

08 December 2021

ASX Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

**By:** E-lodgement (PGF, PAF)

## **An open letter to PAF Shareholders – your vote matters**

***Why is your vote important? As a shareholder in the PM Capital Asian Opportunities Fund (PAF), you should cast your vote for the proposed merger with PM Capital Global Opportunities Fund (PGF) to ensure you obtain the best value for your PAF shares.***

***Online voting closes soon – your vote must be received by 11:00am AEDT on Saturday 11 December. Alternatively, PAF Shareholders can attend and vote at the virtual meeting at 11:00am AEDT on Monday 13 December.***

Every vote is critical, and PGF strongly encourages all PAF Shareholders to vote in favour of the merger.

This is your opportunity to have your say on how best to unlock value in your investment. There is a simple choice.

On one hand, you have a superior merger proposal put forward by PGF that has been determined by the Independent Expert as being in the best interests of PAF Shareholders for a range of reasons, including that the implied look-through Pre-Tax NTA of the PGF offer is higher than the implied look-through Pre-Tax NTA in the WAM takeover (PGF \$1.14 v WAM \$0.95 per PAF share). The PGF merger proposal has also been recommended by the PAF directors and the alternative WAM takeover bid has been rejected.

The WAM offer is one where WAM Capital is seeking to buy your shares with scrip that is inflated relative to the underlying assets of WAM.

What this means for you as a PAF shareholder is that accepting the WAM takeover would be significantly dilutive to your investment because you will end up with less of a share of underlying assets than you have now. For any given level of return generated by an investment manager, if you have a lower amount of underlying assets working for you, then less will ultimately flow to you in dividend and capital appreciation. This is why dilution to NTA is so damaging to value and why you should vote in favour of the scheme.

If you want the benefits of the PGF deal, it's absolutely critical you vote in favour of it. A successful merger requires 75 per cent of votes cast in favour and also a minimum 50 per cent of all shareholders voting, either in person or via proxy.

WAM holds not less than 12.55% of PAF and have said they will vote against the PGF merger. If you don't vote you risk this one holder dictating the outcome of the merger – furthering their interests relative to your interests.

There are three key things to remember when making your vote:

- **Better value** - the implied look-through Pre-Tax NTA (PGF \$1.14 v WAM \$0.95 per PAF share - See PAF's announcement on Monday 6<sup>th</sup> December 2021).
- **Independently validated** – the Independent Expert concluded the PGF offer was in the best interest of shareholders.
- **WAM has underperformed on a gross return basis over the past five years to 31 October 2021** – WAM only publishes gross returns. Once all fees and expenses are considered WAM's performance is materially worse than it says it is (See PAF's Target's Statement at page 9).

I would urge you to read the Target Statement and stay abreast of PAF updates via its website or the ASX to ensure you are making an informed decision about your investment and what I consider is the superior value of the PGF proposal.

Authorised by the Board



Chris Knoblanche  
Chairman