

# PM Capital Global Opportunities Fund Limited

**(ASX: PGF)**

2015 Annual General Meeting

19 November 2015



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# Agenda

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# Chairman's address – Andrew McGill

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- 1** Investment manager delivered **43.9%\*** growth in adjusted investible net asset value for year ending 30 June 2015
- 2** **92.3%** of PGFO options were exercised (exercisable at \$1.00 on or before 30 June 2015), with **7.7%** being underwritten
- 3** Total capital raised as a result of option exercise and underwriting of shares was \$173,672,000.00
- 4** 13 November 2015 before any tax accrual NTA \$1.2073
- 5** 13 November 2015 NTA after realised and unrealised tax accrual \$1.1445
- 6** Trading range \$1.115 to \$0.90 since IPO\*\*

# Chairman's address – Andrew McGill

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## Summary of 30 June 2015 financial results

<b>Profit before tax</b>	<b>\$71.5m</b>
<b>Profit after tax</b>	<b>\$50.3m</b>
<b>Earnings Per Share</b>	<b>\$0.2776</b>
<b>NTA per share before tax</b>	<b>\$1.1868</b>
<b>NTA per share after tax</b>	<b>\$1.1236</b>
<b>Total assets</b>	<b>\$434.9m</b>
<b>Total shareholders' equity</b>	<b>\$360.0m</b>

# Item I – Financial Statements and Reports

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**Any Questions?**

# Item 2 – Remuneration Report

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## **Resolution 1 – Adoption of Remuneration Report**

*“That the remuneration report as set out on page 20 of the 2015 Annual Report is adopted.”*

# Item 2 – Remuneration Report

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## Resolution I – Adoption of Remuneration Report

*“That the remuneration report as set out on page 20 of the 2015 Annual Report is adopted.”*

## Proxy Votes

Proxies have been received in respect of the resolution as follows:

For	Against	Open	Exclusions / Abstain
24,234,805	977,596	447,259	360,026
94.45%	3.81%	1.74%	NA



# Item 3 – Election of Directors

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## **Resolution 2 – Election of Andrew McGill as a Director**

*“That, Andrew McGill, who retires as a Director by rotation under clause 15.6 of the Company’s Constitution, and being eligible for election, is elected as a Director.”*

# Item 4 – Election of Directors

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## Resolution 2 – Election of Andrew McGill as a Director

*“That, Andrew McGill, who retires as a Director by rotation under clause 15.6 of the Company’s Constitution, and being eligible for election, is elected as a Director.”*

## Proxy Votes

Proxies have been received in respect of the resolution as follows:

For	Against	Open	Exclusions / Abstain
23,769,283	54,925	2,089,893	105,585
91.73%	0.21%	8.06%	NA

# Item 4 – Election of Directors

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## **Resolution 3– Election of Brett Spork as a Director**

“That Brett Spork, a Director appointed to the Board to fill a casual vacancy, and being eligible for re-election, is elected as a Director.”

# Item 4 – Election of Directors

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## Resolution 3– Election of Brett Spork as a Director

“That Brett Spork, a Director appointed to the Board to fill a casual vacancy, and being eligible for re-election, is elected as a Director.”

## Proxy Votes

Proxies have been received in respect of the resolution as follows:

For	Against	Open	Exclusions / Abstain
23,634,445	149,763	2,049,893	185,585
91.49%	0.58%	7.93%	NA

# Item 4 – Election of Directors

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## **Resolution 4 – Election of Ben Skilbeck as a Director**

“That Ben Skilbeck, a Director appointed to the Board to fill a casual vacancy, and being eligible for re-election, is elected as a Director.”

# Item 4 – Election of Directors

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## Resolution 4 – Election of Ben Skilbeck as a Director

“That Ben Skilbeck, a Director appointed to the Board to fill a casual vacancy, and being eligible for re-election, is elected as a Director.”

## Proxy Votes

Proxies have been received in respect of the resolution as follows:

For	Against	Open	Exclusions / Abstain
23,809,968	0	2,095,033	114,685
91.91%	0.00%	8.09%	NA

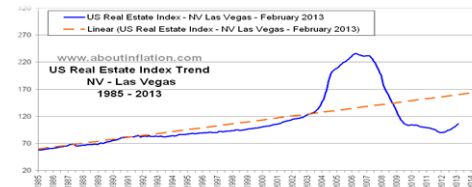
# Why the Global Opportunities Fund Limited?

**A portfolio of global businesses, not just shares**



Since inception, over 30 businesses held by the GCF have been subject to corporate take-over

**Only the most compelling investments considered**



*Howard Hughes*  
THE HOWARD HUGHES CORPORATION

2010: identified Las Vegas land-banks that were significantly over-sold. We invested in Howard Hughes Corp, up >200% since IPO.

**A true stock pickers portfolio: selective and concentrated positions**



**No conviction =  
No investment**

Resources exposure: zero  
Net equity exposure: 105.3%

As at 31/10/15

# Our best themes globally...

1

## US housing

Recovery from severe price corrections in US



2

## European property

Recovery from severe price corrections in Europe



3

## Domestic banking

Economic recovery and increased payout ratios



4

## Monopolistic type service providers

Expectations of solid earnings growth in the longer term



5

## Global beverage companies

Industry consolidation



6

## Pharmaceutical

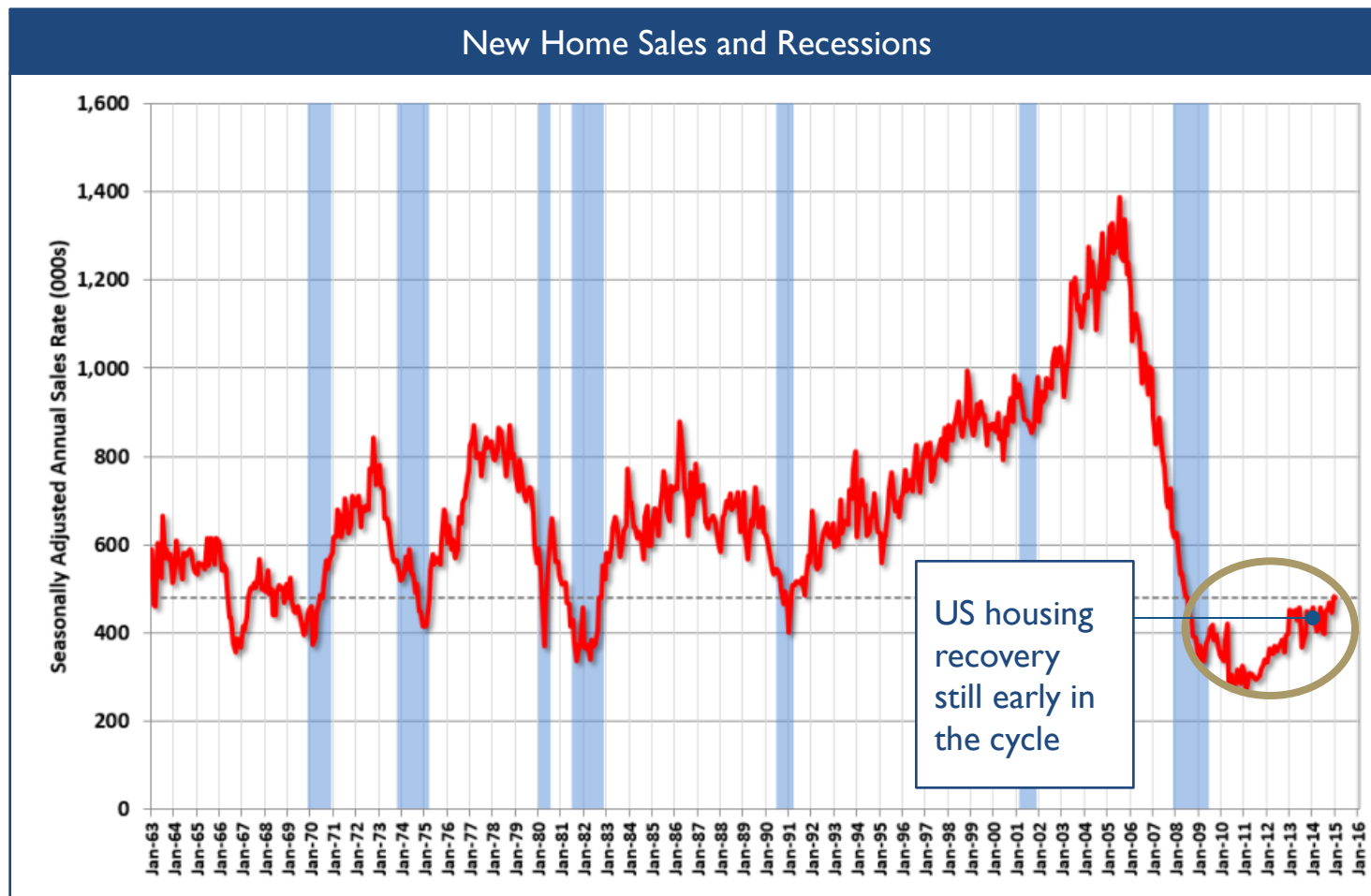
Productivity improvements and financial efficiencies





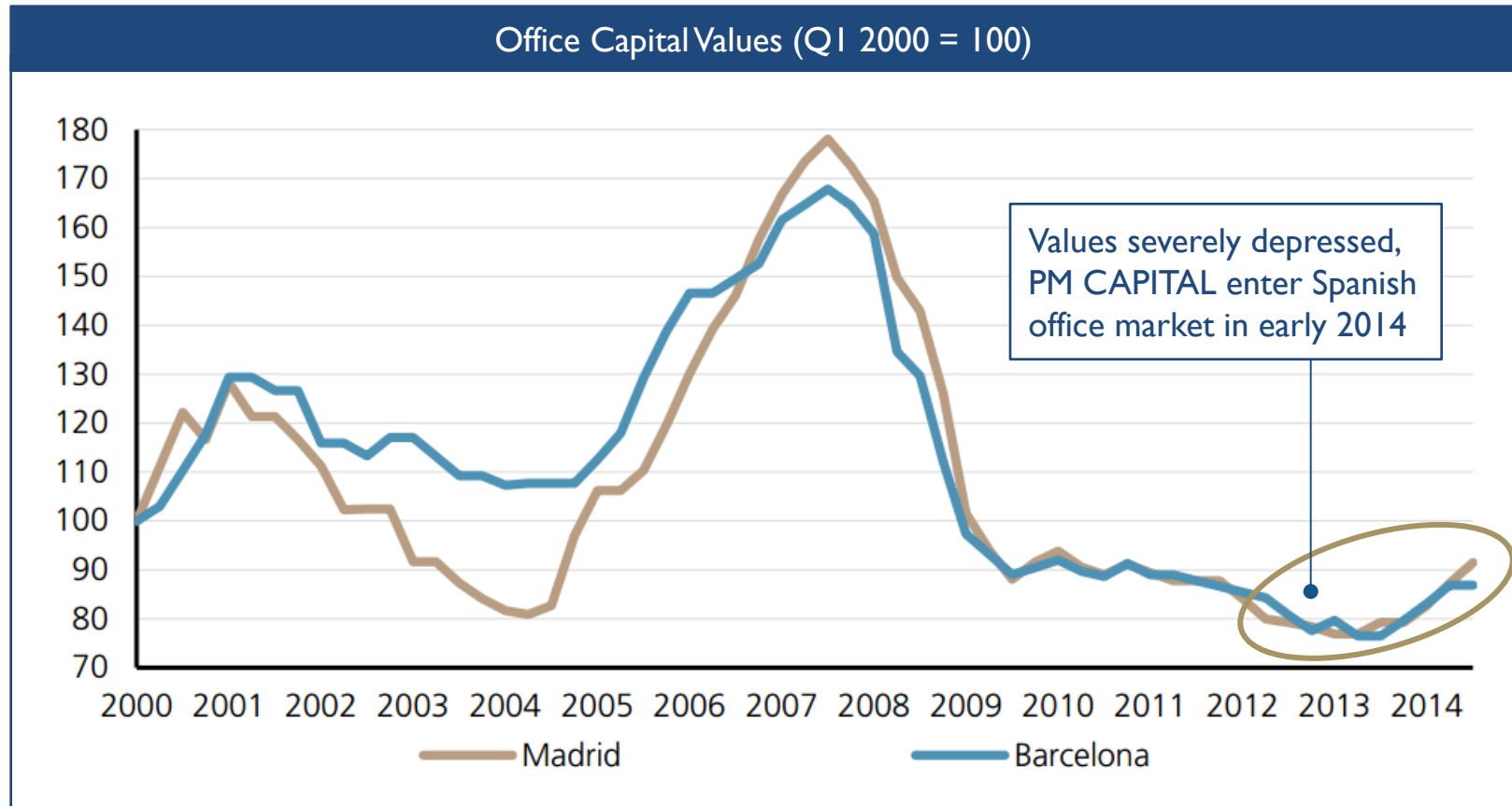
# I. US Housing

## Recovery from severe price corrections in US



## 2. European property

### Recovery from severe price corrections in Europe






### 3. Domestic banking

## Economic recovery and increased payout ratios

FY16 consensus forecasts	Domicile	Market share position	Price to Earnings (P/E)	Price to Book (P/B)
CBA	Australia	1	13.7x	2.2x
Wells Fargo	US	1	12.6x	1.5x
Bank of America	US	2	11.3x	0.7x
Lloyds Bank	UK	1	9.4x	1.2x
ING	Benelux	1	11.7x	1.1x
Bank of Ireland	Ireland	1	11.6x	1.1x
Caixa	Spain	1	11.8x	0.8x

## 4. Monopolistic type service providers

### Expectations of solid earnings growth in the longer term

		5 Year Earnings per Share (EPS) Growth	Market Position
 Global markets in clear view	Intercontinental Exchange	16.5%	+90% interest rate futures
	VISA / MasterCard	24.0%	#1 global payments
	Google	15.0%	90% search

## 5. Global beverage companies

### Industry consolidation



PM CAPITAL Global Companies Fund Historical Positions

	JUN 04	JUN 05	JUN 06	JUN 07	JUN 08	JUN 09	JUN 10	JUN 11	JUN 12	JUN 13	JUN 14	JUN 15
EUROPE												
Ambev	2%	<b>A</b>	<b>ambev</b>									
Interbrew/Inbev	3%	3%	3%	3%	2%	3%	4%	5%	4%	3%	2%	2%
Carlsberg	5%	3%	2%									
Scottish & Newcastle PLC			3%	3%	<b>C</b>	<b>S&amp;N</b> Scottish & Newcastle Food Company						
Heineken Holdings		2%	4%	6%	7%	5%	5%	5%	5%	3%	3%	3%
SAB Miller									2%		<b>G</b>	<b>SAB MILLER</b>
AMERICAS												
Anheuser Busch Cos Inc				3%	5%	<b>D</b>						
Molson Brewing	2%	<b>B</b>	<b>MOLSON</b>									
FEMSA					1%	<b>E</b>	<b>FEMSA</b>					
Grupo Modelo					4%	3%	2%	<b>F</b>	<b>GRUPO MODELO MEXICO</b>			
ASIA												
Kirin Brewery	2%	3%		2%								
Asahi Breweries	2%	4%	4%	2%	2%	2%	2%					
HiteJinro					1%	1%	1%	1%	1%			
TOTAL EXPOSURE	16%	15%	16%	19%	22%	14%	14%	11%	12%	6%	5%	5%

A. Merger with Interbrew

B. Merger with Coors

C. Acquired by Heineken & Carlsberg

D. Merger with InBev

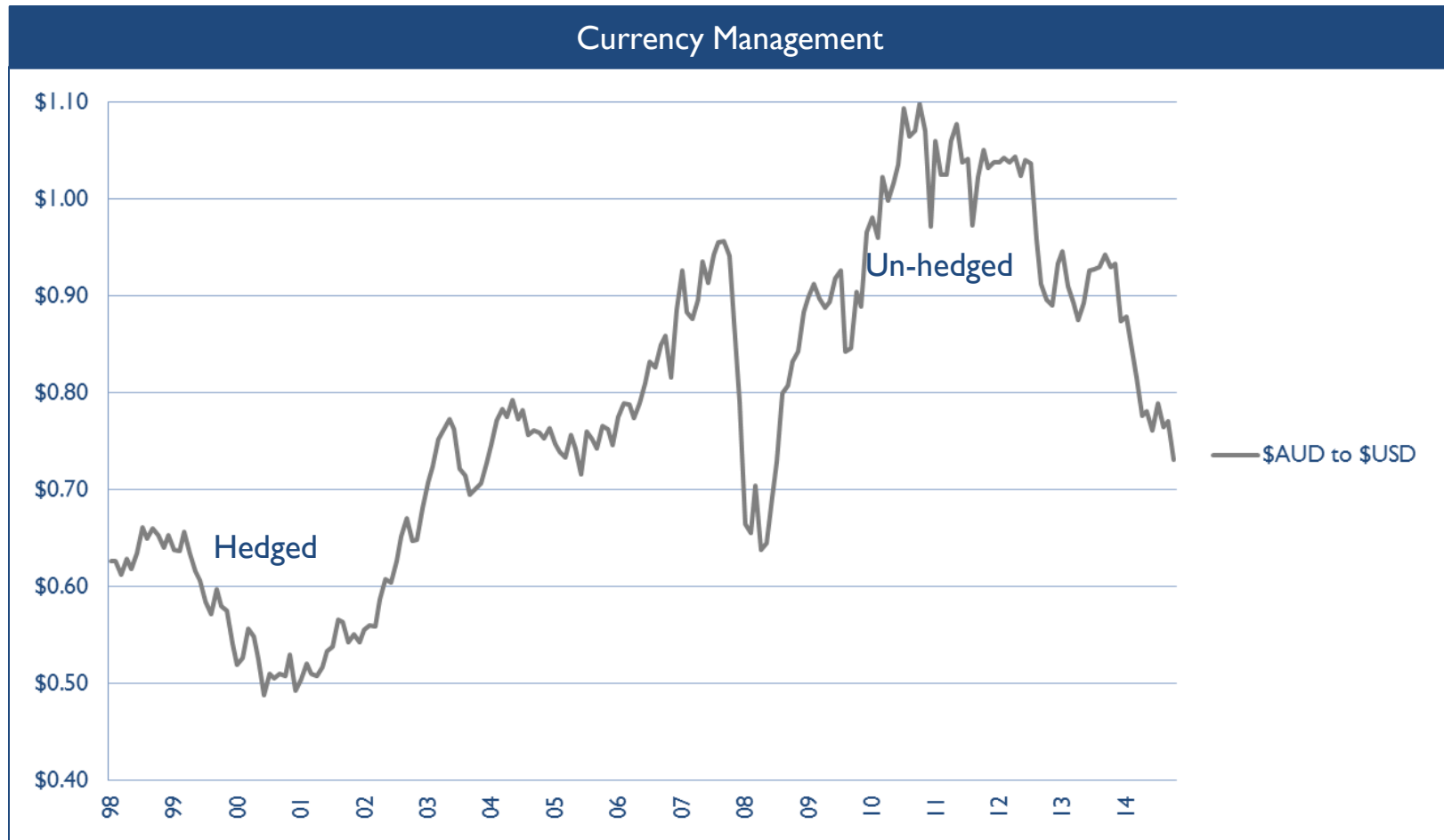
E. Beer business sold to Heineken

F. Acquired by Anheuser Busch InBev

G. Acquired by Anheuser Busch InBev

Similar investment attributes have been identified in the Spirits sector, reflecting our current investments in Pernod Ricard and Diageo.

# Approach to Currency Management



***We will generally hedge the portfolio when we believe the AUD is bottom quartile and remain unhedged when it's top quartile. Within this range, minimising the risk of loss from currency movements is an important objective.***

# IPO Proposition & What Transpired

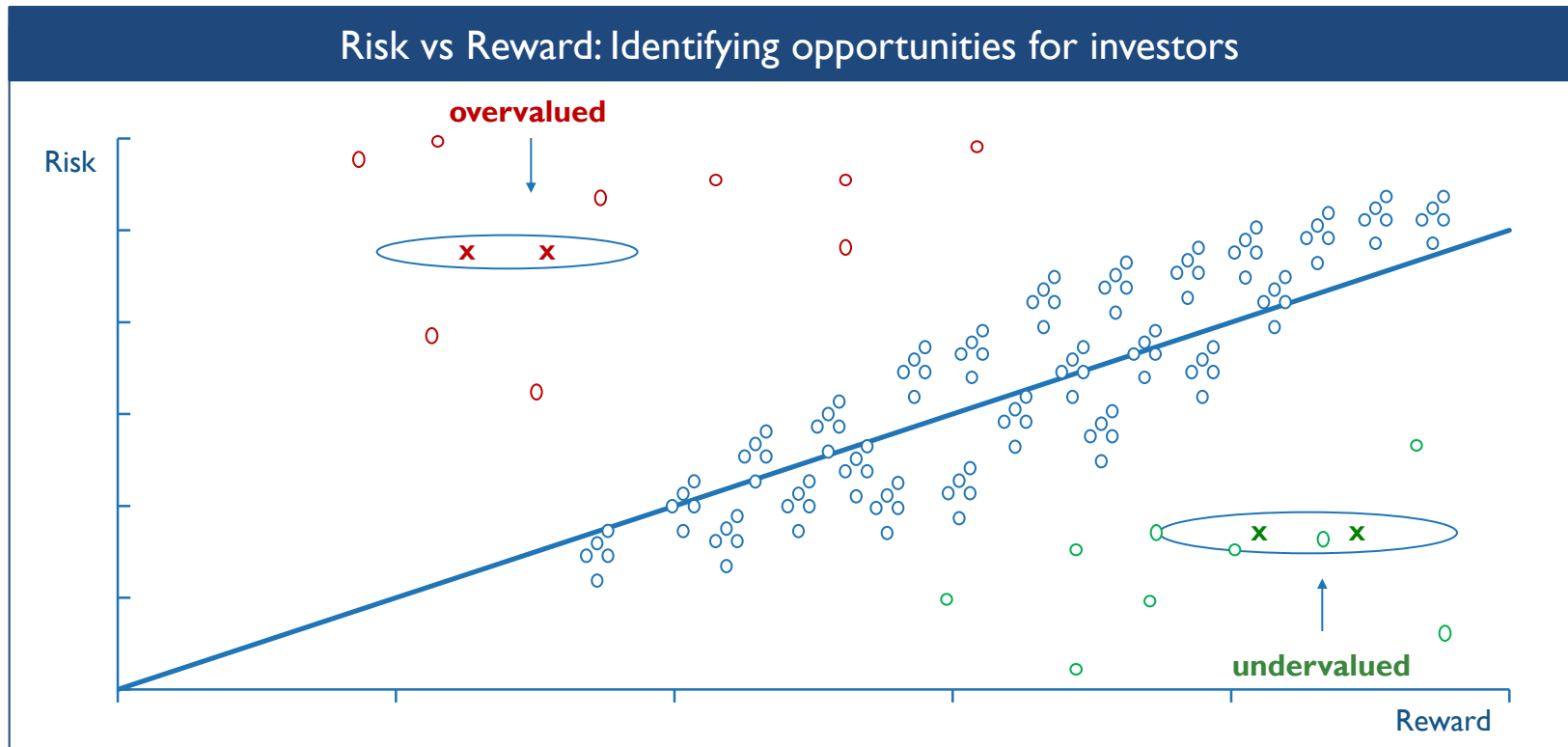
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## Proposition at the time of the PGF IPO: Superior risk/reward to be had offshore vs in Australia

Net Tangible Assets (NTA) Before Tax Accruals on Income and Unrealised Capital Gains 31 October 2015	Total Return Since Inception (6 December 2013)
PM Capital Global Opportunities Fund Limited (PGF)*	43%
S&P / ASX 200 Accumulation Index	10%

*\* Represents the return on capital invested on 6 December 2013 as at 31 October 2015, adjusted to exclude the impact of the share issuance as a result of PGFO option exercise (expired 30 June 2015). This is provided for information purposes only, and does not represent the actual fully-diluted return.*

# Resources Focused on Investment Anomalies



The majority of the market is well researched and fairly valued

limited opportunities are available for investors

The greatest investment opportunities present themselves where **significant change** or **new information** is **misunderstood** by the broader market



# ***QUESTIONS AND ANSWERS***

# PM CAPITAL Global Companies Fund | Recent success



**Zenith / Professional Planner**  
*International Equities*  
*(Alternative Strategies)*  
*Fund of the Year 2015*

## **Australian Fund Manager Foundation**

*Best Australian Based Global Equity Manager of the Year 2015*

