

Addresses by the Chairman: Andrew McGill

2014 Annual General Meeting

Friday, 14 November 2014

CHAIRMAN'S ADDRESS

As shareholders are aware, this is the first Annual General Meeting of the Company following the successful initial capital raising of the Company late last calendar year.

Under the prospectus dated 18 November 2013, investors were invited to acquire shares in the Company together with an entitlement to one option for every one share subscribed for, with the option exercisable at \$1.00 on or before 30 June 2015. The options provide shareholders with an opportunity to make an additional investment in the Company and to further benefit from any future increase in the value of the Company's shares.

I am pleased to report the Company raised over \$171 million, and the Company's securities began trading on the Australian Securities Exchange on 12 December 2013.

During the period since the capital raising, the focus for the Company has been on the careful and prudent deployment of this capital in accordance with the Company's mandated investment strategy. The Investment Manager has been able to find compelling investment opportunities, which have allowed practically all of the Company's capital to be invested.

Paul will soon address the meeting in relation to investment-related matters, however let me briefly say that the Manager remains of the view expressed during the initial public offering that the valuation discrepancies in Australia are currently limited and that there is greater breadth of opportunity offshore where there is superior risk/reward potential. At the end of 30 June 2014, the portfolio was 65% invested in equities and held a net cash position of 25%, with the remaining 10% invested in debt and hybrids, with the portfolio, through the use of derivatives, effectively fully exposed to the USD. As of 31 October, the net equity position of the portfolio has increased above 90%. The Manager holds the view that the Australian dollar has been trading at elevated levels against most major currencies, and that it is in the early stages of an emerging downward trend. The Manager believes that the falling currency will enhance global equity returns on the portfolio.

Given that the primary objective of the Company is to deliver long-term capital growth for our shareholders, dividends are expected to be low during initial investment years. In adhering with this objective, no dividend was declared or paid during the period ended 30 June 2014.

For the period to 30 June 2014, the Company reported an after tax loss of \$4.8 million. This result was dominated by foreign exchange losses of \$5.6 million, which were incurred due to the strengthening of the Australian dollar during the period since subscription monies were converted to US dollars. Post year-end, the \$AUD has weakened and the Company's NTA has increased significantly and is currently above the IPO subscription price of \$1.00. The Manager is confident that this foreign exchange position is prudent and is committed to achieve long term returns through cautious and patient investment in listed equities across global markets.

Your board is confident that we are well positioned to take advantage of the opportunities that lie ahead in global markets and I am confident in the future outlook for the Company.

I would like to take this opportunity to thank the Manager and express my appreciation of the outstanding skill and expertise of Paul Moore, Ashley Pittard and the investment team, an outstanding contribution during the establishment of this Company and particularly during the critical initial investment phase of our portfolio.

I would also like to thank you as Shareholders for your belief in our investment philosophy and patience as we have stuck to our core beliefs in gradually building a robust portfolio of quality securities.

Thank you,
Andrew McGill