

**Appendix 4E**  
**Final Report**  
**For the year ended 30 June 2024**  
**Date: 8 August 2024**

**Results for announcement to the market**

Financial Results	30 June 2024 \$	30 June 2023 \$	Change %
Net revenue from ordinary activities	\$195,976,829	\$196,809,290	(0.42%)
Profit from ordinary activities after tax attributable to members	\$125,534,862	\$126,772,470	(0.98%)
Profit for the year attributable to members	\$125,534,862	\$126,772,470	(0.98%)

Net Tangible Asset ("NTA") Backing Per Share	30 June 2024 \$	30 June 2023 \$	Change %
NTA before tax accruals	2.1215	1.8052	17.52%
NTA after tax (excluding Deferred Tax Asset - "DTA")	1.8516	1.6441	12.62%
NTA after tax excluding DTA (2024 adding the October 2023 dividend of 5.0 cents per share, and April 2024 dividend of 5.0 cents per share)	1.9516	1.6441	18.70%

**Dividends:**

On 8 August 2024, the Directors declared a fully franked final dividend of 5.5 cents per share (June 2023: 5.0 cents per share) which will be paid on 10 October 2024. The Ex-Dividend date is 11 September 2024, and the Record Date is 12 September 2024.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2024, is \$25,911,639 (June 2023: \$20,425,662).

The Dividend Reinvestment Plan ("DRP") will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 13 September 2024. No discount will be offered on the Dividend Reinvestment Plan in respect of this dividend.

**Details of any dividend or distribution reinvestment plans in operation:**

On 9 February 2016, PM Capital Global Opportunities Fund Limited (“the Company”) introduced a Dividend Reinvestment Plan (“Plan”). The Plan allows eligible shareholders to re-invest their future dividends (as may be declared from time to time) into the Company's shares.

Participation in the Plan is voluntary. If shareholders elect to participate in the Plan now, they may vary or cancel their participation in the future in accordance with the terms and conditions of the Plan.

Eligible shareholders are shareholders with a registered address in Australia.

For those that have not already elected to participate in the Dividend Reinvestment Plan, the application form must be received by the share registry no later than the next business day after the record date for that dividend (or a later date approved by the company).

Details of the Plan can be found on the Company's website (under ASX announcements):

<http://www.pmcapital.com.au/pgf/compliance>

**Entities over which control has been gained or lost during the period:**

None.

**Details of associates and joint venture entities**

None.

To find out more about PM Capital Global Opportunities Fund Limited, please visit the Company's website:

<http://www.pmcapital.com.au/listed-investment-company/pgf>



PM Capital

GLOBAL OPPORTUNITIES FUND LIMITED

# Annual Report

For the year ended 30 June 2024

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PM Capital Global Opportunities Fund Limited

ACN 166 064 875

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## CHAIRMAN'S REPORT

- **32.6% Shareholder return<sup>1</sup>**
- **4.2% premium to NTA before tax at 30 June 2024**
- **Final dividend 5.5 cents fully franked**
- **Minimum FY25 annualised dividend guidance of 11.0 cents fully franked**
- **Gross dividend yield (including franking) = 7.11%<sup>2</sup>**

Dear Shareholders,

I would like to thank you for trusting us to manage your investment in PM Capital Global Opportunities Fund ("the Company") and on behalf of the Board, I would like to congratulate Paul and the PM Capital team on their strong performance and careful management of the portfolio and look forward to the team continuing to deliver favourable long-term returns for PGF shareholders.

The Board is pleased that the Company is delivering on its investment objectives, and I am happy to announce the results for the Company in which Shareholders have seen a 32.6% return<sup>1</sup> for the financial year. The Company has continued to deliver an exceptional investment result with a portfolio return net of fees and expenses of 24.5%<sup>3</sup>. This compared to the MSCI World Net Total Return Index (expressed in Australian dollars) ("MSCI") of 19.8% and the local S&P/ASX 200 Accumulation Index ("S&P200") of 12.1%.

As the investment manager had outlined in the prior year, the US equity markets were in a new bull market with receding inflation and fears of a US recession appearing to be easing. With this outlook in mind, the Company's investments in Energy, and both European and US domestic banking themes were handsomely rewarded.

I would encourage all Shareholders to read the manager's quarterly report which I found insightful and watch the quarterly video in which the co-portfolio managers (Kevin Bertoli and John Whelan) discuss global market valuations, insights from their research trips to US, Europe, Hong Kong and Macau and the drivers behind the performance and the themes in the portfolio. Shareholders can access the quarterly report at this website: <https://www.pmcapital.com.au/pgf/reports> under Reports, and Quarterly.

### *Financial Results and Capital Management*

For the year ended 30 June 2024, the Company reported a profit before tax of \$173.2 million and profit after tax of \$125.5 million (being 30.69 cents per share).

On 8 August 2024, the Board updated its forward dividend guidance to at least 5.5 cents fully franked for each semi-annual dividend and as such we are pleased to announce a final 2024 dividend of 5.5 cents per share fully franked. Based on the 30 June 2024 closing share price of \$2.21, represents an annual dividend of 7.11% when grossed up for franking credits. As at the date of this report, the combination of profit reserve and retained earnings (as at 30 June 2024), provides 6.2 years of dividend coverage at this minimum intended dividend rate<sup>4</sup>.

<sup>1</sup>Based on a closing Share price of \$2.210 as at 30 June 2024 plus 10 cents of dividends paid, grossed up for 30% franking, compared to the 30 June 2023 Share price of \$1.775.

<sup>2</sup> Based on 5.5 cents FY'24 final fully franked dividend and 5.5 cent FY'25 interim fully franked dividend and closing share price of \$2.21 on 30 June 2024.

<sup>3</sup> Before tax, after all fees and expenses, adjusted for capital flows including those associated with the payment of dividends and tax, share issuance and/or cancellations (option exercise, dividend reinvestment plan, share purchase plan, and equal access buyback). If capital flows are ignored and one simply adds to the 30 June 2024 NTA the dividends paid, the increase over the 30 June 2023 NTA before tax accruals was 23.1%; and the increase in NTA after tax was 16.9%.

<sup>4</sup> 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. Past performance is not a reliable indicator of future performance.

The Record date for the final 2024 dividend is 12 September 2024 and it will be paid on 10 October 2024. Shareholders who participate in the Placement or the Share Purchase Plan ("SPP") will be entitled to this dividend.

On 5 October 2023, the Company paid a final dividend relating to the 2023 year of 5.0 cents per share fully franked (amounting to \$20,425,662) and on 19 April 2024, the Company paid an interim 2024 dividend of 5.0 cents per share fully franked (amounting to \$20,456,235).

In aggregate, the Company has \$319.9 million in profit reserve and retained earnings as at 30 June 2024. Of this, profit reserve represents \$196.1 million. Provided the Company maintains an adequate franking balance, the profit reserve will allow the Company to pay franked dividends if there were to be periods of insufficient retained earnings. The Board intends to transfer income amounts on which tax is payable to the profit reserve.

On 30 July 2024, the Company announced a Placement and an SPP, please refer to the ASX announcement on 1 August 2024 for the results of the Placement. The SPP opens on 9 August 2024 and closes on 28 August 2024.

Shareholders who participate in the SPP will be entitled to the 5.5 per Share fully franked final dividend (which will be paid on 10 October 2024) on Shares allotted under the SPP on the same basis as existing Shares. Please refer to the ASX announcement for further details.

As at 30 June 2024 the Company's shares were trading at a 19.4% premium to NTA after tax and a 4.2% premium to before-tax NTA. As of 2 August 2024, the premium to NTA after tax was 27.1%, and the premium to pre-tax NTA was 11.4%.

The board and management team look forward to further discussing the results presented in this Report and to meeting with shareholders at the Annual General Meeting.

Thank you to all our shareholders for your continued interest in and support for the Company.



Chris Knoblanche AM  
Chairman  
8 August 2024

## PORTFOLIO MANAGER'S REPORT

Dear Shareholder,

Welcome to our reflections on another interesting financial year.

In this report, I focus on:

1. Our view on global equity markets
2. Some key portfolio positions
3. Opportunities and the year ahead

It was Mark Twain who said that *"Truth is stranger than fiction"*. I doubt a truer word has been spoken.

The last year has seen significant geopolitical upheaval, including the threat of war in Taiwan, the Hamas-Israel conflict and the tragic war in Ukraine.

More recently, there was the assassination attempt on former US President Donald Trump; the forced withdrawal of incumbent US President Joe Biden from the upcoming Presidential election; and US Vice President Kamala Harris becoming the Democratic Party's presumptive Presidential nominee. Not to mention a convenient show of force by China and Russia in flying their long-range bombers down the Alaskan coast.

For the US economy, market expectations have moved from being "too hot", to fears of recession, to the prospect of a soft landing and even a goldilocks scenario where economic conditions are thought to be "just right". Interest rates have followed suit.

Despite this upheaval and changing expectations, equity markets are near an all-time high.

During my investment career, I have seen all types of unexpected events, including the 1987 stock market crash, the 2000 internet mania, the 2008 Global Financial Crisis and the 2020 COVID-19 pandemic.

Investing is never a straight-line event. That's why we always reiterate our simple pragmatic objective: to earn a satisfactory return on investor capital.

I am pleased that the PM Capital Global Opportunities Fund Ltd (ASX: PGF) portfolio returned 24.5% <sup>1</sup> in FY24.

### Financial markets are never dull, but what of the future?

PM Capital's long-term view is well known. We believe global dynamics have changed and that we are in the early stages of an inflationary cycle. Economies are slowing and the first interest rate cuts from central banks have occurred, with the US Federal Reserve and European Central Bank expected to soon follow.

Short-term interest rates need to be lower, but not by a lot. Otherwise, inflation will re-ignite. I still believe we will see higher lows and higher highs with interest rates and inflation.

I normally ignore politics, but there are several elections this year and thus surprises ahead. For the first time in a long time, there are genuine and significant differences in the policies of competing parties. Stay tuned.

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<sup>1</sup> Before tax, after all fees and expenses, adjusted for capital flows including those associated with the payment of dividends and tax, share issuance and/or cancellations (option exercise, dividend reinvestment plan, share purchase plan, and equal access buyback). If capital flows are ignored and one simply adds to the 30 June 2024 NTA the dividends paid, the increase over the 30 June 2023 NTA before tax accruals was 23.1%; and the increase in NTA after tax was 16.9%.

Market dynamics are fascinating. It is ironic that so much intellectual firepower goes into providing investors with a supposedly reduced risk outcome, yet today we have the greatest concentration of risk ever seen in markets. The top 10 stocks in the US became the Magnificent 7, which became the Fab 4, and then the one and only: Nvidia, as illustrated by the following slide.

## Top 10 → M7 → Fab 4 → The One & Only



## = Opportunity to diversify

Source: S&P 500 20-year performance - Factset; Tech vs S&P 500 (price relative) and Magnificent Seven market cap as % of S&P500 - BofA Global Investment Strategy, GFD Finaeon, Bloomberg

This had a lot to do with earnings, but also much to do with passive investing. Index concentration is causing a misallocation of capital in global equity markets. It has created a two-tier market; one where stocks sell at historic high valuation metrics; and one where stocks sell at historic low valuation metrics.

**This is a perfect opportunity to diversify risk.** It's worth noting that PM Capital's portfolio returns over one and three years to end-June 2024 have been without any exposure to the Magnificent 7 stocks.

The most interesting observation about our portfolio now is that its composite Price Earnings (PE) ratio is as low as I can remember, as shown in the following table.

## Global Opportunities Fund (ASX: PGF)

Investment Thesis	Weighting as at 30 June 24	Stock Examples	2025 PE <sup>1</sup>
Domestic banking – Europe	27%	CaixaBank	7x
Commodities – Energy	15%	Shell	7x
Commodities – Industrial metals	15%	Freeport-McMoRan Copper	20x
Domestic banking – USA	12%	Bank of America	11x
Gaming	10%	Wynn Resorts	12x
Industrials	9%	Siemens AG	17x
Home Builders	8%	Cairn Homes	8.5x
Alternative Investment Managers	5%	Apollo	12.5x
Other	7%		10x
<b>Long Equity Position</b>	<b>108%</b>		<b>12x</b>
<b>Net Equity Invested Position</b>	<b>92%</b>		

<sup>1</sup> Approx. PE multiple based on 2025 consensus earnings, via FactSet as at May 2024





That's surprising given market indices are near their highs. This is best represented by our biggest position, European banks, which still sell at a record relative valuation differential versus the market, and on an average absolute PE of 7 and high single-digit dividend yields.

This relatively low valuation for European banks demonstrates the misallocation of capital caused by passive and process investing.

The following comparison astounds me. I liken CBA in Australia, and Lloyds Bank in the UK, to identical twins separated at birth. Australia and the UK share the same legal and political system and, to my surprise, the banks are nearly identical in the size of their loan portfolio, shareholders equity and forecast future profits. But CBA has a market value of 3 times that of Lloyds, as the table below shows.

## Same bank, different multiples

	 <b>Commonwealth Bank</b>	<b>LLOYDS BANK</b> 
<b>Loans</b>	\$925 billion	\$863 billion
<b>Equity</b>	\$55 billion	\$60 billion
<b>2026 Consensus Net Profit</b>	\$9.8 billion	\$9.7 billion
<b>Market Value</b>	\$221 billion	\$70 billion
<b>Earnings Multiple</b>	22x	7x

*Source: Loans, Equity and 2026 Consensus Net Profit as at 31 March 2024. Market Value and Earnings Multiple as at 15 July 2024. All figures stated in AUD. PGF may hold positions in the securities outlined on this slide. PGF holds a position in Lloyds Banking Group (as noted in PGF's Monthly Report as at 30 June 2024 and announced to the ASX on 12 July 2024) and continues to see value.*

Why is this the case? Market memory plays a part, but passive and process investing is the real answer. Why else would you pay 3 times the price for the same fundamental metrics. Pragmatic and common-sense investing does not pay 3 times for the same dollar of profit; it pays one third for the same dollar of profit! That is why we own the European equivalents of CBA.

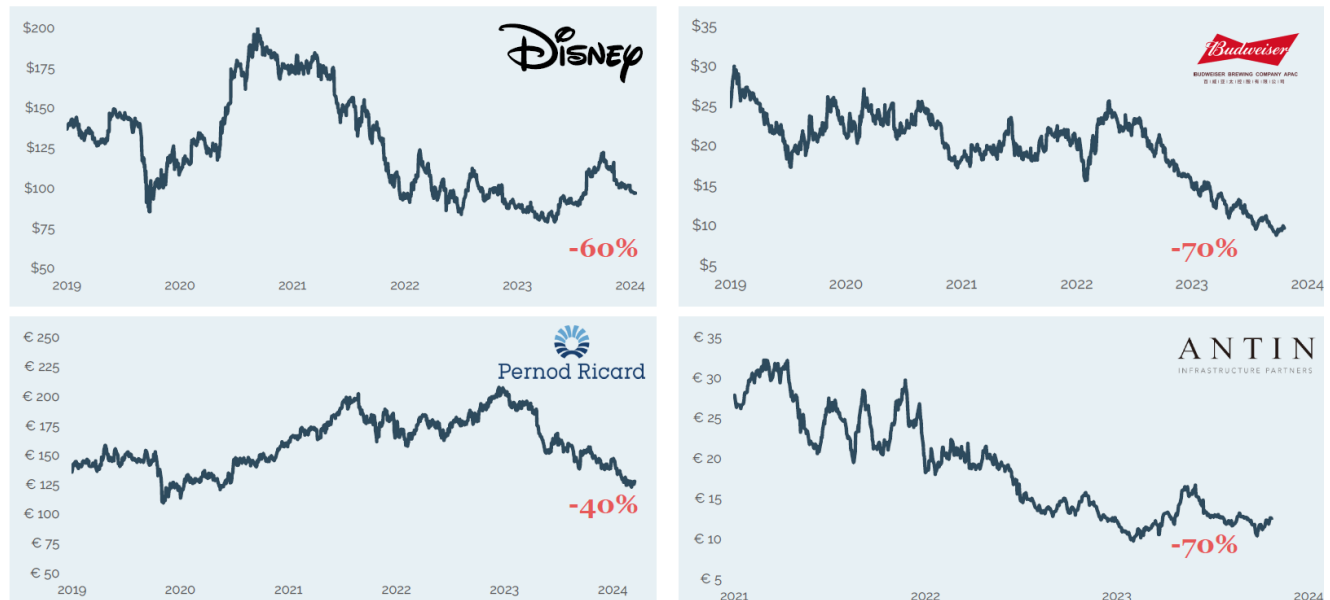
Also interesting is that over the last 10 years there has been minimal growth in CBA's absolute profitability and this is not expected to change in the near term. Despite this, CBA sells at a typical growth PE of 20+ times.

Compare this to Google, which has grown its profits 5 times over the last 10 years and is forecast to continue to grow them at 15% per annum. Remarkably, Google's parent company, Alphabet, sells on a similar forward PE to CBA. This highlights how the concentration of invested capital in a few hands will cause a problem in Australia at some point in the future.

The other standout observation is how many companies are selling at around 50% below their highs of the last two years. That is where we are spending most of our time, on the future opportunities, with multiple research trips having been recently completed and several planned for the near future.

Two simple examples among many, as illustrated in the following slide, are Disney and Pernod Ricard (a global leader in the spirits industry). Both have strong brands and are strong businesses subject to short-term cyclical and structural issues. I have no current conclusions on the investment merits of these businesses, but I do think you would be surprised by how many solid companies are worth considering now. You will no doubt find some of them in our portfolio in the future.

## Opportunity?



Source: Bloomberg. PGF may hold positions in the securities outlined on this slide. Please refer to the most recent Monthly Factsheet as lodged with the ASX, which shows PGF's top 10 stocks, for a list of PGF's largest portfolio positions.

What about the risks? There are always risks and the "unexpected" is obviously the main risk of which to be mindful.

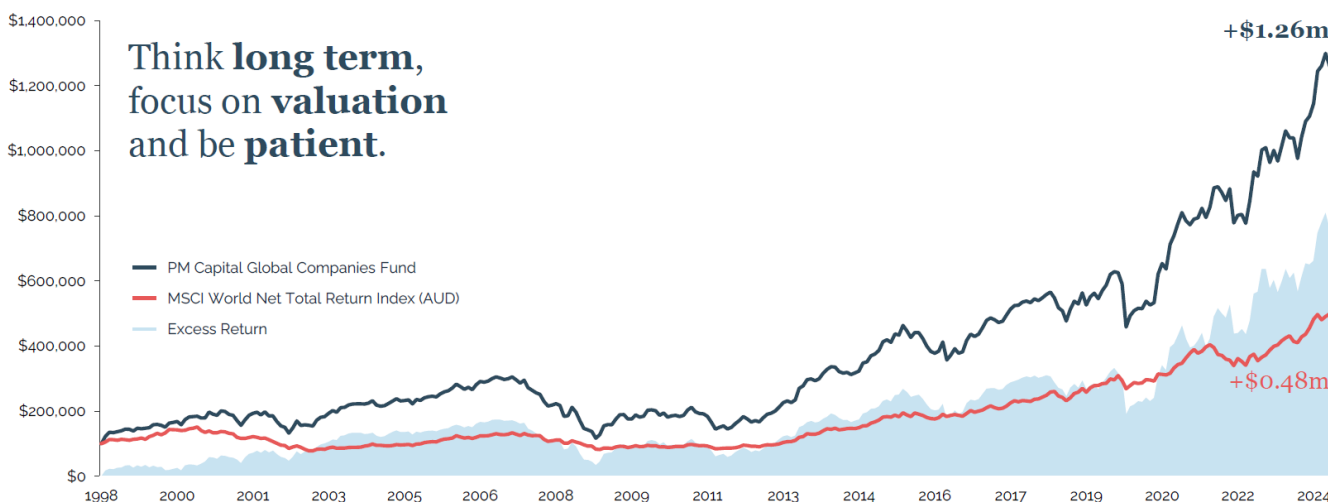
One identifiable risk that concerns me is that small business owners, the backbone of our nation, are subject to a 60% plus marginal tax rate when accounting for all direct and indirect payments that occur if they distribute their profit for personal use. Our leaders and the bureaucracy appear oblivious to this problem. At some point, small business shoulders will break.

In conclusion, long-term interest rates and inflation are still the key high-level issues for markets because politicians won't stop spending and inflation is the only way to deal with their debt.

How does this dynamic change the way PM Capital invests? It doesn't. The way we invest will never change.

As always, the best way to navigate the trials and tribulations of the investment journey is to think long term, focus on valuation and above all, be patient, as the following chart demonstrates.

## Conclusion



### Invest differently.

*\* Total return on \$100,000 invested since inception of the PM Capital Global Companies Fund on 28 October 1998 to 30 June 24, assuming reinvestment of dividends. Past performance is not indicative of future performance.*

On behalf of the PM Capital team, I would like to thank all PGF shareholders for their support over the past financial year.

I encourage you to follow our [Insights](#) at the PM Capital website ([www.pmcapital.com.au](http://www.pmcapital.com.au)), which include video updates, market insights and written editorials. PM Capital looks forward to another year where we aim to create long-term wealth by investing in undervalued global securities.



Paul Moore  
 Chief Investment Officer  
 PM Capital Limited  
 8 August 2024

**LIST OF INVESTMENTS HELD AS AT 30 JUNE 2024**

<b>Investment</b>	<b>Market Value \$</b>
<b><u>Equity Securities</u></b>	
ING Groep NV	57,551,142
Teck Resources Ltd-CLS B	57,366,678
Apollo Global Management	47,374,737
CNOOC LTD	45,247,053
Shell PLC	43,261,546
Bank of America Corp	42,685,534
Wynn Resorts Limited	38,379,331
AIB Group Plc	38,315,373
Caixa Bank S.A	35,490,239
Lloyds Banking Group PLC	34,442,987
Siemens AG	34,270,071
Wells Fargo & Company	28,868,422
Intesa Sanpaolo	25,903,160
Newmont Mining Corp	25,712,073
Grupo Mexico Sab De CV-SER B	25,232,063
Bank of Ireland Group PLC Dublin	24,712,927
Sands China	22,086,376
Freeport-McMoran Copper	21,542,422
Glenveagh Properties PLC	21,068,312
Woodside Energy Group Ltd	20,507,034
Heineken Holding	20,330,752
Cairn Homes Public Limited Company	19,407,400
MGM China Holdings Ltd	18,318,056
JP Morgan Chase	16,639,016
Royalty Pharma Plc	16,374,552
AIRBUS SE	16,192,943
Aalberts NV	15,570,300
Truist Financial Corp	15,485,144
Neinor Homes SLU	14,060,644
Barclays PLC	10,783,738
Schwab (Charles) Corp	10,425,174
Arch Resources Inc	9,925,209
AEDAS Homes	9,884,572
Stanmore Resources Ltd	9,662,444
Fox Corporation	9,379,700
Spie Sa	8,186,096
The Walt Disney Company	3,989,143
Wynn Macau	3,546,418
Frontier Digital Ventures	1,696,176
REA Group Limited	(3,128,271)
McDonald's Corporation	(3,588,785)
Commonwealth Bank of Australia	(8,942,076)
Apple Inc	(16,409,659)

### LIST OF INVESTMENTS HELD AS AT 30 JUNE 2024 (CONTINUED)

Investment	Market Value \$
<b>Cash &amp; Other Securities</b>	
Total Cash and cash equivalents (per note 3 to the financial statements)	31,979,900
Collateral Accounts	5,128,846
Futures	1,359,360
Options	(200,743)
Currency forward contracts	1,625,513
Total Interest bearing liabilities (per note 3 to the financial statements)	(49,452,421)
	<b>878,246,621</b>

### CORPORATE GOVERNANCE

The Company's corporate governance statement can be found on our website at the following location:  
<http://www.pmcapital.com.au/pgf/compliance>



## DIRECTORS' REPORT

The directors submit the financial report of PM Capital Global Opportunities Fund Limited ("the Company") for the year ended 30 June 2024.

### Directors' Experience and Other Directorships

The following persons were directors of the Company during the whole of the financial year and up to the date of this report (unless otherwise indicated):

**Chris Knoblanche AM B.Com, CA, FCPA**

*Chairman and Independent Non-executive Director*

*Member of the Audit Committee*

*Member of the Nomination and Corporate Governance Committee*

*Appointed 4 July 2019*

Mr Knoblanche has over 39 years' experience in the financial markets in corporate strategy, financing, risk control and management. Mr Knoblanche's previous executive experience includes serving as Managing Director and Head of Citigroup Corporate and Investment Banking Australia & NZ, partner in Caliburn (now Greenhill Investment Bank) and CEO of Andersen Australia and Andersen Business Consulting — Asia.

Boards on which Mr Knoblanche has previously served include: HiPages Limited, Latitude Financial Insurance (Hallmark companies); Environment Protection Authority of NSW; iSelect Limited; Aussie Home Loans Limited; Greencross Limited; The Australian Ballet; and Australian Business Arts Foundation.

Mr Knoblanche holds a Bachelor of Commerce (Accounting and Financial Management) and is a member of Chartered Accountants Australia and New Zealand (CA) and Fellow of the Australian Society of CPA's (FCPA). In 2014 Mr Knoblanche was awarded an Order of Australia (AM) for significant service to arts administration, the community and the business and finance sector. In 2000 Mr Knoblanche was awarded the Centenary Medal by the Australian Government for services to the arts and business.

**Brett Spork B.Bus**

*Independent Non-executive Director*

*Chairman of the Nomination and Corporate Governance Committee*

*Chairman of the Audit Committee*

*Appointed 15 May 2015*

Mr Spork has over 31 years' experience in the financial markets industry as a trader, advisor and senior manager, both within Australia and overseas. He currently provides consulting services to a broad range of financial institutions. Such consulting services comprise the provision of commercial, business development and regulatory advice. Previously, Mr Spork was the Chief Executive Officer of InvestorFirst Limited and BTIG Australia Limited.

During the period 2002 to 2006, Mr Spork was the Chief Executive Officer of E\*Trade Australia Limited. Before joining E\*Trade Australia Limited, he worked at Macquarie Bank for 14 years, the latter part as an Executive Director of Macquarie Financial Services.

Mr Spork holds a Bachelor of Business from the Queensland University of Technology. In 2004, he was recognised by the Australian Stockbrokers Foundation and admitted to its "Hall of Fame".

## DIRECTORS' REPORT (CONTINUED)

### Directors' Experience and Other Directorships (continued)

**Ben Skilbeck** B.Eng (Hons), B.Comm

*Executive Director (Non-Executive Director from 1 July 2024)*

*Member of the Audit Committee*

*Member of the Nomination and Corporate Governance Committee*

*Appointed 15 May 2015*

Mr Skilbeck has over 28 years' experience in financial markets. He is the Chief Executive Officer ("CEO") of Global Credit Investments and was the CEO of the Investment Manager of the Company for over 9 years prior to this. Mr Skilbeck has an Investment Banking background, having worked in both Australia and the US with Merrill Lynch and Credit Suisse, where he focused on mergers and acquisitions and corporate finance advisory.

Before joining the Investment Manager Mr Skilbeck was most recently the CEO of Rismark, a provider of quantitative research solutions and synthetic equity exposures over the Australian residential property sector.

Mr Skilbeck was also a Director of PM Capital Limited. Mr Skilbeck attended the University of Melbourne and holds a Bachelor of Engineering (with Honours) and a Bachelor of Commerce.

**Candice Driver** LLB (Hons), LLM

*Company Secretary*

*Appointed 2 February 2024*

Ms Driver is Company Secretary at Regal Partners. She has over 15 years' experience working as a company secretarial and board governance specialist in the financial services, real property and resources sectors. Before joining Regal Partners, Candice was Head of Subsidiaries at Insurance Australia Group (IAG) and Group Company Secretary at AirTrunk. Candice started her career as a solicitor at a top five law firm in Scotland, and holds a Bachelor of Laws (Hons) and a Masters in Commercial Law from the University of Glasgow. She is the Company Secretary of Regal Partners Limited, PM Capital Limited, VGI Partners Global Investments Limited and Regal Asian Investments Limited.

## DIRECTORS' REPORT (CONTINUED)

### Attendance at Meetings

#### Board of Director Meetings

Director	Meetings Held and Entitled to Attend*	Meetings Attended*
Chris Knoblanche	6	6
Brett Spork	6	6
Ben Skilbeck	6	6

\* In addition, 3 circular resolutions were made.

#### Nomination and Corporate Governance Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Chris Knoblanche	4	4
Brett Spork	4	4
Ben Skilbeck	4	4

#### Audit and Risk Committee Meetings

Director	Meetings Held and Entitled to Attend*	Meetings Attended*
Chris Knoblanche	4	4
Brett Spork	4	4
Ben Skilbeck	4	4

### Directors' Interests in Shares and Options

The relevant interests of the Directors and their related entities in the Securities of the Company as at 30 June 2024 were as follows:

Director	Number of Shares	Number of Options
Chris Knoblanche	48,819	-
Brett Spork	67,153	-
Ben Skilbeck	331,276	-

The relevant interests of the Directors and their related entities in the Securities of the Company as at 30 June 2023 were as follows:

Director	Number of Shares	Number of Options
Chris Knoblanche	48,819	-
Brett Spork	67,153	-
Ben Skilbeck	331,276	-
Richard Matthews (resigned 7 December 2023)	219,736	-

## DIRECTORS' REPORT (CONTINUED)

### Board Skills Matrix

	All Directors
<u>Skills</u>	
Strategy - experience with defining and implementing strategic objectives.	✓
Financial Acumen - experience in accounting, financial reporting and corporate finance	✓
Risk and Compliance - able to identify key risks and risk management effectiveness	✓
Corporate Governance - knowledge and experience of best practice governance	✓
<u>Industry</u>	
Investment Management - extensive experience specifically in investment management	✓
Financial Services - extensive experience in financial services outside of investment management (for example broking, banking, capital markets, superannuation)	✓

### Principal Activities of the Company

The Company is a listed investment company established to invest predominantly in a concentrated portfolio of listed securities across global securities markets (including Australia). The Company's investment objective is to increase the value of its portfolio by providing long term capital growth.

### PM Capital Limited acquisition by Regal Partners Limited (ASX:RPL)

On 20 December 2023, Regal Partners Limited ("RPL") completed its acquisition of PM Capital Limited ("PM Capital") - being the investment manager to the Company. This acquisition does not adversely impact:

- The Company's investment management agreement with PM Capital;
- Paul Moore's responsibilities as Chief Investment Officer of PM Capital; or
- the listing and day-to-day trading of PGF shares on the ASX.

Please refer to the ASX announcement on 27 December 2023 for further information.

### Review of Operations

The performance of the Company, as represented by the results of its operations, was as follows:

	2024	2023
	\$	\$
Profit before Income Tax	173,177,660	176,713,544
Income tax expense	(47,642,798)	(49,941,074)
Profit for the year attributable to shareholder	125,534,862	126,772,470

Please refer to the Statement of Profit or Loss and Other Comprehensive Income for further details.

The invested position of the Company is recognised on the Balance Sheet as follows:

	2024	2023
	%	%
Equity Securities	101.4 %	103.2 %
Collateral Accounts	0.6 %	1.4 %
Financial liabilities at fair value through profit or loss	0.0 %	(0.5)%
Cash and cash equivalent assets and interest bearing liabilities	(2.0)%	(4.1)%

## **DIRECTORS' REPORT (CONTINUED)**

### **Dividends**

On 8 August 2024, the Directors declared a fully franked final dividend of 5.5 cents per ordinary share (June 2023: 5.0 cents) which will be paid on 10 October 2024. The Ex-Dividend date is 11 September 2024, and the Record Date is 12 September 2024.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2024, is \$25,911,639 (June 2023: \$20,425,662).

The Dividend Reinvestment Plan ("DRP") will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 13 September 2024. No discount will be offered on the Dividend Reinvestment Plan in respect of this dividend.

A fully franked interim dividend of 5.0 cents per ordinary share, amounting to \$20,456,235, was paid on 19 April 2024.

Details of the Plan can be found on the Company's website: <http://www.pmcapital.com.au/pgf/compliance>

### **Placement and Company Share Purchase Plan**

On 30 July 2024, the Company announced a Placement and an SPP, please refer to the ASX announcement on 1 August 2024 for the results of the Placement. The SPP opens on 9 August 2024 and closes on 28 August 2024.

Shareholders who participate in the SPP will be entitled to the 5.5 per Share fully franked final dividend (which will be paid on 10 October 2024) on Shares allotted under the SPP on the same basis as existing Shares. Please refer to the ASX announcement for further details.

### **Net Assets**

As at 30 June 2024 the net assets of the Company were \$758,654,152 (2023: \$671,790,826). Please refer to the Statement of Financial Position for further details.

### **State of Affairs**

During the financial year there was no significant change in the state of affairs of the Company.

### **Events Subsequent to Balance Date**

Other than the Placement, Share Purchase Plan and the dividend declared above, no other matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

### **Likely Developments**

The Company will be managed in accordance with the Constitution and investment objectives as detailed in the Prospectus dated 18 November 2013.



## **DIRECTORS' REPORT (CONTINUED)**

### **Indemnification of Officers**

The Company has indemnified directors and officers for any actions that may arise as a result of acting in their capacity as directors and officers of the Company in respect of:

- a) Liability to third parties when acting in good faith; and
- b) Costs and expenses of defending legal proceedings and ancillary matters.

The terms of the policy preclude disclosure of the premium.

### **Environmental Regulations**

The Company's operations are not subject to any significant environmental regulations.

### **Proceedings on behalf of the company**

There are no proceedings that the directors have brought, or intervened in, on behalf of the Company.

### **Non-Audit Services**

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 8(b) to the financial statements. The directors, in accordance with advice provided by the audit committee, are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

### **Auditor rotation**

In accordance with section 324DAA of the *Corporations Act 2001* ("the Act") and the recommendation of the Company's Audit Committee, the Company's Board has granted approval for Mr Steve Grivas of HLB Mann Judd to play a significant role in the audit of the Company for an additional two successive financial years up to and including the audit for the year ending 30 June 2025.

Approval has been granted as the Board of the Company is satisfied that retaining HLB Mann Judd will maintain the quality of the audit provided to the Company and will not give rise to a conflict of interest situation (as defined in section 324CD of the Act). Reasons supporting this decision include:

- The Company will retain the right to reassess the appointment at any time;
- HLB Mann Judd has experienced and appropriately qualified staff and registered auditors available to undertake the audit of the Company;
- The existing independence and service metrics put in place by HLB Mann Judd and the Company are sufficient to ensure that auditor independence will not be diminished by such an extension.

### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under *Section 307C* of the *Corporations Act 2001* is set out on page 18.

## DIRECTORS' REPORT (CONTINUED)

### Remuneration Report

This remuneration report sets out information about the remuneration of the Company's Directors for the year ended 30 June 2024, under the requirements of Section 300A(1) of the *Corporations Act 2001*.

#### Key management personnel

The directors and other key management personnel of the Company during the whole of the financial year and up to the date of this report (unless otherwise indicated) were:

Chris Knoblanche – Chairman and Independent Non-executive Director  
 Brett Spork – Independent Non-executive Director  
 Ben Skilbeck – Non-executive Director  
 Candice Driver – Company Secretary (appointed 2 February 2024)  
 Richard Matthews – Alternate Director for Ben Skilbeck (resigned 7 December 2023)

#### Directors' Remuneration

The Company has a Nomination and Corporate Governance Committee which reviews and advises the Board on the composition of the Board and its committees. Directors' base fees are limited in the Constitution to a maximum of \$250,000 per annum.

Directors' remuneration received or receivable for the year ended 30 June 2024 was as follows:

Director	Directors' fees \$	Superannuation \$	Total \$
Chris Knoblanche	66,625	-	66,625
Brett Spork	54,054	5,946	60,000
Ben Skilbeck	-	-	-
	<u>120,679</u>	<u>5,946</u>	<u>126,625</u>

Directors' remuneration received or receivable for the year ended 30 June 2023 was as follows:

Director	Directors' fees \$	Superannuation \$	Total \$
Chris Knoblanche	66,625	-	66,625
Brett Spork	54,299	5,701	60,000
Ben Skilbeck	-	-	-
Richard Matthews (resigned 7 December 2023)	-	-	-
	<u>120,924</u>	<u>5,701</u>	<u>126,625</u>

Candice Driver is the Company Secretary of Regal Partners Limited (ASX:RPL), Ben Skilbeck was the Chief Executive Officer of the Investment Manager and Richard Matthews was the Chief Operating Officer, Head of Risk and Compliance and Company Secretary of the Investment Manager. They were remunerated by the Investment Manager or the Parent entity of the Investment Manager and are not entitled to a director's fee or any other form of remuneration from the Company.

Signed at Sydney this 8<sup>th</sup> day of August 2024, in accordance with a resolution of the Board of Directors by:



**Chris Knoblanche AM**  
**Chairman**

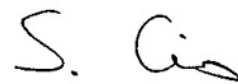
**Auditor's Independence Declaration**

To the directors of PM Capital Global Opportunities Fund Limited:

As lead auditor for the audit of the financial report of PM Capital Global Opportunities Fund Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

**Sydney, NSW**  
**8 August 2024**



**S Grivas**  
**Partner**

**hlb.com.au**

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

Level 5, 10 Shelley Street Sydney NSW 2000 Australia

**T:** +61 (0)2 9020 4000 **E:** mailbox@hlbnsw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (NSW Partnership) is a member of HLB International, the global advisory and accounting network.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest		734,018	293,527
Dividends		31,367,006	21,732,585
Gains on investments at fair value through profit or loss		159,983,728	209,572,815
Gains/(losses) on foreign exchange		3,892,077	(34,789,637)
<b>Total revenue</b>		<b>195,976,829</b>	<b>196,809,290</b>
<b>Expenses</b>			
Management fees	8 (a)	8,098,603	6,916,064
Performance fees	8 (a)	8,553,519	10,947,434
Finance costs		4,700,804	607,721
Brokerage and trading fees		545,221	609,411
Registry fees		204,417	241,079
Administration fees		193,250	173,639
Insurance		159,013	180,988
ASX fees		124,131	171,782
Directors' fees	12	126,625	126,625
Legal and professional fees		38,873	68,222
Audit fees	8 (b)	53,357	49,302
Other operating expenses		1,356	3,479
<b>Total expenses</b>		<b>22,799,169</b>	<b>20,095,746</b>
<b>Profit for the year before income tax</b>		<b>173,177,660</b>	<b>176,713,544</b>
Income tax expense	6 (a)	(47,642,798)	(49,941,074)
<b>Profit after income tax</b>		<b>125,534,862</b>	<b>126,772,470</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income attributable to shareholders</b>		<b>125,534,862</b>	<b>126,772,470</b>
<b>Basic earnings per share</b>	9	<b>30.69 cents</b>	<b>31.95 cents</b>
<b>Diluted earnings per share</b>	9	<b>30.69 cents</b>	<b>31.95 cents</b>

*This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.*

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	31,979,900	23,092,652
Collateral accounts		5,128,846	10,541,932
Financial assets at fair value through profit or loss	2 (d)	890,791,039	771,426,588
Receivables	4	1,994,080	2,206,231
<b>Total current assets</b>		<b>929,893,865</b>	<b>807,267,403</b>
<b>Non-current assets</b>			
Deferred tax assets	6 (c)	93,322	134,793
<b>Total non-current assets</b>		<b>93,322</b>	<b>134,793</b>
<b>TOTAL ASSETS</b>		<b>929,987,187</b>	<b>807,402,196</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Interest bearing liabilities	3	49,452,421	53,345,596
Financial liabilities at fair value through profit or loss	2 (d)	200,743	3,571,347
Payables	5	11,212,290	13,036,754
Income tax payable		22,331,934	2,791,416
<b>Total current liabilities</b>		<b>83,197,388</b>	<b>72,745,113</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	6 (c)	88,135,647	62,866,257
<b>Total non-current liabilities</b>		<b>88,135,647</b>	<b>62,866,257</b>
<b>TOTAL LIABILITIES</b>		<b>171,333,035</b>	<b>135,611,370</b>
<b>NET ASSETS</b>		<b>758,654,152</b>	<b>671,790,826</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	438,737,122	436,526,761
Retained profits		123,842,664	105,665,887
Profit reserve		196,074,366	129,598,178
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>758,654,152</b>	<b>671,790,826</b>

*This Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.*



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Interest received		734,018	302,266
Dividends received		31,576,388	21,763,577
Interest paid		(4,506,081)	(469,784)
Management fees paid		(7,715,620)	(6,690,520)
Performance fees paid		(10,947,434)	(10,031,221)
Income tax paid		(2,791,419)	(19,626,643)
Brokerage and trading fees paid		(545,221)	(609,411)
Other operating expenses		(933,308)	(1,013,982)
<b>Net cash inflow/(outflow) from operating activities</b>	10	<u>4,871,323</u>	<u>(16,375,718)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		204,899,767	89,858,199
Purchase of investments		(158,163,450)	(124,944,594)
<b>Net cash inflow/(outflow) from investing activities</b>		<u>46,736,317</u>	<u>(35,086,395)</u>
<b>Cash flows from financing activities</b>			
Dividends paid (Net of DRP)		(38,671,536)	(38,194,207)
Shares issued under share purchase plan		-	28,062,912
<b>Net cash outflow from financing activities</b>		<u>(38,671,536)</u>	<u>(10,131,295)</u>
Impact of exchange rate changes on cash and cash equivalents		(155,681)	(388,533)
<b>Net increase/(decrease) in cash and cash equivalents</b>		12,780,423	(61,981,941)
Cash and cash equivalents at the beginning of the financial year		(30,252,944)	31,728,997
Cash and cash equivalents at the end of the financial year	3	<u>(17,472,521)</u>	<u>(30,252,944)</u>

*This Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

Note	Share Capital	Profit Reserve	Retained Profits	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>406,688,968</b>	<b>111,994,220</b>	<b>36,466,463</b>	<b>555,149,651</b>
Total comprehensive income for the year	-	-	126,772,470	126,772,470
Transfer to profit reserve	-	17,603,958	(17,603,958)	-
<b>Subtotal</b>	<b>406,688,968</b>	<b>129,598,178</b>	<b>145,634,975</b>	<b>681,922,121</b>
<b>Transactions with owners in their capacity as owners</b>				
Shares issued under the Company's dividend reinvestment plan	7	1,774,881	-	1,774,881
Share purchase plan		28,062,912	-	28,062,912
Dividends paid (5.0 cents per share paid on 6 October 2022, and 5.0 cents per share paid on 13 April 2023)		-	(39,969,088)	(39,969,088)
<b>Subtotal</b>		<b>29,837,793</b>	<b>(39,969,088)</b>	<b>(10,131,295)</b>
<b>Balance at 30 June 2023</b>	<b>436,526,761</b>	<b>129,598,178</b>	<b>105,665,887</b>	<b>671,790,826</b>
<b>Balance at 1 July 2023</b>	<b>436,526,761</b>	<b>129,598,178</b>	<b>105,665,887</b>	<b>671,790,826</b>
Total comprehensive income for the year	-	-	125,534,862	125,534,862
Transfer to profit reserve	-	66,476,188	(66,476,188)	-
<b>Subtotal</b>	<b>436,526,761</b>	<b>196,074,366</b>	<b>164,724,561</b>	<b>797,325,688</b>
<b>Transactions with owners in their capacity as owners</b>				
Shares issued under the Company's dividend reinvestment plan	7	2,210,361	-	2,210,361
Dividends paid (5.0 cents per share paid on 5 October 2023, and 5.0 cents per share paid on 19 April 2024)		-	(40,881,897)	(40,881,897)
<b>Subtotal</b>		<b>2,210,361</b>	<b>(40,881,897)</b>	<b>(38,671,536)</b>
<b>Balance at 30 June 2024</b>	<b>438,737,122</b>	<b>196,074,366</b>	<b>123,842,664</b>	<b>758,654,152</b>

*This Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. General information and summary of material accounting policies

PM Capital Global Opportunities Fund Limited ("the Company") is a listed investment company incorporated in Australia. The Company was registered on 1 October 2013. The registered office and principal place of business of the Company is Level 11, 68 York Street Sydney NSW 2000. The Company's principal activity is to invest predominantly in a concentrated portfolio of listed securities across global securities markets (including Australia). The investment objective is to increase the value of its portfolio by providing long term capital growth.

These general purpose financial statements are for the year ended 30 June 2024, and were authorised for issue by the Directors on 8 August 2024.

A summary of the material accounting policies adopted by the Company in the preparation of the financial statements is set out below:

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. For the purposes of preparing financial statements, the Company is a for-profit entity.

#### (b) Statement of Compliance

The financial statements and notes thereto comply with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

#### (c) Reporting Currency

All amounts are presented in Australian dollars as the functional and presentational currency of the Company.

#### (d) Going Concern Basis

The financial report has been prepared on a going concern basis.

#### (e) Investments

Investments held at fair value through profit or loss are initially recognised at fair value including any transaction costs related to their acquisition. Subsequent to initial recognition, all financial instruments held at fair value through profit or loss are accounted for at fair value, with changes to such values recognised in profit or loss. For further details on how the fair value of financial instruments is determined please see Note 2(d).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

### 1. General information and summary of material accounting policies (continued)

#### (f) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Company competes for funds and is regulated.

##### (ii) Transactions and balances

Transactions during the period denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and currency, together with any accrued income, are translated at the exchange rate prevailing at the balance date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Net exchange gains and losses arising on the revaluation of investments are included in gains/(losses) on investments.

Hedging may be undertaken in order to minimise possible adverse financial effects of movements in exchange rates. Hedging gains or losses are included as part of gains/(losses) on foreign exchange.

#### (g) Income tax

Under current legislation, the Company is subject to income tax at 30% (2023: 30%) on taxable income. A capital gains tax concession may be available to investors where certain requirements are met.

The Company incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in profit or loss.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the corporate tax rate. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

### 1. General information and summary of material accounting policies (continued)

#### (h) Investment income

##### (i) Interest income

Interest income is recognised in profit or loss for all financial instruments that are held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 1(e) to the financial statements.

##### (ii) Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded against dividend income. The Company incurs withholding tax imposed by certain countries on dividend income.

##### (iii) Net changes in fair value of investments

Changes in the fair value of investments are recognised in profit or loss.

#### (i) Goods and services tax ("GST")

The Company is registered for GST and under current regulations can claim up to 75% of the GST incurred depending on the nature of the expense. The un-claimable portion is written off as an expense.

#### (j) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within Interest Bearing Liabilities in the Statement of Financial Position.

#### (k) Collateral accounts

Collateral accounts represent restricted deposits for derivative financial instruments. The cash is held by the Prime Broker and is only available to meet derivative obligations.

#### (l) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the balance date from the time of last payment. Amounts receivable for securities sold are recorded when a sale has occurred.

#### (m) Payables

These amounts represent liabilities for amounts owing by the Company at period end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (n) Derivative financial instruments

The Company may invest in financial derivatives. Derivative financial instruments are accounted for on the same basis as the underlying investment exposure. Gains and losses relating to financial derivatives are included in profit or loss as part of gains/(losses) on investments.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

### 1. General information and summary of material accounting policies (continued)

#### (o) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### (p) Earnings per share

Undiluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

#### (q) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant and reasonable under the circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The methods used in the valuation of investments are set out in Note 1(e) to these financial statements.

#### (r) Profit Reserve

The profit reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

#### (s) New and amended accounting standards adopted

There are no new accounting standards and interpretations that have been published and have been adopted for the 30 June 2024 reporting year that are material to the financial statements.

#### (t) New accounting standards and interpretations not yet adopted

A number of new accounting standards, amendments to standards and interpretations are not yet effective for 30 June 2024 reporting period and have not been early adopted in preparing these financial statements. The directors' assessment of these new accounting standards (to the extent relevant to the Company) and interpretations is that they are not expected to have a material effect on the financial statements of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

### 2. Financial risk management

#### (a) Objectives, strategies, policies and processes

The objective of the Company is to provide long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of global (including Australian) equities and other investment securities. As the portfolio is constructed on the merits of individual stock selection it is likely that the Company will have experienced varied return characteristics from the relevant benchmark and traditional index funds. The Company is managed from an Australian investor's perspective with tax and currency exposures forming important considerations in the daily management of the Company, whilst complying with the Company's investment mandate as amended from time to time. Financial risk management is carried out by the Investment Manager under the guidance of its Chief Investment Officer.

The Company's activities are exposed to different types of financial risks. These risks include market risk (including foreign currency risk, and price risk) and credit risk. The Company may employ derivative financial instruments to hedge these risk exposures in order to minimise the effects of these risks. The use of derivatives is an essential part of proper portfolio management and is not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Company against a fluctuation in market values or to reduce volatility;
- as a substitute for physical securities;
- adjusting asset exposures within the parameters set in the investment strategy;
- adjusting the duration or the weighted average maturity of fixed interest portfolios.

The use of short selling and derivatives may indirectly leverage the portfolio on a gross basis.

#### (b) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate. These fluctuations can be caused by market volatility, interest rate volatility, economic cycles, political events and levels of economic growth, both global and domestic. The Company is materially exposed to two different types of market risks, namely foreign currency risk and price risk. Market risk exposures are assessed and minimised through employing established investment strategies.

The Company is a focused portfolio and, due to the concentrated nature of the Company's investments, considerable short term volatility may be experienced. The Company may also short specific securities that, in the opinion of the Investment Manager, are overvalued. All of the portfolio positions are subject to research and peer group review and if appropriate opportunities cannot be found the Company will hold cash until new opportunities arise. The Company may utilise leverage to enhance the portfolio's returns. Leverage is acquired through the use of derivatives, short selling and a leverage facility with the Prime Broker. The maximum allowed net invested position (being long positions less short positions) is 130% of the portfolio's net market value. As part of its risk management strategy, the Company uses futures, options and forward contracts to manage exposures resulting from changes in interest rates, foreign currencies and equity price risks.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(b) Market risk (continued)**

*(i) Foreign currency risk*

Foreign currency risk is the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The Company holds assets denominated in currencies other than the Australian dollar (being the functional currency) and is therefore exposed to foreign currency risk when the value of assets denominated in other currencies fluctuates due to movements in exchange rates.

The Company may enter into foreign exchange forward contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. Foreign exchange instruments are principally denominated in US dollars and Euros, reflecting the denominations but not necessarily the physical locations of the majority of the Company's international security investments. The terms and conditions of these contracts rarely exceed one year and the level of hedging will depend on the Investment Manager's expectation of future currency exchange rate movements.

As the nature of these contracts is to hedge the international investment activities of the Company, they are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities. The currency position of the Company is monitored on an ongoing basis by the Investment Manager.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(b) Market risk (continued)**

*(i) Foreign currency risk (continued)*

The Company's portfolio in different currencies at balance date are summarised below.

	Australian Dollars A\$	US Dollars A\$	British Pounds A\$	Euro A\$	Other Currencies A\$	Total A\$
<b>2024</b>						
<b>Assets</b>						
Cash and cash equivalents	-	22,021,395	-	9,545,404	413,101	31,979,900
Collateral accounts	-	5,128,846	-	-	-	5,128,846
Financial assets at fair value through profit or loss:						
Listed securities	19,795,309	324,148,691	88,488,271	340,943,929	114,429,966	887,806,166
Futures	-	1,359,360	-	-	-	1,359,360
Currency forward contracts	677,356,336	(307,351,265)	(33,989,616)	(315,205,153)	(19,184,789)	1,625,513
Receivables	186,017	-	-	-	1,808,063	1,994,080
Deferred tax assets	93,322	-	-	-	-	93,322
<b>Total assets</b>	<b>697,430,984</b>	<b>45,307,027</b>	<b>54,498,655</b>	<b>35,284,180</b>	<b>97,466,341</b>	<b>929,987,187</b>
<b>Liabilities</b>						
Interest bearing liabilities	38,783,433	-	2,183,502	-	8,485,486	49,452,421
Financial liabilities at fair value through profit or loss:						
Options	157,170	43,573	-	-	-	200,743
Payables	11,212,290	-	-	-	-	11,212,290
Income tax payable	22,331,934	-	-	-	-	22,331,934
Deferred tax liabilities	88,135,647	-	-	-	-	88,135,647
<b>Total liabilities</b>	<b>160,620,474</b>	<b>43,573</b>	<b>2,183,502</b>	<b>-</b>	<b>8,485,486</b>	<b>171,333,035</b>
<b>Net assets</b>	<b>536,810,510</b>	<b>45,263,454</b>	<b>52,315,153</b>	<b>35,284,180</b>	<b>88,980,855</b>	<b>758,654,152</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(b) Market risk (continued)**

*(i) Foreign currency risk (continued)*

	Australian Dollars A\$	US Dollars A\$	British Pounds A\$	Euro A\$	Other Currencies A\$	Total A\$
<b>2023</b>						
<b>Assets</b>						
Cash and cash equivalents	-	22,612,862	479,790	-	-	23,092,652
Collateral accounts	-	10,541,932	-	-	-	10,541,932
Financial assets at fair value through profit or loss:						
Listed securities	32,677,702	278,739,016	89,066,845	307,099,160	62,493,279	770,076,002
Currency forward contracts	584,340,559	(284,620,885)	(32,759,455)	(246,447,541)	(19,162,092)	1,350,586
Receivables	161,986	-	-	163,009	1,881,236	2,206,231
Deferred tax assets	134,793	-	-	-	-	134,793
<b>Total assets</b>	<b>617,315,040</b>	<b>27,272,925</b>	<b>56,787,180</b>	<b>60,814,628</b>	<b>45,212,423</b>	<b>807,402,196</b>
<b>Liabilities</b>						
Interest bearing liabilities	10,399,485	-	-	29,065,800	13,880,311	53,345,596
Financial liabilities at fair value through profit or loss:						
Options	-	1,357,634	-	-	-	1,357,634
Futures	-	2,213,713	-	-	-	2,213,713
Payables	13,036,754	-	-	-	-	13,036,754
Income tax payable	2,791,416	-	-	-	-	2,791,416
Deferred tax liabilities	62,866,257	-	-	-	-	62,866,257
<b>Total liabilities</b>	<b>89,093,912</b>	<b>3,571,347</b>	<b>-</b>	<b>29,065,800</b>	<b>13,880,311</b>	<b>135,611,370</b>
<b>Net assets</b>	<b>528,221,128</b>	<b>23,701,578</b>	<b>56,787,180</b>	<b>31,748,828</b>	<b>31,332,112</b>	<b>671,790,826</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(b) Market risk (continued)**

*(i) Foreign currency risk (continued)*

*Foreign currency sensitivity*

A sensitivity of 5% (2023: 5%) has been selected to account for the current level of exchange rate volatility observed in the market. As at reporting date, should the Australian dollar depreciate/appreciate against the relevant foreign currency (that is the AUD weakens/strengthens) and with all other variables remaining constant, the change in net assets would be:

	Depreciation of AUD (5%)		Appreciation of AUD (5%)	
	Increase in Net Assets	Increase in Net Assets	(Decrease) in Net Assets	(Decrease) in Net Assets
	\$	%	\$	%
30 June 2024	11,675,981	1.5%	(10,563,983)	(1.4%)
30 June 2023	7,556,300	1.1%	(6,836,652)	(1.0%)

*(ii) Price risk*

Price risk is the risk that the fair value of financial instruments will fluctuate, whether those changes are specifically related to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risk for its investments in both listed and unlisted securities. The price risk of securities is dependent on the financial circumstances of the companies in which the securities are purchased, including their profits, earnings and cash flows. The return on a security's investment may also be affected by the quality of company management, the general health of the sector in which it operates and government policy.

In cases where financial instruments are denominated in currencies other than the Australian dollar, future prices will also fluctuate because of changes in foreign exchange rates. Refer to Note 2(b)(i) for the management of foreign currency risk. Some securities present a risk of loss of capital and, except where securities are sold short, the maximum exposure resulting from financial instruments is determined by the fair value of those instruments. Potential losses from securities sold short can be unlimited.

The Investment Manager's security selection process is fundamental to the management of price risk. Whilst the Morgan Stanley Capital International ('MSCI') Index is used in measuring relative performance of the Company, risk in the view of the Investment Manager is not limited to relative performance versus a benchmark, but more so the prospect of losing money (i.e. absolute returns). The Company seeks a diversified range of investments whose business and growth prospects are being undervalued by the market. As a result, the Company's securities holdings vary considerably from the composition of the index.

The Company's overall market positions are monitored on an ongoing basis by the Investment Manager.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(b) Market risk (continued)**

*(ii) Price risk (continued)*

The Collateral account collateralises the purchase of financial assets with respect to derivative instruments. Accordingly, the balance of the Collateral account should be regarded as a financial asset for the purpose of assessing risk and market exposure.

The Company's net equity exposure as at 30 June 2024 and 30 June 2023 is set out below:

Industry Groups	2024	2023
Banks	36%	37%
Materials	15%	11%
Energy	15%	14%
Consumer Services	9%	11%
Capital Goods	8%	9%
Consumer Durables & Apparel	6%	6%
Diversified Financials	5%	7%
Food, Beverage & Tobacco	2%	2%
Pharmaceuticals, Biotech & Life sciences	2%	0%
Commercial & Professional Services	1%	3%
Real Estate	1%	1%
Insurance	1%	1%
Media	1%	0%
Software & Services	0%	0%
Technology Hardware & Equipment	(2%)	(2%)
Total	100%	100%

*Price sensitivity*

The directors of the Company believe that it is difficult to accurately estimate future returns. Equity market returns can be volatile and returns from year to year often have a wide variance. As such, the Company uses a long-term performance average, rather than a short term performance number, when estimating sensitivity to price risk. The longer return average takes into consideration the full market cycle, whereas an estimate based solely on last year's performance is likely to be misleading when the market cycle shifts.

As at reporting date, if the listed security prices in the portfolio had increased/(decreased) by 5% [2023: 5%] with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/- \$44,390,308 [2023: +/- \$38,503,800]. The impact of price movements in options and futures, fixed rate bonds, floating rate notes, other debt securities and currency contracts is unlikely to have a significant impact on the Company.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

### 2. Financial risk management (continued)

#### (c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations (i.e. default in either whole or part) under a contract, causing the Company to make a financial loss.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of assets and liabilities as they are marked to market at balance date.

The total credit risk for assets including fixed income and equity securities is therefore limited to the amount carried in the Statement of Financial Position.

The Investment Manager manages the Company's concentrations of credit risk by adopting a number of procedures, including the following:

- Undertaking transactions with a large number of counterparties on recognised and reputable exchanges;
- Ensuring that these counterparties together with the respective credit limits are approved.

The contractual credit risk of assets is represented by the net payments or receipts that remain outstanding, and the cost of replacing the derivative position in the event of a counterparty default. There are no financial assets that are past due or impaired as at balance date.

The Company has appointed Morgan Stanley & Co. International Plc ("Morgan Stanley") as both Prime Broker and Custodian to the Company. Morgan Stanley is subject to regulatory oversight and capital requirements imposed by the Financial Services Authority (UK) and, where applicable to its Australian operations, the Australian Securities and Investments Commission. As at the date of this report, Morgan Stanley has a credit rating of A+ (S&P) for long term debt and a rating of A-1 for short term debt.

The terms of the Prime Broker Agreement provide that Morgan Stanley may utilise custodial assets for its own lending and financing purposes (including to borrow, lend, charge, re-hypothecate, and dispose of) up to, but not exceeding, 180% of the value of the Company's outstanding liabilities with Morgan Stanley. These assets are owned by Morgan Stanley in its Prime Broker capacity. Under the terms of the Prime Broker Agreement, Morgan Stanley is obliged to return to the Company the equivalent custodial assets irrespective of what transpires between it and any third party with whom Morgan Stanley has transacted.

Cash holdings with Morgan Stanley are not subject to a custodian arrangement and are always considered to be held by Morgan Stanley in its Prime Broker capacity.

All other custodial assets not subject to the Prime Broking arrangement are held by Morgan Stanley in its capacity as a Custodian in a separate asset pool, as is required by the Financial Services Authority (UK).

As at balance date, the maximum value of the Company's gross assets available to Morgan Stanley for its lending and financing activities is \$89,375,695 [2023: \$102,450,497]. Under the Prime Broker arrangements in place, the amount does not require disclosure by Morgan Stanley. The maximum net exposure to the Prime Broking activities of Morgan Stanley, after offsetting the Company's outstanding liabilities with Morgan Stanley, approximates \$39,722,531 [2023: \$45,533,554] as at balance date.

The credit position of the Company is monitored on an ongoing basis by the Investment Manager.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(d) Fair Value Measurements**

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

*(i) Fair value in an active market (Level 1)*

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

*(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)*

The fair value of financial assets and liabilities that are not traded in an active market are valued with reference to external third-party pricing information. These assets and liabilities include: Currency forward contracts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**2. Financial risk management (continued)**

**(d) Fair Value Measurements (continued)**

*(iii)* Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at 30 June 2024 and 30 June 2023:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>2024</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed securities	887,806,166	-	-	887,806,166
Currency forward contracts	-	1,625,513	-	1,625,513
Futures	1,359,360	-	-	1,359,360
	<u>889,165,526</u>	<u>1,625,513</u>	<u>-</u>	<u>890,791,039</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Options	200,743	-	-	200,743
	<u>200,743</u>	<u>-</u>	<u>-</u>	<u>200,743</u>
<b>2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed securities	770,076,002	-	-	770,076,002
Currency forward contracts	-	1,350,586	-	1,350,586
	<u>770,076,002</u>	<u>1,350,586</u>	<u>-</u>	<u>771,426,588</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Options	1,357,634	-	-	1,357,634
Futures	2,213,713	-	-	2,213,713
	<u>3,571,347</u>	<u>-</u>	<u>-</u>	<u>3,571,347</u>

*(iv)* Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

*(v)* Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	2024	2023
	\$	\$
<b>3. Cash and cash equivalents and Interest bearing liabilities</b>		
<i>Cash and cash equivalents</i>		
Cash at bank (Custodian) – USD	22,021,395	22,612,862
Cash at bank (Custodian) – EUR	9,545,404	-
Cash at bank (Custodian) – MXN	413,101	-
Cash at bank (Custodian) – GBP	-	479,790
	<u>31,979,900</u>	<u>23,092,652</u>
<i>Interest bearing liabilities</i>		
Overdraft at Custodian	(49,452,421)	(53,345,596)
	<u>(17,472,521)</u>	<u>(30,252,944)</u>

Overdraft at Custodian is a cash facility offered by the Custodian. The Custodian in its role as Prime Broker has been granted a floating charge over the assets of the Company to secure any liabilities to the Prime Broker.

	2024	2023
	\$	\$
<b>4. Receivables</b>		
Dividends receivable	1,808,063	2,044,245
GST receivable	168,285	161,986
Other receivables	17,732	-
	<u>1,994,080</u>	<u>2,206,231</u>
<b>5. Payables</b>		
Performance fee payable	8,553,519	10,947,434
Trade creditors and accruals	2,326,111	1,951,383
Interest payable	332,660	137,937
	<u>11,212,290</u>	<u>13,036,754</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**6. Income tax**

**(a) Income tax expense**

The aggregate amount of income tax attributable to the financial period differs from the amount of income tax that would be payable by the Company if its taxable income for the period were equal to the amount of the profit before income tax. The difference between these amounts is explained as follows:

	2024 \$	2023 \$
Profit for the year before income tax	173,177,660	176,713,544
Prima facie income tax expense calculated at 30% (2023: 30%)	51,953,298	53,014,063
Tax credits – current year	(4,310,500)	(3,072,989)
Income tax expense	47,642,798	49,941,074

**(b) Franking credits**

	2024	2023
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%)	\$28,210,288	\$23,399,164
Number of shares on issue at the end of the financial year	409,670,190	408,513,246
Franking Credits available per Share on issue	\$0.0689	\$0.0573

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits or debits that will arise from the settlement of liabilities or receivables for income tax at the end of the period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

2024	2023
\$	\$

**6. Income tax (continued)**

**(c) Deferred tax**

Deferred tax assets are represented by the following temporary differences:

Accruals	13,680	21,477
Insurances	16,990	19,338
Black hole expenditure	62,652	93,978
	<u>93,322</u>	<u>134,793</u>

Deferred tax liabilities are represented by the following temporary differences:

Unrealised gains on investments	87,589,952	62,257,746
Dividends receivable	545,695	608,511
	<u>88,135,647</u>	<u>62,866,257</u>

**7. Share capital**

There is a single class of ordinary shares on issue. Each Share confers on its holder equal voting rights and the right to share equally in dividends and any surplus on winding up.

Subject to the *Corporations Act 2001* and the ASX Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of shareholders in general meeting by special resolution. Movements in share capital during the year were as set out below:

	2024	2023
	Number of shares	Number of shares
Shares on issue at beginning of the year	408,513,246	391,371,371
Shares issued under the Company's dividend reinvestment plan	1,156,944	1,096,939
Shares issued under share purchase plan	-	16,044,936
Shares on issue at the end of the year	<u>409,670,190</u>	<u>408,513,246</u>

Capital Management

The Company's objectives for managing capital are to invest the capital in investments meeting the description, risk exposure and expected return pursuant to the Investment Management Agreement between the Company and the Investment Manager.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**8. Expenses**

**(a) Fees paid to the Investment Manager**

The Company has outsourced its investment management function to PM Capital Limited. A summary of the fees (GST exclusive) charged by the Investment Manager is set out below.

*(i) Management fee*

The Investment Manager is entitled to be paid a management fee equal to 1.00% p.a. (plus GST) of the Portfolio Net Asset Value. The management fee is calculated and accrued on the last day of each week and paid at the end of each month in arrears.

The Company expensed an amount of \$8,098,603 (2023: \$6,916,064) as fees paid or payable to the Investment Manager and as at balance date an amount of \$2,280,510 (2023: \$1,879,795 ) is included in Trade creditors and accruals.

*(ii) Performance Fee*

At the end of each financial year, the Investment Manager is entitled to receive a performance fee from the Company. The fee is calculated and accrued monthly using the following formula:

$$P = 15\% \times (A - B) \times \text{Portfolio Net Asset Value at the end of the last day of the relevant month where:}$$

P is the Performance Fee for the relevant month;  
A is the Investment Return of the Portfolio for the relevant month; and  
B is the Benchmark Return for the relevant month. "Benchmark Return" means, in respect of the relevant month, the percentage by which the Morgan Stanley Capital International World Index (AUD) increases or decreases over the course of the relevant month.

The performance fee for each month in a financial year will be aggregated (including any negative amounts carried forward) and paid annually in arrears if the aggregate performance fee for that financial year (including any negative amounts carried forward) is a positive amount.

The Company expensed an amount of \$8,553,519 (2023: \$10,947,434) as performance fees paid or payable during the year.

**(b) Auditor's Remuneration**

	2024 \$	2023 \$
Audit and review of the financial statements	53,357	49,302
Tax compliance services	11,268	12,458
	<u>64,625</u>	<u>61,760</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	2024	2023
<b>9. Earnings per share</b>		
Basic earnings per share	30.69 cents	31.95 cents
Diluted earnings per share	30.69 cents	31.95 cents
<b>Reconciliation of earnings and weighted average number of shares used in calculating basic and diluted earnings per share:</b>		
Earnings used in calculating basic earnings per share	\$125,534,862	\$126,772,470
Earnings used in calculating diluted earnings per share	\$125,534,862	\$126,772,470
Weighted average number of ordinary shares used in the calculation of basic earnings per share	409,073,122	396,751,861
Weighted average number of shares used in the calculation of diluted earnings per share	409,073,122	396,751,861

**10. Cash flow statement**

	2024 \$	2023 \$
<b>Reconciliation of Profit after income tax to Cash Flow from Operating Activities</b>		
Profit after income tax	125,534,862	126,772,470
(Gains) on Investments at fair value through profit or loss	(159,983,728)	(209,572,815)
(Gains)/losses on Foreign Exchange	(3,892,077)	34,789,637
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	185,351	28,075
Increase/(decrease) in income tax payable	19,540,518	(16,472,075)
Decrease in deferred tax assets	41,471	22,364
Increase in deferred tax liabilities	25,269,390	46,764,142
(Decrease)/increase in payables	(1,824,464)	1,292,484
Net cash inflow/(outflow) from Operating Activities	4,871,323	(16,375,718)

**11. Segment information**

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry (though most investments are in foreign jurisdictions). It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 2 Financial Risk Management.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

**12. Related party transactions**

All transactions with related parties are conducted on normal commercial terms and conditions, and are as follows:

- Compensation arrangements with the Directors and Executive Directors (refer to Directors' Remuneration below);
- Interests in the Company held directly or indirectly by the Directors and Executive Directors (refer to remuneration report included in the directors' report); and
- Management Agreement between the Company and the Investment Manager (refer to Note 8 for details of fees paid to the Investment Manager).

The Company is managed by the Investment Manager.

Directors' Remuneration

Directors' base fees are limited in the Constitution to a maximum of \$250,000 per annum.

Directors' remuneration received or receivable for the year ended 30 June 2024 was as follows:

Director	Directors' fees \$	Superannuation \$	Total \$
Chris Knoblanche	66,625	-	66,625
Brett Spork	54,054	5,946	60,000
Ben Skilbeck	-	-	-
	<u>120,679</u>	<u>5,946</u>	<u>126,625</u>

Directors' remuneration received or receivable for the year ended 30 June 2023 was as follows:

Director	Directors' fees \$	Superannuation \$	Total \$
Chris Knoblanche	66,625	-	66,625
Brett Spork	54,299	5,701	60,000
Ben Skilbeck	-	-	-
Richard Matthews (resigned 7 December 2023)	-	-	-
	<u>120,924</u>	<u>5,701</u>	<u>126,625</u>

Candice Driver is the Company Secretary of Regal Partners Limited (ASX:RPL), Ben Skilbeck was the Chief Executive Officer of the Investment Manager and Richard Matthews was the Chief Operating Officer, Head of Risk and Compliance and Company Secretary of the Investment Manager. They were remunerated by the Investment Manager or the Parent entity of the Investment Manager and are not entitled to a director's fee or any other form of remuneration from the Company.

**CONSOLIDATED ENTITY DISCLOSURE STATEMENT**  
**As at 30 June 2024**

PM Capital Global Opportunities Fund Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the Company.

## DIRECTORS' DECLARATION

1. In the directors' opinion:
  - (a) the financial statements and notes set out on pages 19 to 41 are in accordance with the *Corporations Act 2001* and,
    - (i) comply with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    - (ii) give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.
3. The directors have been given by the Chief Executive Officer and Chief Financial Officer of the Investment Manager the declarations for the year ended 30 June 2024 required by Section 295A of the *Corporations Act 2001*.
4. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the directors.



**Chris Knoblanche AM**  
**Chairman**

**Sydney**  
**8 August 2024**

## Independent Auditor's Report to the Members of PM Capital Global Opportunities Fund Limited

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of PM Capital Global Opportunities Fund Limited ("the Company") which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<b><i>Existence and Valuation of Cash and Investments</i></b>	
At 30 June 2024 the Company held "Cash and Cash Equivalents" of \$31,979,900, "Financial assets at fair value through profit or loss" of \$890,791,039 and "Collateral accounts" of \$5,128,846, which have been included in the Company's Statement of Financial Position at that date.	We confirmed the Existence of the Cash and Investments with the Custodian, and the Valuation of the Investments with the Custodian and third party valuation information.
We considered these areas to be key audit matters due to the size of the amounts involved.	

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Key Audit Matter	How our audit addressed the key audit matter
<b><i>Existence and Valuation of Cash and Investments (continued)</i></b>	
As disclosed in Note 1 to the financial report, investments are initially held at fair value through profit or loss including any transaction costs. Subsequent to initial recognition they are accounted for at fair value, with changes in those values recognised in profit or loss.	
<b><i>Completeness of Interest Bearing Liabilities and Other Financial Liabilities</i></b>	
At 30 June 2024 the Statement of Financial Position shows "Interest bearing liabilities" of \$49,452,421 and "Financial liabilities at fair value through profit or loss" of \$200,743.	We confirmed with the Custodian that all interest bearing liabilities and other financial liabilities had been recognised.
We considered this area to be a key audit matter due to the potential size of the liabilities.	
<b><i>Completeness and Occurrence of Performance and Management Fees</i></b>	
The Company has an agreement with its Investment Manager, PM Capital Limited, to pay management fees and, depending on performance, performance fees to PM Capital Limited.	We obtained copies of the Investment Manager's calculation of the performance and management fees. We reviewed the calculation of the fees, ensuring that the rates used were those in the agreement.
For the year ended 30 June 2024 the Company incurred "performance fees" of \$8,553,519 and "management fees" of \$8,098,603 which have been included in the Company's Statement of Profit or Loss and Other Comprehensive Income.	We confirmed with the Investment Manager that the expense recognised by the Company reconciled to the income received by the Investment Manager.
We focused on this area as a key audit matter as the agreement is with the Investment Manager of the Company.	

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

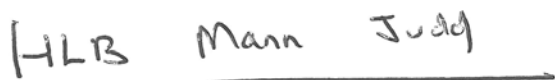
### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in page 17 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of PM Capital Global Opportunities Fund Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd**  
**Chartered Accountants**

**Sydney, NSW**  
**8 August 2024**



**S Grivas**  
**Partner**

## SHAREHOLDER INFORMATION

### Additional Information

The additional information required by the Australian Securities Exchange Limited Listing Rules is set out below.

### 20 Largest Shareholders

Details of the 20 largest ordinary shareholders and their respective holdings as at 19 July 2024.

Holder name	Ordinary Shares held	% of Issued Shares
HSBC Custody Nominees	52,235,767	12.75%
Roaring Lion Pty Ltd	19,008,033	4.64%
BNP Paribas Nominees Pty Ltd	7,355,899	1.80%
IOOF Investment Services Ltd	8,374,891	2.04%
Netwealth Investments Limited	5,613,955	1.37%
Bond Street Custodians Limited	2,470,255	0.60%
Citicorp Nominees Pty Limited	2,252,901	0.55%
Becjohn Pty Limited	2,037,153	0.50%
JP Morgan Nominees Australia	1,772,266	0.43%
Mutual Trust Pty Ltd	1,357,000	0.33%
Barefoot Super Pty Ltd	1,337,153	0.33%
Sterda Pty Ltd	1,040,000	0.25%
Brixton Capital Pty Ltd	1,005,789	0.25%
Worgina Pty Limited	950,000	0.23%
National Cooper Pty Ltd	707,714	0.17%
Salmo Pty Ltd	667,180	0.16%
Frapam Pty Ltd	665,000	0.16%
Palombara Pty Ltd	560,000	0.14%
Holywell Pty Ltd	544,574	0.13%
Geat Incorporated	540,880	0.13%
	<b>110,496,410</b>	<b>26.97%</b>

### Substantial Shareholders

Details of substantial shareholders and their respective holdings as at 19 July 2024.

Holder name	Ordinary Shares held	% of Issued Shares
Paul Moore, Roaring Lion Pty Ltd as trustee for the Roaring Lion Super Fund, Horizon Investments Australia Pty Limited and associated entities	64,090,648	15.64%
	<b>64,090,648</b>	<b>15.64%</b>



## SHAREHOLDER INFORMATION (CONTINUED)

### Distribution of Shares

Analysis of numbers of equity security holders, by size of holding, as at 19 July 2024.

Holding	Number of shareholders	Ordinary shares held	% of Issued Shares
1-1,000	400	168,830	0.04%
1,001-5,000	859	2,750,994	0.67%
5,001-10,000	1,351	10,560,785	2.58%
10,001-100,000	6,125	201,792,135	49.26%
100,001 and over	527	194,397,446	47.45%
Totals	<b>9,262</b>	<b>409,670,190</b>	<b>100.00%</b>

The number of holders possessing less than a marketable parcel of the Company's ordinary shares, based on the closing market price as at 19 July 2024, is 131.

### Other Stock Exchanges Listing

Quotation has been granted for all Ordinary Shares of the Company on all Member Exchanges of the ASX.

### Restricted Securities

There is no issue of restricted securities by the Company currently.

### Unquoted Securities

There are no unquoted securities on issue by the Company.

### Buy-Back

There is no on market buy-back currently.

### Investment Transactions

The total number of transactions in securities during the reporting period was 212.

The total brokerage paid (net of RITC) on these transactions was \$442,517.

## **SHAREHOLDER INFORMATION (CONTINUED)**

### **Investment Management Agreement (between the Company and the Investment Manager)**

The Company has appointed PM Capital Limited (“Investment Manager”) to manage the investment portfolio of the Company, and to calculate the value of the portfolio and net tangible assets at least monthly. The Investment Manager must, from time to time and on behalf of the Company, invest portfolio money, including money received on disposal of investments or distributions from investments, to make or hold investments, and realise or dispose of investments.

Additional duties of the Investment Manager include assisting the Company’s auditors as required, keeping proper books of account and records, providing or procuring the provision of administrative support services reasonably required by the Company, and keeping the Company informed in respect of the management of the portfolio.

In consideration for the performance of its duties as Investment Manager of the Company, the Investment Manager is paid a management fee of 1% per annum of the portfolio net asset value, calculated on the last day of each month, and a performance fee of 15% of the investment return above the benchmark return multiplied by the portfolio net asset value. The performance fee for each month for the year will be aggregated and will be payable if it is a positive amount at 30 June of each year.

The Agreement was automatically extended on the expiry of the Initial Term (5 years from the IPO allotment date) for 5 years (the “Extended Term”). The Investment Manager may terminate the Agreement at any time by giving the Company at least 3 months’ written notice. The Company may terminate the Agreement on delivery of 3 months’ prior written notice and payment of termination fees where applicable, or with immediate effect in certain cases, including in the case of the Investment Manager’s insolvency, the Investment Manager’s material default or breach under the Agreement or the Investment Manager consistently investing outside of the investment strategy.

# Corporate information

**Directors:** Chris Knoblanche - Chairman and Independent  
Non-executive Director  
Brett Spork - Independent Non-executive Director  
Ben Skilbeck - Non-executive Director

**Company Secretary:** Candice Driver

**Investment Manager:** PM Capital Limited  
Level 11, 68 York Street  
Sydney NSW 2000  
(AFSL 230222)

**Auditor:** HLB Mann Judd (NSW Partnership)  
Chartered Accountants  
Level 5, 10 Shelley Street  
Sydney NSW 2000

**Country of Incorporation:** Australia

**Registered Office:** Level 11, 68 York Street  
Sydney NSW 2000  
Telephone: (+612) 8243 0888

**Share Registry:** Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000  
Telephone: (+612) 9290 9600

**ASX Code:** Shares: PGF.AX

**Website:** <http://www.pmcapital.com.au/listed-investment-company/pgf>

**Charters and Policies:** <http://www.pmcapital.com.au/pgf/compliance>