	1,800.2

Source:

1. WAM's pre-tax NTA is based on the announced September 2021 Investment Update, as announced to the ASX.
2. PAF's pre-tax NTA is based on the Monthly Report - 30 September 2021, as announced to the ASX.

6.3. Unaudited pro forma statements of financial position assuming WAM acquires 100% of PAF

Set out below is the unaudited pro forma statement of financial position of WAM, assuming that WAM acquires 100% of PAF as part of the Offer. The pro forma financial information is to be read in conjunction with the accompanying notes to and forming part of the pro forma statement of financial position as set out in this section. All amounts disclosed are presented in Australian dollars and are rounded to the nearest thousand dollars.

The pro forma financial information and adjustments of the Enlarged Group have been prepared on the basis that all PAF Shareholders accept the Offer and as if the proposed transaction had taken place on 30 June 2021:

Unaudited Pro Forma Statement of Financial Position as at 30 June 2021	Note	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Current assets				
Cash and cash equivalents		149,614,471	-	149,614,471
Trade and other receivables		29,789,191	-	29,789,191
Financial assets		1,566,906,061	-	1,566,906,061
Financial assets - investment in controlled entity at FVTPL (PAF)	1	-	64,511,959	64,511,959
Current tax assets		-	-	-
Total current assets		1,746,309,723	64,511,959	1,810,821,682
Non-current assets				
Deferred tax assets		72,200,056	-	72,200,056
Total non-current assets		72,200,056	-	72,200,056
Total assets		1,818,509,779	64,511,959	1,883,021,738
Current liabilities				
Trade and other payables		80,983,842	-	80,983,842
Financial liabilities		-	-	-
Current tax liabilities		13,128,785	-	13,128,785
Total current liabilities		94,112,627	-	94,112,627
Non-current liabilities				
Deferred tax liabilities	2	27,179,121	458,947	27,638,068
Total non-current liabilities		27,179,121	458,947	27,638,068
Total liabilities		121,291,748	458,947	121,750,695
Net assets		1,697,218,031	64,053,012	1,761,271,043
Equity				
Issued capital	3	1,688,342,901	62,982,136	1,751,325,037
Profits reserve	4	184,758,357	1,070,876	185,829,233
Accumulated losses		(175,883,227)	-	(175,883,227)
Total equity		1,697,218,031	64,053,012	1,761,271,043

Note 1: Financial assets – investment in controlled entity at FVTPL (PAF)

As at 30 June 2021	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Financial assets – investment in controlled entity at FVTPL (PAF)	-	64,511,959	64,511,959

Forming part of the pro forma adjustments to the 30 June 2021 statement of financial position for WAM is the recognition of the investment in PAF, assuming WAM acquires 100% of PAF as part of the Offer. The value of PAF has been recognised utilising the audited pre-tax NTA of PAF as at 30 June 2021 (from the Annual Financial Report) for the purposes of the pro forma financial information, set out below:

Value of investment in controlled entity at FVTPL

PAF 30 June 2021 Net Assets	65,232,811
Less: Deferred tax assets	(1,907,877)
Add: Current tax liabilities	701,067
Add: Deferred tax liabilities	394,958
PAF pre-tax NTA	64,511,959

Source: PAF's audited 2021 Annual Financial Report.

Note 2: Deferred tax liabilities

As at 30 June 2021	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Deferred tax liabilities	27,179,121	458,947	27,638,068

In reference to the fair value gain on acquisition of a controlled entity as part of the pro forma adjustments (see Note 4 for further information), the tax effect of the transaction is recognised for the Enlarged Group as part of the recognition of the investment in PAF, assuming that WAM acquires 100% of PAF as part of the Offer.

Adjustments in relation to the tax effect of PAF joining WAM's tax consolidated group upon completion the Offer, assuming WAM acquires 100% of PAF, are not able to be determined at this time and have not been considered as part of the pro forma adjustments.

Note 3: Issued capital

As at 30 June 2021	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Issued capital	1,688,342,901	62,982,136	1,751,325,037

Forming part of the pro forma adjustments to the 30 June 2021 statement of financial position for WAM is the issue of WAM scrip to PAF Shareholders in accordance with the terms of the Offer, as set out below:

Transaction details As at 30 June 2021

Offer: 1 WAM Share for every 1.99 PAF Shares	1 for 1.99
No. of WAM Shares to be issued as Offer consideration	28,758,966
Scrip value (WAM Shares) - as at 30 June 2021	\$2.19 / share
Total Offer consideration value	62,982,136

Note 4: Profits reserve

As at 30 June 2021	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Profits reserve	184,758,357	1,070,876	185,829,233

In recognising the acquisition of 100% of PAF in the Enlarged Group, the identifiable pre-tax NTA of PAF is recognised in consideration for the issue of WAM Shares as part of the Offer to PAF Shareholders.

The difference between the value of the WAM Shares issued, when compared to the identifiable pre-tax NTA of PAF is recognised through the statement of financial performance and resulting equity reserves. Assuming the completion of the Offer as at 30 June 2021, the breakdown of the accounting recognition is set out below:

Transaction details As at 30 June 2021

Value of WAM Shares (see Note 3) – as at 30 June 2021	62,982,136
Total consideration	62,982,136
Identifiable pre-tax NTA of PAF (see Note 1) - as at 30 June 2021	64,511,959
Total fair value gain on acquisition of a controlled entity	1,529,823
Less: taxation expense, at 30%	458,947
Total fair value gain, after tax	1,070,876

6.4. Summary of information

The information included in this Section 6 is unaudited pro forma financial information for the Enlarged Group comprising of WAM and PAF as at 30 June 2021 on the basis that WAM acquires 100% of PAF, assuming completion of the Offer as at 30 June 2021.

The unaudited pro forma combined statements of financial position of the Enlarged Group as at 30 June 2021 (Pro Forma Statement of Financial Position) presented above has been produced with reference to the audited financial report for WAM as at 30 June 2021 and the audited financial report for PAF as at that date. The financial information reflects the latest publicly available information for PAF that is capable of being compared.

The WAM Board has assessed the requirements of AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities and have applied the criteria set out in that standard to the operations of WAM. WAM is therefore considered to be an investment entity and as a result, the investment in PAF (being a wholly owned entity of the WAM) would not be consolidated into the financial statements, but rather is accounted for as a financial asset at FVTPL. After acquisition, subsequent movements in the fair value of the identifiable net assets of the controlled entity are recoded as fair value gains or losses through the statement of financial performance.

The pro forma financial information does not represent what the Enlarged Group would look like on a combined basis, since it is not possible to produce this information from publicly available information and due to the accounting policies of WAM. No adjustments for potential synergy benefits have been included as the exact timing and amount of those benefits cannot be reliably estimated. However, the Pro Forma Statement of Financial Position does reflect the issue of new WAM Shares to PAF Shareholders, and other adjustments required as a result of this Offer.

The Pro Forma Statement of Financial Position is for illustrative purposes only and is based on numerous assumptions that may or may not reflect the actual financial position of the Enlarged Group after completion of the Offer. In addition, the Pro Forma Statement of Financial Position is presented in a summary format and therefore does not contain all the disclosures required under the Corporations Act.

Financial information relating to PAF has been sourced from its publicly available information. WAM has relied on the information in the monthly investment portfolio update and NTA reports of PAF as well as audited financial reports issued by PAF to prepare the financial information contained in this document.

WAM does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. WAM has not been able to independently verify any of the financial information relating to PAF used in this document, for providing pro forma financial information.

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in Section 8, other information contained in this Bidder's Statement, and the accounting policies of WAM and PAF as disclosed in their most recent audited financial reports.

The accounting policies of WAM and PAF are not considered materially different. The significant accounting policies adopted in the preparation of the historical financial information are disclosed in WAM's audited Annual Report for the year ended 30 June 2021.

6.5. No forward looking financial statements

This document does not provide revenue or profit projections for the Enlarged Group. WAM does not believe that it has reasonable grounds to include revenue or profit forecasts in this Bidder's Statement. WAM believes that the inclusion of revenue or profit forecasts would be unduly speculative and potentially misleading for PAF Shareholders.

6.6. Prospective financial information of the Enlarged Group

WAM has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Enlarged Group. The WAM Board has concluded that providing forecast financial information would be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key inputs may have on future earnings performance.

The Enlarged Group will continue to pursue investment activities – primarily investing in equities listed on the ASX – to achieve its stated objectives.

The future performance of the Enlarged Group is dependent on the performance of its investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments. As such, the WAM Board do not believe it is possible or appropriate to accurately predict the future performance of the Enlarged Group's investments and, therefore, its performance.

7. WAM's intentions

7.1. General

This Section 7 sets out WAM's intentions in relation to:

- a) the continuation of PAF's business;
- b) any significant changes to be made to PAF's business, including any redeployment of PAF's fixed assets; and
- c) the future employment of PAF's employees (where applicable).

WAM's intentions are based on the information known, and the circumstances that exist, at the date of this Bidder's Statement.

WAM has reviewed information in the public domain concerning PAF, its business and the general business environment in which it operates. Based on its review of that material, and on its current assessment of PAF's operations, WAM's intentions in relation to PAF are summarised below. Statements set out in this Section are statements of current intention only which may change as new information becomes available or circumstances change.

7.2. Strategic Review

As WAM does not currently have access to all material information, facts and circumstances which it considers necessary to assess the operational, commercial, taxation and financial implications of its current intentions, final decisions on these matters have not been made. Upon successful completion of the Offer, and in the event that WAM controls more than 50% of PAF's Shares, WAM proposes to conduct a review of the strategy, operations, activities, assets and employees (based on publicly available information PAF has no fixed assets or employees) of PAF in light of the information which then becomes available to it (**Strategic Review**).

This Strategic Review will:

- a) confirm whether WAM should proceed with a realisation of PAF's investments and conduct a return of capital;
- b) explore other investment strategies for PAF's remaining cash; and
- c) seek to make appropriate provisions for any of PAF's ongoing liabilities.

Final decisions will only be reached in light of all material facts and circumstances. Accordingly, the statements set out in this Section 7 are statements of current intention only which may change as new information becomes available or circumstances change.

7.3. WAM's intentions upon controlling 90% or more of PAF Shares

This Section sets out WAM's intentions if it controls 90% or more of PAF Shares and becomes entitled to proceed to compulsory acquisition of PAF Shares under the Corporations Act:

- a) WAM intends to undertake the Strategic Review;
- b) WAM currently intends to proceed to compulsory acquisition of the remaining PAF Shares if it becomes entitled to do so under the Corporations Act;
- c) WAM will seek to remove PAF from the Official List of the ASX;
- d) WAM intends to replace all PAF Directors with its nominees;

- e) WAM intends to work constructively with the PAF Manager; and
- f) Based on publicly available information, it appears that PAF has no employees. If at the relevant time PAF does employ any person, then, subject to the Strategic Review, it may be necessary to redeploy or make some of PAF's employees redundant. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

7.4. WAM's intentions upon controlling more than 50.1% but less than 90% of PAF Shares

If WAM, by virtue of acceptance of the Offer, acquires a Relevant Interest in PAF of more than 50.1% but less than 90%, its current intentions are as set out below:

- a) PAF will become a controlled entity of WAM;
- b) WAM intends to undertake the Strategic Review;
- c) Subject to the Corporations Act and the Strategic Review, WAM proposes to seek the appointment of a majority of WAM nominees to the PAF Board. WAM has not made any decisions as to who would be nominated for appointment. WAM may also seek to add to, replace or reorganise the roles of a proportion of the members of the PAF Board to reflect the proportionate ownership interest of WAM and other PAF Shareholders;
- d) WAM intends to work constructively with the PAF Manager;
- e) WAM may seek to remove PAF from the Official List of the ASX;
- f) WAM may, at some later time, acquire further PAF Shares in a manner consistent with the Corporations Act;
- g) If WAM becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, it may exercise those rights; and
- h) WAM may consider acquiring additional PAF Shares under the "creep" provisions of Item 9 in section 611 of the Corporations Act (which allows for WAM and its Associates to acquire up to 3% of PAF Shares every 6 months); and
- i) WAM intends to undertake the activities referred to in this Section 7.4 to the extent permitted by its control of PAF.

7.5. WAM's intentions upon controlling less than 50.1% of PAF Shares

WAM reserves its right to declare the Offer free from the 50.1% minimum acceptance Condition (or any other Condition) to the Offer. However, WAM has not yet decided whether it will free the Offer of the Conditions.

In that circumstance:

- a) WAM has a Relevant Interest in less than 50.1%, to the extent possible through its non-controlling holding of PAF Shares, WAM will endeavour to give effect to the intentions set out in Section 7.4. However, WAM considers that its ability to effect the intentions set out in Section 7.4 will be significantly limited if WAM is unable to achieve the level of shareholding; and
- b) WAM may consider acquiring additional PAF Shares under the "creep" provisions of Item 9 in section 611 of the Corporations Act (which allows for WAM and its Associates to acquire up to 3% of PAF Shares every 6 months) until it achieves a majority Voting Power. WAM has not yet decided whether it will acquire further PAF Shares in the event it controls less than 50.1%.

7.6. Limitations on intentions

The intentions and statements of future conduct set out in this Section 7 must be read as being subject to:

- a) the outcome of the Strategic Review;
- b) the law (including the Corporations Act) and the Listing Rules, including in particular the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and “related party” transactions given that, if WAM gains control of PAF but does not acquire all of the PAF Shares, it will be treated as a related party of PAF for these purposes; and
- c) the legal obligations of the PAF Directors at the time, including any nominees of WAM, to act in good faith and in the best interests of PAF and for proper purposes and to have regard to the interest of all PAF Shareholders (in which regard the role of independent directors of PAF will also be important).

8. Risk factors

8.1. Introduction

The future investment performance of WAM and the future performance of the WAM Shares may be influenced by a range of factors, many of which are outside the control of WAM. WAM is subject to risks that are both of a general nature and risks which are specific to its business activities.

This Section describes what WAM considers to be some of the key risks associated with WAM's business, the industry in which it operates, and the risks associated with an investment in WAM, including:

- risks specific to the Offer;
- risks specific to WAM;
- risks specific to PAF;
- general risks; and
- risks relating to the Enlarged Group.

The risks listed in this Section should not be considered to be an exhaustive list of every possible risk associated with accepting the Offer, the industry in which WAM operates, or the risks associated with an investment in WAM now or in the future. The types of risks to which WAM is exposed can change over time and vary with changes in economic, technological, environmental, and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside of the control of WAM.

The selection of risks is based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. They are not listed in order of likelihood of occurrence or impact. The assessment is based on the knowledge of WAM Directors and management as at the date of this Bidder's Statement, but there is no guarantee or assurance that the importance of these or other risks will not change or that no other new risks will emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the operations, performance and position of WAM. There can be no guarantee that WAM will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.

Before accepting the Offer, you should read the entire Bidder's Statement carefully and satisfy yourself that you have a sufficient understanding of the risks described in this Section 8, together with the other information set out in this Bidder's Statement. You should also consider whether accepting the Offer is suitable for you in light of your investment objectives, financial situation, taxation position and particular needs. If you do not understand any part of this Bidder's Statement or have any questions about whether to accept the Offer, you should consult your accountant, financial adviser, stockbroker, solicitor or other independent and qualified professional adviser before deciding whether to accept the Offer.

8.2. Risks specific to the Offer

The following risk factors may arise as a result of the Offer and the acquisition of PAF Shares by WAM.

Conditions to the Offer

As described in Schedule 1 of this Bidder's Statement, the Offer is subject to a number of conditions.

Subject to any statutory withdrawal rights that may be available, PAF Shareholders who accept the Offer while it still remains conditional will no longer be able to trade their PAF Shares on the ASX or withdraw their acceptance of the Offer. PAF Shareholders should be aware that the market price of PAF Shares may exceed the implied price under the Offer during the Offer Period.

For those PAF Shareholders who accept the Offer and the conditions remain unsatisfied at the end of the Offer Period, and are not otherwise waived by WAM, there is no obligation on WAM to issue WAM Shares to you as consideration for your PAF Shares. In those circumstances, any acceptances of the Offer will be void and you would then be free to deal with your PAF Shares.

Limited withdrawal rights

PAF Shareholders may only withdraw their acceptance of the Offer in limited circumstances. Otherwise, PAF Shareholders will be unable to withdraw their acceptances, even if the value of the WAM Shares to be issued to PAF Shareholders as consideration varies from the date of their acceptance.

Issue of WAM Shares as the Offer Consideration

PAF Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares. Furthermore, if current WAM Shareholders or current PAF Shareholders who accept the Offer do not wish to hold shares in the Enlarged Group and seek to sell their shares, this may have material adverse effect on the Enlarged Group and the market price of WAM Shares.

Accordingly, the market value of WAM Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to PAF Shareholders increasing as well as decreasing.

Less than 100% ownership

It is possible that WAM may not acquire all PAF Shares under the Offer. The impact upon WAM of acquiring less than 100% will depend upon the final level of ownership acquired. However, the existence of minority shareholders in PAF could have an impact on WAM's intentions regarding PAF (refer to Section 7).

PAF information

In preparing the information on PAF included in this Bidder's Statement, WAM has relied on publicly available information of PAF only. WAM has not had direct access to PAF Directors or its auditors. In addition, it is possible that additional risks may exist in relation to PAF's operations that are unknown to WAM.

There is also a risk that the publicly available financial information of PAF utilised by WAM in formulating the Offer and preparing this Bidder's Statement is not materially correct.

Reporting risks

WAM has assumed that PAF has met all of its reporting obligations and that disclosures made by it are true and are not misleading in any material respects.

Dilution risks

As the consideration payable for the Offer consists of WAM Shares, the interests of existing WAM Shareholders (which may include PAF Shareholders following completion of the Offer) will be diluted to some degree, with respect to the percentage ownership of the Company.

Taxation risks

Tax liabilities are the responsibility of each individual investor, and WAM is not responsible either for taxation or penalties incurred by PAF Shareholders. PAF Shareholders should consult their own taxation advisers to ascertain the tax implications of their investment.

Taxation considerations

The effects of taxation can be complex and may change over time. A summary of the current Australian income tax implications associated with acceptance of the Offer is outlined in Section 10. However, this summary is general in nature and, as the circumstances for each PAF Shareholder may vary, PAF Shareholders should seek professional taxation advice in relation to their own position.

This list is not exhaustive and PAF Shareholders should read this Bidder's Statement in full. If PAF Shareholders require further information on these risks, they should seek professional advice.

Potential impact on subsequent bids

WAM's shareholding may become of such a size that a third party would not be able to successfully make a takeover bid for PAF without the support of WAM.

8.3. Risks specific to WAM

Manager risk

The risk that WAM's investment objectives will not be achieved and/or it may underperform the S&P/ASX All Ordinaries Accumulation Index (WAM's benchmark) or may underperform other listed investment companies in the same asset class. The achievement of WAM's objectives (including the ability to pay dividends) depends on a range of factors, including its portfolio selection, the skills of the WAM's investment team and the actual performance of investments.

Risks on WAM's investments

WAM may invest in entities with a limited trading history or small capital base. These investments may pose greater risk than investments in larger capitalised entities or entities in other market sectors. While the development of sound risk management procedures and sound due diligence can minimise the risks of investment in such companies, the risks are material and significant.

Listed Investment Company risk

A listed investment company's share price may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including, but not limited to:

- domestic and international economic growth;
- performance of domestic and international financial markets;
- domestic and international political events; and
- relevant regulation in Australia and overseas.

Business risk

The profitability and success of WAM is highly dependent on the ability of its directors and its investment manager to assess business risks and make appropriate investment decisions. No guarantee can be given in respect of the future earnings of WAM or the earnings and capital appreciation of its investments.

Short selling risk

There is a risk of potential losses when the market price of the asset sold rises.

A short position is created when WAM borrows a security from a securities lender and then sells it, with the intention of buying back the security when its price falls, profiting from the difference.

The maximum profit from a short position is equal to the value of the asset sold 'short' minus any lending fees incurred in borrowing the asset and other brokerage costs.

If the price of the security rises, a loss is incurred which can be much greater than the purchased value of the security. There is also the risk that the securities lender may recall a security that WAM has borrowed at any time, which means that WAM may have to buy the security back at an unfavourable price to meet its obligations.

In the extreme event of the market price of the short sold asset falling to zero, the short position can theoretically be covered at zero cost, resulting in a profit equal to the initial proceeds from the sale of the asset – minus the lending fees and brokerage costs.

However, in theory, the potential loss on a short position can be infinite when the market price of the short sold asset rises. The costs of covering the short position can also theoretically rise without limit; however, the short position would generally be closed out at a predetermined price to cap the level of potential loss.

The risk of loss from short selling is greater than holding a long position.

Derivative risk

There is a risk that the use of derivatives can have a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain. Derivative instruments include futures, options on futures, over-the-counter options, exchange-traded options, swaps and forward contracts.

The value of all derivatives is 'derived' from underlying physical assets, such as company shares, commodities and bonds.

The risk of loss associated with the use of derivative contracts can be substantial. These leveraged positions within WAM allow exposure to risk assets to be created that is greater than the value of the actual assets that support them.

8.4. Risks specific to PAF

Manager risk

The risk that PAF's investment objective will not be achieved and/or it may underperform PAF's benchmark or may underperform other listed investment companies in the same asset class. The achievement of PAF's objective (including the ability to pay dividends) depends on a range of factors, including its portfolio selection, the skills of the PAF's investment manager's employees, the timing of implementation of protection strategies, and actual performance of investments.

Foreign currency risk

A global investment strategy contains foreign exchange risk within PAF's portfolio. These investments may pose greater risk than investments in domestic entities. While the development of sound risk management procedures and sound due diligence can minimise the risks of investment in such companies, the risks are material and significant.

Leverage risk

The loss of capital and income through the use of leverage if there are adverse market movements. PAF may use derivatives and short selling to enhance performance returns.

The use of leverage may magnify the gains and losses achieved by PAF. The use of short selling and derivatives also requires PAF to provide collateral (e.g. PAF's assets) to its prime broker which exposes the assets to counterparty risk (see below for further information on counterparty risk).

Short selling risk

There is a risk of potential losses when the market price of the asset sold rises.

A short position is created when PAF borrows a security from a securities lender and then sells it, with the intention of buying back the security when its price falls, profiting from the difference.

The maximum profit from a short position is equal to the value of the asset sold 'short' minus any lending fees incurred in borrowing the asset and other brokerage costs.

If the price of the security rises, a loss is incurred which can be much greater than the purchased value of the security. There is also the risk that the securities lender may recall a security that PAF has borrowed at any time, which means that PAF may have to buy the security back at an unfavourable price to meet its obligations.

In the extreme event of the market price of the short sold asset falling to zero, the short position can theoretically be covered at zero cost, resulting in a profit equal to the initial proceeds from the sale of the asset – minus the lending fees and brokerage costs.

However, in theory, the potential loss on a short position can be infinite when the market price of the short sold asset rises. The costs of covering the short position can also theoretically rise without limit; however, the short position would generally be closed out at a predetermined price to cap the level of potential loss.

The risk of loss from short selling is greater than holding a long position.

Derivative risk

There is a risk that the use of derivatives can have a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain. Derivative instruments include futures, options on futures, over-the-counter options, exchange-traded options, swaps and forward contracts.

The value of all derivatives is 'derived' from underlying physical assets, such as company shares, commodities and bonds.

The risk of loss associated with the use of derivative contracts can be substantial. These leveraged positions within PAF allow exposure to risk assets to be created that is greater than the value of the actual assets that support them.

Counterparty and credit risk

Counterparty risk is the risk that a counterparty, such as a clearing house or securities lender, will not be able to meet its obligation under a contract.

When PAF invests in derivative instruments, PAF may take a credit risk with regard to parties with whom it trades and may bear the risk of settlement default. This risk is reduced for exchange traded transactions due to certain protections, such as being backed by a clearing organisation's guarantee, daily marking-to-market and settlement, segregation and minimum capital requirements applicable to intermediaries.

Other transactions entered into directly between two parties generally do not benefit from such protections. This could expose PAF to the risk of loss if a counterparty does not settle a transaction in accordance with its terms and conditions, perhaps due to a dispute over the terms of the contract or because of a credit or liquidity problem.

In the case of a default, PAF could also become subject to adverse market movements while replacement transactions are executed. Risks from PAF's prime broker may arise because the prime broker does not guarantee the return of collateral, while also being able to use PAF's assets

as security for lending. PAF will rank as an unsecured creditor in relation to the assets used by the prime broker and may not be able to recover those assets in full.

The ability of PAF to transact business with one or more counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by PAF.

Concentration risk

There is potential for volatility due to the lack of diversity within PAF's portfolio. The lower the number of investments, the higher the concentration and, in turn, the higher potential volatility.

Listed Investment Company risk

A listed investment company's share price may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including, but not limited to:

- domestic and international economic growth;
- performance of domestic and international financial markets;
- domestic and international political events; and
- relevant regulation in Australia and overseas.

Business risk

The profitability and success of PAF is highly dependent on the ability of its directors and investment manager to assess business risks and make appropriate investment decisions. No guarantee can be given in respect of the future earnings of PAF or the earnings and capital appreciation of its investments.

8.5. General risks

Regulation and Publicity

Changes to the regulatory environment for listed investment companies, the Corporations Act, ASIC policy, Listing Rules and their commercial application and/or publicity may have an impact on PAF and WAM's investments and may affect the value of PAF Shares and WAM Shares.

Changes in Accounting Policy

WAM and PAF must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on WAM and PAF (as applicable) reported financial performance and financial position.

Economic conditions

The price at which WAM Shares and PAF Shares trade on the ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlooks.

Sharemarket conditions

The market for WAM Shares and PAF Shares may also be affected by a wide variety of events and factors including COVID-19, variations in WAM and PAF's respective operating results, recommendations by securities analysts, and the operating and trading price performance of other listed entities that investors consider to be comparable to WAM or PAF (as applicable). Some of these factors could affect WAM or PAF's share price regardless of underlying operating performance.

Currency Risk

Shareholders who reside outside of Australia, or who rely on funding denominated in a currency other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in, and returns.

Forward looking statements

Certain information in this Bidder's Statement constitutes forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure and achievement of milestones and other outcomes of the combined group to be different from the expectations expressed or implied in this Bidder's Statement.

8.6. Risks relating to the Enlarged Group

Implementation Risks

Irrespective of the outcome of the Offer, the Investment Management Agreement between PAF and PAF Manager is for a fixed term. While WAM intends to work constructively with PAF Manager there is no guarantee that PAF Manager will carry out WAM's intentions or instructions in relation to the management of PAF's portfolio of investments.

Diversification

As holders of WAM Shares, following implementation of the Offer, PAF Shareholders will be exposed to a more diversified portfolio of investments than PAF. That diversification may continue in the future. A more diverse portfolio of investments may mean PAF Shareholders are exposed to a more diverse range of risks.

WAM Shares

Under the Offer, PAF Shareholders are issued with WAM Shares in consideration for the transfer of PAF Shares. The share price performance of a listed company, such as WAM is subject to general fluctuations in the share market. These fluctuations can result from a wide variety of factors, some of which are beyond the control of WAM such as:

- general economic conditions, including changes in inflation rates, interest rates and exchange rates;
- variations in the domestic and international markets for listed stocks;
- changes in government policy, legislation or regulation; and
- inclusion or removal from market indices.

In particular, the share prices in any companies may reflect a diverse range of issues which are not specific to the company concerned, such as acts of terrorism and the general state of the economy. These market fluctuations may adversely affect the price of WAM Shares. An investment in WAM Shares therefore carries risks that the share price may fall and no guarantee can be made about the declaration of dividends or returns of capital.

9. Sources of Consideration

9.1. Offer Consideration

The consideration for the acquisition of PAF Shares under the Offer is to be satisfied by the issue of WAM Shares. The Offer Consideration is 1 WAM Share for every 1.99 PAF Shares.

In the event that the Scheme Break Fee is removed, WAM's intention is to increase its Offer to 1 WAM Share for every 1.975 PAF Shares.

The total number of WAM Shares to be issued will depend on the number of PAF Shares that WAM acquires under the Offer.

The calculations in this section on the maximum consideration to be paid by WAM assume that, as a result of the Offer, WAM acquires all PAF Shares on issue at the date of this Bidder's Statement.

9.2. Maximum number of WAM Shares

The maximum number of WAM Shares which are required to be issued under the Offer if acceptances are received for all the PAF Shares on issue at the date of this Bidder's Statement is approximately 28,809,052 (excluding rounding adjustments).

WAM Shares issued under the Offer are exempt from ASX Listing Rule 7.1 (which prohibits issues exceeding 15% of a company's share capital in any 12-month period). Accordingly, WAM has the capacity to issue the maximum number of WAM Shares that may be required under the Offer.

10. Tax considerations

10.1. Introduction

The following is a summary of the potential Australian income tax and capital gains tax (**CGT**) consequences generally applicable to PAF Shareholders who dispose of PAF Shares under the Offer. All PAF Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident PAF Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their PAF Shares. The information in this section is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a PAF Shareholder.

In particular this summary is only applicable to PAF Shareholders that are Australian residents for income tax purposes and hold their PAF Shares on capital account for investment purposes and only considers the Australian tax position.

This summary does not apply to PAF Shareholders:

- who hold their PAF Shares for the purpose of speculation or a business of dealing in securities (e.g. as trading stock or as revenue assets);
- who acquired their PAF Shares pursuant to an employee share scheme operated by PAF;
- who are subject to taxation of financial arrangement rules in Division 230 of the Income Tax Assessment Act 1997 in relation to gains or losses on their PAF Shares;
- that may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- are non-residents of Australia who hold their PAF Shares in carrying on a business through a permanent establishment in Australia.

PAF Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Offer under the laws of their country of residence, as well as under Australian law.

10.2. CGT consequences on the disposal of PAF Shares

A PAF Shareholder that accepts the Offer and whose PAF Shares are subsequently transferred to WAM, is taken to have disposed of their PAF Shares for Australian CGT purposes. Shareholders make a capital gain on the disposal of their PAF Shares to the extent that the market value of the Offer consideration exceeds the tax cost base of the PAF Shareholders' PAF Shares (prior to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain).

The capital proceeds received for the disposal of the PAF Shares should be calculated by reference to the market value of WAM Shares that each PAF Shareholder will receive.

The sum of all capital gains derived by a PAF Shareholder in the year in which the transaction occurs, reduced by any capital loss incurred during that year, or carried forward from prior years (known as the net capital gain), should be included in the assessable income of the PAF Shareholder.

Alternatively, a PAF Shareholder will make a capital loss on the transfer of their shares to WAM, equal to the amount by which the reduced cost base of their PAF Shares is more than the capital proceeds (i.e. value of shares in WAM) they receive under the Offer. A capital loss may be used to offset against a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests which apply if the PAF Shareholder is a company or trust).

10.3. Cost base of PAF Shares generally

If a PAF Shareholder does not dispose of their PAF Shares under the Offer and their PAF Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those PAF Shareholders will also be treated as having disposed of their PAF Shares for CGT purposes.

In this case, the date of the CGT event will be the date when the PAF Shareholder ceases to be the owner of the PAF Shares.

10.4. CGT rollover

Where WAM acquires 80% or more of the Shares in PAF, a PAF Shareholder may be eligible to choose for scrip for scrip CGT rollover relief under Subdivision 124-M of the Income Tax Assessment Act 1997 (Cth) in respect of the disposal of PAF Shares, so that any CGT payable on the disposal of their PAF Shares is deferred.

If a PAF Shareholder elects for CGT rollover relief to apply, any capital gain that they would otherwise make on the disposal of their PAF Shares will be disregarded, as the only consideration that PAF Shareholders will receive in respect of their PAF Shares are replacement shares in WAM.

The benefit of choosing scrip for scrip rollover relief will depend on the individual circumstances of each PAF Shareholder and therefore PAF Shareholders should discuss this with their tax advisers.

Where rollover relief is chosen, the tax cost base of the WAM Shares received by the PAF Shareholders should equal the tax cost base of the PAF Shares disposed of. This tax cost base will be allocated on a proportionate basis across the WAM Shares received. This cost base will be relevant in determining any future CGT liability on the subsequent disposal of the WAM Shares.

For the purposes of determining whether the CGT discount applies on any subsequent disposal of the WAM Shares, the date on which the PAF Shareholders will be deemed to have acquired the WAM Shares will be the day they acquired their original PAF Shares.

Generally, where PAF Shareholders prepare their income tax return on the basis that scrip for scrip rollover has been applied, this will be sufficient evidence of making the choice to obtain rollover relief.

In certain circumstances, it may be necessary for WAM to make a joint election with PAF Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the PAF Shareholder and provided the PAF Shareholder has informed WAM in writing of the cost base of their PAF Shares, WAM may make the joint election. WAM confirms that it will not make any choice or election under the CGT rollover provisions that would prevent PAF Shareholders from obtaining CGT rollover relief where available.

However, if the WAM Offer becomes unconditional and WAM does not increase its holding to at least 80% of the PAF Shares on issue as a result of the Offer, CGT rollover relief will not be available for any PAF Shareholders.

10.5. CGT discount

Any PAF Shareholder who is an individual, the trustee of a trust or a complying superannuation entity that does not choose CGT rollover relief may be entitled to a 'CGT discount' in calculating the net capital gain to be included in their assessable income.

- PAF Shareholders will be eligible for CGT discount provided that:
- the PAF Shares were acquired at least 12 months before disposal to WAM;
- the PAF Shareholder did not choose to index the cost base of their PAF Shares; and
- the CGT discount is applied to the capital gain after any available capital losses are first applied to reduce the capital gain.

The CGT discount allows a PAF Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50%, including only the remaining 50% of the capital gain in the taxable income of that individual or trust.

A PAF Shareholder that is a complying superannuation entity may discount the capital gain by 33.3% and include 66.6% of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a PAF Shareholder that is a company.

10.6. Stamp duty and GST

Neither the sale of PAF Shares, nor the issue of WAM Shares should give rise to any stamp duty liability for existing PAF Shareholders.

10.7. Goods and Services Tax (GST)

The sale of PAF Shares by existing shareholders as contemplated will not attract GST. Similarly, no GST will be payable on the acquisition of WAM Shares.

Where shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing shares or acquisition of new shares may not be recoverable if the individual shareholder exceeds the financial acquisitions threshold as set out in the relevant GST legislation. However, a reduced input tax credit equal to 75% of the GST incurred may still be available if the acquisition constitutes a reduced credit acquisition.

Where PAF Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Offer.

10.8. Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, WAM does not accept any responsibility for tax implications for individual PAF Shareholders.

WAM is not a registered tax agent under the Tax Agent Services Act 2009 (Cth) and cannot provide tax advice to specific PAF Shareholders. PAF Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

II. Additional information

11.1. WAM is a disclosing entity

As WAM is offering WAM Shares as consideration for the acquisition of PAF Shares, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of WAM Shares under sections 710 to 713 of the Corporations Act. WAM does not need to issue a separate prospectus for the Offer of the WAM Shares as the offer occurs under a takeover bid.

WAM is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 7.13 of the Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, WAM is required to continuously disclose to the market any information it has, which a reasonable person would expect to have a material effect on the price or the value of WAM's Shares.

WAM Shares have been quoted on the ASX during the 12 months before the date of this Bidder's Statement. For this reason, WAM is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where WAM's shares are continuously quoted securities, the prospectus is only required to contain information on the effect of the Offer on WAM and the rights and liabilities attaching to the WAM Shares. It is not necessary to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company unless that information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of those matters and the rights and liabilities attaching to the WAM Shares.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. WAM, as a disclosing entity under the Corporations Act, states that:

- a) it is subject to regular reporting and disclosure obligations;
- b) copies of documents lodged with ASIC by WAM (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the financial statements of WAM for the 12 months ended 30 June 2021 (being the annual report most recently lodged by WAM with ASIC);
 - (ii) the half-year financial report lodged for the six months ended 31 December 2020 lodged with ASIC by WAM; and
 - (iii) all continuous disclosure notices given by WAM after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

If you would like to receive a copy of any of these documents or publications, please call Chairman Geoff Wilson AO on 02 9247 6755, Wilson Asset Management's Chief Financial Officer Jesse Hamilton on 0401 944 807 or Head of Operations Martyn McCathie on 0433 312 603.

Copies of all documents lodged with ASIC in relation to WAM can be inspected at the registered office of WAM during normal office hours. A list of announcements made by WAM on the ASX between 30 June 2021 and the date of this Bidder's Statement appears in Schedule 2.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that a PAF Shareholder or a professional adviser to a PAF Shareholder would reasonably require for the purposes of making an informed assessment of:

- a) the assets and liabilities, financial position and performance, profits and prospects of WAM; or
- b) the rights and liabilities attaching to WAM Shares.

None of the information referred to in this Section 11.1 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

11.2. Capital Structure of WAM

The total number of WAM Shares on issue is 878,319,194 listed shares. There are no other WAM securities on issue.

11.3. Rights and liabilities attaching to WAM Shares

The rights and liabilities attaching to ownership of the WAM Shares arise from a combination of WAM's constitution, statute, the Listing Rules and general law.

A summary of the significant rights and liabilities attaching to WAM Shares is set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of WAM Shareholders.

Voting at a general meeting

Subject to any shares which may in the future be issued with special or preferential rights, every member present in person at a general meeting of WAM or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid WAM Share held. On a poll, partly paid shares confer a fraction of a vote in proportion to the amount paid up on the share.

Meeting of members

Each WAM Shareholder is entitled to receive notice of, attend and vote at meetings of WAM and to receive all notices, accounts and other documents required to be sent to WAM Shareholders under WAM's constitution, the Corporations Act and the Listing Rules.

Dividends

The WAM Directors may authorise the payment of dividends to members as and when permitted by the Corporations Act. Dividends are payable on all WAM Shares in proportion to the amount of the total issue price paid or credited as paid for the WAM Shares. This is subject to any special or preferential rights attached to any class of shares created after the issue of the WAM Shares. If a fully paid share is on issue for only part of the period in respect of which a dividend is payable, the dividend for that share will be apportioned and paid according to the proportion that the part of

that period for which the share is on issue and is fully paid is of the total period for which the dividend is payable.

Transfer of WAM Shares

WAM Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the WAM Directors.

The Directors may only decline to register a transfer of WAM Shares (other than a proper transfer under the ASX Settlement Operating Rules) where permitted or required to do so under the Listing Rules. If the Directors refuse to register a transfer, WAM must, within five Business Days after the transfer is lodged with WAM, give the party lodging the transfer written notice of the refusal and the reason for refusal. The WAM Directors must decline to register a transfer of WAM Shares when required by the Corporations Act or the Listing Rules.

Issue of further WAM Shares

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in WAM on terms as they see fit. However, the WAM Directors must act in accordance with the restrictions imposed by WAM's constitution, the Corporations Act, the Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

Winding-up

If WAM is wound up, the liquidator may, with the sanction of a special resolution, divide among the WAM Shareholders the whole or any part of the property of WAM and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the divisions is to be carried out as between the WAM Shareholders or different classes of WAM Shareholders.

Share buy-back

Subject to the provisions of the Corporations Act and the Listing Rules, WAM may buy back WAM Shares on terms and at times determined by the WAM Directors.

Variation of class rights

Unless otherwise provided by WAM's constitution or by the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or abrogated:

- a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- b) with the sanction of a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or abrogated, may apply to a court of competent jurisdiction to exercise its discretion to set aside that variation or abrogation.

Dividend reinvestment plan

WAM's constitution authorises the WAM Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by WAM be reinvested by way of subscription for shares in WAM).

Indemnities

To the extent permitted by law, WAM indemnifies every officer and former officer of WAM against a liability incurred by the person acting in that capacity. In addition, every officer is indemnified out of the assets of WAM against any liability incurred in defending any civil or criminal proceedings in which judgment is given in favour of the officer, or in which the officer is acquitted.

Alteration of WAM's constitution

WAM's constitution can only be amended by special resolution passed by at least 75% of WAM Shareholders present and voting at a general meeting of WAM. WAM must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

11.4. Capital structure of PAF

- a) WAM's Offer is to acquire all of the issued PAF Shares that it does not already control.
- b) At the date of this Bidder's Statement, there are 57,330,012 PAF Shares on issue.

11.5. Details of WAM's Relevant Interests in PAF Shares

At the date of this Bidder's Statement, WAM and its Associates did not hold a Relevant Interest in PAF Shares.

WAM reserves the right to purchase PAF Shares outside the Offer at any time during the Offer Period, subject to the Corporations Act.

11.6. Details of WAM Directors' Relevant Interests in PAF Shares

At the date of this Bidder's Statement, no WAM Director has any Relevant Interests in PAF Shares. During the four months prior to the date of the Offer, WAM and its Associates have not acquired PAF Shares.

11.7. No collateral benefits

Neither WAM nor any of its Associates has, during the period of four months ending on the day immediately before the date of the Offer, given, or offered or agreed to give, a benefit to another person likely to induce the other person, or an Associate, to:

- a) accept the Offer; or
- b) dispose of PAF Shares,

which benefit was not offered to all PAF Shareholders under the Offer.

11.8. No escalation agreements

Neither WAM nor any Associate of WAM has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

11.9. Regulatory approvals

There are no regulatory approvals that WAM needs to obtain before acquiring PAF Shares before or under the Offer.

11.10. ASIC modifications and exemptions

ASIC has published various class orders and instruments providing for modifications and exemptions that apply generally to all persons, including WAM, about the operation of Chapter 6 of the Corporations Act. WAM may rely on this relief.

WAM has relied on the modification to section 636(3) of the Corporations Act in paragraph 5(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements in documents lodged with ASIC and ASX without obtaining the consent of the persons to whom those statements are attributed.

WAM will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to PAF Shareholders who request them before the end of the Offer Period.

To obtain a copy of these documents (or the relevant extracts) PAF Shareholders should contact WAM by calling Chairman Geoff Wilson AO on 02 9247 6755, Wilson Asset Management's Chief Financial Officer Jesse Hamilton on 0401 944 807 or Head of Operations Martyn McCathie on 0433 312 603.

11.11. Foreign Shareholders

If you are a Foreign Shareholder, unless WAM otherwise determines that:

- a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with WAM Shares on acceptance of the Offer; and
- b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its or external territories,

you will not be entitled to receive WAM Shares as consideration for your PAF Shares.

Instead, WAM will:

- a) arrange for the issue to the Nominee of the number of WAM Shares to which you and all other Foreign Shareholders would have been entitled but for clause 3.1 of Schedule 1; and
- b) cause the Nominee to offer for sale those WAM Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee; and
- c) pay to you the amount ascertained under the formula in clause 7.3 of Schedule 1.

Notwithstanding anything else contained in this Bidder's Statement, WAM is not under any obligation to spend any money or undertake any action to satisfy itself of the eligibility of Foreign Shareholders to receive WAM Shares.

11.12. Consents

Mills Oakley (ABN 51 493 069 734) has given (and before lodgement of this Bidder's Statement has not withdrawn) its written consent to be named as the legal adviser to the Offer in the form and context in which it is named.

Boardroom Pty Limited (ACN 003 209 836) has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as registry for the Offer in the form and context in which it is named.

Each of Mills Oakley and Boardroom:

- a) has not authorised or caused the issue of this Bidder's Statement;
- b) does not make, or purport to make, any statement in this Bidder's Statement other than as specified in this Section; and
- c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement other than the reference to its name and the statements (if any) included in this Bidder's Statement with the consent of that party as specified in this Section.

11.13. Date for determining holders of PAF Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is 20 October 2021.

11.14. Fees and benefits payable to Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- a) WAM Director or proposed WAM Director;
- b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- c) promoter of WAM,

has, or had within two years before the date of this Bidder's Statement, any interest in:

- a) the formation or promotion of WAM;
- b) any property acquired or proposed to be acquired by WAM in connection with its formation or promotion or in connection with the issue of WAM Shares under the Offer; or
- c) the offer of WAM Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or a proposed Director of WAM as an inducement to become, or to qualify as, a Director of WAM or to any of those persons otherwise for services rendered by them in connection with the formation or promotion of WAM or the offer of WAM Shares under this Bidder's Statement.

The WAM Directors have the following Relevant Interests in WAM Shares (either held directly, held by entities controlled by them or held by entities of which they are WAM Directors or held by family members) at the date of this Bidder's Statement:

Director	Balance at 30 June 2021	Balance as at date of this Bidder's Statement
Geoff Wilson AO	514,321	514,321
Dr Philippa Ryan	-	-
James Chirnside	38,409	38,409
Lindsay Mann	63,880	63,880
Kate Thorley	57,491	57,491
Matthew Pancino	-	-
Total	674,101	674,101

Insurance and indemnity arrangements are in place for WAM Directors and officers of WAM. To the extent permitted by law, WAM indemnifies every person who is or has been an officer against:

- a) any liability to any person (other than WAM, related entities or a major shareholder) incurred while acting in that capacity and good faith; and
- b) costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose 'officer' means any WAM Director or secretary of WAM or any Subsidiary of WAM. Under the terms of the indemnity, WAM must maintain indemnity insurance coverage for a period of seven years after the officer held their position in WAM and allow the officer access to certain records after ceasing to hold office in WAM for a period of seven years.

Mills Oakley has acted as Australian legal advisers to WAM in relation to the Offer. WAM estimates that it will pay amounts totalling \$70,000 in respect of this work.

11.15. Expiry date

No WAM Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date that is 13 months after the date of this Bidder's Statement.

11.16. Other material information

There is no other information material to the making of a decision about whether or not to accept the Offer (being information that is known to WAM and has not previously been disclosed to the holders of PAF Shares) other than as disclosed in this Bidder's Statement.

11.17. Costs and expenses

All costs and expenses of the preparation and circulation of this Bidder's Statement and the Offer will be paid by WAM.

12. Definitions and interpretations

12.1. Definitions

The following defined terms are used throughout this Bidder's Statement unless the context otherwise requires:

\$ or c	Australian dollars or cents.
Acceptance Form	The acceptance form for the Offer accompanying this Bidder's Statement.
Announcement Date	Means 28 September 2021, the date on which WAM announced its intention to make the Offer.
ASIC	Australian Securities and Investments Commission.
Associate	Has the same meaning given to that term in section 9 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) on the market it administers being Australian Securities Exchange (as the context requires).
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement.
Bidder's Statement	This document, being the statement made by WAM under Part 6.5 Division 2 of the Corporations Act.
Broker	A person who is a stockbroker and participant in CHESS.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX declares is not a business day.
CGT	Capital gains tax.
CHESS	The Clearing House Electronic Subregister System which provides for the electronic transfer, settlement and registration of securities in Australia.
CHESS Holding	A holding of PAF Shares on the CHESS subregister of PAF.
Condition	Each condition set out in Schedule 1.
Controlling Participant	Has the meaning given in the ASX Settlement Operating Rules.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Defeating Condition	Each condition set out in clause 8.1 of Schedule 1.
Enlarged Group	WAM with PAF as a wholly owned Subsidiary.
Foreign Shareholder	Any PAF Shareholder whose address in PAF's register of members is a place outside Australia and its external territories, to whom it is unlawful for WAM to make the Offer or for whom it is unlawful to accept the Offer.
FVTPL	Fair value through profit and loss.
Governmental Agency	Any government, semi-government, administrative, fiscal, judicial or regulatory body, department, commission, authority, tribunal, agency or entity.
GST	Goods and services tax.
Investment Management Agreement	Investment Management Agreement between PAF and the PAF Manager dated on or around 1 November 2013.

Issuer Sponsored Holding	A holding of PAF Shares on PAF's issuer sponsored sub-register.
Listing Rules	The listing rules of the ASX.
Material Litigation	Each event set out in clause 8.1(n) of Schedule 1.
Material Transaction	Each event set out in clause 8.1(m) of Schedule 1.
Nominee	Means the nominee to be appointed by WAM for the purposes detailed in Section 11.11.
NTA	Net tangible assets.
Offer	The offer as set out in Schedule 1 of this Bidder's Statement itself and includes a reference to that offer as varied in accordance with the Corporations Act.
Offer Consideration	Consideration offered by WAM for PAF Shares as set out in Section 9.1.
Offer Period	The period for which the Offer remains open.
Offers	The Offer and each of the other offers made in the same terms for PAF Shares and includes a reference to those offers as varied in accordance with the Corporations Act.
Official List	The official list of entities that the ASX has admitted and not removed.
Official Quotation	Official quotation of a Security on a market operated by the ASX.
PAF	PM Capital Asian Opportunities Fund Limited (ACN 168 666 171).
PAF Board	Means the board of PAF Directors.
PAF Directors	Means the directors of PAF.
PAF DRP	The PAF dividend reinvestment plan.
PAF Manager	PM Capital Limited (ACN 083 644 731).
PAF Share	A fully paid ordinary share in the capital of PAF.
PAF Shareholder	A registered holder of PAF Shares.
PGF	PM Capital Global Opportunities Fund Limited (ACN 166 064 875).
Prescribed Occurrence	Each event referred to in Sections 652C(1) and (2) of the Corporations Act which is set out in clause 8.1(e) of Schedule 1 in this Bidder's Statement.
Register Date	20 October 2021.
Relevant Interest	Has the meaning given in sections 608 and 609 of the Corporations Act.
Rights	All accretions, rights or benefits of whatever kind attaching to or arising from PAF Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or issued by PAF or any of its Subsidiaries.
Scheme	The proposed scheme of arrangement under Part 5.1 of the Corporations Act between PAF and Scheme Shareholders (as that term is defined in the Scheme Implementation Deed).
Scheme Break Fee	Means the break fee of \$500,000 payable by each of PAF and PGF to the other in certain circumstances under which the Scheme does not proceed, as set out in the Scheme Implementation Deed.

Scheme Implementation Deed	The scheme implementation deed between PAF and PGF announced on 15 September 2021.
Security	Has the meaning as given in section 92 of the Corporations Act.
Security Interest	Any: a) “security interest” as defined in the Personal Properties Securities Act Law; b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); c) a thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset, and includes any agreement to create any of them or allow them to exist.
Strategic Review	Means the detailed strategic review proposed by WAM detailed in Section 7.2 of this Bidder’s Statement.
Subsidiary	Has the meaning given in the Corporations Act.
Takeovers Panel	The Australian Government Takeovers Panel.
Voting Power	Has the same meaning given to that term in section 610 of the Corporations Act.
VWAP	Volume-weighted average price.
WAM	WAM Capital Limited (ACN 086 587 395).
WAM Board	The board of directors of WAM.
WAM Director	A director of WAM.
WAM Dividend	A 7.75 cents per WAM Share fully franked dividend payable by WAM on 29 October 2021.
WAM Share	A fully paid ordinary share in the capital of WAM.
Wilson Asset Management	Wilson Asset Management (International) Pty Limited (ACN 081 047 118).

12.2. Interpretation

In this Bidder's Statement, unless the context requires otherwise:

- a) a reference to a word includes the singular and the plural of the word and vice versa;
- b) a reference to a person in this Bidder's Statement or any other document or agreement includes its successors and permitted assigns;
- c) a reference to a gender includes any gender;
- d) a reference to an item in a Section, Schedule, Annexure or Appendix is a reference to an item in the section of or schedule, annexure or appendix to this Bidder's Statement and references to this Bidder's Statement include its schedules and any annexures;
- e) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- f) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a Governmental Agency;

- g) headings are included for convenience only and do not affect interpretation;
- h) a reference to a document or agreement including this Bidder's Statement, includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- i) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- j) the terms included, including and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- k) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- l) reference to \$, A\$, Australian Dollars or dollars, c or cents is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- m) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

13. Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution of the WAM Directors.

Dated 14 October 2021

Signed for and on behalf of WAM Capital Limited.

A handwritten signature in black ink, appearing to be 'Geoff Wilson', with a stylized flourish extending to the right.

Geoff Wilson AO
Chairman

Schedule 1 – Terms of the Offer

1. Offer

- 1.1 WAM offers, to each holder of PAF Shares at 7.00pm (Sydney time) on the Register Date, to acquire all of their PAF Shares together with all the Rights attaching to them on the terms set out in this Schedule 1. This Offer extends to any person who is able during the Offer Period to give good title to PAF Shares and has not already accepted an Offer for those PAF Shares.
- 1.2 This Offer extends to all PAF Shares that WAM does not have a Relevant Interest in that:
 - a) exist at the Register Date; and
 - b) are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, any securities which confer on the holder the right to have PAF Shares issued to them.
- 1.3 By accepting this Offer, you undertake to transfer to WAM not only the PAF Shares to which the Offer relates but also all the Rights attached to the PAF Shares.
- 1.4 WAM Shares issued under this Offer will rank equally in all respects with WAM Shares on issue at the Register Date.
- 1.5 This Offer is dated 28 October 2021.

2. Offer Consideration

- 2.1 Subject to clause 3.1 of this Schedule 1, the price under the Offer Consideration is 1 WAM Share for every 1.99 PAF Shares you own. In the event that the Scheme Break Fee is removed, WAM's intention is to increase its Offer to 1 WAM Share for every 1.975 PAF Shares you own.

3. Foreign Shareholders

- 3.1 If at the time this Offer is made to you, you are a Foreign Shareholder and WAM does not make a determination under Section 11.11, you will not be entitled to receive WAM Shares as consideration for your PAF Shares. Instead, you will receive a cash amount calculated under clause 7.3 of this Schedule 1.

4. Fractional entitlements

- 4.1 If you accept the Offer and are entitled to receive a fraction of a WAM Share, the number of WAM Shares you are entitled to under this Offer is rounded up to the next whole number of WAM Shares if it is 0.5 or more, and rounded down to the nearest whole number if it is less than 0.5. If you are entitled to a fraction of a cent, that fraction is rounded to the nearest cent on the same basis. If WAM reasonably believes that you have manipulated your holding of PAF Shares to take advantage of rounding up, then any fractional entitlement is aggregated or rounded down to the next whole number of WAM Shares.

5. Offer Period

- 5.1 The Offer will remain open for acceptance during the period commencing on 28 October 2021, and ending at 7.00pm Sydney time on 29 November 2021, unless it is withdrawn or extended under the Corporations Act.

6. How to accept this Offer

All of your holding

6.1 This Offer is for all of your PAF Shares.

Acceptance procedure for PAF Shareholders

6.2 The acceptance procedure will depend on whether your PAF Shares are in a CHESS Holding or an Issuer Sponsored Holding.

If you hold your PAF Shares in a CHESS Holding

6.3 You must comply with the ASX Settlement Operating Rules.

6.4 If you are a sponsored CHESS holder of PAF Shares, to accept the Offer you must:

- a) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
- b) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
- c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise WAM to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

If you hold your PAF Shares in an Issuer Sponsored Holding

6.5 If your PAF Shares are in an Issuer Sponsored Holding, then to accept this Offer you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it and deliver it or send it by post so that it is received by WAM's share registry of the Offer before the end of the Offer Period.

If you are a Broker or a non-Broker participant

6.6 If you are a Broker or non-Broker participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Mailing and delivery addresses

6.7 The mailing and delivery address for completed Acceptance Forms and any associated documents are as follows:

By mail:

PM Capital Asian Opportunities Fund Limited Takeover
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Hand delivered:

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

6.8 A reply-paid envelope (not able to be used by PAF Shareholders outside Australia) is enclosed for your convenience.

Acceptance Form

6.9 The Acceptance Form which accompanies this Offer forms part of this Offer. The requirements on the Acceptance Form must be observed in accepting this Offer for your PAF Shares.

Power of attorney, deceased estate

6.10 When accepting this Offer, you must also forward for inspection:

- d) if the Acceptance Form is signed by an attorney, the power of attorney; and
- e) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased PAF Shareholder, the relevant grant of probate or letters of administration.

When acceptance is complete

6.11 Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at the address set out in clause 6.7 of Schedule 1 and the requirements of this clause have been met, provided that:

- a) WAM may in its sole discretion waive any or all of those requirements at any time; and
- b) where those requirements have been complied with for some but not all of your PAF Shares, WAM may, in its sole discretion, deem your acceptance of this Offer complete in respect of those PAF Shares for which the requirements have been complied with but not in respect of the remainder.

6.12 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

7. Provision of consideration

When consideration is provided

7.1 Subject to clauses 7.3 and 7.4 of this Schedule 1, you will receive the consideration you are entitled to within one month of the later of:

- a) the date you accept the Offer; and
- b) the date the Offer becomes unconditional.

7.2 In any event, you will receive the consideration you are entitled to within 21 days after the end of the Offer Period (assuming all Defeating Conditions are satisfied or waived).

Payments to Foreign Shareholders

7.3 If you accept the Offer and you are a Foreign Shareholder and WAM does not make a determination under Section 11.11 of this Bidder's Statement:

- a) WAM will arrange for the issue to the Nominee of the number of WAM Shares to which you and all other Foreign Shareholders would have been entitled under the Offer but for clause 3.1 of this Schedule 1;
- b) WAM will cause the Nominee to offer for sale the WAM Shares as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;
- c) WAM will cause the Nominee to pay to you the amount calculated under the following formula:

Net Proceeds of Sale x Your WAM Shares

Total Nominee WAM Shares

where:

- (i) **Net Proceeds of Sale** means the amount which is received by the Nominee upon the sale of all WAM Shares under this clause 7.3 less brokerage and other sale expenses;
 - (ii) **Your WAM Shares** means the number of WAM Shares which would, but for clause 3.1 of this Schedule 1, have been allotted to you under the Offer;
 - (iii) **Total Nominee WAM Shares** means the total number of WAM Shares allotted to the Nominee under this clause 7.3;
- d) you will receive your share of the proceeds of this sale in Australian currency;
 - e) payment will be made by cheque posted to you at your risk by ordinary mail to the address provided on your Acceptance Form; and
 - f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Where additional documents are required

7.4 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- a) with your acceptance, WAM will provide the consideration in accordance with clause 7.1 of this Schedule 1;
- b) after acceptance and before the end of the Offer Period and the Offer is subject to a Defeating Condition at the time that WAM is given the documents, WAM will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;

- c) after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that WAM is given the documents, WAM will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after WAM is given the document; and
 - (ii) 21 days after the end of the Offer Period; or
- d) after the end of the Offer Period, WAM will provide the consideration within 21 days after the documents are given, but if at the time WAM is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Defeating Conditions, WAM will provide the consideration within 21 days after that contract becomes unconditional.

7.5 If you do not give WAM the required additional documents within one month after the end of the Offer Period, WAM may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

Where WAM is entitled to any Rights

7.6 If WAM becomes entitled to any Rights as a result of your acceptance of the Offer, it may require you to give WAM all documents necessary to vest those Rights in WAM or otherwise give the benefit or value of those Rights. If you do not give those documents to WAM, or if you have received the benefit of those Rights, then WAM may reduce the number of WAM Shares to which you are otherwise entitled under this Offer by the amount equal to the value, (as reasonably assessed by WAM), of those Rights in accordance with clause 7.7 of this Offer.

7.7 If:

- a) you have (or any previous holder of your PAF Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- b) you are (or any previous holder of your PAF Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your PAF Shares is) the registered holder of the PAF Share at the specified time for determining those entitled to the dividend; or
- c) your PAF Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to PAF Shareholders,

then WAM may reduce the number of WAM Shares to be issued to you under this Offer by the value (as reasonably assessed by WAM) of such Rights. If WAM does not or cannot, make such a reduction, you must pay such value or amount to WAM.

Payment to be mailed by cheque

7.8 Payment of any cash amount to which you are entitled (by virtue of you being a Foreign Shareholder) will be mailed by cheque (or otherwise as agreed by WAM) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

Clearances for offshore residents

- 7.9 If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations 1959 (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

8. Conditions of the Offer

Conditions

- 8.1 This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the following Defeating Conditions:
- a) **(Minimum acceptance)** Before the end of the Offer Period, WAM has a Relevant Interest in at least 50.1% (by number) of PAF Shares;
 - b) **(Scheme of Arrangement)** The merger of PAF and PGF by way of Scheme announced on 15 September 2021 does not progress – please refer also to Section 1.21 for commentary;
 - c) **(No regulatory action)** Between the date of this Bidder's Statement and the end of the Offer Period:
 - (i) no preliminary or final decision, order or decree is made or issued;
 - (ii) no action, proceeding or investigation is announced, commenced or threatened; and
 - (iii) no application is made (other than by WAM or its Associates),

by or to any regulatory organisation or Governmental Agency which is likely to or threatens to restrain, prohibit, impede or otherwise materially adversely affect the making of the Offer, the acquisition of the PAF Shares by WAM, the rights of WAM in respect of PAF and the PAF Shares or the continued operation of the businesses of PAF or its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).
 - d) **(No proposal to change or re-assign the Investment Management Agreement to a party other than Wilson Asset Management)** Between the date of this Bidder's Statement and the end of the Offer Period, the Investment Management Agreement is not varied or assigned and no new investment management agreement is entered into (or PAF enters into an agreement in relation to any of the foregoing) other than an assignment to, or entry into an agreement with, Wilson Asset Management;

- e) **(No Prescribed Occurrences)** Between the date of this Bidder's Statement and the end of the Offer Period, none of the following occur (each, a **Prescribed Occurrence**):
- (i) PAF converts all or any of its shares into a larger or smaller number of shares;
 - (ii) PAF or a Subsidiary of PAF resolves to reduce its share capital in any way;
 - (iii) PAF or a Subsidiary of PAF:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) PAF or a Subsidiary of PAF issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) PAF or a Subsidiary of PAF issues or agrees to issue convertible notes;
 - (vi) PAF or a Subsidiary of PAF disposes or agrees to dispose, of the whole, or a substantial part of its business or property;
 - (vii) PAF or a Subsidiary of PAF grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) PAF or a Subsidiary of PAF resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of PAF or a Subsidiary of PAF is appointed;
 - (x) a court makes an order for the winding up of PAF or a Subsidiary of PAF;
 - (xi) an administrator of PAF or a Subsidiary of PAF is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) PAF or a Subsidiary of PAF executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of PAF or a Subsidiary of PAF;
- f) **(No material adverse change)** Between the date of this Bidder's Statement and the end of the Offer Period, there is no occurrence of any change which has or could reasonably be expected to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of PAF and/or its Subsidiaries;
- g) **(No material change to the business of PAF and/or its Subsidiaries)** Between the date of this Bidder's Statement and the end of the Offer Period, none of the following occur, without the written consent of WAM:
- (i) PAF or a Subsidiary of PAF, adopts a new constitution or makes any change to its constitution or passes any special resolution or proposes to do so;

- (ii) PAF or a Subsidiary of PAF, gives or agrees to give any encumbrance (including a Security Interest or mortgage) over any of its assets otherwise than in the ordinary course of business; or
 - (iii) PAF or a Subsidiary of PAF, appoints any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- h) **(No fall in NTA)** The pre-tax NTA of PAF not declining by 5% or more below the pre-tax net NTA of PAF of \$1.10 per share, announced to the ASX on 27 September 2021;
- i) **(No market fall)** The S&P/ASX All Ordinaries Accumulation Index not closing at a level that is 5% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to the Announcement Date and remaining at or below that level for at least two consecutive trading days;
- j) **(No superior proposal)** Between the date of this Bidder's Statement and the end of the Offer Period there is no superior alternative proposal (other than the Scheme), announced;
- k) **(No de-listing)** Between the date of this Bidder's Statement and the end of the Offer Period PAF is not removed from the official list of the ASX;
- l) **(No increase by 5% or more)** Between the date of this Bidder's Statement and the end of the Offer Period, no person other than WAM or an associate of WAM gains or increases their voting power in PAF by 5% or more;
- m) **(No Material Transaction)** Between the date of this Bidder's Statement and the end of the Offer Period, none of the following occur (each, a **Material Transaction**), other than in the usual and ordinary course of trading under the Investment Management Agreement, without the written consent of WAM:
 - (i) PAF or a Subsidiary of PAF acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than \$250,000 or an amount in aggregate in any series of transactions of more than \$250,000, or makes an announcement about such an acquisition or acquisitions;
 - (ii) PAF or a Subsidiary of PAF disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than \$250,000 or an amount in aggregate in any series of transactions of more than \$250,000, or makes an announcement about such a disposal;
 - (iii) PAF or a Subsidiary of PAF enters into, offers to enter into or announces that it proposes to enter into any joint venture, partnership or dual listed company structure involving a commitment of greater than \$250,000 in any single transaction or an amount in aggregate in any series of transactions of more than \$250,000, or makes an announcement about such a commitment; or

- (iv) PAF or a Subsidiary of PAF incurs or commits to, or grants to another person a Right the exercise of which would involve PAF or any of its Subsidiaries incurring or committing to any capital expenditure or liability for one or more related items of greater than \$250,000, or makes an announcement about such a commitment; and
- n) **(No Material Litigation)** between the date of this Bidder's Statement and the end of the Offer Period (each, an event of **Material Litigation**):
 - (i) PAF or a Subsidiary of PAF has threatened or has commenced against it any material claims or proceedings in any court or tribunal (and a claim or proceeding is taken to be material if it may reasonably result in a judgment of \$50,000 or more), other than that which has been fully and fairly publicly disclosed to the ASX prior to the date of this Bidder's Statement;
 - (ii) the consideration under the Offer is required to be increased or WAM or one of its Associates is required or is reasonably likely to be required to pay any amount to any one or more PAF Shareholders in connection with the Offer as a result of:
 - (A) any litigation that is commenced, is threatened to be commenced, announced or is made known to PAF (whether or not becoming public); or
 - (B) any preliminary or final decision or order of any regulator or other government agency, other than as a result of WAM publicly undertaking to increase the consideration under the Offer or WAM lodging a notice of variation under section 650D of the Corporations Act relating to an increase of the consideration under the Offer; or
 - (iii) the aggregate liability of PAF and its Subsidiaries under or in connection with any existing claim or proceeding in any court or tribunal is or is likely to be materially more than the provision made for the claim or proceeding in PAF's last audited annual financial statements or, if no provision has been made, is or likely to be more than \$50,000.

Nature of conditions

8.2 Each of the Defeating Conditions:

- a) constitutes and will be construed as a separate, several and distinct condition;
- b) is a condition subsequent; and
- c) until the expiration of the Offer Period will be for the benefit of WAM alone and may be relied upon only by WAM.

Conditions apply to multiple events

8.3 Where an event occurs that would mean at the time the event occurs a Defeating Condition would not be satisfied, each Defeating Condition affected by that event becomes two separate conditions on identical terms except that:

- a) one of them relates solely to that event; and
- b) the other specifically excludes that event.

- 8.4 WAM may declare the Offer free, under clause 8.5, from either of those conditions without declaring it free from the other and may do so at different times. This clause may apply any number of times to a Defeating Condition (including a condition arising from a previous operation of this clause).

Effect of breach or non-fulfilment

- 8.5 The breach or non-fulfilment of any of the Defeating Conditions does not prevent a contract arising to acquire your PAF Shares resulting from your acceptance of this Offer. If at the end of the Offer Period, in respect of any Defeating Condition:

- a) WAM has not declared the Offers (and they have not become) free from that Defeating Condition; or
- b) that Defeating Condition has not been satisfied,

all contracts resulting from the acceptance of the Offers and all acceptances that have not resulted in binding contracts are void. In that case, WAM will return the Acceptance Form together with all documents to the address shown in the Acceptance Form.

WAM may decide the Offer is free from all or any of the Defeating Conditions

- 8.6 WAM may at any time at its sole discretion but in compliance with section 650F and section 630(1) of the Corporations Act, declare the Offer free from all or any of the Defeating Conditions by written notice to PAF not later than 19 November 2021, unless it is withdrawn or extended under the Corporations Act.

Date for giving notice on status of Defeating Conditions

- 8.7 The date for giving a notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is the date seven days before the end of the Offer Period, subject to variation under section 630(2) of the Corporations Act if the Offer Period is extended. If a Defeating Condition is fulfilled during the Offer Period before the date for giving a notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act, WAM must give a notice as soon as practicable stating that the Defeating Condition has been fulfilled.

Effect of acceptance

- 8.8 Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, unless:

- a) by the end of the Offer Period, the Defeating Conditions have not all been satisfied or waived in which case, this Offer will automatically terminate; and
- b) the circumstances set out in section 650E of the Corporations Act apply.

- 8.9 By signing and returning the Acceptance Form, you will be deemed to have:

- a) irrevocably accepted this Offer (and each variation of this Offer) in respect of all your PAF Shares despite any difference between that number and the number of PAF Shares shown in the Acceptance Form;

- b) irrevocably authorised WAM to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your PAF Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,
 as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your PAF Shares to WAM;
- c) represented and warranted to WAM, as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to WAM:
 - (i) you have paid to PAF all amounts which are due for payment for your PAF Shares;
 - (ii) all of your PAF Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those PAF Shares;
- d) granted to WAM and each of its directors power of attorney to sign any document or do anything on your behalf necessary to cause PAF to issue a replacement share certificate for those PAF Shares;
- e) agreed to:
 - (i) do anything necessary to ratify any act taken or purported to be taken by WAM or any of its directors under the power of attorney granted by clause 8.9(d) of this Schedule 1; and
 - (ii) indemnify WAM and each of its directors in respect of that act;
- f) from the time of acceptance until the Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period, irrevocably appointed WAM or any nominee of WAM as your attorney to exercise all your powers and rights attaching to your PAF Shares including (without limitation) to requisition, convene, attend and vote at all general meetings of PAF or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Offer being successful, and to do so in a way which would prevent that effect arising;
- g) on this Offer or any takeover contract becoming unconditional, agreed not to attend or vote in person at any general meeting of PAF, and irrevocably appointed WAM or any nominee of WAM as your attorney to exercise all your powers and rights attaching to your PAF Shares including (without limitation):
 - (i) to requisition, convene, attend and vote at all general meetings of PAF or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your PAF Shares, and generally to exercise all powers and rights which you may have as a PAF Shareholder and perform actions as may be appropriate to vest good title in your PAF Shares in WAM;

- h) agreed that in exercising the powers conferred by the power of attorney in clause 8.9(f) of this Schedule 1, WAM is entitled to act in the interests of WAM;
- i) agreed not to exercise or purport to exercise any of the powers conferred on WAM or its nominee in clause 8.9(f) of this Schedule 1;
- j) agreed to accept the WAM Shares, to which you have become entitled by acceptance of this Offer, subject to the constitution of WAM and have authorised WAM to place your name on the register of members for those WAM Shares; and
- k) if your PAF Shares are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised WAM:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Offer for your PAF Shares under the ASX Settlement Operating Rules; and
 - (ii) to give any other instructions in relation to your PAF Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

Withdrawal

8.10 WAM may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

Variation

8.11 WAM may vary this Offer in accordance with the Corporations Act.

9. Acceptances by transferees and nominees

Who may accept the Offer

9.1 During the Offer Period:

- a) any person who is able to give good title to a parcel of PAF Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to that person; and
- b) any person who holds one or more parcels of PAF Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

Holding shares

9.2 A person is taken to hold PAF Shares if the person is, or is entitled to be registered as, the holder of those PAF Shares.

Holding shares on trust or as a nominee

9.3 A person is taken to hold PAF Shares on trust for, as nominee for, or on account of, another person if that person:

- a) is entitled to be registered as the holder of PAF Shares; and
- b) holds the interest in the PAF Shares on trust for, as nominee for, or on account of, that other person.

Effective acceptance

9.4 An acceptance of an Offer under clause 9.1(b) of this Schedule 1 is ineffective unless:

- a) the person who holds on account of another person, gives that other person written notice stating that the PAF Shares consist of a separate parcel; and
- b) the acceptance specifies the number of PAF Shares in that parcel.

Notice of acceptance

9.5 A notice under clause 9.4(a) of this Schedule 1 must be made in writing.

9.6 A person may, at the one time, accept for two or more parcels under clause 9.1(b) of this Schedule 1 as if there had been a single offer for a separate parcel consisting of those parcels.

10. Other matters

Notices and other communications

10.1 Subject to the Corporations Act, a notice or other communication given by WAM to you in connection with this Offer is deemed to be duly given if it is in writing and:

- a) is delivered at your address as recorded on the register of members of PAF or the address provided in the Acceptance Form; and
- b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

Return of documents

10.2 If:

- a) this Offer is withdrawn after your Acceptance Form has been sent to WAM, but before it has been received; or
- b) for any other reason WAM does not acquire the PAF Shares to which your Acceptance Form relates,

WAM will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

11. Costs and expenses

- 11.1 All costs and expenses of the preparation, despatch and circulation of the Offers will be paid by WAM. There should be no stamp duty payable by PAF Shareholders upon the issue to them of WAM Shares. Should any stamp duty be payable on the transfer of PAF Shares to WAM pursuant to the Offer due to a change in the relevant legislation during the Offer Period, these costs will be paid by WAM.
- 11.2 If your PAF Shares are held in a CHESS Holding or you hold your PAF Shares through a bank, custodian, or other nominee, you should ask your Controlling Participant (usually your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer. These costs will not be paid by WAM.
- 11.3 If you are a Foreign Shareholder, the cash proceeds that you will be sent (following the sale of WAM Shares that you would otherwise have been entitled to receive under the Offer) net of transaction costs, will be paid by cheque in Australian dollars.

12. Official Quotation of WAM Shares

- 12.1 Subject to clause 1 of this Schedule 1, the WAM Shares offered by WAM as consideration under the Offer will rank equally with WAM Shares on issue at the Register Date.
- 12.2 WAM has been admitted to the Official List of ASX and shares of the same class as those to be issued as consideration under the Offer have been granted Official Quotation by ASX.
- 12.3 An application will be made within seven days after the start of the bid period (that is, within seven days after the date of this Bidder's Statement) to the ASX for Official Quotation of the WAM Shares issued pursuant to the Offer. However, Official Quotation is not granted automatically on application.
- 12.4 Under section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the WAM Shares issued under the Offer is made within seven days after the start of the bid period and permission for admission to quotation will be granted no later than seven days after the end of the bid period. This condition may not be waived.

Schedule 2 – WAM Announcements since 30 June 2021

Date	Announcement
14/10/2021	September 2021 Investment Update
12/10/2021	Becoming a substantial holder from WAM, WAX - RIC
07/10/2021	Change in substantial holding from WAM/WAA - YOW
07/10/2021	Change in substantial holding from WAX, WAM - CIW
06/10/2021	Ceasing to be a substantial holder from WAM WMI WAX - BFC
04/10/2021	Change in substantial holding from WAM - ALG
30/09/2021	Ceasing to be a substantial holder from WAM WGB WMI WAX - MYR
28/09/2021	Receipt of Conditional Takeover Bid from WAM - PAF
28/09/2021	WAM announces superior offer for PAF
28/09/2021	WAM: Proposed Off-Market Takeover Bid for PAF
21/09/2021	WAM Annual General Meeting and Director Nominations
14/09/2021	August 2021 Investment Update
09/09/2021	Becoming a substantial holder from WAM/WAA/WMI - AMS
09/09/2021	Change in substantial holding from WAM/WAX/WMI - VRT
09/09/2021	Change in substantial holding from WAM/WAX/WMI - BFC
09/09/2021	Becoming a substantial holder from WAM/WAX/WMI - UNI
09/09/2021	Ceasing to be a substantial holder from WAM/WAA/WMI - AMS
09/09/2021	WAM, WMI, WAX, WAA Investor Update and Q&A presentation
27/08/2021	Becoming a substantial holder from WAM, WAX, WMI - SLA
25/08/2021	Change in substantial holding from WAA/WAM - KBC
19/08/2021	Outperformance drives record profit and FF div
19/08/2021	Appendix 4E and Annual Report
19/08/2021	Dividend / Distribution - WAM
19/08/2021	Corporate Governance Statement
19/08/2021	Appendix 4G
18/08/2021	Change in substantial holding from WAM WAX WMI - ALG
13/08/2021	July 2021 Investment Update
10/08/2021	Ceasing to be a substantial holder from WAM/WMI/WAX - DSK
21/07/2021	Change in substantial holding from WAM WAX WMI - BFC
14/07/2021	June 2021 Investment Update
02/07/2021	Change in substantial holding from WAM, WAX, WMI - RKN
02/07/2021	Change in substantial holding - CIW



W | A | M *Capital*

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ACCEPTANCE AND TRANSFER FORM

in respect of the Offer by WAM Capital Limited ABN 34 086 587 395 (WAM) to acquire all of your Shares in
PM Capital Asian Opportunities Fund Limited ABN 15 168 666 171 (PAF)

THIS IS AN IMPORTANT DOCUMENT

IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR FINANCIAL, LEGAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY

STEP 1 – Check your details below

Number of PAF Shares you hold

HIN/SRN*

*A new SRN may be allocated to you solely for the purpose of this Offer.

Sub-register

Barcode to be printed here

Use this Acceptance Form to accept the Offer by WAM for all your PAF Shares on the terms of the Bidder's Statement dated 14 October 2021 and any replacements or supplements to it. You should read the Bidder's Statement, which accompanies this Acceptance Form. Capitalised terms used in this Acceptance Form have the same meaning as in the Bidder's Statement unless otherwise defined. By accepting the Offer, your acceptance will be treated as being for **ALL** of your PAF Shares (even if different to the number of shares stated above). You cannot accept for only part of your PAF Shares.

If you need help completing this Acceptance Form or have any enquiries in relation to the Offer, please contact Boardroom Pty Limited on 1300 420 372 (callers within Australia) or +61 2 8023 5472 (callers outside Australia) Monday to Friday between 8.30am to 5.30pm (AEST).

STEP 2 – For Issuer Sponsored Holdings only

If your PAF Shares are held on the Issuer Sponsored sub-register or if at the time of your acceptance you are entitled to be (but are not yet) registered as a holder of your PAF Shares, to accept the Offer you must **sign below** and **return this form**.

OFFER CONSIDERATION¹

1 WAM Share for every 1.99 of your PAF Shares²

Notes:

1. See section 11.11 of the Bidder's Statement for details on ineligible Foreign Shareholders.

2. See sections 12, 19 and 9.1 of the Bidder's Statement for details regarding the circumstances in which the Offer consideration may be increased to 1 WAM Share for every 1.975 of your PAF Shares.

STEP 3 – For CHESS Holdings only

If your PAF Shares are held on the CHESS sub-register, to accept the Offer you can either:

- Contact your Controlling Participant – normally your Broker – and instruct them to accept the Offer on your behalf (If you do that and your Controlling Participant follows those instructions, you do not need to complete and return this Acceptance Form);

OR

- If you want WAM to contact your Controlling Participant on your behalf, write their details here and sign and return this form. By doing so you authorise WAM to instruct your Controlling Participant to initiate acceptance of the Offer and to take all other steps necessary to cause acceptance of the Offer in accordance with the ASX Settlement Operating Rules.

Your Broker's name

Your Broker's address

Your Broker's telephone number

STEP 4 – Sign as indicated below

I/We, the shareholder(s) named above, being the holder(s) of PAF Shares:

- 1) ACCEPT the Offer in respect of **ALL** of my/our PAF Shares;
- 2) AGREE TO TRANSFER my/our PAF Shares to WAM for the consideration specified in the Offer, and in accordance with the terms of the Offer;
- 3) AUTHORISE WAM, its officers and agents to correct any errors in or omissions from this Acceptance Form to make it an effective acceptance of the Offer and enable registration of the transfer of the PAF Shares to WAM; and
- 4) AGREE to be bound by the terms of the Offer.

Please refer overleaf for further instructions on how to complete this form

If this form is signed under power of attorney, the attorney declares that they have no notice of the revocation of the power of attorney.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Company Secretary

Director

Director/Company Secretary

Telephone number (business hours): _____

Date: ____/____/2021

Your acceptance must be received **BEFORE** the Offer Period ends (being 7:00pm (Sydney time) on 29 November 2021 unless extended). If the Acceptance Form is sent by mail, you may use the enclosed reply-paid envelope.

How to complete this Acceptance Form and ACCEPT the Offer

1. Your name and address

Your pre-printed name and address is as it appears on the share register of PAF. If you are Issuer Sponsored and this information is incorrect, please make the correction on this form and initial the correction. Shareholders sponsored by a Broker on the CHESS sub-register should advise their Broker of any changes.

2. Issuer Sponsored Holdings (as indicated by "Issuer Sponsored" appearing next to "Sub-register" on this Acceptance Form)

If your PAF Shares are in an Issuer Sponsored Holding, or if you are not yet registered as the holder of your PAF Shares, then to accept the Offer, **you must fill out this Acceptance Form overleaf and return it to one of the addresses shown below.**

3. CHESS Holdings (as indicated by "CHESS" appearing next to "Sub-register" on this Acceptance Form)

If your PAF Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to accept the Offer. You can contact your Controlling Participant, normally your Broker, and instruct them to accept the Offer on your behalf. If you decide to use this Acceptance Form, follow the instructions below.

It is the responsibility of the eligible shareholder to allow sufficient time for their Controlling Participant to initiate acceptance on their behalf in accordance with ASX Settlement Operating Rule 14.14. You must ensure that this Acceptance Form is received in sufficient time before the end of the Offer Period to enable us to instruct your Controlling Participant to effect acceptance on CHESS during business hours.

If your holding is CHESS sponsored and you send your Acceptance Form to Boardroom Pty Limited, they will send the relevant acceptance message to CHESS for forwarding to your Controlling Participant for acknowledgement. WAM and Boardroom Pty Limited will not be responsible for any delays incurred by this process.

If you sign and return this Acceptance Form to one of the below addresses either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to WAM (and authorise WAM to warrant on your behalf) that you have full legal and beneficial ownership of the PAF Shares and that WAM will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer and free from any third party rights.

4. Signature(s)

You must sign the form as follows in the space provided overleaf:

Joint holding: Where the shareholding is in more than one name, all of the PAF Shareholders must sign.

Power of attorney: To sign under power of attorney, you must attach a certified copy of the power of attorney to this form when you return it. By signing this form under a power of attorney, you will have declared that you have no notice of revocation of the power and are able to further delegate power under it under the Bidder's Statement.

Deceased estate: All executors must sign and, if not already noted by the PAF registry, attach a certified copy of probate, letters of administration or grant accompanied (where required by law for the purpose of the transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

Companies: This form must be signed by either 2 directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Delete titles as applicable.

Additional notes:

- Sold all your PAF Shares** – if you have sold all of your PAF Shares, please send this form and your Bidder's Statement to the stockbroker who acted on your behalf.
- Recently bought or sold PAF Shares** – if you have recently bought or sold any PAF Shares, your holding may differ from that shown on the front of this form. If so, please alter the number of PAF Shares shown as your registered holding on the front of this form to the number of PAF Shares you now hold (including any PAF Shares of which you are entitled to become registered as holder), initial the alteration and indicate the name of the stockbroker who acted for you.

Information you supply on this Acceptance Form will be used by WAM and Boardroom Pty Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to WAM's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you do not supply this information, your acceptance may not be processed and you may not receive the consideration payable. You may have rights to access the personal information you have supplied. Please see Boardroom Pty Limited's privacy policy on its website.

This Acceptance Form must be received at the relevant address shown below before the end of the Offer Period.

Postal address

PM Capital Asian Opportunities Fund Limited Takeover
C/- Boardroom Pty Limited
GPO BOX 3993
SYDNEY NSW 2001

Delivery in person

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

If the Acceptance Form is sent by mail, you may also use the enclosed reply-paid envelope.

Neither WAM nor Boardroom Pty Limited takes any responsibility if you lodge this Acceptance Form at any other address or by any other means.