

WAM Capital Unconditional Takeover Offer for PAF Increased Offer Consideration, PGF intends to accept Offer

11 January 2022
ASX announcement

On 28 September 2021, WAM Capital Limited (ASX: WAM) announced its off-market **takeover bid** for PM Capital Asian Opportunities Fund Limited (ACN 168 666 171) (ASX: PAF) (**Offer**). The Offer opened on 28 October 2021 on the terms set out in its bidder's statement dated 14 October 2021, as extended on 22 November 2021. On 5 November 2021 the Offer was freed of all Defeating Conditions. WAM currently has voting power of 36.08% in PAF.

WAM is pleased to advise that it is increasing the Offer Consideration from 1 WAM Share for every 1.99 PAF Shares, to **1 WAM Share for every 1.95 PAF Shares (Increased Offer)**. All PAF shareholders that have already accepted the WAM Offer will receive the increased Offer Consideration and will be issued additional new WAM Shares as a result.

The Offer will also be extended until 7.00pm (Sydney time) on 18 February 2022 (unless otherwise extended).

Shareholder Intention Statements

On the basis of the improved Offer Consideration, PAF's largest shareholder PM Capital Global Opportunities Fund Limited (ASX: PGF) intends to accept the Offer, as do PM Capital Limited, Paul Moore and their associated entities¹.

Chris Knoblanche, PGF Chairman said "Along with my fellow PGF directors, we were disappointed that the scheme with PAF didn't proceed however PGF will now be accepting the WAM Increased Offer which provides PGF with the ability to exit its investment at a solid premium to NTA to the benefit of all PGF shareholders."

With the acceptances from PGF, PM Capital, Paul Moore and their associated entities, WAM's voting power in PAF will increase to 69.07%. WAM will issue a notice pursuant to sections 650D and 630(2) of the Corporations Act 2001 (Cth) along with a supplementary bidder's statement reflecting the variation to the Offer in due course.

The increased Offer from WAM values PAF Shares at \$1.149 per share², representing:

- a **7.4% premium** to PAF's 7 January 2022 pre-tax NTA³;
- a **8.4% premium** to PAF's 7 January 2022 post-tax NTA⁴;
- a **3.5% premium** to the closing price of PAF shares on 11 January 2022⁵; and
- a **18.4% premium** to the closing PAF share price prior to the announcement of the PGF scheme⁶.

PAF Directors Recommend the WAM Offer

As announced on 22 December 2021, the directors of PAF recommend that PAF shareholders should accept the WAM Offer. The supplementary independent expert's report from Lonergan Edwards & Associates Limited (Independent Expert) has concluded that the WAM Offer is fair and reasonable; that consideration has now also improved.

PAF directors have also noted that they consider the prospects of a superior proposal emerging for PAF Shares is now unlikely.

WAM looks forward to working with all PAF shareholders to facilitate acceptance of the WAM Offer and welcoming them to the WAM register.

¹ PGF, PM Capital Limited, Paul Moore and their associated entities together hold 18,913,091 PAF Shares, representing 32.99% of PAF Shares on issue.

² Based on the WAM share price of \$2.24 as at 11 January 2022 divided by the WAM Offer ratio 1 / 1.95 (2.24 / 1.95).

³ Based on the implied value of WAM's Offer when compared to PAF's 7 January 2022 pre-tax NTA of \$1.07.

⁴ Based on the implied value of WAM's Offer when compared to PAF's 7 January 2022 post-tax NTA of \$1.06.

⁵ Based on the implied value of WAM's Offer when compared to the closing PAF share price of \$1.11 on 11 January 2022.

⁶ Based on the implied value of WAM's Offer when compared to the closing PAF share price of \$0.97 on 14 September 2021, being the day before the announcement of the PGF scheme.

To **ACCEPT** WAM's Offer, complete and return the acceptance and transfer form previously mailed to you or call 1300 737 760 to request a replacement.

WAM's Offer provides you with a choice:

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

Further information

WAM Capital believes that the Offer is a compelling proposition for PAF and its stakeholders. Further information about WAM's Offer is contained in the Bidders Statement. If you have any questions about this letter, please do not hesitate to contact me at 0412 242 712, Head of Operations Martyn McCathie on 0433 312 603 or Senior Corporate Affairs Advisor Camilla Cox on (02) 9247 6755.

This announcement has been authorised by the Boards of WAM Capital Limited and PM Capital Global Opportunities Fund Limited.

About WAM Capital

WAM Capital Limited (ASX: WAM) is a listed investment company (LIC) managed by Wilson Asset Management. Listed in August 1999, WAM Capital 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. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for eight leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Strategic Value, WAM Research and WAM Active, Wilson Asset Management invests over \$5.4 billion on behalf of more than 120,000 retail investors. Wilson Asset Management created and is the lead supporter of the first listed investment companies 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, is a significant funder of many Australian Charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.



For further information, visit wilsonassetmanagement.com.au or contact:

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