ANNUAL REPORT

FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014

PM CAPITAL Global Opportunities Fund Limited | ACN 166 064 875

CONTENTS

CHAIRMAN'S REPORT

This is my first Annual Report as Chairman of PM Capital Global Opportunities Fund Limited ("the Company") following the successful capital raising and subsequent trading of the securities on the Australian Securities Exchange ("ASX") on 12 December 2013.

On behalf of the Board, I am delighted to welcome our shareholders and thank you for your support of the Company and our initial capital raising of over $171 million. The capital raising included an issue of Options, which 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.

INVESTMENT PHILOSOPHY AND PROCESS

Whilst our Company is relatively new, PM Capital Limited ("the Manager") has been managing money and investing in global equities for over 15 years. The founder, Chairman and Chief Investment Officer of the Manager, Mr Paul Moore, has been successfully applying a disciplined investment philosophy and process for 29 years.

This investment philosophy will be rigorously employed by the Manager and its investment team for the purpose of delivering long-term capital growth to shareholders through identification and investment in a concentrated portfolio of listed global securities.

Exposure to global markets and our commitment to long-term capital growth are clear and fundamental differentiators for our Company compared with similar companies in our sector.

The Manager understands the importance of holding true to core beliefs and remaining patient. It recognises that quality businesses with outstanding attributes usually trade at fair value or a premium and as such only on rare occasions will they trade at a significant discount. It is here that it uses its comprehensive research and peer group review process to decide whether the discount accurately reflects the longer-term inherent value of the business, or if it is indeed mispriced. Only when the Manager is confident that a business is mispriced will it consider investing our shareholders' capital, as this is how it believes that we can generate the greatest return for our shareholders.

FINANCIAL RESULTS

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 $5.6m, which were incurred due to the strengthening of the Australian dollar during the period since subscription monies were converted into US dollars. The Manager is confident that this foreign exchange position is prudent and is committed to achieving long term returns through prudent and patient investment in listed equities across global markets.

DIVIDENDS

The primary objective of our Company is to deliver long-term capital growth for our shareholders and as such it is likely that dividends will be low during initial investment years. No dividend was declared or paid during the period.

PORTFOLIO POSITIONING

Since listing late last year, the Manager has been able to find compelling investment opportunities, which have allowed a significant portion of the Company's capital to be deployed.

The Company has embarked on a progressive investment program during this period and has begun to build a portfolio of strong businesses which the Manager believes have exceptional potential and exhibit a defendable competitive advantage. At the end of 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. The portfolio, through the use of derivatives, is effectively fully exposed to the US dollar.

The Manager remains of the view expressed during our Initial Public Offering ("IPO") that the valuation discrepancies in Australia are currently limited and that there is a greater breadth of opportunity offshore where there is superior risk/reward potential.

CHAIRMAN'S REPORT (continued)

At the same time, the Manager is of the view that the Australian dollar is currently trading at elevated levels against most major currencies, which would further support investment in international equities. The Manager believes that the Australian dollar is in the early stages of an emerging downtrend and the prospects of a falling currency will enhance global equity returns.

Favoured industries include:

- property, due to the evolving recovery in property prices in the US and Europe, which are believed to be in the early stages of a revival as housing starts and permits remain at historically depressed levels;
- certain offshore retail banks, which can capitalise on the economic recovery in their respective countries and positively improve their share prices through increased payout ratios;
- specific service providers which have a controlling or monopolistic market share;
- technology stocks due to entrenched market leadership and ability to generate cash flow; and
- certain consumer names within Asia which can capitalise on westernisation and rising affluence.

The valuations of many of these specific investment themes have recovered, but industry activity levels are still below normalised levels and, as such, there is a strong prospect of solid earnings growth looking forward, which will drive further valuation expansion.

The Manager is seeking to add additional investments to the portfolio, however prices have not yet afforded it the opportunity to include them in the portfolio. Having a strong surplus cash position will allow the Company to benefit from these opportunities as they emerge. The Manger strongly believes that patience will reward us.

Further comments on the portfolio and the underlying rationale for particular investments are set out in the following Portfolio Manager's Report, which I urge shareholders to read.

<u>OUTLOOK</u>

Whilst our financial performance during 2014 has been negatively impacted by foreign exchange movements, the Manager is in the process of building an investment portfolio focussed on long-term capital growth. 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 our staff and the Manager's investment team for their hard work, efforts and commitment during the year.

I would also like to thank our shareholders for your interest in and support for the Company and confirm that your Board is genuinely committed to the Company's future growth and prosperity.

My fellow Directors and I are looking forward to seeing those of you who are able to join us for the Annual General Meeting on 14 November 2014.

Andrew McGill
Chairman
4 September 2014

PORTFOLIO MANAGER'S REPORT

MARKET OVERVIEW

When we look back over the last 12 months, probably the most surprising aspect of the 2014 financial year is that the status quo in markets has been maintained in terms of price action and money flows.

Prevailing factors during this period have included historically low government bonds and property yields, equity prices that continue to edge higher, resistant to any geopolitical news, such as the war in Crimea, and a local currency that sustains itself at high levels despite the fact that export prices have now contracted by 30 to 40%, whether it be iron ore in Australia or dairy prices in New Zealand.

Further, there is very low volatility, and other risk metrics seem benign as we approach a phase of increasing long-term interest rates as Quantitative Easing ("QE") programmes start to wind down and China enters a period of lower growth. It appears that the monetary authorities have becalmed markets.

Despite this, there is no doubt that the tide is at a turning point. The price action of different asset classes and industry sectors we have witnessed over the last few years is unlikely to be repeated going forward and will likely be very different over the next 5 years. Our research framework still views the risk/reward proposition of owning a business as generally far more favourable than the alternatives of cash, bonds or property. How much more favourable is difficult to assess, given the current abnormally low level of global interest rates.

INVESTMENT THEMES

I am especially pleased with the assets we have purchased to date and believe that we are well positioned in businesses that should exhibit strong returns over the coming years, regardless of the general market movement. The portfolio is dominated by the following investment themes:

- the evolving recovery in residential and commercial property-related equity positions that are recovering from severe price corrections in the US and Europe;
- offshore domestic banking franchises benefitting from increased payout ratios and their nations' economic recovery;
- monopolistic-type service providers who can manifest solid earnings growth in the longer term; and
- Asia's rising affluence and positions that will stand to gain from the evolving consumerism of over 4 billion people.

PROPERTY

From crisis comes opportunity and the proof of that was reflected when we were able to capitalise on the collapse in US house prices post the global financial crisis ("GFC"), via the Manager's global unlisted fund. We had a simple thesis: the epicentre of the GFC was the collapse of house prices in the US and the epicentre of the collapse in house prices in the US was Las Vegas. We took positions with exposure to quality assets in these areas. Some of these positions have risen by over 300% since 2011.

Although the US housing market has begun its recovery, yearly sales are still at least a third below normalised trends and they are still operating under industry conditions that are well below normalised levels.

In Europe we are finding a similar thesis to the Las Vegas story unfolding, particularly in Ireland and Spain. They have reached the crisis point and we are ready to capture the opportunity over the coming years. This opportunity was originally created by a growing supply and demand imbalance; new construction was virtually non-existent as developers became either bankrupt or severely constrained by the banks. As rents were at lows and yields at highs, it caused depressed asset prices down between 40-70% from their peak. Ireland bore their medicine early and is further advanced in the process, but what we have seen over the last 12 months is a decent recovery in rental levels- office rentals and housing prices. A considerable amount of foreign money is streaming into the market and prices are beginning to bid up. Spain is lagging in the process, yet arbitrage opportunities have emerged since bottoming late last year. We see a strong prospect of solid earnings growth looking forward, which will drive further valuation expansion.

PORTFOLIO MANAGER'S REPORT (continued)

We acquired stakes in several newly issued real estate companies, namely Hibernia, Kennedy Wilson Europe and LAR Espana, in late 2013 and early 2014 either through their IPO's or shortly after listing. These new real estate companies will concentrate on buying select European commercial real estate and residential property on 8-10% yields with a focus on Irish, Spanish and regional UK properties. They are structured as real estate investment trusts ("REITs"), with a payout ratio close to 100%. Hence, over time shareholders should obtain a regular income stream with capital appreciation, given that the underlying assets are trading well below their new build costs. The results are already coming through, with European commercial property prices on the rise and the prices on certain related securities we purchased are up approximately 10% from their IPO prices.

BANKS

We favour select offshore banks as they stand to gain from upticks in interest rates and expected loan growth as the housing market recovers. The banks we favour are those who can capitalise on this through their domestic focus and commitment to paying profits out to shareholders in the form of dividends, just as the Australian banks did after the property crisis in the 90's, which has seen them become some of the most profitable and expensive in the world.

Countries where central banks have preserved interest rates at virtually zero levels in an endeavour to instigate a post GFC recovery through inexpensive credit have positioned lenders to gain when rates finally rise. Banks, which are swift to increase rates on collected mortgage payments and defer increases to interest paid on deposits, will see a sizeable upturn in earnings. The more retail deposits, the better the spread becomes, which is what attracts us to retail-focussed banks. Thus in a more normal interest rate environment, US banks will earn a positive spread on their liabilities as well as their assets, increasing their total interest income.

Compounding this with upside in loan growth in what is still an anaemic environment, these banks will stand out compared to their Australian peers where growth will be condensed to credit growth in what we expect will be a low growth environment. We anticipate a similar occurrence in Europe, however due to their macroeconomic position European banks are likely to be two to three years behind.

While US banks recapitalised back in 2009 to 2010, Europe is an ongoing piecemeal process, which only commenced last year. Investing in selective retail-focussed European banks now can be analogous to investing like Kerry Packer in Westpac in 1992 when he purchased a 10% stake when the company was trading at a book value of between 0.5 and 0.7 times, and priced at around $2.50. Post the property crisis the major Australian banks recapitalised, became domestically focussed and increased their payout ratios to +70%. These banks are currently trading between approximately 1.9 and 2.8 times and Westpac shares trade close to $34. While some high quality retail-focussed European banks trade at around 0.8 to 1.1 times, it implies that these banks will barely manage to earn their cost of equity over time. This is an overly pessimistic view and over the long run we expect the price to book multiples for these banks to move closer to their Australian peers.

To date we have made purchases in Bank of America Corp, JP Morgan Chase and Co., Barclays Plc, Lloyds Banking Group Plc and ING Groep N.V.

SERVICE PROVIDERS

We are attracted to dominant service providers with an entrenched market leadership position. Exchanges are an exemplary illustration of this. They are attractive, scale businesses, which have low capital expenditure requirements and provide a high return on equity. We favour futures exchanges over equity exchanges due to their monopolistic characteristics and pricing power.

Key drivers of revenue for these businesses are volume activity, via hedging requirements and speculative positions. When the Federal Reserve ("Fed") set interest rates at close to zero for a set number of years, trading activity contracted sharply. The market appeared to price this as a permanent loss in revenue yet we saw it as transitory. As the Fed repeals its QE program and rates begin to rise, speculation and trading volumes will increase, causing revenues and earnings to rebound. These exchanges are some of the few businesses that may benefit from QE dispelling and provide a unique way to benefit from market reaction to central bank action without taking directional risk.

To date we have purchased a position in CME Group Inc.

PORTFOLIO MANAGER'S REPORT (continued)

ASIA

When we look to investments in Asia, old world China is not our focus as hard asset investment is slowing and the banking sector remains over-extended. We are finding genuine value in industries that are supported by rising domestic consumption or that are benefiting from changes to consumer consumption patterns. These structural growth stories coupled with sound business fundamentals, which are not largely impacted by the macro-economic environment, are our main target.

In Asia you have over 10 separate economic jurisdictions to invest in, all operating on their own unique economic fundamentals. Asia has a population of 4.3 billion people, roughly 60% of the world's population. The market is evolving at a rapid pace as consumption is being driven by reform measures at the government level, which are all aimed at supporting consumers and increasing their spending power. We are seeing sectors resembling the US 30 years ago or Australia 15 years ago.

Our best Asian ideas extend across four sectors:

- internet service providers and the evolution in the way consumers view content and advertisers spend;
- gaming due to the market liberalisation, rising affluence and infrastructure improvements;
- monopoly or duopoly infrastructure providers as a quasi-consumption play; and
- consumer discretionary spending, which will benefit from rising affluence, household incomes and per capita spending.

Due to the number of opportunities we are finding within this region we felt it prudent to invest in PM Capital Asian Opportunities Fund Limited during the year to be able to fully capture this opportunity.

We are also attracted to a number of consumer branded companies and have made several purchases to date, including Google Inc and Heineken Holding NV. Price action has not afforded us the opportunity to add several other names we are interested in to this mix, yet we believe that if we are patient some of the businesses we are finding will experience headwinds in terms of near term earnings, and that will create some short term disappointment, which we will be able to take advantage of.

INTEREST RATES

One issue at the front of our minds is a belief that globally long term interest rates have ended their 30 year decline, giving us conviction on what we do not want to own; the so called defensive yield plays.

The consistent long term decline in interest rates has made stocks with high pay-out ratios, and subsequent high dividend yields, a favourite of Australian retail investors. This has driven extremes in retail investor under-diversification, which investors should be particularly wary of when rates rise.

How much rates will increase over time is hard to determine. We suspect that the initial increase will be slower than investors expect, will entrench itself over the medium term and eventually turn aggressive. However, that should be a long time in the future. It is worth noting that in Australia the current 1 year term deposit rate is 3.40%, yet for the period between 1981 and 1991 the 1 year term deposit rate averaged ~13% and peaked at 16%.

Double digit rates are not what we are predicting, but the implication is clear. For businesses that we want to own, their valuation should be reasonable and allow for long term interest rates that are 1% to 2% higher than current and that more of our ultimate return will be delivered by earnings growth. We are thinking long and hard about what those businesses should be, particularly in relation to investments not currently held by the Company.

PORTFOLIO MANAGER'S REPORT (continued)

CURRENCY

Upon receipt of the subscription monies, we converted our currency exposure to the US dollar. We continue to believe that the risk of the Australian dollar is biased to the downside. Whilst currency has cost the Company in the short term we suspect that this is because Australia maintains the best interest spreads in the world, and while others are straining to depreciate their currency, it has created a false sense of security as currencies have diverged from underlying economic trends.

The key drivers of the Australian dollar are interest rate differentials and commodity prices. Interest rates are driven by the Fed and we believe that as the current Fed distortion is alleviated the differential between Australian and US interest rates will close. Commodity prices are driven by demand in China where the risk to economic growth has seen a contraction in key commodity prices by up to 30-40%. Once interest rates around the world normalise upwards the Australian dollar should reflect the contraction in commodity prices and depreciate relative to the US dollar.

INVESTMENT REPORTS

We encourage you to subscribe to our monthly and quarterly investment reports, as they will keep you updated with the ongoing changes to the portfolio and investments. We look forward to an exciting year ahead.

A Pittard

Ashley Pittard
Portfolio Manager of PM Capital Global Opportunities Fund Limited
PM Capital Limited
4 September 2014

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2014

Investment	Market Value $
Lloyds Banking Group Plc	9,415,632
JPMorgan Chase and Co.	9,157,175
BetaShares Australian High Interest Cash ETF	8,539,100
PM CAPITAL Asian Opportunities Fund Ltd	8,299,500
Bank of America Corp	8,142,184
CityCentre Holdings Llc	7,283,920
Barclays Plc	5,759,596
ING Groep N.V	5,357,941
CME Group Inc	5,234,221
Oracle Corp	4,938,232
Pfizer Inc	4,936,971
National Australia Bank Ltd - Note	4,903,594
Lar Espana Real Estate Socimi SA	4,368,486
Realogy Holdings Corp	4,169,535
Merlin Properties Socimi SA	4,087,504
Google Inc - Class C	3,794,770
Deutsche Boerse AG	3,557,827
Hibernia REIT Plc	3,542,368
Kennedy Wilson Europe Real Estate Plc	3,487,271
Heineken Holding NV	3,482,531
BM&F Bovespa SA - On Swap	3,342,723
Ulysses (Europ Loan Cond N27) Plc	3,338,722
Hispania Activos Inmobiliarios SA	2,082,757
Anheuser-Busch Inbev NV	1,947,287
RE/MAX Holdings Inc	1,076,288
Turquoise Hill Resources Ltd	1,028,063
Astro Malaysia Holdings Bhd	967,053
Carlsberg Brewery Malaysia Bhd	841,323
M.D.C Holdings Inc	781,914
Guinness Anchor Bhd	702,372
Total cash assets (per note 3)	42,080,067
Total	**170,646,927**

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of PM Capital Global Opportunities Fund Limited ("the Company") is responsible for the overall governance of the Company. The Company has adopted the ASX Governance Principles and Recommendations (2nd Edition, August 2007 with 2010 Amendments) for the 2014 financial period, where the Board has considered the recommendation to be appropriate for its corporate governance practices. Where a recommendation has not been followed, the reasons are disclosed below.

Principle 1 – Lay a Solid Foundation of Oversight

The responsibilities of the Board are set down in the Company's Board Charter. A copy of the Company's Board Charter is available at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

The role of the Board is to set strategic direction of the Company, driving its performance and the management and operations of the Company. Additionally, it is responsible for the overall corporate governance of the Company.

Whilst the Company has a Board, it has no full time employees, and uses the services of an investment manager, PM Capital Limited. The services of the Company CEO and Company Secretary are provided by the Manager and these roles are not remunerated at present. Under the Management Agreement between the Company and the Manager, the Manager has discretion to acquire and dispose of investments on behalf of the Company in line with the investment strategy. In the case where a proposed investment falls outside the investment strategy, the Manager would need to seek approval from the Board for the investment. The Board has full discretion to approve or deny the proposal. Given the role of the Manager, there is no need to delegate functions to senior management or for a process to evaluate the performance of senior executives under recommendations 1.1, 1.2 and 1.3.

Principle 2 – Structure of the Board to Add Value

The skills, experience and expertise relevant to the position and term of office of each Director who is in office at the date of the Annual Report are detailed in the Directors' Report.

The Board has three independent Directors and one non-independent Director. Andrew McGill, Tim Gunning and Tom Millner are considered to be independent as they have no direct involvement in the management of the portfolio and are free of any business or other relationship which could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgement. Andrew McGill, an independent Director, is also the Chairman.

A Nominations and Corporate Governance Committee has been established. The Nominations and Corporate Governance Committee is comprised entirely of independent Directors. The Committee is governed by a written charter approved by the Board. This charter is available at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

The Committee has been established to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Company by:

- reviewing and advising the Board on the composition of the Board and its committees;
- reviewing the performance of the Board, the chairman of the Board ("Chairman"), the executive and non-executive directors and other individual members of the Board;
- ensuring that proper succession plans are in place for consideration by the Board;
- advising the Board on good governance standards and appropriate corporate governance policies for the Company; and
- critically reviewing the Company's performance against its corporate governance policies.

On an annual basis and in accordance with the company constitution, one third of the Directors are required to retire by rotation and being eligible, may stand for re-election.

It is the Board's policy that any committee established by the Board should be entitled to obtain independent professional or other advice at the cost of the Company unless the Board determines otherwise.

Principle 3 – Promote Ethical and Responsible Decision Making

The Company has adopted a formal Code of Conduct which can be found at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

The Code of Conduct provides that all Directors and employees maintain a high standard of corporate and individual behaviour in the context of their service to the Company, acting in an ethical and professional manner in all dealings with one another or any other stakeholder, and in accordance with the values and practices of the Company.

The Company has a Diversity Policy which can be found at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

The Diversity Policy sets out the Company's objectives for achieving diversity amongst its board, management and employees, including diversity in experiences, perspectives, gender and age. There is one woman in a senior position in the company, the Company Secretary, Ursula Kay, who has been appointed due to her experience as company secretary for the Manager, as well as her financial, accounting and reporting experience. The Board considers the Diversity Policy on an ongoing basis, and the Policy is considered in determining the structure of the Board and officers of the Company.

Principle 4 – Safeguard Integrity in Financial Reporting

An Audit Committee has been established and is comprised of three members, all independent Directors, in accordance with the ASX listing rules. The Committee charter is available at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

The Chairman of the Committee is not the Chairman of the Board. The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. The Committee responsibilities include yearly and half-yearly review of financial statements, review of the Company's monthly net tangible asset backing, review of the effectiveness of the Company's internal controls with regard to financial performance and reporting, and involvement in the external audit, compliance and risk management.

Principle 5 – Make Timely and Balanced Disclosure

The Company operates under the continuous disclosure requirements of the ASX Listing Rules as set out in the Company's Continuous Disclosure Policy, which can be found at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

The Policy outlines the set of procedures and guidelines to ensure that the Company complies with its disclosure obligations in accordance with all applicable legal and regulatory requirements, including the Listing Rules of the ASX. The Company's Board bears the primary responsibility for the Company's compliance with its disclosure obligations and is therefore responsible for overseeing and implementing the Policy. The Company has appointed the Company Secretary to serve as its ASX liaison officer, and has also put in place arrangements with the Manager to ensure that it promptly informs the Board of any matter that may have a material impact on the price of the Company's securities.

The Company will post Company announcements on the Company's website after they are released to the ASX to ensure accessibility to the widest audience.

Principle 6 – Respect the Rights of Shareholders

Shareholders are entitled to vote on significant matters impacting the business, such as the election and remuneration of the directors, changes to the constitution, and to have access to the annual and interim financial statements.

The Company has adopted a Shareholder Communications Policy and is committed to regularly communicating with its shareholders in a timely, accessible and clear manner with respect to both procedural matters and major issues affecting the Company. The Company seeks to recognise numerous modes of communication, including electronic communication. All Shareholders are invited to attend the Company's Annual General Meeting, either in person or by representative. The Board encourages all shareholders to attend and participate in the Company's annual meeting of shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditors. The external auditor is required to attend the Annual General Meeting and be available to answer questions.

Principle 7 – Recognise and Manage Risk

The responsibility for the effectiveness of risk management and internal compliance and control rests with the Board. The Board has delegated responsibility for reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee. The Audit Committee liaises with and oversees the application by the Manager of the risk management protocols, to ensure the design and implementation of a risk management and internal control system to manage the Company's material risks and report on the management of those risks. The Manager has a robust risk management framework, including a dedicated Head of Operational Risk and Compliance function, to actively recognise and manage risk. The Manager reports to the Audit Committee and the Board on an ongoing basis in relation to risk related matters and the management of material business risks.

- Administrative risk – the Company has outsourced custody, accounting, administrative and investment management functions to service providers; accordingly these risks are handled in accordance with the service providers' policies and procedures. The Chief Executive Officer and Chief Financial Officer (or equivalent) have provided a declaration, in accordance with section 295A, certifying the financial statements and notes present a true and fair view and are prepared in accordance with Accounting Standards and the Corporation Act 2001. The Chief Executive Officer and Chief Financial Officer (or equivalent) have also certified that there is a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.

- Market related risk – the Company carries investment risk due to its nature as a listed investment company and this risk is regularly monitored and managed where appropriate. The Manager must act in accordance with the Management Agreement and reports to the Board regularly. A copy of the Company's Risk Management Policy is available at http://www.pmcapital.com.au/site/listed_companies/pm_capital_global_opportunities_fund_limited/Compliance_and_policies.aspx.

Principle 8 – Remunerate Fairly and Responsibly

Although the Company has a Board, it has no remunerated employees. The roles of the Chief Executive Officer and Company Secretary, as provided for in the Management Agreement, are remunerated by the Manager. On this basis the Company has not established a remuneration committee. The Board will ensure that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remuneration committee (to the extent that these functions are relevant to the Company's business). The Company will provide disclosure of its Directors' and executives' remuneration in its Annual Report. The Directors' remuneration is capped at $250,000 per annum in accordance with the Company's Constitution, and any payments over $250,000 must be approved by a resolution of the holders of ordinary shares in accordance with the ASX Listing Rules.

DIRECTORS' REPORT

The directors submit the financial report of PM Capital Global Opportunities Fund Limited ("the Company") for the period from 1 October 2013 ("registration date") to 30 June 2014.

Directors

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

Andrew McGill
Chairman and Non-executive Director
Member of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr McGill has more than 20 years financial markets experience, including investment and management experience within alternatives and the funds management industry generally. He currently serves as Managing Director and Chief Executive Officer of Treasury Group and has held this position since July 2011. Prior to joining Treasury Group, Mr McGill was a founding partner of Crescent Capital Partners (Crescent), an independent mid-market private equity firm where he worked from 2000 to 2010. Prior to establishing Crescent, Mr McGill held senior roles within Macquarie Bank's Corporate Finance and Direct Investment teams. Early in his career, he was a consultant with The LEK Partnership, an international firm of business strategy consultants.

Mr McGill holds a Bachelor of Commerce and Bachelor of Law from the University of New South Wales and a Graduate Diploma in Applied Finance (FINSIA). He is also a Fellow of the Financial Services Institute of Australasia.

Tim Gunning
Non-executive Director
Chairman of the Nomination and Corporate Governance Committee
Member of the Audit Committee

Mr Gunning has over 20 years' experience in the private wealth management, funds management and financial markets industry. He is currently the Chief Executive Officer and Managing Director of Ord Minnett and has served in this role since 2009.

Mr Gunning is responsible for all Ord Minnett businesses throughout Australia and Hong Kong including private wealth management, institutional equities, fixed income and corporate finance. Prior to joining Ord Minnett, Mr Gunning was General Manager of Commonwealth Financial Planning at Colonial First State. Prior to joining Colonial First State, Mr Gunning was General Manager of advice at Asgard Wealth Solutions and also held a number of senior positions at Deutsche Private Bank.

Mr Gunning is a Senior Fellow of the Securities Australasia (FINSIA), is a Master of the Australian Stockbrokers Association (MSAA) and also serves as Director of the Australian Stockbrokers Association.

Tom Millner
Non-executive Director (appointed 3 Oct 2013)
Chairman of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr Millner's experience includes management of investment portfolios, research and analysis of listed equities and business development. He is currently the Chief Executive Officer of BKI Investment Company Limited (BKI). Mr Millner joined BKI in 2008 and is responsible for the management of the BKI investment portfolio and for the day-to-day activities of BKI. Prior to this role, Mr Millner held various roles with Souls Funds Management Limited (SFM), including covering research, analysis and business development. Whilst at SFM he was responsible for the investment portfolio of BKI. Prior to joining SFM, Mr Millner served as an Investment Analyst of Republic

Directors (continued)

Securities Limited and manager of the investment portfolio of Pacific Strategic Investments. He has also been director of Washington H. Soul Pattinson and Company Limited since January 2011. During the past three years Mr Millner has also served as a director of listed company Exco Resources Limited.

Mr Millner holds a Bachelor of Industrial Design and a Graduate Diploma in Applied Finance. He is a Fellow of the Financial Services Institute of Australasia (FINSIA) and a graduate of the Australian Institute of Company Directors.

Chris Donohoe
Executive Director and Chief Executive Officer

Mr Donohoe has over 20 years experience in financial markets. He has served as the Chief Executive Officer ("CEO") of the Manager of the Company since June 2009 and is responsible for implementing the Manager's overall business strategy. In the years preceding 2009, Mr Donohoe was Head of Marketing and Distribution of the Manager. Prior to joining the Manager in early 2001, he gained several years' experience in the derivatives market, initially being employed at the Societe Generale Group in 1993 as a trader. Mr Donohoe moved to Salomon Smith Barney in 1995 as the Senior Futures Trader.

Mr Donohoe is a Member of the Australian Institute of Company Directors. He holds a Masters of Business in Finance, majoring in Funds Management, from the University of Technology, Sydney.

Ursula Kay
Alternate Director for Chris Donohoe (appointed 20 Feb 2014)

Ms Kay has over 13 years experience in professional services and financial markets. She has served as the Financial Controller of the Manager of the Company since December 2012. Prior to this role, Ms Kay was Finance Manager at Crescent Capital Partners ("Crescent"), an independent mid-market private equity firm. Prior to joining Crescent, Ms Kay held various roles at professional services firms PricewaterhouseCoopers and Ernst & Young.

Ms Kay is a Member of the Australian Institute of Company Directors. She holds a Masters of Taxation from University of Sydney, a Graduate Diploma of Chartered Accounting and a Bachelor of Business from the University of Technology, Sydney.

Attendance at Meetings

Board of Directors Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	7	7
Tim Gunning	7	6
Tom Millner	6	4
Chris Donohoe	7	7

DIRECTORS' REPORT (continued)

Attendance at Meetings (continued)

Nomination and Corporate Governance Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	1	1
Tim Gunning	1	1
Tom Millner	1	1

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	2	2
Tim Gunning	2	2
Tom Millner	2	2

Directors' Interests in Shares and Options

As at 30 June 2014, the relevant interests of the Directors and their related entities in the Securities of the Company were:

Director	Number of Shares	Number of Options
Andrew McGill	100,000	-
Tim Gunning	21,727	275,000
Tom Millner	25,000	-
Chris Donohoe	220,000	435,000
Ursula Kay	-	-

Options held by directors are under the same terms and conditions disclosed in Note 9.

Other Directorships

Andrew McGill currently serves as Managing Director and Chief Executive Officer of Treasury Group and sits on the boards of a number of companies associated with Treasury Group.

Tim Gunning is currently the Managing Director and Chief Executive Officer of Ord Minnett.

Tom Millner is currently the Chief Executive Officer of BKI Investment Company Limited. He is also a director of Washington H. Soul Pattison and Company Limited, and within the last three years was a director of Exco Resources Limited.

Chris Donohoe is currently the Chief Executive Officer of the Manager, the investment manager of the Company. He is also a director of PM Capital Asian Opportunities Fund Limited, a company related to the Manager.

Ursula Kay is currently a director of MAPP Pty Limited, a company related to the Manager.

DIRECTORS' REPORT (continued)

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/(Loss) after income tax of ($4,750,548).

	Period from 1 October 2013 to 30 June 2014 $
Profit/(Loss) before income tax	(6,758,962)
Income tax benefit	2,008,414
Profit/(Loss) for the period attributable to membe	**(4,750,548)**

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

During the period ended 30 June 2014, the Company concluded its IPO in accordance with the Prospectus dated 18 November 2013. The results for the period include non-recurring IPO costs that have been capitalised into the balance sheet, and are outlined at Note 9. The Company's loss for the period is largely as a result of the mark to market of the foreign currency position.

The invested position of the Company as at 30 June 2014 is 65% in equity securities, 9.5% in debt and hybrid securities, and 25.5% in cash and cash equivalent assets. The Company's investment objective is to provide long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of global equities and other investment securities. The Manager of the Company is seeking the best opportunities to deploy the Company's capital. The areas of the market that the Manager is focussed on include the recovery of the US and European housing and property market, capitalising on the economic recovery and increased payout ratios of offshore retail banks, monopolistic type service providers, technology stocks due to their entrenched market leadership and ability to generate cash flow, and certain consume names within Asia which can capitalise on westernisation and rising affluence..

Dividends

No dividend was declared or paid during the period.

Consistent with the Company's Prospectus dated 18 November 2013, the objective of the Company is long term capital growth and it is likely that dividends will be low during the initial years. The amount of the dividend is at the discretion of the Board and will depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Board deem relevant. It is the current Board policy that all dividends paid to shareholders will be franked to 100% or to the maximum extent possible.

Net Assets

As at 30 June 2014 the net assets of the Company were $164,590,230. Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial period there was no significant change in the state of affairs of the Company other than the issue by the Company of an initial prospectus, which raised approximately $171 million in equity, and the admission of the Company's securities to the ASX.

Events Subsequent to Balance Date

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

Likely Developments

The Company will be managed in accordance with the Constitution and investment objectives as detailed in the Prospectus dated 18 November 2013.

Indemnification of Officers

The Company has indemnified directors and officers for any actions that may arise as a result of acting in their capacity as directors and officers of the Company in respect of:

a) Liability to third parties when acting in good faith; and
b) Costs and expenses of defending legal proceedings and ancillary matters.

The terms of the policy preclude the disclosure of the premium.

Environmental Regulations

The Company's operations are not subject to any significant environmental regulations.

DIRECTORS' REPORT (continued)

Remuneration Report (Audited)

This remuneration report sets out information about the remuneration of the Company's directors for the financial period ended 30 June 2014, under the requirements of Section 300A(1) of the Corporations Act.

Key Management Personnel

The directors and other key management personnel of the Company from inception and up to the date of this report are:

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
Ursula Kay – Alternate Director for Chris Donohoe

Directors' Remuneration

The Company has a Nomination and Corporate Governance Committee which reviews and advises the Board on the composition of the Board and its committees.

Directors' base fees are set out in the Constitution at a maximum of $250,000 per annum.

Directors' remuneration received or receivable for the period ended 30 June 2014 was as follows:

Director	Position	Directors' Fees $	Superannuation $	Total $
Andrew McGill	Independent Chairman and Non-Executive Director	27,460	2,540	30,000
Tim Gunning	Independent Non-Executive Director	24,027	2,223	26,250
Tom Millner	Independent Non-Executive Director	24,027	2,223	26,250
Chris Donohoe	Executive Director and CEO	-	-	-
Ursula Kay	Alternate Director for Chris Donohoe	-	-	-
		75,514	**6,986**	**82,500**

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

DIRECTORS' REPORT (continued)

Proceedings on Behalf of the Company

There are no proceedings that the directors have brought, or intervened in, on behalf of the Company.

Non-Audit Services

Details of amount paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 10(c) to the financial statements. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

ASIC Half-Year Reporting Relief

On 2 April 2014, ASIC granted the Company relief from its reporting requirements under the Act for the period ended 31 March 2014. As a result of ASIC relief, the Company has prepared an interim report for the period 1 October 2013 to 31 December 2013 per the ASX listing rules.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as 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 19.

Signed at Sydney this 31st day of July 2014, in accordance with a resolution of the Board of Directors.

Andrew McGill	**Chris Donohoe**
Chairman	**Executive Director**

PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

ACN 166 064 875

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of PM Capital Global Opportunities Fund Limited:

As lead auditor for the audit of PM Capital Global Opportunities Fund Limited for the period from the date of registration (1 October 2013) to 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Sydney, NSW
31 July 2014

D K Swindells
Partner

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
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Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014

	Notes	Period from 1 Oct 2013 to 30 Jun 2014 $
Revenue		
Interest		560,088
Dividend		319,566
Fee rebate		221,117
Gains/(losses) on investments held at fair value through profit or loss		(750,688)
Gains/(losses) on foreign exchange		(5,630,075)
Total revenue		**(5,279,992)**
Expenses		
Management fees	10 (a)	962,661
Performance fees	10 (a)	-
Finance costs		39,131
Other operating expenses	10 (b) (c)	477,178
Total expenses		**1,478,970**
Profit/(Loss) before income tax		(6,758,962)
Income tax benefit	8	2,008,414
Profit/(Loss) after income tax		**(4,750,548)**
Other comprehensive income		-
Total comprehensive income/(loss) attributable to shareholders of the Company		**(4,750,548)**
Basic earnings/(losses) per share	11	(2.74) cents
Diluted earnings/(losses) per share	11	(2.74) cents

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 $
Assets		
Cash and cash equivalents	3	42,080,067
Financial assets held at fair value through profit or loss	4	128,566,860
Receivables	5	36,422
Deferred tax assets	8	2,868,429
Total assets		**173,551,778**
Liabilities		
Interest bearing liabilities	7	4,415,733
Payables	6	4,545,815
Total liabilities		**8,961,548**
Net assets		**164,590,230**
Shareholders' equity		
Share capital	9	160,050,361
Share option reserve	9	9,290,417
Retained profits/(losses)		(4,750,548)
Total shareholders' equity		**164,590,230**

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014

	Notes	Period from 1 Oct 2013 to 30 Jun 2014 $
Cash flows from operating activities		
Interest received		555,811
Dividends received		319,566
Fee rebate		221,117
Management fees paid		(848,467)
Interest paid		(39,131)
Other operating expenses		(313,458)
Net cash flows used in operating activities	12(b)	**(104,562)**
Cash flows from investing activities		
Purchase of investments		(131,080,840)
Proceeds from sale of investments		4,266,410
Net cash flows used in investing activities		**(126,814,430)**
Cash flows from financing activities		
Initial public offering costs	9	(2,864,182)
Proceeds from share issues		171,344,945
Net cash flows from financing activities		**168,480,763**
Impact of exchange rate changes on cash and cash equivalents		(3,897,437)
Net increase in cash and cash equivalents		41,561,771
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	12(a)	**37,664,334**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014

	Notes	Share Capital $	Share Option Reserve $	Retained Profits/ (Losses) $	Total $
Balance on date of registration (1 October 2013)		1	-	-	1
Total comprehensive loss for the period		-	-	(4,750,548)	(4,750,548)
Subtotal		1	-	(4,750,548)	**(4,750,547)**
Transaction with shareholders in their capacity as shareholders:					
Shares and options issued during the period	9	161,944,574	9,400,370	-	171,344,944
Initial public offering costs net of deferred tax impact	9	(1,894,214)	(109,953)	-	(2,004,167)
Subtotal		160,050,360	9,290,417	-	**169,340,777**
Balance as at 30 June 2014		160,050,361	9,290,417	(4,750,548)	**164,590,230**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014

1. General Information and Summary of Significant Accounting Policies

PM Capital Global Opportunities Fund Limited ("the Company") is a listed investment company incorporated in Australia. The Company was registered on 1 October 2013. The registered office and principal place of business of the Company is Level 24, 400 George Street Sydney NSW 2000. The Company's principal activity is to invest predominantly in a concentrated portfolio of listed securities across global securities markets (including Australia). The investment objective is to increase the value of its portfolio by providing long term capital growth.

These general purpose financial statements are for the period from 1 October 2013 to 30 June 2014, and were authorised for issue by the Directors on 31 July 2014.

A summary of the material accounting policies adopted by the Company in the preparation of the 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 ("AASB") and the Corporations Act 2001. For the purposes of preparing financial statements, the Company is a for-profit entity.

(b) Statement of Compliance

The financial report of the Company, comprising the financial statements and notes thereto, complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(c) Reporting Currency

All amounts are presented in Australian dollars as the functional and presentational currency of the Company.

(d) Going Concern Basis

The financial report has been prepared on a going concern basis.

(e) 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, to determine whether another price within the bid/ask price spread is more representative of fair value.

1. General Information and Summary of Significant Accounting Policies (continued)

(e) Investments (continued)

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.

(f) 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.

(ii) Transactions and balances

Transactions during the period denominated in foreign currency have been 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/(losses) on investments.

(g) 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.

1. General Information and Summary of Significant Accounting Policies (continued)

(g) Income Tax (continued)

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.

(h) 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.

(i) 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.

(j) 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 liabilities in the Statement of Financial Position.

(k) 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.

(l) 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.

(m) 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 (losses) on investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014 (continued)

1. General Information and Summary of Significant Accounting Policies (continued)

(n) 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.

(o) 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.

(p) 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 is 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.

(q) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant, and reasonable under the circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the valuation of investments are set out in Note 1(e) to these financial statements.

(r) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. 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.

2. Financial Risk Management

(a) Objectives, Strategies, Policies and Processes

The objective of the Company is to provide long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of global (including Australian) equities and other investment securities. The goal of the Company is not to replicate standard industry benchmarks. As the portfolio is constructed on the merits of individual stock selection it is likely that the Company will have experienced varied return characteristics from the relevant benchmark and traditional index funds. The Company is managed from an Australian investor's perspective with tax and currency exposures forming important considerations in the daily management of the Company, whilst complying with the Company's Prospectus dated 18 November 2013. Financial risk management is carried out by the Manager under the guidance of its Chief Investment Officer.

The Company's activities are exposed to different types of financial risks. These risks include market risk (including currency risk, and price risk) and credit risk. The Company may employ derivative financial instruments to hedge these risk exposures in order to minimise the effects of these risks. The use of derivatives is an essential part of proper portfolio management and is not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset of the Company against a fluctuation in market values or to reduce volatility;
- as a substitute for physical securities;
- adjusting asset exposures within the parameters set in the investment strategy;
- adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

The use of short selling and derivatives may indirectly leverage the Portfolio on a gross basis.

Different methods are used by the Company to measure different types of risks for its exposures. They include credit rating analysis for credit risks, and sensitivity analysis for currency and other price risks.

(b) Market Risk

Market risk is the risk that the fair value of financial instruments will fluctuate. These fluctuations can be caused by market volatility, interest rates, economic cycles, political events and levels of economic growth, both global and domestic. The Company is materially exposed to two different types of market risks, namely foreign currency risk and price risk. Market risk exposures are assessed using sensitivity analysis and minimised through employing established investment strategies.

The Company is a focused portfolio and, due to the concentrated nature of the Company's investments, considerable short term volatility may be experienced. The Company may also short specific securities that, in the opinion of the Manager, are overvalued. All of the portfolio positions are subject to research and peer group review and if appropriate opportunities cannot be found the Company will hold cash until new opportunities arise. The Company may utilise leverage to enhance the portfolio's returns. Leverage is acquired through the use of derivatives, short selling and a leverage facility with the Prime Broker. The maximum leverage allowed by the Company is 30% of the portfolio's NAV. As part of its risk management strategy, the Company uses futures, options and forward currency contracts to manage exposures resulting from changes in interest rates, foreign currencies and equity price risks.

2. Financial Risk Management (continued)

(b) Market Risk (continued)

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The Company holds assets denominated in currencies other than the Australian dollar (being the functional currency) and is therefore exposed to foreign currency risk when the value of assets denominated in other currencies fluctuates due to movements in exchange rates. This risk is measured using sensitivity analysis.

The Company enters into foreign exchange forward contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. Foreign exchange instruments are principally denominated in US dollars reflecting the denominations but not necessarily the physical locations of the majority of the Company's international security investments.

The terms and conditions of these contracts rarely exceed one year and the level of hedging will depend on the Manager's expectation of future currency exchange rate movements.

As the nature of these contracts is to hedge the international investment activities of the Company, they are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities. The currency position of the Company is monitored on a daily basis and reviewed by the Manager.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014 (continued)

2. Financial Risk Management (continued)

(b) Market Risk (continued)

(i) Foreign currency risk (continued)

At balance date, the Company's exposure to foreign exchange risk is summarised as below:

	Australian Dollars A$	US Dollars A$	British Pounds A$	Euro A$	Other Currencies A$	Total A$
2014						
Assets						
Financial assets at fair value through profit or loss:						
Cash and cash equivalents	8,598,221	30,581,876	879,236	1,966,215	54,519	42,080,067
Listed securities	21,197,694	43,711,954	18,662,499	28,426,701	5,853,471	117,852,319
Debt securities	-	7,283,920	3,338,722	-	-	10,622,642
Options and futures	544,500	-452,601	-	-	-	91,899
Receivables	36,422					36,422
Deferred tax assets	2,868,429	-	-	-	-	2,868,429
Total assets	**33,245,266**	**81,125,149**	**22,880,457**	**30,392,916**	**5,907,990**	**173,551,778**
Liabilities						
Interest bearing liabilities	1,151,864	-	-	-	3,263,869	4,415,733
Payables	310,059	-	-	4,235,756	-	4,545,815
Total liabilities	**1,461,923**	**-**	**-**	**4,235,756**	**3,263,869**	**8,961,548**
Net assets	**31,783,343**	**81,125,149**	**22,880,457**	**26,157,160**	**2,644,121**	**164,590,230**

Foreign currency sensitivity

A sensitivity of 5% has been selected to account for the current level of exchange rate volatility observed in the market. As at reporting date, had the Australian dollar weakened/(strengthened) by 5% against the United States dollar with all other variables held constant, the net assets attributable to shareholders would have been $4,269,745 higher/($3,863,102) lower.

2. Financial Risk Management (continued)

(b) Market Risk (continued)

(ii) Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate, whether those changes are specifically related to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is primarily exposed to price risk for its investments in listed securities. Share prices are dependent upon the financial circumstances of the companies in which the shares are purchased, including their profits, earnings and cash flows. The return on a share's investment may also be affected by the quality of company management, the general health of the sector in which it operates and government policy.

In cases where financial instruments are denominated in currencies other than the Australian dollar, future prices will also fluctuate because of changes in foreign exchange rates. Refer to Note 2(b)(i) for the management of foreign currency risk. Equity securities present a risk of loss of capital and, except where equities are sold short, the maximum exposure resulting from financial instruments is determined by the fair value of those instruments. Potential losses from equities sold short can be unlimited.

The Manager's stock selection process is fundamental to the management of price risk. Whilst the Morgan Stanley Capital International ('MSCI') Index is used in measuring relative performance of the Company, risk in the view of the Manager is not limited to relative performance versus a benchmark, but more so the prospect of losing money (i.e. absolute returns). The Company seeks a diversified range of investments whose business and growth prospects are being undervalued by the market. As a result, the Company's equity holdings vary considerably from the composition of the index.

The Company's overall market positions are monitored on a daily basis by the Manager and are reviewed at least daily to ensure compliance with the Company's Prospectus dated 18 November 2013.

The Company's net equity exposure as at 30 June 2014 is set out below:

Industry Sectors	2014
Financials	35%
Housing	24%
Other	20%
Brewing	5%
Asia	9%
Basics	2%
Technology	5%
Total	**100%**

2. Financial Risk Management (continued)

(b) Market Risk (continued)

(ii) Price risk (continued)

Price sensitivity

The directors of the Company believe that it is difficult to accurately estimate future returns. Equity market returns can be volatile and returns from year to year often have a wide variance. As such, the Company uses a long term performance average, rather than a short term performance number, when estimating future returns. The longer return average takes into consideration the full market cycle, whereas an estimate based solely on last year's performance is likely to be misleading when the market cycle shifts. The use of long term return averages to estimate future returns is a method in parallel with the Manager's analysis of equity valuations used in practice in these equity funds. The Manager has a global approach to investing and analyses equities in terms of global industries rather than geography. We believe that equity valuations in all geographies will be increasingly dominated by global influences. For these reasons, the Company considers the long term return on global equities to be a reasonable proxy for future performance. The long term return on equities equates to approximately 6% over a twenty year period as at 30 June 2014 using the MSCI Total Return Net World Index in AUD.

As at reporting date, if the equity prices had increased/(decreased) by 5% with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/(-)$5,892,616. The impact of price movements in options and futures, bond, floating rate notes, other debt securities and currency contracts is unlikely to have a significant impact on the Company.

(c) Credit Risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations (i.e. default in either whole or part) under a contract causing the Company to make a financial loss.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of assets and liabilities as they are marked to market at balance date.

The total credit risk for assets including fixed income and equity securities is therefore limited to the amount carried in the Statement of Financial Position.

The Manager minimises the Company's concentrations of credit risk by adopting a number of procedures, including the following:

- Undertaking transactions with a large number of counterparties on recognised and reputable exchanges;
- Ensuring that these counterparties together with the respective credit limits are approved.

The contractual credit risk of assets is represented by the net payments or receipts that remain outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The Company does not hold any collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired as at balance date.

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 A1 for short term debt.

2. Financial Risk Management (continued)

(c) Credit Risk (continued)

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).

As at balance date, the maximum value of the Company's gross assets available to Morgan Stanley for its lending and financing activities is $7,948,320. Under the Prime Broker arrangements in place, the amount does not require disclosure by Morgan Stanley. The maximum net exposure to the Prime Broking activities of Morgan Stanley, after offsetting the Company's outstanding liabilities with Morgan Stanley, approximates $3,532,587 as at balance date.

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

(d) Fair Value Measurements

The fair value measurement hierarchy is as follows:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the Company's assets measured and recognised at fair value at 30 June 2014:

	Level 1 $	Level 2 $	Level 3 $	Total $
2014				
Assets				
Financial assets at fair value through profit or loss:				
Listed securities	117,852,319	-	-	117,852,319
Debt securities	-	10,622,642	-	10,622,642
Options and futures	91,899	-	-	91,899
Total financial assets	**117,944,218**	**10,622,642**	**-**	**128,566,860**

Debt securities are valued with reference to external third party pricing information.

	30 Jun 2014 $
3. Cash and cash equivalents	
Deposit in money markets	8,598,221
Cash at bank (custodian) – USD	30,581,876
Cash at bank (custodian) – other currencies	2,899,970
	42,080,067
4. Financial assets held at fair value through profit or loss	
Listed securities	117,852,319
Debt securities	10,622,642
Options and futures	91,899
	128,566,860
5. Receivables	
Interest receivable	4,277
GST receivable	32,145
	36,422
6. Payables	
Trade creditors and accruals	310,059
Outstanding settlements	4,235,756
	4,545,815
7. Interest bearing liabilities	
Cash overdraft at Custodian	**4,415,733**

Cash overdraft at Custodian is a cash facility offered by the Custodian. The Custodian in its role as Prime Broker has been granted a floating charge over the assets of the Company to secure any liabilities to the Prime Broker.

8. Income Tax

(a) Income Tax Expense

The aggregate amount of income tax attributable to the financial period differs from the amount of income tax that would be payable by the Company if its taxable income for the period were equal to the amount of the profit/(loss) before income tax. The difference between these amounts is explained as follows:

		2014 $
Profit/(Loss) for the period before income tax expense		(6,758,962)
Prima facie income tax expense/(benefit) calculated at 30%		(2,027,689)
Tax Credits – current year		19,275
Income tax expense/(benefit)		**(2,008,414)**

The amount of income tax attributable to the net profit before income tax is comprised of the following amount:

Transferred from/(to) deferred tax asset		(2,008,414)
		(2,008,414)

(b) Tax Effect of Items Credited to Equity

Amounts credited to equity in relation to the income tax effect of amounts recognised in equity:

	Notes	2014 $
Share Capital	9	812,829
Option Reserve	9	47,186
		860,015

(c) Deferred Tax Assets

Deferred tax assets	**2,868,429**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM THE DATE OF REGISTRATION (1 OCTOBER 2013) TO 30 JUNE 2014 (continued)

8. Income Tax (continued)

(c) Deferred Tax Assets (continued)

Deferred tax assets are represented by the following temporary differences:

		2014 $
Tax losses		2,141,377
Initial public offering corporate fee		514,035
Initial public offering legal fees		70,800
Initial public offering initial listing fee		53,101
Initial public offering other expenses		50,062
Insurances		30,804
Audit fees		8,250
		2,868,429
Recognised in profit/(loss)		2,008,414
Recognised in equity		860,015
		2,868,429

9. Share Capital and Share Option Reserve

<u>Shares</u>

There is a single class of ordinary shares on issue. For all shares issued in accordance with the Prospectus dated 18 November 2013, an option was also issued. The amount paid by each shareholder was allocated between the share and the option based on relative market prices on the first day of trading. Costs of fundraising were allocated between shares and options on the same basis.

Each Share will confer on its holder:

- the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act;
- the right to vote at a general meeting of shareholders (whether present in person or by any representative, (proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of shareholders in general meeting by special resolution.

9. Share Capital and Share Option Reserve (continued)

Movements in share capital during the period are set out as below:

	$
Opening Balance, on registration at 1 Oct 2013	1
173,672,200 Ordinary shares issued during the period	161,944,574

Less costs directly attributable to the issue of ordinary shares:

	Gross (net of RITC) $	Deferred Tax Asset $	Net $
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	(194,805)	59,157	(135,648)
	(2,707,043)	812,829	(1,894,214)

Closing Balance at 30 Jun 2014	**160,050,361**

Options

Under the Offer outlined in the Prospectus dated 18 November 2013, the Company offered one Option for every one Share subscribed for, exercisable at $1.00 per Option on or before 30 June 2015. After this date, the Options lapse.

The terms and conditions of the Options are as follows:

- an Option may be transferred or transmitted in any manner approved by ASX;
- an Option may be exercised by the registered holder of the Option, with payment to the Company of $1.00 per Option being exercised and the relevant option certificate; and
- an Option may be exercised on any business day from the date of grant to 30 June 2015 (inclusive) but not thereafter.

The Options have no voting rights.

9. Share Capital and Share Option Reserve (continued)

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

	$
Opening Balance, on registration at 1 Oct 2013	-
173,672,200 options issued during the period	9,400,370

Less costs directly attributable to the issue of options:

	Gross (net of RITC) $	Deferred Tax Asset $	Net $
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	(11,312)	3,438	(7,874)
	(157,139)	47,186	(109,953)
Closing Balance at 30 Jun 2014			**9,290,417**

Capital management

The Company's objectives for managing capital are as follows:

- to invest the capital in investments meeting the description, risk exposure and expected return as indicated in the Company's Prospectus dated 18 November 2013;
- to maximise the returns to shareholders while safeguarding capital by investing in a diversified portfolio and using various investment strategies; and
- to maintain sufficient liquidity to meet the ongoing expenses of the Company.

10. Expenses

(a) Fees Paid to the Manager

The Company has outsourced its investment management function to the Manager. A summary of the fees (GST exclusive) charged by the Manager is set out below.

(i) Management fee

The Manager is entitled to be paid a management fee equal to 1.00% p.a. (plus GST) 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.

10. Expenses (continued)

(a) Fees Paid to the Manager (continued)

(ii) Performance fee

At the end of each financial year, the Manager is entitled to receive a performance fee from the Company. The fee is calculated and accrued monthly using the following formula:

P = 15% x (A – B) x 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 $962,661 as management fees paid and payable to the Manager. **No performance fees were recognised for this period.**

(b) Other Operating Expenses

	Period from 1 Oct 2013 to 30 Jun 2014 $
Insurance	141,738
Director fees	82,500
Registry services	77,787
Australian Securities Exchange fees	76,924
Auditor remuneration	41,285
Legal and tax advices	19,714
Research fee	15,500
Secretarial services	12,812
Others	8,918
	477,178

10. Expenses (continued)

(c) Auditor's Remuneration

	Period from 1 Oct 2013 to 30 June 2014 $
Audit and review of the financial statements	36,000
Tax compliance services	14,935
Other assurance services	9,500
	60,435

$19,150 of the tax compliance and other assurance services fee was included in the initial public offering cost.

11. 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.

12. Cash Flow Statement

(a) Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2014 $
Cash at Bank and Custodian	33,481,846
Deposits in Money markets	8,598,221
Overdraft at Custodian	(4,415,733)
Total cash assets	**37,664,334**

12. Cash Flow Statement (continued)

(b) Reconciliation of Net Profit (Loss) after income tax to Cash Flow from Operating Activities

	2014 $
Net profit/(loss) after income tax	(4,750,548)
Net (Gains)/Losses on investment	750,688
Net (Gains)/Losses on foreign exchange	5,630,075
Changes in assets and liabilities:	
Decrease/(Increase) in receivables	(36,422)
Increase/(Decrease) in income taxes payable	(2,008,414)
(Decrease)/Increase in creditors	310,059
Net cash flows from operating activities	**(104,562)**

13. Segment Information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry (though most investments are in foreign jurisdictions). 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 4 Financial assets held at fair value through profit or loss, and Note 2 Financial Risk Management.

14. Related Party Transactions

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

- the compensation arrangements with the Directors and Executive Directors (refer to Directors' Remuneration below);
- the interests in the Company held directly or indirectly by the Directors and Executive Directors (refer to remuneration report included in the director report);
- the Management Agreement between the Company and the Manager (refer to Note 10 Fees Paid to the Manager);
- the agreement between the Company and the Arranger and Joint Lead Manager, Ord Minnett, associated with Tim Gunning, to pay a joint lead manager fee equal to 1.25% (excluding GST) of the total amount raised by the Company under the Initial Public Offering;
- the agreement between the Company and Treasury Group, associated with Andrew McGill, to provide secretarial services for $25,000 p.a. (excluding GST); and
- as at 30 June 2014, the Company holds 8,250,000 call options with an exercise price of $1.00 valued at $544,500 and 8,250,000 ordinary shares valued at $7,755,000 in PM Capital Asian Opportunities Fund Limited, a company related to Chris Donohoe.

14. Related Party Transactions (continued)

Directors' Remuneration

Directors' remuneration received for the period ending 30 June 2014 was as follows:

Director	Position	Directors' Fees $	Superannuation $	Total $
Andrew McGill	Independent Chairman and Non-Executive Director	27,460	2,540	30,000
Tim Gunning	Independent Non-Executive Director	24,027	2,223	26,250
Tom Millner	Independent Non-Executive Director	24,027	2,223	26,250
Chris Donohoe	Executive Director and CEO	-	-	-
Ursula Kay	Alternate Director for Chris Donohoe	-	-	-
		75,514	**6,986**	**82,500**

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

15. 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.

DIRECTORS' DECLARATION

1. In the directors' opinion:

   (a) the financial statements and notes set out on pages 20 to 42 are in accordance with the *Corporations Act 2001*, including:

      (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

      (ii) giving a true and fair view of the Company's financial position as at 30 June 2014 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.

2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

3. The directors have been given the declarations by the chief executive officer and chief financial officer for the period ended 30 June 2014 required by section 295A of the *Corporations Act 2001*.

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

Andrew McGill
Chairman

Chris Donohoe
Director

Sydney
31 July 2014

PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

ACN 166 064 875

INDEPENDENT AUDITOR'S REPORT

To the members of PM Capital Global Opportunities Fund Limited.

Report on the Financial Report

We have audited the accompanying financial report of PM Capital Global Opportunities Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from the date of registration (1 October 2013) to 31 December 2013, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Company.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report of PM Capital Global Opportunities Fund Limited complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
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Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

ACN 166 064 875

INDEPENDENT AUDITOR'S REPORT (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, given to the directors of the Company on 31 July 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of PM Capital Global Opportunities Fund Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2014 and its performance for the period from the date of registration (1 October 2013) to 30 June 2014; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).

Report on the Remuneration Report

We have audited the Remuneration Report included on page 17 of the directors' report for the period ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of PM Capital Global Opportunities Fund Limited for the period ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D K Swindells
Partner

Sydney, NSW
31 July 2014

SHAREHOLDER INFORMATION

Additional Information

The additional information required by the Australian Stock Exchange Limited Listing Rules is set out below.

20 Largest Shareholders

Details of the 20 largest ordinary shareholders and their respective holdings as at 27 August 2014.

Holder Name	Ordinary Shares Held	% of Issued Shares
Forsyth Barr Custodians Ltd	5,896,870	3.395
Roaring Lion Pty Ltd	5,669,355	3.264
Taycol Nominees Pty Ltd	3,000,000	1.727
Sandhurst Trustees Ltd	2,706,097	1.558
HSBC Custody Nominees (Australia) Limited	1,483,640	0.854
Chriswall Holdings Pty Limited	1,000,000	0.576
Miss Mary Hotham Howie	1,000,000	0.576
Mordant Investment Pty Ltd	1,000,000	0.576
Becjohn Pty Limited	1,000,000	0.576
Mr Victor John Plummer	700,000	0.403
Australian Executor Trustees Limited	661,050	0.381
Mr John Alfred Clarebrough & Mrs Pamela Judith Clarebrough	600,000	0.345
Wallis-Mance Pty Limited	550,000	0.317
UBS Wealth Management Australia Nominees Pty Ltd	537,400	0.309
Clough Superannuation Pty Ltd	500,000	0.288
Rochester No 39 Pty Ltd	500,000	0.288
Boda Investments Pty Ltd	500,000	0.288
Burleigh Heads Holdings Pty Ltd	500,000	0.288
Frank Markert Pty Ltd	500,000	0.288
Mr Joe Harry Richardson & Mrs Patricia Edith Richardson	500,000	0.288
Total	**28,804,412**	**16.585**

SHAREHOLDER INFORMATION (continued)

20 Largest Optionholders

Details of the 20 largest Optionholders and their respective holdings as at 27 August 2014.

Holder Name	Options Held	% of Issued Shares
Forsyth Barr Custodians Ltd	5,346,300	3.078
Roaring Lion Pty Ltd	5,000,000	2.879
Sandhurst Trustees Ltd	3,600,000	2.073
Citicorp Nominees Pty Limited	3,250,000	1.871
Taycol Nominees Pty Ltd	3,000,000	1.727
Mr Wayne Bradley Sanderson & Mrs Mary Elena Sanderson	2,020,000	1.163
Chriswall Holdings Pty Limited	2,000,000	1.152
Sozipa Pty Ltd	1,900,000	1.094
HSBC Custody Nominees (Australia) Limited	1,157,980	0.667
Aymvess Pty Limited	1,100,000	0.633
Liangrove Group Pty Ltd	1,000,000	0.576
Sandy Cove Investments Pty Limited	1,000,000	0.576
Miss Mary Hotham Howie	1,000,000	0.576
Mordant Investment Pty Ltd	1,000,000	0.576
Becjohn Pty Limited	1,000,000	0.576
Jekl Medical Enterprises Pty Ltd	880,000	0.507
Mrs Catherine Thompson	868,222	0.500
Doughnut Investments Pty Ltd	700,000	0.403
Bond Street Custodians Limited	680,000	0.392
Sienna Funds Management Pty Ltd	660,000	0.380
Total	**37,162,502**	**21.399**

Substantial Shareholders

The Company has no substantial shareholders.

SHAREHOLDER INFORMATION (continued)

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding, as at 27 August 2014.

Holding	Number of Shareholders	Ordinary Shares Held	% of Issued Shares
1 - 1,000	42	22,638	0.013
1,001 - 5,000	301	1,171,464	0.675
5,001 - 10,000	750	6,946,665	4.000
10,001 - 100,000	3,053	107,334,625	61.802
100,001 and over	176	58,196,809	33.510
	4,322	**173,672,201**	**100.00%**

The number of holders possessing less than a marketable parcel of the Company's ordinary shares, based on the closing market price as at 27 August 2014 is 17.

Distribution of Options

Analysis of numbers of option holders, by size of holding, as at 27 August 2014.

Holding	Number of Optionholders	Options Held	% of Issued Options
1 - 1,000	9	9,000	0.005
1,001 - 5,000	228	933,000	0.537
5,001 - 10,000	569	5,460,100	3.144
10,001 - 100,000	2,383	90,767,545	52.264
100,001 and over	196	76,502,555	44.050
	3,385	**173,672,200**	**100.00%**

Other Stock Exchanges Listing

Quotation has been granted for all Ordinary Shares and Options of the Company on all Member Exchanges of the ASX.

Restricted Securities

There is no issue of restricted securities by the Company currently.

Unquoted Securities

There are no unquoted securities on issue by the Company.

Buy-Back

There is currently no on market buy-back.

SHAREHOLDER INFORMATION (continued)

Use of Funds

For the purposes of ASX Listing Rule 4.10.19, the Company confirms that it has used its cash and assets in a form readily convertible to cash, that it had at the time of admission, in a manner consistent with its business objectives, for the period from the Company's admission to the Official List of ASX Limited on 11 December 2013 to 30 June 2014.

Investment Transactions

The total number of contract notes that were issued for transactions in securities during the financial period was 79. Each investment transaction may involve multiple contract notes.

The total brokerage paid (net of RITC) on these contract notes was $226,696.

CORPORATE INFORMATION

Directors:	Andrew McGill – Chairman (appointed 1 Oct 2013) Tim Gunning – Director (appointed 1 Oct 2013) Tom Millner – Director (appointed 3 Oct 2013) Chris Donohoe – Director and CEO (appointed 1 Oct 2013) Ursula Kay – Alternate Director for Chris Donohoe (appointed 20 Feb 2014)
Company Secretary:	Ursula Kay (appointed 1 Oct 2013)
Manager:	PM Capital Limited Level 24, 400 George Street Sydney NSW 2000 (AFSL 230222)
Auditor:	HLB MANN JUDD (NSW Partnership) Chartered Accountants Level 19, 207 Kent Street Sydney NSW 2000
Country of Incorporation:	Australia
Registered Office:	Level 24, 400 George Street Sydney NSW 2000 02 8243 0888
Share Registry:	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 1300 737 760
Australian Securities Exchange Codes:	Shares: PGF.AX Options: PGFO.AX