QUARTERLY REPORT

DECEMBER 2022

The importance of our long term framework

Avoiding "groupthink" delivered in 2022

p.1 Video insight

PM Capital Global Opportunities Fund Limited

ACN 166 064 875 (ASX Code: PGF)

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Quarterly video update

In this video Paul Moore, Chief Investment Officer and Portfolio Manager, discusses:

- How PM Capital navigated calendar year 2022 to produce stand out returns in what was a difficult market;
- The sectors that have provided the backbone of PM Capital's performance over the last three years;
- The importance of thinking long term, focussing on valuation, being patient and avoiding "groupthink".

Access the video **here.**

Access all market updates and insights **here.**

"It's worth nothing that our most recent returns are the result of a long-term framework that was put in place before and after the COVID-19 pandemic. This is the same process and philosophy that PM Capital has used for more than 20 years."

Listed Company Overview

	PM Capital Global Opportunities Fund Limited
ASX Code	PGF
Asset Class	Global equities
Listing Date	11 December 2013
Suggested Time Frame	Seven years plus
Shares on Issue	391,965,433
Share Price	$1.61
Market Capitalisation	$631.1 million
NTA before tax accruals (per share, ex-dividend)	$1.6690
Company Net Assets before tax accruals	$654.2 million

See page 4 for Important Information. As at 31 December 2022.

PM Capital Global Opportunities Fund

Simple ideas, simple businesses

Building long term wealth by finding and exploiting investment anomalies around the world

Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited)[1]	**December 2022**
NTA before tax accruals	**$ 1.6690**
NTA after tax (excluding deferred tax assets)	**$ 1.5412**

Company performance (net of fees)[2]	**3 Months**	**1 Year**	**3 Years p.a.**	**5 Years p.a.**	**7 Years p.a.**	**Since inception p.a.**	**Total Return**	**Gross Dividend Yield** (p.a.)[3]
PM Capital Global Opportunities Fund	**18.5%**	**10.3%**	**13.7%**	**12.1%**	**12.4%**	**12.9%**	**199.2%**	**8.9%**

1. Past performance is not a reliable indicator of future performance. 2. 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. 3.Based on share price as at 30 September 2022, and the dividend guidance issued to the ASX on 12 August 2022. The intended fully franked dividend is subject to there being no material adverse changes in market conditions and the investment performance of the Company's portfolio. The Company's ability to continue paying fully franked dividends is dependent on the payment of tax on investment profits and there can be no guarantee that such profits will be generated in the future.

KEY POINTS

- Global inflation and interest rates the main drivers of markets in 2022
- China re-opening benefits our commodity and Macau gaming companies
- Siemens growth being driven by automation, digitisation and sustainability megatrends

PERFORMANCE

The portfolio returned 18.5% over the quarter. The main contributors to the performance were our positions in European banks and commodity companies.

PORTFOLIO ACTIVITY

We sold our position in Canadian copper miner, First Quantum, during the quarter (further detail below).

OUTLOOK

Global inflation and the resulting rate hikes have been the primary drivers of lower equity and bond markets in 2022. Global equity markets generally peaked in January 2022 when the upper bound of the FED base rate was 0.25%. At the time, US interest rates were expected to end 2022 around 1%. Fast forward 12 months, the FED's policy rate sits at 4.5% and is expected to go higher. The S&P 500 and MSCI World were down close to 20%, the Nasdaq 33% and numerous TAM (total addressable market) stocks tumbled 90% plus in 2022. The fastest rate hikes in history were the trigger but the underlying reason was over-valuation in many sectors of the market driven by cheap money. The bond market did not help investors either with a 16% drop in the Bloomberg global aggregate bond index. The strange thing about 2022 was that the most important event to happen (rising rates) was clearly visible in advance. The market currently believes we will see rate cuts in 2023 but heightened wage growth may lead to more stubborn service inflation and compel central banks to maintain higher rates for longer.

Our European bank holdings advanced over the quarter on the back of higher interest rates in the eurozone. It is hard to believe that the ECB were running negative rates just six months ago when they suddenly realised they were way behind the curve and needed to engage in a series of rapid interest rate hikes. This was very significant for our interest sensitive European banks as on average, European bank earnings move ~25% for every 1% move in rates. With rates currently at 2%, bank earnings power is growing rapidly. While the bank's share prices have risen on the back of these new dynamics, they continue to trade on 7 to 8 times future earnings multiples. The backdrop of rising rates, increasing earnings and improving sentiment due to increasing dividends and buybacks, indicates further upside in our banking positions.

Macau casino holdings Wynn Resorts, Sands China and MGM China advanced after two important catalysts emerged. In November Macau's government announced the successful applicants of its license tender process which saw all six existing operators receiving new concessions. While this outcome was in line with our view, the tail risk that one or more of the current operators, particularly the US backed companies, may not receive a license extension has been an overhang for the sector. Licenses were officially signed on 16 December 2022 with further details provided as to the investment commitments made by each operator as well as future table allocations. The six operators will invest a minimum of US$15 billion over the next decade with close to 90% of that investment going to non-gaming operations. We view the level of committed investment to be appropriate given the length of the licence extensions. With respect to table allocations, the clear winner was MGM China, who's retendering bid was ranked highest, seeing its allocation increase over 35% compared to pre-pandemic levels. The second catalyst came in early December when China, after mounting public pressure, took a major step towards abandoning its COVID-zero strategy when it eased a range of restrictions. Macau has closely mirrored the COVID-19 policies set in Beijing and likewise has quickly removed many measures which have disrupted visitation.

The abrupt change in China's COVID-19 strategy also benefits our commodity holdings as investors recalibrated expectations for growth in the world's second largest economy. Industrial metals such as copper, iron ore and nickel all rose over the quarter providing a positive tailwind for Freeport McMoRan and Teck Resources. We exited our position in First Quantum during the period after a strong rebound in the share price, despite management revising down production guidance for 2022-2023 due to operational issues at its Kansanshi mine in the DRC. These disclosures provide an additional layer of complexity to the First Quantum investment thesis and increase the risk of further earnings disruptions in the short to medium term. Investors initially glossed over these disclosures, preferring to focus on the bounce in commodity prices, giving us the opportunity to exit.

European industrial Siemens AG had a strong quarter as it reported its full year results in November. Management provided bullish guidance and expects high single digit organic growth despite the perceived economic slowdown. The primary driver was the factory automation business, which grew revenue by 13% this financial year and has guided to grow at a similar rate in the coming year. Increasing labour costs, escalating geopolitical sensitivity around global manufacturing chains, and the re-arranging of automotive factories to produce electric vehicles are long-term trends that benefit Siemens and are increasingly showing up in its order books.

Airbus was also particularly strong over the quarter as management reiterated guidance for operating earnings and increased its free-cash flow generation guidance for 2022. Demand remains strong, assisted by the re-opening in China and Western airlines' determination to restore their pre-COVID capacity. We believe Airbus is in a multi-year sweet spot driven by rising production of its very popular A320, tailwinds from a strong US dollar and the absence of any new major development programs which will drive strong free-cash flow generation.

Regarding our currency positioning, we took advantage of a sell-off in the Australian dollar in early November to increase our exposure. The Australian dollar rose strongly over the quarter.

Portfolio investments	Weighting^^
Domestic Banking - Europe	24%
Industrial commodities	15%
Domestic Banking - USA	14%
Energy	13%
Gaming	13%
Industrials	11%
Alternative Investment Managers	7%
Housing Ireland & Spain	6%
Other	7%
Long Equity Position	**110%**
Direct Short Position	-4%
Index Short Position	-6%
Net Invested Equities	100%

Current stock examples	
ING Groep	
Freeport-McMoRan	
Bank of America	
Shell	
Wynn Resorts	
Siemens	
Apollo Global Management	
Cairn Homes	
SPX	
Total holdings	43

Currency exposure*	100%
AUD	79%
GBP	7%
USD	6%
EUR	4%
Other	4%

* Stated as effective exposure.

The Company aims to create long term wealth through a concentrated portfolio of generally 25-45 global companies that we believe are trading at prices different to their intrinsic values.

The Company's investment objective is to provide long-term capital growth over seven-year plus investment horizon through investment in a concentrated portfolio of undervalued global (including Australian) equities and other investment securities.

Paul Moore - Chief Investment Officer **Kevin Bertoli** - Co-Portfolio Manager **John Whelan** - Co-Portfolio Manager

Important information

This Quarterly Report is issued by PM Capital Limited (ABN 69 083 644 731, AFSL No. 230222) as investment manager for the:

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

PM CAPITAL Global Opportunities Fund Limited
ACN 166 064 875 (ASX Code: PGF)

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The Index for the PM Capital Global Opportunities Fund Limited is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the MSCI indices.

Inception date for PGF: 12 December 2013.

See the company announcements platform at www.asx.com.au, and www.pmcapital.com.au, for further information.

This announcement is authorised by Benjamin Skilbeck (Diretor).

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