

12 January 2022

ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

By: E-lodgement

PAF Directors recommend accepting WAM Takeover Increased Offer

The Directors of PM Capital Asian Opportunities Fund Limited (ASX:PAF) recommend that PAF shareholders should accept the Increased Offer under the WAM Capital Limited takeover bid (WAM Takeover Bid).

Attached is a copy of the PAF Directors Second Supplementary Target's Statement in this regard.

For details in relation to the recommendation of the PAF Directors, please refer to the attached documentation.

The WAM Takeover Bid is due to close on 18 February 2022, unless extended.

Yours faithfully

PM Capital Asian Opportunities Fund Limited

This announcement was authorised for release by the PAF Board Committee.

PM Capital Asian Opportunities Fund Limited (“PAF”)

SECOND SUPPLEMENTARY TARGET'S STATEMENT

1. Introduction

This document is the second supplementary target’s statement (“**Second Supplementary Target’s Statement**”) under section 644 of the Corporations Act 2001 (Cth) issued by **PM Capital Asian Opportunities Fund Limited** ACN 168 666 171 (“**PAF**”) in response to the unconditional off-market takeover bid from WAM Capital Limited (“**WAM**”) for all of the PAF Shares (“**WAM Takeover Bid**”).

This Second Supplementary Target’s Statement is dated and was lodged with ASIC on 12 January 2022 and supplements, and should be read together with, the PAF supplementary target's statement dated 22 December 2021 and the PAF target’s statement dated 8 November 2021 (“**Target’s Statements**”).

Unless defined to the contrary, words defined in the Target’s Statements have the same meaning given to them in this Second Supplementary Target’s Statement.

2. Increased Offer Consideration

On 11 January 2022, WAM announced that it is increasing the Offer Consideration from 1 WAM Share for every 1.99 PAF Shares to **1 WAM Share for every 1.95 PAF Shares** (“**Increased Offer**”). The Increased Offer applies to all PAF shareholders regardless of whether they have already accepted the WAM Takeover Bid.

In WAM's announcement, it stated that this represents:

- a 7.4% premium to PAF's 7 January 2022 pre-tax NTA (based on the implied value of WAM's Takeover Bid when compared to PAF's 7 January 2022 pre-tax NTA of \$1.07);
- an 8.4% premium to PAF's 7 January 2022 post-tax NTA (based on the implied value of WAM's Takeover Bid when compared to PAF's 7 January 2022 post-tax NTA of \$1.06);
- a 3.5% premium to the closing price of PAF shares on 11 January 2022 (based on the implied value of WAM's Takeover Bid when compared to the closing price of PAF shares on 11 January 2022 of \$1.11); and
- an 18.4% premium to the closing price of PAF shares prior to the announcement of the PGF scheme (based on the implied value of WAM's Takeover Bid when compared to the closing price of PAF shares of \$0.97 on 14 September 2021 being the day before the announcement of the PGF scheme).

As part of that announcement, WAM stated that PGF, PM Capital, Paul Moore and their associated entities intend to accept the WAM Takeover Bid with the effect that WAM's voting power in PAF will increase to 69.07%.

WAM also announced that it has extended the WAM Takeover Bid until 7.00pm (Sydney time) on **18 February 2022** (unless otherwise extended).

3. Recommendation

The PAF Directors (who comprise the PAF Board Committee) have previously recommended that Shareholders should ACCEPT the WAM Takeover Bid before it expires, in the absence of a superior proposal.

The PAF Directors (who comprise the PAF Board Committee) endorse their recommendation that Shareholders should ACCEPT the WAM Takeover Bid before it expires.

The reasons for the PAF Board Committee's **ACCEPT** recommendation are as follows:

- **Increased Offer:** The Increased Offer is beneficial to Shareholders and represents a premium as outlined above.
- **Fair and reasonable:** The previous bid price was determined to be fair and reasonable in accordance with the Supplementary Independent Expert Report previously sent to Shareholders, and the Increased Offer would also undoubtedly be fair and reasonable.
- **Prospect of superior bid unlikely:** It is unlikely that a third party will emerge with a superior bid.
- **Control has passed:** Control of PAF has passed to WAM. On 12 January 2022, WAM announced to ASX that it had a relevant interest of 57.3% in PAF.
- **Minority Shareholder risk:** There is a substantial risk in remaining as a minority Shareholder and being unable to achieve the value represented by the Increased Offer.

4. PAF Board

In view of control of PAF passing to WAM and the intentions of WAM stated in its Bidders Statement to replace the PAF directors with its own nominees, PAF has been liaising with WAM in relation to an orderly transition of the PAF Board in favour of WAM nominees.

5. WAM Takeover Bid Offer Period

The WAM Takeover Bid is currently scheduled to close on 18 February 2022.

To ACCEPT the WAM Takeover Bid, follow the instructions set out in the Bidder's Statement.

6. Lodgement

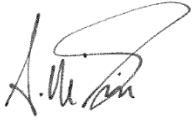
In accordance with section 647(3) of the Corporations Act, a copy of the Second Supplementary Target's Statement has been lodged with ASIC and ASX.

Neither ASIC nor any of its officers take any responsibility for the contents of this Second Supplementary Target's Statement.

7. Approval of Second Supplementary Target's Statement

This Second Supplementary Target's Statement has been approved by a resolution passed by PAF Directors.

Signed for and on behalf of PAF by:

A handwritten signature in black ink, appearing to read 'A. McGill', with a large, stylized flourish at the end.

Andrew McGill, Chairman

Date: 12 January 2022