

**PM Capital Global Opportunities Fund Limited**  
**ABN 17 166 064 875**

**Appendix 4D**  
**Half Year Report**  
**For the period from the date of registration (1 October 2013) to 31 December 2013**

**Date: 20 February 2014**

**Results for announcement to the market**

| <b>Financial Results</b>   | <b>December 2013</b><br>\$ | <b>Change</b><br>% |
|--|----------------------------|--------------------|
| Revenue from Ordinary Activities   | 2,445,001                  | N/A*               |
| Profit (loss) from ordinary activities after tax attributable to members | 1,513,521                  | N/A*               |
| Net profit (loss) for the year attributable to members                   | 1,513,521                  | N/A*               |

**Dividends**

No dividend has been paid or declared to the date of this Appendix 4D.

| <b>Net Tangible Asset Backing</b>                            | <b>31 December 2013</b> |
|--|-------------------------|
| Net tangible asset backing per ordinary security (after tax) | 0.9787                  |

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

None.

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

There is no dividend or distribution reinvestment plan in operation.

**Details of associates and joint venture entities**

None.

\* PM Capital Global Opportunities Fund Limited was registered on 1 October 2013. This financial result for the period from the registration date (1 October 2013) to 31 December 2013 is the first available.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**  
**ABN 17 166 064 875**

**INTERIM FINANCIAL REPORT**

**FOR THE PERIOD FROM THE DATE OF REGISTRATION  
(1 OCTOBER 2013) TO 31 DECEMBER 2013**

## Corporate Directory

|  |  |
|--|--|
| Directors:                               | Andrew McGill – Chairman<br>Tim Gunning – Director<br>Tom Millner – Director<br>Chris Donohoe - Director and CEO |
| Company Secretary:                       | Ursula Kay   |
| Investment Manager:                      | PM Capital Limited<br>Level 24, 400 George Street<br>Sydney NSW 2000<br>(AFSL 230222)                            |
| Auditors:                                | HLB MANN JUDD (NSW Partnership)<br>Chartered Accountants   |
| Country of Incorporation:                | Australia  |
| Registered Office:                       | Level 24, 400 George Street<br>Sydney NSW 2000   |
| Share Registry:                          | Boardroom Pty Limited<br>Level 7, 207 Kent Street<br>Sydney NSW 2000   |
| Australian Securities Exchange<br>Codes: | Shares: PGF.AX<br>Options: PGFO.AX   |

# PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

## DIRECTORS' REPORT

The directors submit the first interim financial report of the PM Capital Global Opportunities Fund Limited ("the Company") for the period from 1 October 2013 ("registration date") to 31 December 2013.

### Directors

The following persons were directors of the Company from registration date and up to the date of this report:

Andrew McGill – Chairman and Non-executive Director  
Tim Gunning – Non-executive Director  
Tom Millner – Non-executive Director  
Chris Donohoe – Executive Director and Chief Executive Officer

### 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.

### Review of Operations

The operations of the Company during the period resulted in profit after income tax of \$1,513,521.

|   | <b>Period from<br/>1 October 2013 to<br/>31 December 2013<br/>\$</b> |
|---|--|
| Profit before Income Tax                      | 2,162,171  |
| Income Tax Expense                            | <u>(648,650)</u>   |
| Profit for the period attributable to members | <u><u>1,513,521</u></u>  |

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

### Dividends

No dividend was declared or paid during the period.


**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**DIRECTORS' REPORT (continued)**

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as if required under Section 307C of the Corporations Act 2001, given to the Directors by the lead auditor for the audit undertaken by HLB Mann Judd, is included on page 3.

Signed at Sydney this 20<sup>th</sup> day of February 2014, in accordance with a resolution of the Board of Directors.



**Andrew McGill**  
Chairman



**Chris Donohoe**  
Executive Director

**PM CAPITAL GLOBAL OPPORTUNITIES FUND**

**AUDITOR'S INDEPENDENCE DECLARATION**

**To the Directors of PM Capital Global Opportunities Fund Limited:**

As lead auditor for the review of PM Capital Global Opportunities Fund Limited for the period ended 31 December 2013 I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review, and
- (b) No contraventions of any applicable code of professional conduct in relation to the review.

**Sydney**  
**20 February 2014**



**D K Swindells**  
**Partner**

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

|   | <b>Note</b> | <b>Period from<br/>1 Oct 2013 to<br/>31 Dec 2013<br/>\$</b> |
|---|-------------|---|
| <b>Revenue</b>  |             |   |
| Interest  |             | 79,307  |
| Gains on investments  |             | 687,188   |
| Gains on foreign exchange   |             | <u>1,678,506</u>  |
| <b>Total Revenue</b>  |             | <u>2,445,001</u>  |
| <b>Expenses</b>   |             |   |
| Management fees   | 7           | 124,682   |
| Audit fee   |             | 16,410  |
| Other costs   |             | <u>141,738</u>  |
| <b>Total Expenses</b>   |             | <u>282,830</u>  |
| Profit before income tax  |             | 2,162,171   |
| Income tax expense  |             | <u>(648,650)</u>  |
| <b>Profit after income tax</b>  |             | <u>1,513,521</u>  |
| Other comprehensive income  |             | <u>-</u>  |
| <b>Total Comprehensive Income attributable to<br/>shareholders of the Company</b> |             | <u><u>1,513,521</u></u>                                     |
| Basic earnings per share  | 8           | 0.87 cents  |
| Diluted earnings per share  | 8           | 0.87 cents  |

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

|                                   | <b>Note</b> | <b>31 Dec 2013</b><br><b>\$</b> |
|-----------------------------------|-------------|---------------------------------|
| <b>Assets</b>                     |             |                                 |
| Cash and cash equivalents         | 2           | 164,059,963                     |
| Financial assets                  | 3           | 12,604,097                      |
| Receivables                       | 4           | 296,797                         |
| Deferred tax assets               |             | 881,379                         |
| <b>TOTAL ASSETS</b>               |             | <b>177,842,236</b>              |
| <b>Liabilities</b>                |             |                                 |
| Payables                          | 5           | 6,320,691                       |
| Current tax liabilities           |             | 463,788                         |
| Deferred tax liabilities          |             | 206,156                         |
| <b>TOTAL LIABILITIES</b>          |             | <b>6,990,635</b>                |
| <b>NET ASSETS</b>                 |             | <b>170,851,601</b>              |
| <b>SHAREHOLDERS' EQUITY</b>       |             |                                 |
| Share capital                     | 6           | 160,047,811                     |
| Share option reserve              | 6           | 9,290,269                       |
| Retained profits                  |             | 1,513,521                       |
| <b>TOTAL SHAREHOLDERS' EQUITY</b> |             | <b>170,851,601</b>              |

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.



**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

|  | Note | Period from<br>1 Oct 2013 to<br>31 Dec 2013<br>\$ |
|--|------|---|
| <b>Cash flows from operating activities</b>                  |      |   |
| Operating expenses   |      | (332,905)   |
| Prepayments  |      | <u>(25,695)</u>                                   |
| <b>Net cash flows used in operating activities</b>           |      | <u>(358,600)</u>                                  |
| <b>Cash flows from investing activities</b>                  |      |   |
| Purchase of investments                                      |      | <u>(5,737,938)</u>                                |
| <b>Net cash flows used in investing activities</b>           |      | <u>(5,737,938)</u>                                |
| <b>Cash flows from financing activities</b>                  |      |   |
| Initial public offering costs                                |      | (2,866,950)                                       |
| Proceeds from share issue                                    |      | <u>171,344,945</u>                                |
| <b>Net cash flows from financing activities</b>              |      | <u>168,477,995</u>                                |
| Impact of exchange rate changes on cash and cash equivalents |      | <u>1,678,506</u>                                  |
| Net increase in cash and cash equivalents                    |      | 164,059,963                                       |
| Cash and cash equivalents at the beginning of the period     |      | <u>-</u>  |
| <b>Cash and cash equivalents at the end of the period</b>    |      | <u><u>164,059,963</u></u>                         |

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

|  | Note | Share<br>Capital<br>\$ | Share<br>Option<br>Reserve<br>\$ | Retained<br>Profits<br>\$ | Total<br>\$        |
|--|------|------------------------|----------------------------------|---------------------------|--------------------|
| <b>Balance on date of registration (1 October 2013)</b>              |      | 1                      | -                                | -                         | 1                  |
| Total comprehensive income for the period                            |      | -                      | -                                | 1,513,521                 | 1,513,521          |
| Subtotal   |      | 1                      | -                                | 1,513,521                 | 1,513,522          |
| Transaction with equity holders in their capacity as equity holders: |      |                        |                                  |                           |                    |
| Shares and options issued during the period                          | 6    | 161,944,574            | 9,400,370                        | -                         | 171,344,944        |
| Initial public offering costs net of deferred tax impact             | 6    | (1,896,764)            | (110,101)                        | -                         | (2,006,865)        |
| Subtotal   |      | 160,047,810            | 9,290,269                        | -                         | 169,338,079        |
| <b>Balance at 31 December 2013</b>                                   |      | <b>160,047,811</b>     | <b>9,290,269</b>                 | <b>1,513,521</b>          | <b>170,851,601</b> |

The above Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

## PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The PM Capital Global Opportunities Fund Limited ("the Company") was registered on 1 October 2013. These general purpose financial statements are for the period from 1 October to 31 December 2013. A summary of the material accounting policies adopted by the Company in the preparation of the interim financial statements is set out as follows:

##### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

##### (b) 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.

###### *Fair value in an active market*

The Company values listed investments at last quoted sale price. However, at balance date it assesses the difference between that price and the last bid/(ask) price for each long/(short) quoted investment. Unless the difference is significant, no adjustment is made to the value of listed investments.

###### *Fair value in an inactive or unquoted market*

The fair value of investments that are not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Investments are recognised on a trade date basis.

##### (c) 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. The Australian dollar is also the Company's presentation currency.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Foreign currency translation (continued)**

(ii) Transactions and balances

Transactions during the period denominated in foreign currency are 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 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 on investments.

**(d) Income tax**

Under current legislation, the Company is subject to income tax at 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.

**(e) 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.

## PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(f) Revenue and expenses**

Revenue and expenses are brought to account on the accrual basis.

Changes in the fair value of investments are recognised in profit or loss and are determined as the difference between the net fair value at year end or consideration received (if sold during the year) and the carrying value of the investment.

**(g) 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 current liabilities in the Statement of Financial Position.

**(h) 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.

**(i) 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.

**(j) 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 on investments.

**(k) Prepayments**

The Company recognises as a prepayment costs incurred from which a benefit is expected to be derived in the future. The period over which the prepayment is expensed is determined by the period of benefit covered by the prepayment.

**(l) 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.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Share option reserve**

The share option reserve is measured at the fair value of the Options at the date of issue. This reserve is adjusted, with a corresponding entry to share capital, on exercise of the Options. At the expiration of the Option period, the portion of the reserve relating to unexercised Options is transferred to a capital reserve.

**(n) 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 for the period from the date of listing to balance date.

Diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares and potential ordinary shares (options) outstanding for the same period.

**(o) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for interim reporting periods falling in the 2014 calendar year. The assessment of the Directors of the Company is that these new standards and interpretations will have no material impact on the financial report of the Company.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

|  | <b>31 Dec 2013</b> |                    |                    |
|--|--------------------|--------------------|--------------------|
|  |                    |                    | <b>\$</b>          |
| <b>2. Cash and cash equivalents</b>                                  |                    |                    |                    |
| Cash at bank (custodian) – USD                                       |                    | 162,571,230        |                    |
| Cash at bank (custodian) – AUD                                       |                    | 1,307,647          |                    |
| Cash at bank (custodian) – other currencies                          |                    | 181,086            |                    |
|  |                    | <u>164,059,963</u> |                    |
| <b>3. Financial assets held at fair value through profit or loss</b> |                    |                    |                    |
| Listed securities  |                    | 3,649,627          |                    |
| Floating rate notes and other securities                             |                    | 8,441,901          |                    |
| Currency contracts   |                    | 512,569            |                    |
|  |                    | <u>12,604,097</u>  |                    |
| <b>4. Receivables</b>  |                    |                    |                    |
| CURRENT  |                    |                    |                    |
| Interest receivable  |                    | 82,822             |                    |
| GST receivable   |                    | 191,352            |                    |
| Other receivable - ASX prepayment                                    |                    | 22,623             |                    |
|  |                    | <u>296,797</u>     |                    |
| <b>5. Payables</b>   |                    |                    |                    |
| CURRENT  |                    |                    |                    |
| Trade creditors and accruals   |                    | 138,019            |                    |
| Outstanding settlements  |                    | 6,182,672          |                    |
|  |                    | <u>6,320,691</u>   |                    |
| <b>6. Share capital and share option reserve</b>                     |                    |                    |                    |
| Movements in share capital during the period are set out as below:   |                    |                    | <b>\$</b>          |
| <b>Opening Balance, on registration at 1 Oct 2013</b>                |                    |                    | <u>1</u>           |
| 173,672,200 Ordinary shares issued during the period                 |                    |                    | 161,944,574        |
| Less costs directly attributable to the issue of ordinary shares:    |                    |                    |                    |
|  | Gross              | Deferred Tax Asset | Net                |
|  | (net of RITC)\$    | \$                 | \$                 |
| Initial public offering costs :                                      |                    |                    |                    |
| Joint lead manager fees  | (2,024,307)        | 607,292            | (1,417,015)        |
| Legal fees   | (278,816)          | 83,645             | (195,171)          |
| ASX fees   | (209,115)          | 62,735             | (146,380)          |
| Other expenses   | (197,425)          | 59,227             | (138,198)          |
|  | <u>(2,709,663)</u> | <u>812,899</u>     | <u>(1,896,764)</u> |
| <b>Closing Balance at 31 Dec 2013</b>                                |                    |                    | <u>160,047,811</u> |

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

**6. Share capital and share option reserve (continued)**

Movements in option reserve during the period are set out as below:

|   |                          |                          | \$               |
|---|--------------------------|--------------------------|------------------|
| <b>Opening Balance, on registration at 1 Oct 2013</b>     |                          |                          | -                |
| 173,672,200 options issued during the period              |                          |                          | 9,400,370        |
| Less costs directly attributable to the issue of options: |                          |                          |                  |
|   | Gross<br>(net of RITC)\$ | Deferred Tax Asset<br>\$ | Net<br>\$        |
| Initial public offering costs :                           |                          |                          |                  |
| Joint lead manager fees                                   | (117,505)                | 35,252                   | (82,253)         |
| Legal fees  | (16,184)                 | 4,855                    | (11,329)         |
| ASX fees  | (12,138)                 | 3,641                    | (8,497)          |
| Other expenses  | (11,460)                 | 3,438                    | (8,022)          |
|   | <u>(157,287)</u>         | <u>47,186</u>            | <u>(110,101)</u> |
| <b>Closing Balance at 31 Dec 2013</b>                     |                          |                          | <u>9,290,269</u> |

**7. 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. of the Portfolio Net Asset Value. The management fee is calculated and accrued on the last day of each month and paid at the end of each quarter in arrears.

(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.

During the period, the Company expensed an amount of \$124,682 as management fees paid and payable to the Investment Manager. No performance fees were recognised for this period.



## PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013

#### 8. Earnings per share

In the calculation of diluted earnings per share, options are not considered to have a dilutive effect, as the average market price of ordinary shares of the Company during the period did not exceed the exercise price of the options.

#### 9. Segment information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. 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 3 Financial assets held at fair value through profit or loss.

#### 10. Related party transactions

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

- (i) The compensation arrangements with the Directors and Executive Directors (refer to Directors Remuneration below);
- (ii) The interests in the Company held directly or indirectly by the Directors and Executive Directors (refer to Shareholdings of Directors and Optionholdings of Directors below); and
- (iii) The Management Agreement between the Company and the Investment Manager (refer to Note 7 Fees Paid to the Investment Manager).

##### Directors Remuneration

From the maximum total of \$250,000 set out in the Constitution, the Directors' annual remuneration payable for the year ending 30 June 2014 is as follows:

| Director      | Position                            | Independence    | Directors' fees \$ |
|---------------|-------------------------------------|-----------------|--------------------|
| Andrew McGill | Chairman and Non-Executive Director | Independent     | 40,000             |
| Tim Gunning   | Non-Executive Director              | Independent     | 35,000             |
| Tom Millner   | Non-Executive Director              | Independent     | 35,000             |
| Chris Donohoe | Executive Director and CEO          | Not Independent | -                  |

Chris Donohoe is a director and the Chief Executive Officer of the Investment Manager. He is remunerated by the Investment Manager and is currently not entitled to a director's fee or any other form of remuneration from the Company. At the date of this financial report Chris holds 1% of the equity interests in the Investment Manager.

## PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013

#### 10. Related party transactions (continued)

##### Shareholdings of Directors

As at 31 December 2013, shares issued by the Company and held by the Directors and their related entities are set out as below:

| Director      | Opening balance<br>(Number of shares) | Net Number<br>of shares<br>Acquired | Net Number<br>of shares<br>Disposed | Closing balance<br>Number of shares |
|---------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Andrew McGill | -                                     | 100,000                             | -                                   | 100,000                             |
| Tim Gunning   | -                                     | 25,000                              | -                                   | 25,000                              |
| Tom Millner   | -                                     | 25,000                              | -                                   | 25,000                              |
| Chris Donohoe | -                                     | 220,000                             | -                                   | 220,000                             |

##### Optionholdings of Directors

As at 31 December 2013, options issued by the Company and held by the Directors and their related entities are set out as below:

| Director      | Opening balance<br>(Number of<br>Options) | Net Number<br>of Options<br>Acquired | Net Number<br>of Options<br>Disposed | Closing balance<br>Number of<br>Options |
|---------------|---|--------------------------------------|--------------------------------------|---|
| Tim Gunning   | -   | 275,000                              | -                                    | 275,000                                 |
| Chris Donohoe | -   | 435,000                              | -                                    | 435,000                                 |

#### 11. Contingency – registered charge over assets

The Custodian has a charge over the assets of the Company.

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 and a rating of A2 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 this 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).

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 31 DECEMBER 2013**

**11. Contingency – registered charge over assets (continued)**

As at balance date, the maximum value of the Fund's gross assets available to Morgan Stanley for its lending and financing activities is \$Nil. Under the Prime Broker arrangements in place, the amount does not require disclosure by Morgan Stanley.

The credit position of the Company is monitored on a daily basis by the Investment Manager under the guidance of its Chief Investment Officer.

**12. Events Subsequent to Balance Date**

No matter or circumstance has arisen since the end of the period 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.

**PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED**

**DIRECTORS' DECLARATION**

- I. In the Directors' opinion:
- (a) the financial statements and notes set out on pages 4 to 16 are in accordance with the Corporations Act 2001, including:
    - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
    - (ii) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the period 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.

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



**Andrew McGill**  
Chairman



**Chris Donohoe**  
Director

**Sydney**  
**20 February 2014**

**PM GLOBAL OPPORTUNITIES FUND LIMITED****ABN 17 166 064 875****INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of PM Capital Global Opportunities Fund Limited

**Report on the Condensed Interim Financial Report**

We have reviewed the accompanying financial report of PM Capital Global Opportunities Fund Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the period from 1 October to 31 December 2013, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Directors' Responsibility for the Interim Financial Report**

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report does not present fairly the company's financial position as 31 December 2013 and its performance for the period from 1 October 2013 to 31 December 2013; and does not comply with Accounting Standard AASB 134 *Interim Financial Reporting*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

**PM GLOBAL OPPORTUNITIES FUND LIMITED**

**ABN 17 166 064 875**

**INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of PM Capital Global Opportunities Fund Limited does not:

- (a) present fairly the company's financial position as at 31 December 2013 and its performance for the period from the date of registration (1 October 2013) to 31 December 2013; and
- (b) comply with Accounting Standard AASB 134 *Interim Financial Reporting*.



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

**Sydney, NSW**  
**20 February 2013**



**D K Swindells**  
**Partner**