

PM Capital Global Opportunities Fund Limited (ASX: PGF)

PM Capital Asian Opportunities Fund Limited (ASX: PAF)

Broker Roadshow Presentation
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What we said...



The offshore investment proposition

- A greater breadth of opportunity
- A superior risk\reward
- An elevated Australian Dollar
- Paradoxically, SMSF's hold less than 1%* of their assets offshore

THE TIME IS RIGHT FOR GLOBAL EQUITIES?

*Source: Australian Treasurer's Office mail June 2011



Limited opportunities onshore

Key observations on the Australian equity market

- Commodity sweet spot has passed and China's hard asset investment is slowing
- Australian banks are fully valued and trading at a significant premium to global peers
- Financials and materials combined = more than 60% of the S&P/ASX 200 Index
- The top 10 holdings in Australia account for 55% of the S&P/ASX 200 Index
- In our view, a narrow subset of opportunities remain



*Source: Sector weights as per S&P/ASX 200 Index as at 30 September 2011. Percentages may not sum to 100% due to rounding.



*Source: Sector weights as per MSCI World Index (US\$) as at 30 September 2011. Percentages may not sum to 100% due to rounding.

Our views on the Australian dollar:

- \$A at historically elevated levels versus most currencies
- We believe we are in the early stages of an emerging downtrend
- The prospects of a falling currency will favour global equity returns



In contrast, a diverse range of opportunities exist offshore



97% OF PUBLICLY TRADED COMPANIES ARE OVERSEAS

Commodity prices

Gold*



Iron Ore 62%*



Crude Oil*



Wheat*



PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED (PGF)

Our best ideas globally...

1. Domestic banking

Economic recovery and increased payout ratios



2. US housing

Recovery from severe price corrections in US



3. European property

Recovery from severe price corrections in Europe



4. Monopolistic type service providers

Expectations of solid earnings growth in the longer term



5. Global beverage companies

Industry consolidation



6. Pharmaceutical

Productivity improvements and financial efficiencies



7. Asia

Evolution of 4 billion consumers







Portfolio evolution

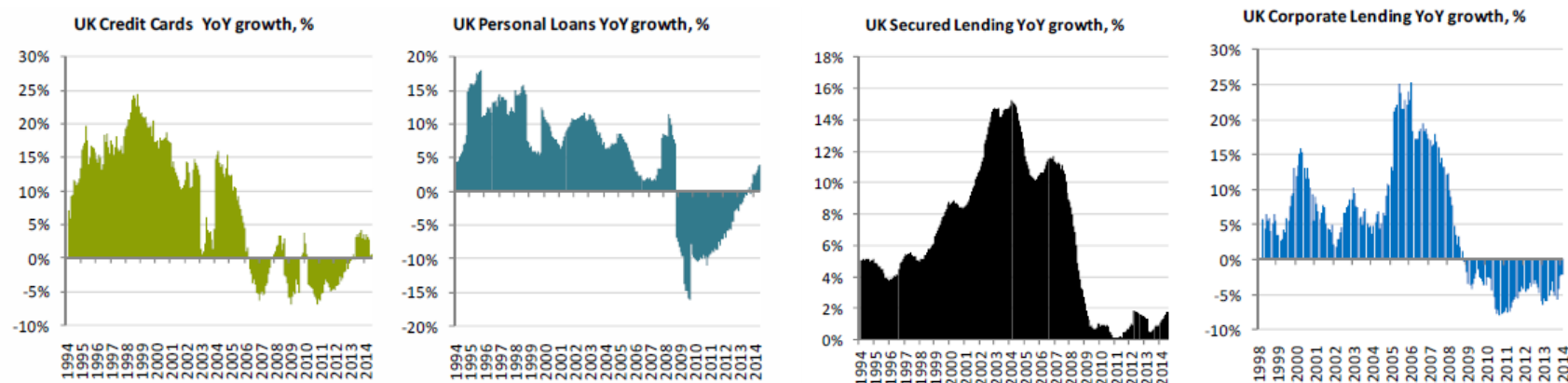
Portfolio composition	31 December 2013	31 March 2014	30 June 2014	30 September 2014	30 November 2014
Domestic banking		8.7%	23.0%	34.5%	36.6%
Monopolistic type service providers		3.5%	9.7%	10.6%	19.4%
European property		4.7%	10.7%	11.6%	12.4%
Global beverage companies		1.5%	3.3%	7.5%	9.1%
Asia			6.2%	5.9%	7.6%
US housing		5.8%	4.6%	6.5%	7.4%
Pharmaceutical		1.3%	3.0%	3.0%	4.9%
Other			4.5%	-0.5%	0.2%
Net equity exposure		25.5%	65.0%	79.1%	97.6%

SELECTIVELY BUILDING A PORTFOLIO OF HIGH QUALITY BUSINESSES WITH COMPELLING LONG TERM PROSPECTS

1. Domestic banking

		Return on Equity	Price to Book	Future Price to Book?	Potential variance
	CBA	16.8%	2.7x	2.5x ¹	-10%
	Wells Fargo	15%+ ¹	1.7x	2.2x ¹	+30%
	Lloyds Bank	15%+ ¹	1.3x	2.2x ¹	+70%
	ING	13-15% ¹	0.9x	1.8x ¹	+100%

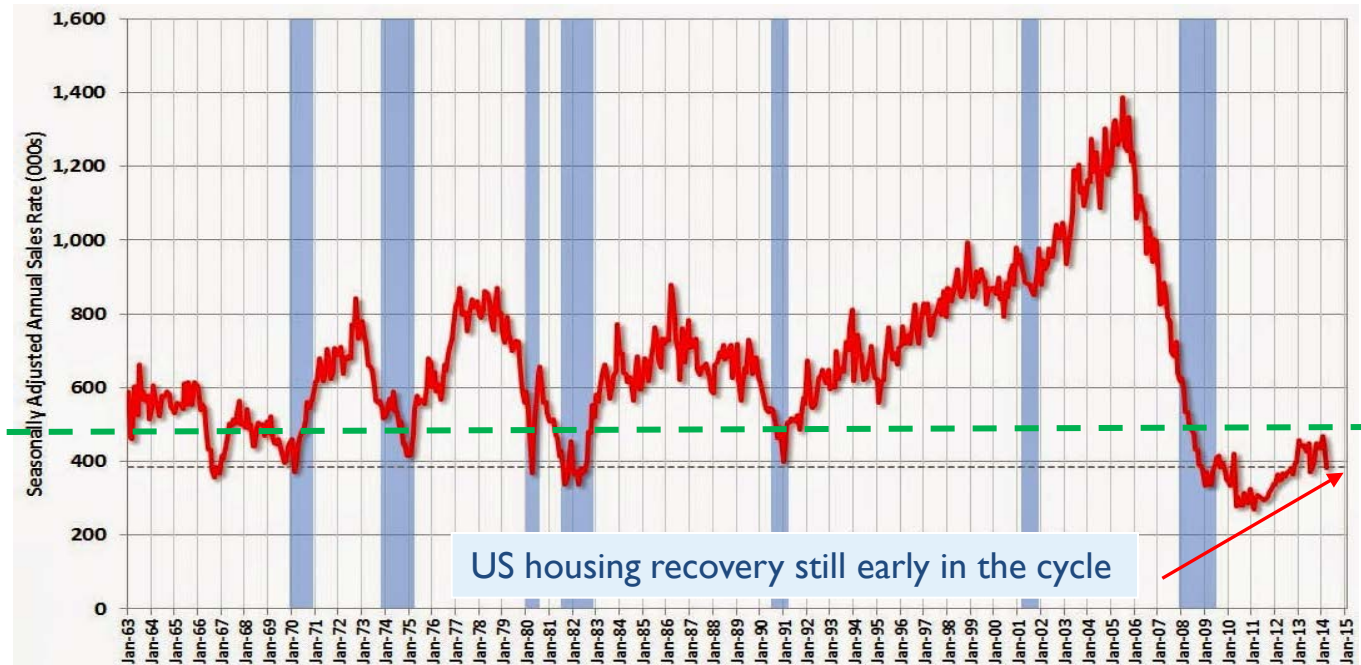
Loan demand in the UK²



Straw hats in winter: Domestic banking franchise loan demand cyclically depressed.

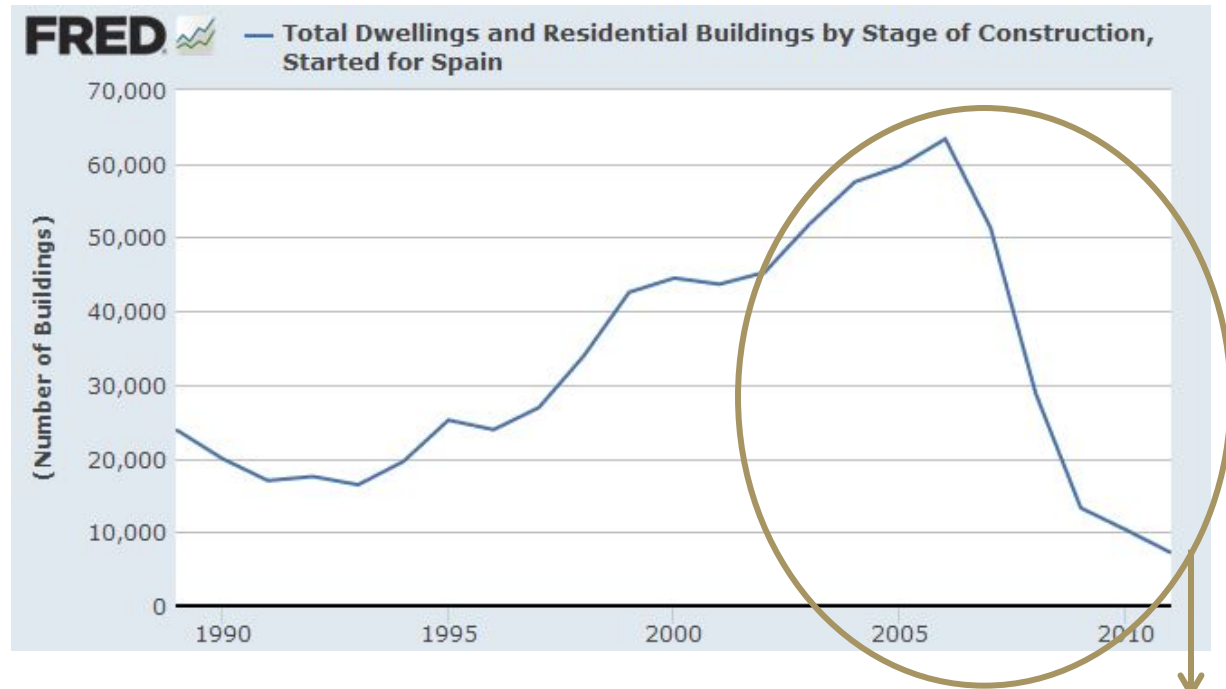
2. US housing

New home sales USA (1963—2014)



Straw hats in winter: US housing sales cyclically depressed.

3. European property



90% below peak




hibernia
reit plc

MERLIN
PROPERTIES

KENNEDY WILSON
thriving on opportunity®

Straw hats in winter: European property construction cyclically depressed.

4. Monopolistic type service providers

		5 Year Earnings Per Share (EPS) Growth	P/E when acquired by PGF	Market Position
 <p>Global markets in clear view</p>	Intercontinental Exchange	21.6%	14.6x Date: 9/07/2014	+90% interest rate futures
	VISA	15.5%	17.2x Date: 7/10/2014	#1 global payments
	Google	17.6%	18x Date: 1/05/2014	90% search

Straw hats in winter: Exchange trading activity cyclically depressed.

5. Global beverage companies

Brewing industry

- 10 year industry consolidation theme
- Top 4 beer players have shifted from ~24% market share in 2003 to ~85% market share

 HEINEKEN HOLDING NV



Exhibit 6: Historic brewer M&A multiples

Date	Buyer	Seller	Country	Price (EURm)	Stake	EBITDA multiple	Date	Buyer	Seller	Country	Price (EURm)	Stake	EBITDA multiple
Apr 2003	S&N	HP Bulmer	UK	397.5	100%	9.8	Jul 2005	Heineken	Stepan Razin	Russia	140	100%	na
Apr 2003	S&N	Centralcoer	Portugal	279.0	51%	9.0	Jul 2005	Heineken	Baikal	Russia	55	100%	na
May 2003	Heineken	BBAG	Austria	1900.0	100%	10.2	Jul 2005	InBev (SI)	Tinkoff	Russia	167	100%	na
May 2003	SABMiller	Peroni	Italy	563.0	100%	13.5	Jul 2005	SABMiller	Bavaria	Andean	6245	100%	10.6
May 2003	SABMiller	Shaw Wallace	India	120.7	50%	na	Aug 2005	Heineken	Ivan Taranoff	Russia	400	100%	16.7
Jun 2003	SABMiller	Harbin	China	75.7	30%	8.7	Jan 2006	InBev	Fujian Sedrin	China	614	100%	13.0
Sep 2003	Interbrew	Lion Breweries	China	121.8	50%	na	Jan 2006	EBI	Krasny Vostok	Russia	300	92%	na
Sep 2003	Interbrew	Apatin	Serbia	229.0	100%	6.3	Apr 2006	AmBev	Quinsa	Argentina	1147	34%	10.4
Sep 2003	Interbrew	Spaten	Germany	534.1	100%	8.9	Jul 2006	SABMiller	McKenzie River	USA	168	100%	9.3
Jan 2004	Interbrew	Doosan	Korea	612.0	45%	10.7	Jan 2007	SABMiller/CREB	Zhejiang Yinyan Brewery Co Ltd	China	242	38%	na
Jan 2004	Carlsberg	Holsten	Germany	437.0	100%	9.1	Feb 2007	InBev/Labatt	Lakeport	Canada	131	100%	10.0
Feb 2004	Oetker	Brau und Brunnen	Germany	358.8	62%	12.9	Nov 2007	SABMiller	Grolsch	Netherlands	877	100%	15
Feb 2004	Carlsberg	Orkla Minority	Denmark	1987.0	40%	6.2	Apr 2008	Heineken/Carlsberg	S&N	UK	13700	100%	14.1
Feb 2004	Bitburger	Licher etc	Germany	469.0	0%	0.0	Jul 2008	InBev	Anheuser-Busch	USA	38868	100%	12.4
Mar 2004	Interbrew	AmBev	Brazil	8600.0	100%	9.7	May 2009	KKR	AB InBev (Oriental Brewery)	South Korea	1304	100%	9.7
Mar 2004	Harboes	Carlsberg Minority	Denmark	33.8	29%	8.0	Aug 2009	C&C	ABI (Tennent and Irish business)	UK	205	100%	8.3
May 2004	FEMSA	Interbrew MI	Mexico	1012.2	30%	8.0	Apr 2009	Asahi and p. investor	ABI (Tsingtao) (27% stake)	China	658	27%	14.2
Jun 2004	Anheuser-Busch	Harbin	China	509.0	71%	22.7	Sep 2009	Kirin	Lion Nathan	Australia	2126	54%	10.7
Jun 2004	Interbrew	Zhejiang	China	43.3	70%	11.6	Dec 2009	CVC	ABI/StarBev	C&E Europe	1507	100%	na
Jul 2004	APB	DB Group	NZ	58.2	23%	8.8	Jan 2010	Heineken	FEMSA	Americas	5250	100%	11.2
Aug 2004	Heineken	CEBCA	Russia	70.0	100%	na	Aug 2011	Kirin Holdings Co	Schincariol	Brazil	1857	50%	16.9
Aug 2004	Interbrew	Sun Interbrew	Russia	530.0	18%	29.8	Sep 2011	SABMiller	Foster's Group	Australia	8313	100%	12.8
Sep 2004	InBev	Lion Breweries	China	131.5	50%	na	Oct 2011	Anadolu Efes	SAB Russia & Ukraine	Russia/Ukr	1461	76%	12.8
Sep 2004	SABMiller	Lion Nathan China	China	154.0	100%	na	Apr 2012	AmBev	Cerveceria N Dominicana	Dom Republic	990	51%	24
Nov 2004	InBev	Hunan Debier Brewery	China	18.2	45%	7.7	Apr 2012	Molson Coors	StarBev	C&E Europe	2625	100%	10.9
Dec 2004	S&N	United Breweries	India	120.0	38%	24.4	Sep 2012	Heineken	APB	Singapore	3311	58%	17.1
Jan 2005	Kulmbacher Brauerei AG	Wurzbacher Hofbrau AG	Germany	34.0	91%	na	Jun 2013	Anheuser-Busch	Modelo*	Mexico	15462	50%	12.9

Source: BofA Merrill Lynch Global Research estimates, company data, *The ABI/Modelo multiple is calculated net of a \$13bn fair value gain on ABI's existing stake in Modelo. Ex this non-cash gain the pre cost save multiple is 15.4x

Spirit industry

- Economic slowdown has caused a slowdown in earnings - as economies recover, share prices should correct
- Expect similar industry consolidation to the brewing industry

 DIAGEO



6. Pharmaceutical

R&D productivity improved

- Peaked pre GFC at 17%, now 13%

Financial efficiency

- 25% of market capitalization in offshore trapped cash – tax inversion
- Spun off assets and proceeds used to buyback stock

Valuation

- Reported P/E = 13x
- Adjusted P/E = 10x
 - Free cash yield = 10%, returned via dividends and buybacks
- If access to cash = 8x



PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED (PAF)

Asia

The evolution of 4bn+ consumers growing in affluence

Our best Asian ideas...

1. Gaming

Market liberalisation, rising affluence, infrastructure improvements.



2. Internet service providers

Evolution in the way consumers view content and advertisers spending advertising dollars.



3. Consumer

Rising affluence, household incomes and per capita spending.



4. Infrastructure providers

A quasi consumption play.



北京首都国际机场股份有限公司
Beijing Capital International Airport Co., Ltd.

Portfolio evolution

Portfolio composition	31 May 2014	30 June 2014	30 September 2014	30 November 2014
Gaming	5.2%	7.9%	18.2%	21.0%
Internet service providers	10.4%	12.2%	9.4%	16.9%
Healthcare				7.1%
Consumer			2.9%	6.4%
Infrastructure providers				5.1%
Other	4.7%	4.4%	7.8%	10.2%
Net equity exposure	20.3%	24.5%	38.3%	66.7%

LIC ongoing communication

Monthly

- NTA and investment reports
 - Submitted to the ASX within ~5 business days
 - Available online and / or emailed



Quarterly

- Quarterly video from each Portfolio Manager
- Quarterly video from the Chief Investment Officer
- Quarterly broker update roadshow

Webinars and videos

March 2014 PGF Quarterly Update

Date: 11 April 2014

Speakers: PM CAPITAL



Yearly

- Half/full year financial results
- Annual general meeting (AGM) presentation & webinar
- National investor presentation lunch
 - Scheduled for early April 2015



Other

- Website
- Media / press
- Yearly media round table
- Broker research reports
- Sponsorship: Australian Stock Broker Awards



Why PM CAPITAL / PGF / PAF?

Investment philosophy Old fashioned stock-pickers	♦ A portfolio of businesses
Investment process Research intensive, global perspective	♦ Bottom-up research process
Business structure Alignment of interests	♦ Staff are owners and investors
Investment objective Long term capital growth	♦ Differential tax rate between capital gains and income for certain shareholders
Company objective PGF / PAF	♦ Facilitates the offshore investment proposition

QUESTIONS AND ANSWERS