PM Capital Global
Opportunities Fund Limited
ABN 17 166 064 875

Level 27, 420 George Street
Sydney NSW 2000 Australia

GPO Box 3965
Sydney NSW 2001 Australia
T 61 2 8243 0888
F 61 2 8243 0880
E pmcapital@pmcapital.com.au
www.pmcapital.com.au

Appendix 4E
Preliminary Final Report
For the year ended 30 June 2017
Date: 17 August 2017

Results for announcement to the market

FINANCIAL RESULTS	JUNE 2017 $	JUNE 2016 $	CHANGE* %
Revenue / (loss) from Ordinary Activities	$122,211,457	(60,191,506)	n/a
Profit / (loss) from ordinary activities after tax attributable to members	$81,122,830	(45,163,998)	n/a
Profit / (loss) for the year attributable to members	$81,122,830	(45,163,998)	n/a

* Note: A loss from ordinary activities in the prior year was recorded, accordingly no % change is shown.

NET TANGIBLE ASSET ("NTA") BACKING PER SHARE	30 JUNE 2017 $	30 JUNE 2016 $	CHANGE %
NTA before tax accruals + franking credits	1.2445	0.9599	29.6%
NTA before tax accruals + franking credits (2017 adding the September 2016 of 1.5 cents per share, and March 2017 dividend of 1.6 cents per share)	1.2885	0.9599	34.2%
NTA after tax	1.1739	0.9729	20.7%
NTA after tax (2017 adding the September 2016 of 1.5 cents per share, and March 2017 dividend of 1.6 cents per share)	1.2049	0.9729	23.9%

Dividends:

On 17 August 2017, the Directors declared a fully franked interim dividend of 1.8 cents per share (June 2016: 1.5 cents per share) which will be paid on 28 September 2017. The Ex-Dividend date is 6 September 2017 and the Record Date is 7 September 2017.

The amount of the proposed fully franked interim dividend, which is not recognised as a liability as at 30 June 2017, is $6,289,132 (June 2016: $5,219,526).

The Dividend Reinvestment Plan will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 8 September 2017. No discount is offered on the dividend reinvestment plan in respect of this dividend.

Details of any dividend or distribution reinvestment plans in operation:

On 9 February 2016, the Company introduced a Dividend Reinvestment Plan ("Plan"). The Plan will allow eligible shareholders to re-invest their future dividends (as may be declared from time to time) into the Company's shares.

Participation in the Plan is voluntary. If shareholders elect to participate in the Plan now, they may vary or cancel their participation in the future in accordance with the terms and conditions of the Plan.

Eligible shareholders are shareholders with a registered address in Australia.

For those that have not already elected to participate in the Dividend Reinvestment Plan, the application form must be received by the share registry no later than the next business day after the record date for that dividend (or a later date approved by the company).

Details of the Plan can be found on the Company's website (under ASX announcements):
http://www.pmcapital.com.au/pgf/compliance

Entities over which control has been lost during the period:

None.

Details of associates and joint venture entities

None.

To find out more about PM Capital Global Opportunities Fund Limited, please visit the Company's website:
http://www.pmcapital.com.au/listed-investment-company/pgf

GLOBAL OPPORTUNITIES FUND LIMITED

Annual Report

For the year ended 30 June 2017

PM Capital Global Opportunities Fund Limited

ACN 166 064 875

CONTENTS

CHAIRMAN'S REPORT 2

PORTFOLIO MANAGER'S REPORT 4

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2017 8

DIRECTORS' REPORT 10

AUDITOR'S INDEPENDENCE DECLARATION 17

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 18

STATEMENT OF FINANCIAL POSITION 19

STATEMENT OF CASH FLOWS 20

STATEMENT OF CHANGES IN EQUITY 21

NOTES TO THE FINANCIAL STATEMENTS 22

DIRECTORS' DECLARATION 42

INDEPENDENT AUDITOR'S REPORT 43

SHAREHOLDER INFORMATION 47

CORPORATE INFORMATION 50

CHAIRMAN'S REPORT

17 August 2017

Dear Shareholders,

This is the third annual report for PM Capital Global Opportunities Fund Limited ("the Company") since its listing on the Australian Securities Exchange on 12 December 2013. I am pleased to report that during 2017 the Company performed very well, delivering strong investment returns for shareholders.

Investment Objective

The Company's objective is to create long term capital growth for shareholders by delivering investment performance greater than the MSCI World Net Total Return Index in Australian Dollars. The portfolio is not intended to replicate the index, rather it will invest in a concentrated portfolio of global companies (as a guide, around 40 globally listed equities including Australian).

The Company paid its inaugural dividend to shareholders in March 2016. Consistent with our policy, we have paid a fully franked dividend each half-year since then.

The Company's portfolio is managed by PM Capital Limited ("the Investment Manager"), a multi-award winning and experienced manager founded in 1998 by Paul Moore. Paul and his team have an outstanding track record of successfully managing global equities, applying their investment philosophy patiently and consistently. As a shareholder myself, I take significant comfort in the knowledge that Paul and his team hold significant personal investments into the Company.

2017 Investment Performance

During the 2017 financial year, the Investment Manager delivered strong investment returns for shareholders. Net tangible assets per share increased by 35.3% [1]. By comparison, over the year to 30 June 2017 the MSCI World Net Total Return Index (expressed in Australian dollars) returned 14.7% and the local S&P/ASX 200 Accumulation Index returned 14.1%.

I congratulate Paul and his team on a very good year. Other global equity strategies managed by the Manager have longer track records than our Company and I note that these strategies, which have a similar investment mandate to the Company, achieved number 1 performance ranking amongst their peer group over the 1, 3, 5, 7 and 8 years to 30 June 2017.

It was pleasing to see the strong investment performance reflected in an improved share price through the year. The Company's share price gained 33.9% for the year with a further 4.4%[2] returned to shareholders via dividends. At year end, the discount of the share price relative to net tangible assets had closed significantly.

Financial Results

For the year ended 30 June 2017, the Company reported profit before tax of $114.7 million and profit after tax of $81.1 million. Earnings per share was 23.26 cents.

The majority of profit before tax during 2017 was unrealised mark-to-market gains on the value of the investment portfolio. Taxable income for the year was $20.0 million.

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[1] Before tax, after all fees and expenses, adjusted for capital flows associated with the payment of dividends, share issuance as a result of the dividend reinvestment plan, and including the value of franking credits.

If capital flows are ignored and one simply adds to the 30 June 2017 NTA the dividends paid, the increase over the 30 June 2016 NTA before tax accruals + franking credits is 34.2%; and the NTA after tax is 23.9%

[2] Including value of franking credits.

Dividends

During the year the Company paid 2 dividends, totalling 3.1 cents fully franked.

On 29 September 2016, the Company paid a final dividend relating to the 2016 year of 1.5 cents per share fully franked (amounting to $5,219,526). On 30 March 2017, the Company paid an interim 2017 dividend of 1.6 cents per share fully franked (amounting to $5,579,081).

We are pleased to announce a final 2017 dividend of 1.8 cents per share fully franked amounting to $6,289,132. The Record date for the final 2017 dividend is 7 September 2017 and it will be paid on 28 September 2017.

Outlook

We have benefitted this year from market recognition of some investment themes within the Company's portfolio. I am encouraged by the Manager's belief in the remaining upside in some investments where underlying fundamentals are yet to be fully recognised. I am interested in Paul's comments (refer to the Portfolio Managers Report) on the risks and potential opportunities currently presented by the historically low levels of interest rates around the world. His expectation is that the net equity invested exposures for the Company's portfolio in future may be lower than we've seen historically.

In an environment where the outlook for market-linked returns and passive investment strategies may be lower, I remain confident in the Manager's ability to deliver returns for our Company through continued discipline and conviction in its investment philosophy.

I take this opportunity to thank all staff of PM Capital Limited for their hard work, efforts and commitment during the year. Finally, thank you to all our shareholders for your continued interest in and support for the Company.

I look forward to further discussing the results presented in this report and to meeting shareholders at the Annual General Meeting on 29 November 2017.

Andrew McGill
Chairman
17 August 2017

PORTFOLIO MANAGER'S REPORT

Dear investor,

The 2017 financial year was another extraordinary period for investment markets. Starting with Brexit, fears of economic fragility and scepticism that the US Federal Reserve would in fact increase interest rates, to the Trump phenomenon, to ending with strong equity returns, increased global economic momentum and higher short and long term rates. It is testimony to our well-worn mantra that one should always focus on the fundamentals, have patience and conviction, and above all else ignore the transient macro and political headlines that may create much heat, but not a lot of light.

Pleasingly, I can report that the Company's total return (growth in pre-tax NTA per share adjusted for capital flows such as dividends paid, after all Company expenses) for the year was 35.3%. To contextualise this return, I'd like to take a moment to outline the performance ranking of PM Capital's unlisted strategies. This year's performance of the Company marginally exceeded that of the other PM Capital unlisted funds using PM Capital's global equities investment strategy. Funds using the global equities strategy not only held a ranking in their Morningstar peer group as first out of 207 peer group funds for the 1 year to June 2017, but also held a number 1 ranking over 3, 5, 7 and 8 year compound returns. In relation to other PM Capital strategies, the Australian Companies Fund was likewise ranked number 1 for the financial year ended 30 June 2017; the Asian Companies Fund ranked number 1 for its returns from its date of inception through to 30 June 2017; and the Enhanced Yield Fund was ranked number 2 for the year.

I hope these kinds of results are seen as testament to PM Capital's investment philosophy and process that we have and always will employ, irrespective of market circumstances.

Our focus on discovering genuine long term anomalies was the central theme of our recent investor forum, where we used the movie and book *Moneyball* as a light-hearted vehicle to give a deeper insight into why we do what we do. I would encourage you to watch the Webinar of the presentation, which was announced on the ASX on 7 June 2017, as I believe it gives a useful insight into the fundamentals that form the framework of PM Capital's investment approach.
The summary of the presentation was that to be a successful investor one needs to employ both patience and conviction, as many great investments can be questioned (and sometimes ridiculed) at the time of purchase. This has certainly been the case for each of the core investment themes in the portfolio and in particular our domestic banking franchises, the biggest contributor to returns over the past year.

What commonly creates these anomalies and the associated opportunities?

1. Fear and the avoidance of pain – investors look backwards not forward when constructing their portfolios
2. Acting on perception and not fact
3. A short term focus, making it difficult to assess true risk/ reward when faced with severe cyclical downturns or structural change
4. Distraction - the most common being macro-economic
5. Conflict and misunderstanding

As one of the characters notes in *Moneyball:*

> *"There is an epidemic failure within [baseball] to understand what is really happening… this leads people who run Major League Baseball teams to misjudge their players and mismanage their teams. People who run ball clubs think in terms of buying players. Your goal shouldn't be to buy players, your goal should be to buy wins... Baseball thinking is medieval. They are asking all the wrong questions."*

In a nutshell, PM Capital's primary responsibility is to ask all the right questions. At a recent Melbourne presentation, I was asked what I believe to be the most important question any adviser should ask of their fund manager:

"Excluding your home, what % of your net worth is invested in the funds that you manage?"

It was the first time this seemingly sensible question had been asked of me in 30 years of funds management. It is akin to asking a Mercedes salesperson what car they drive.
My answer was that it would be close to 100%. Co-investment with your clients is not a guarantee, but it should be mandatory.

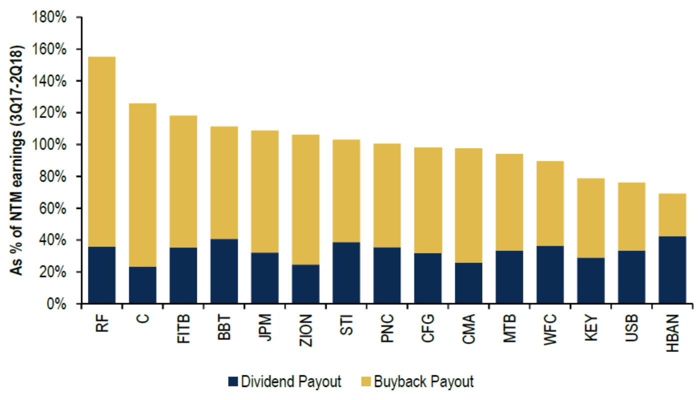
Markets

We have transitioned from the post-GFC era to what I now describe as the post-Trump era. The absolute level of risk has clearly changed. Post-GFC, one wanted to be at the maximum invested limit levels. Post-Trump, it is more appropriate to be below those levels, and my expectation is that the net equity invested exposures in the Company will on average be around 90% for the foreseeable future.

The investment themes that dominate the Company's portfolio are no longer undiscovered and have been rewarded by the market. However, we still believe that they are yet to fully recognise their underlying fundamentals. Until they do we will continue to hold these investments.

The domestic banking stocks have caught the attention of investors, but the dominant focus still appears to be the macro – "it's all about the yield curve". The crux of the investment thesis is that higher capital levels and a majority of earnings being returned to shareholders as dividends will see bank stocks afforded higher valuations. During the quarter, regulators confirmed our long-held belief that the Company's US bank holdings were significantly over-capitalised. In fact, the latest regulatory review, in many cases, approved payout ratios (return of capital via dividends and buybacks) in excess of 100% of 2017 profits.

Chart 2: Total payout (dividend + buyback) as % of NTM earnings

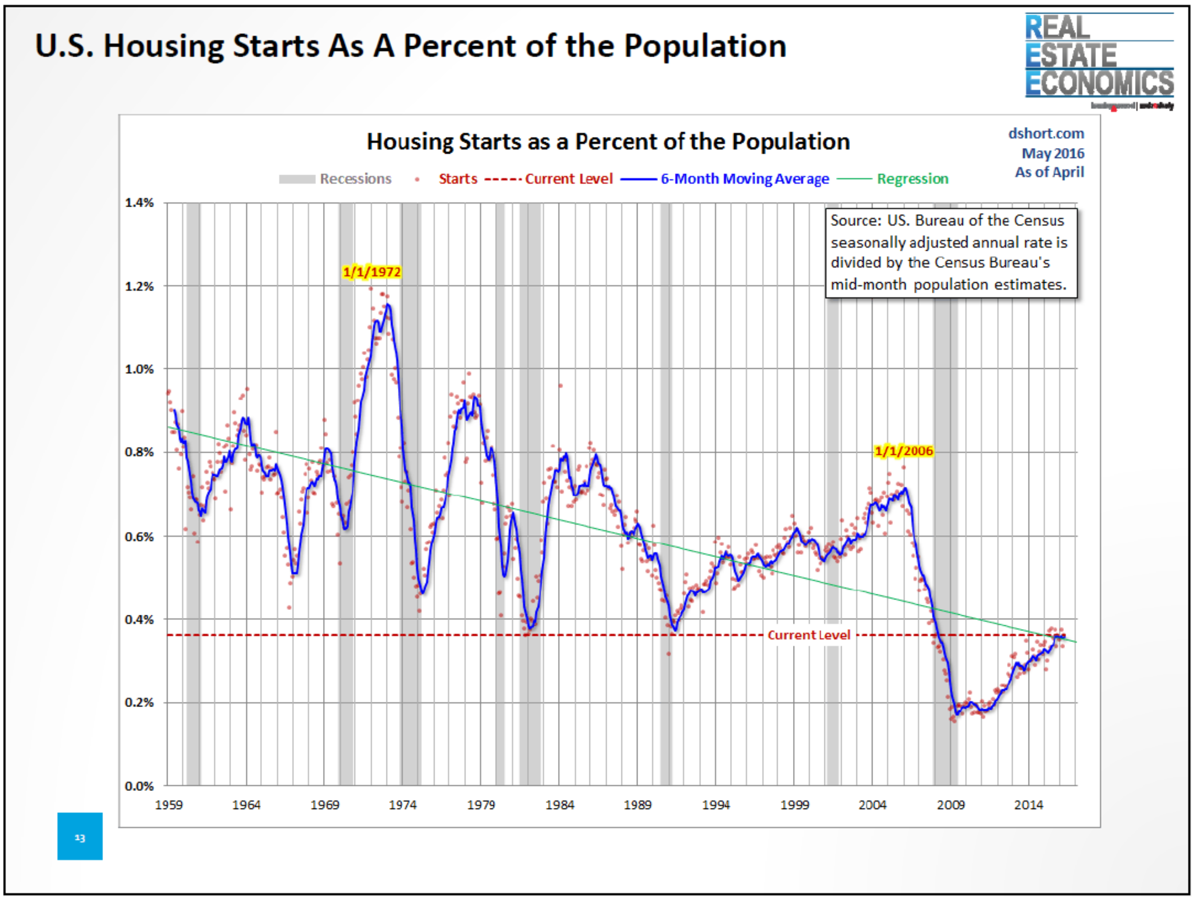


Source: BofA Merrill Lynch Global Research, company data, SNL Financial
Note: C: planned capital actions total $18.9bn; CFG: potential to raise div to $0.22 beginning 1Q18; FITB: potential to increase div to $0.18 beginning 2Q18; KEY: potential to increase div to $0.12 in 2Q18; ZION: div schedule indicative of ~$140mn in total; HBAN: increase div in 4Q17

The dividend story has come true, but the market is still slowly recognising it. Price to earnings ratios on 2018 earnings are approximately 12.5x, which is at the lower end of the 12.5 - 15 PE range that PM Capital suggested in its original investment summary. Implied dividend yields (dividends + buybacks) are now 6 - 7% and we believe we should see earnings growth from underlying economic momentum and thus loan growth, higher interest rates on their loans and potentially tax cuts. If there is in fact a re-rating to a 14 - 15 forward price earnings ratio, then potential returns are still very attractive. We always thought that 2018/ 2019 would be the time that this would all come to a fruition, coinciding with the typical ten-year investment cycle from a discounted to a premium business valuation.

The ultimate upside potential will also be influenced by the macro-economic trajectory of the banking jurisdiction. In that regard, I still suspect that investors are underestimating the sustainability of the global economy. Having completed research trips in both Europe and the United States during the quarter, we can confirm that activity levels are solid. In fact, regions in Ireland and Spain were bustling, in stark contrast to the ghost towns that we encountered 2 - 3 years ago. The impact of low rates is clearly being seen in their property markets, something that is not likely to go away soon. In Spain, for example, one can lock in a thirty year fixed rate mortgage for 1.8%. Even more astoundingly, a client told me recently they had a variable rate home loan in France with HSBC and the current rate was -0.3%! Rates are too low and they need to go up.

During our trips, the most interesting comment came from the management team of a US home builder in which the Company is invested. Visiting their operation in California, they noted that at a time when per capita housing starts are still below all previous troughs, it is very difficult to find the labour to meet the demand from the upswing that they are currently seeing. What would happen if starts returned to a more normalised level? I suspect underlying tension in wages is a bit higher than what may be appreciated.



Source: 'Inland Empire Housing Market Overview and Forecast', p. 13, Real Estate Economics, June 2016

Another point of interest, has been the market finally waking up to the fact (as we noted in our Moneyball presentation) that many of the so called high quality branded consumer food businesses do not actually grow. General Mills, Kellogg and Campbell Soup have all fallen 25% from their most recent highs.

As our investment themes evolve, we are focusing increasingly on where to deploy future capital and we will keep you informed once we have reached definitive conclusions. We have been thinking a lot about what may be swept up by "Bondnado" and our belief that an investment in long term government bonds may not be a good experience from this point on, much like the experience from viewing the infamous film *Sharknado*. We are looking for ways to exploit what we see as a glaring anomaly and would suggest that businesses that have been beneficiaries of the property and infrastructure cycles could be obvious candidates to avoid.

Finally, a quick note on passive investing. I doubt that equity market indices will generate a return in excess of 4-6% p.a. going forward. Throw in cash, bonds and property that will unlikely do better than their underlying yields of approximately 1% to 4% and the typical blended portfolio is unlikely to meet the investment objectives of most investors. Combine that with the recent research findings of the Bank of America Merrill Lynch's Equity and Quantitative Strategy group:

> *Valuations explain almost 90% of the S&P 500's returns variability over a 10-year time horizon — we have yet to find any signal with even close to that level of predictive power over the short-term. And ironically, what should be an increasingly efficient market has shown signs of becoming less efficient over the long term — alpha opportunities, measured by the range of market prices, have shrunk on a short term basis, but have demonstrably risen on a long-term basis.*[3]

And that is the reason that we believe, more than ever, that investors need the benefits that can be provided by genuine high conviction managers.

Yours Sincerely

Paul Moore
Portfolio Manager of PM Capital Global Opportunities Fund Limited
PM Capital Limited
17 August 2017

[3] Source: Bank of America Merrill Lynch Equity and Quantitative Strategy group

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2017

Investment	Market Value $
Equity Securities & Convertible Notes	
ING Groep NV	38,636,098
Bank of America Corp	24,618,373
Bank of Ireland Group PLC	19,639,706
Lloyds Banking Group PLC	18,048,342
JP Morgan Chase & Co.	17,921,335
Intercontinental Exchange Inc	17,534,866
Alphabet Inc Class C (Google Inc)	17,308,579
Caixa Bank S.A	16,630,859
Tri Pointe Homes Inc	16,091,353
Pfizer Inc	15,305,006
Deutsche Boerse AG	15,127,435
Realogy Holdings Corp	14,741,577
Wells Fargo & Company	13,426,694
Cairn Homes PLC	12,987,368
CME Group Inc	12,743,441
Heineken Holding NV	10,813,941
Visa Inc-Class A Shares	10,743,040
Barclays PLC	10,525,273
National Australia Bank Limited - Note	10,237,953
PM Capital Asian Opportunity Fund Limited	10,044,422
BB&T Corp	9,989,430
Toll Brothers Inc	9,683,697
Hispania Activos Inmobiliarios SOCIMI SA	9,471,213
MasterCard Inc	9,364,024
Lar Espana Real Estate Socim	8,519,774
Merck & Co. Inc	8,355,388
MGM China Holdings Ltd	6,715,790
SJM Holdings Ltd	4,633,808
CalAtlantic Group Inc	4,048,625
Sands China Ltd	4,025,798
Wynn Macau Limited	3,499,083
Allied Irish Banks PLC	3,312,140
Meritage Homes Corp	2,998,370
Neinor Homes SA	2,618,932
Las Vegas Sands Corp	2,539,608
PMP Limited	1,050,000
AnHui Conch Cement Co Ltd-H	(2,357,740)

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2017 (CONTINUED)

Investment	Market Value $
Bonds, Floating Rate Notes and Swaps	
Taurus PLC	12,305,874
NH Hotel Group SA	8,190,761
CityCenter Holdings LLC	7,159,904
Enterprise Inns PLC	4,735,266
The Blackstone Group LP Equity USD Swap	(63,099)
KKR & Co LP Equity USD Swap	(478,918)
Apollo Global Management USD Swap	(836,830)
Ulysses (European Loan Conduit No 27) PLC	(3,602,300)
Cash & Other Securities	
Total Cash Assets (per note 3 to the financial statements)	2,145,817
Collateral accounts	47,843,578
Options	307,998
Futures	176,312
Currency forward contracts	(4,327,988)
Total Interest bearing liabilities (per note 3 to the financial statements)	(55,683,847)
	429,466,129

CORPORATE GOVERNANCE

The Company's corporate governance statement can be found on our website at the following location: http://www.pmcapital.com.au/pgf/compliance

DIRECTORS' REPORT

The directors submit the financial report of PM Capital Global Opportunities Fund Limited ("the Company") for the year ended 30 June 2017.

Directors' Experience and Other Directorships

The following persons were directors of the Company during the whole of the financial year 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 27 years' financial markets experience, including investment and management experience within the alternative asset sector and the funds management industry generally. He previously served as Managing Director and Chief Executive Officer of Pacific Current Group and in this capacity served on the board of a number of affiliated companies. Prior to joining Pacific Current Group, Mr McGill was a founding partner of Crescent Capital Partners, an independent mid-market private equity firm where he worked from 2000 to 2010. Earlier in his career, Mr McGill held senior roles within Macquarie Bank's Corporate Finance and Direct Investment teams. He was also a consultant with The LEK Partnership, an international firm of business strategy consultants.

Mr McGill also serves as Non-executive Director of PM Capital Asian Opportunities Fund Limited, and as a member of the Council of Kambala Girls School. Mr McGill holds a Bachelor of Commerce and a Bachelor of Laws from the University of New South Wales and a Graduate Diploma in Applied Finance (FinSIA).

Brett Spork

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

Mr Spork has over 22 years' experience in the financial markets industry as a trader, advisor and senior manager, both within Australia and overseas. He currently provides consulting services to a broad range of financial institutions. Such consulting services comprise the provision of commercial, business development and regulatory advice. Previously, Mr Spork was the Chief Executive Officer of InvestorFirst Limited and BTIG Australia Limited.

During the period 2002 to 2006, Mr Spork was the Chief Executive Officer of E*Trade Australia Limited. Before joining E*Trade Australia Limited, he worked at Macquarie Bank for 14 years, the latter part as an Executive Director of Macquarie Financial Services. Mr Spork also serves as a director of Clime Capital Limited, a non-executive Chairman of Primarymarkets.com, and Chairman and Non-executive Director of PM Capital Asian Opportunities Fund Limited.

Mr Spork holds a Bachelor of Business from the Queensland University of Technology. In 2004, he was recognised by the Australian Stockbrokers Foundation and admitted to its "Hall of Fame".

DIRECTORS' REPORT (CONTINUED)

Directors' Experience and Other Directorships (continued)

Tom Millner (resigned 20 March 2017)
Former Non-executive Director
Former Chairman of the Audit Committee
Former Member of the Nomination and Corporate Governance Committee

Mr Millner has 16 years' experience in the management of investment portfolios, research and analysis of listed equities and business development. He is currently the Chief Executive Officer of listed investment company BKI Investment Company Limited ("BKI"). Mr Millner joined BKI in 2008. Prior to this, Mr Millner spent five years with Souls Funds Management Limited ("SFM") and whilst at SFM was responsible for the investment portfolio of BKI. Prior to joining SFM, Mr Millner served as an Investment Analyst with Republic Securities Limited, manager of the listed Investment Company Pacific Strategic Investments. He is also a director of Washington H. Soul Pattinson and Company Limited since January 2011 and New Hope Corporation Limited since 2015. During the past five years Mr Millner has also served as a director of listed company Exco Resources Limited.

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

Ben Skilbeck
Executive Director
Member of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr Skilbeck has over 21 years' experience in financial markets. He joined the Investment Manager of the Company in February 2015 as the Chief Executive Officer ("CEO") and is responsible for implementing and contributing to the determination of the operational and strategic objectives of the Investment Manager's business. Mr Skilbeck has an Investment Banking background, having worked in both Australia and the US with Merrill Lynch and Credit Suisse, where he focused on mergers and acquisitions and corporate finance advisory. Before joining the Investment Manager he was most recently the CEO of Rismark, a provider of quantitative research solutions and synthetic equity exposures over the Australian residential property sector. Mr Skilbeck is also a director of PM Capital Limited, and PM Capital Asian Opportunities Fund Limited.

Mr Skilbeck attended the University of Melbourne and holds a Bachelor of Engineering (with Honours) and a Bachelor of Commerce.

Richard Matthews
Company Secretary
Alternate Director for Ben Skilbeck

Mr Matthews is PM Capital Limited's Chief Operating Officer and Head of Compliance. He has over 17 years' experience in investment banking and funds management including as a Director and Chief Operating Officer of Aurora Funds Management, and a senior manager of equity capital markets at Challenger Financial Services. His overall experience includes funds management administration, establishing and administering listed/traded and unlisted investment schemes, managing equity capital market issues and/or equity swaps, and other specialised corporate structured products.

He is also the alternate director for Mr Ben Skilbeck, and Company Secretary for PM Capital Asian Opportunities Fund Limited, and also Company Secretary of PM Capital Limited, the Investment Manager of the Company.

Mr Matthews holds the degrees of Bachelor of Science, Bachelor of Arts, and Bachelor of Economics, as well as a Graduate Diploma in Applied Finance (Corporate Finance) and a Masters of Professional Accounting.

DIRECTORS' REPORT (CONTINUED)

Attendance at Meetings

Board of Director Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	5	5
Brett Spork	5	5
Tom Millner	4	4
Ben Skilbeck	5	5

Nomination and Corporate Governance Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	4	4
Brett Spork	4	4
Tom Millner	3	2
Ben Skilbeck	1	1

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	4	4
Brett Spork	4	4
Tom Millner	4	4
Ben Skilbeck	-	-

Directors' Interests in Shares and Options

The relevant interests of the Directors and their related entities in the Securities of the Company as at 30 June 2017 was:

Director	Number of Shares	Number of Options
Andrew McGill	200,000	-
Brett Spork	15,000	-
Ben Skilbeck	100,000	-
Richard Matthews	84,865	-

DIRECTORS' REPORT (CONTINUED)

Directors' Interests in Shares and Options (continued)

The relevant interests of the Directors and their related entities in the Securities of the Company as at 30 June 2016 was:

Director	Number of Shares	Number of Options
Andrew McGill	200,000	-
Brett Spork	15,000	-
Tom Millner	75,000	-
Ben Skilbeck	100,000	-
Richard Matthews	58,832	-

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 performance of the Company, as represented by the results of its operations, was as follows:

	2017 $	2016 $
Profit/(loss) before Income Tax	114,707,895	(65,913,475)
Income Tax (Expense)/Benefit	(33,585,065)	20,749,477
Profit/(loss) for the year attributable to members	81,122,830	(45,163,998)

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

The invested position of the Company in equity securities, debt securities, cash and other assets as at 30 June 2017 is 95.8% (2016: 109.0%) in equity securities, 6.7% (2016: 9.4%) in debt securities, -12.5% (2016: -29.4%) in cash and cash equivalent assets, 11.1% in collateral accounts (2016: 12.2%), 0.2% (2016: 0.2%) in other assets, and -1.3% (2016: -1.4%) in financial liabilities held at fair value through profit or loss. The invested position is recognised on the balance sheet in cash and cash equivalents, financial assets held at fair value through profit or loss, interest bearing liabilities, and financial liabilities held at fair value through profit or loss.

Dividends

On 17 August 2017, the Directors declared a fully franked interim dividend of 1.8 cents per share (June 2016: 1.5 cents per share) which will be paid on 28 September 2017. The Ex-Dividend date is 6 September 2017 and the Record Date is 7 September 2017.

The amount of the proposed fully franked final dividend, which is not recognised as at liability at 30 June 2017, is $6,289,132 (June 2016: $5,219,526).

The Dividend Reinvestment Plan will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 8 September 2017. No discount is offered on the Dividend Reinvestment Plan in respect of this dividend. Details of the Plan can be found on the Company's website: http://www.pmcapital.com.au/pgf/compliance

A fully franked interim dividend of 1.6 cents per ordinary share, amounting to $5,579,081, was paid on 30 March 2017.

Net Assets

As at 30 June 2017 the net assets of the Company were $410,167,158 (2016: $338,531,635). 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.

Events Subsequent to Balance Date

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

Environmental Regulations

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

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 8(b) 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*.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under *Section 307C* of the *Corporations Act 2001* is set out on page 17.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2017, under the requirements of *Section 300A(1) of the Corporations Act.*

Key management personnel

The directors and other key management personnel of the Company during the whole of the financial year, and up to the date of this report are (unless otherwise indicated):

Andrew McGill – Chairman and Non-executive Director
Brett Spork – Non-executive Director
Tom Millner – Non-executive Director (resigned 20 March 2017)
Ben Skilbeck – Executive Director
Richard Matthews – Alternate Director for Ben Skilbeck

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 year ended 30 June 2017 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Andrew McGill	36,530	3,470	40,000
Brett Spork	31,963	3,037	35,000
Tom Millner (resigned 20 March 2017)	23,973	2,277	26,250
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
	92,466	8,784	101,250

Directors' remuneration received or receivable for the year ended 30 June 2016 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Andrew McGill	36,530	3,470	40,000
Brett Spork	31,963	3,037	35,000
Tom Millner	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Ursula Kay (resigned 27 October 2015)	-	-	-
Richard Matthews	-	-	-
	100,456	9,544	110,000

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (continued)

Directors' Remuneration (continued)

Ben Skilbeck is the Chief Executive Officer of the Investment Manager and Richard Matthews is the Chief Operating Officer and Head of Compliance of the Investment Manager. They are remunerated by the Investment Manager and are not entitled to a director's fee or any other form of remuneration from the Company.

Signed at Sydney this 17th day of August 2017, in accordance with a resolution of the Board of Directors by:

Andrew McGill
Chairman

HLB Mann Judd

Accountants | Business and Financial Advisers

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 the financial report of PM Capital Global Opportunities Fund Limited for the year ended 30 June 2017, 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
17 August 2017

D K Swindells
Partner

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190
Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Revenue			
Interest		1,895,317	910,559
Dividends		8,164,639	8,549,844
Gains/(losses) on investments held at fair value through profit or loss		107,223,917	(80,610,620)
Gains on foreign exchange		4,927,572	10,935,754
Other income		12	22,957
Total revenue/(loss)		**122,211,457**	**(60,191,506)**
Expenses			
Management fees	8 (a)	3,833,738	3,905,790
Performance fees	8 (a)	1,482,051	-
Finance costs		1,313,874	767,570
Audit fees	8 (b)	39,930	49,005
Director fees		101,250	110,000
Insurance		60,014	52,358
Brokerage fees		331,224	480,596
Other operating expenses		341,481	356,650
Total expenses		**7,503,562**	**5,721,969**
Profit/(loss) for the year before income tax		**114,707,895**	**(65,913,475)**
Income tax (expense)/benefit	6 (a)	(33,585,065)	20,749,477
Profit/(loss) after income tax		**81,122,830**	**(45,163,998)**
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) attributable to shareholders		**81,122,830**	**(45,163,998)**
Basic earnings/(loss) per share	9	**23.26**	**(13.02)**
Diluted earnings/(loss) per share	9	**23.26**	**(13.02)**

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	3	2,145,817	997,459
Collateral accounts		47,843,578	40,456,093
Financial assets at fair value through profit or loss	2 (d)	440,867,416	391,458,038
Receivables	4	253,445	606,539
Total current assets		491,110,256	433,518,129
Non-current assets			
Deferred tax assets	6 (d)	263,506	12,615,584
Total non-current assets		263,506	12,615,584
TOTAL ASSETS		491,373,762	446,133,713
Current liabilities			
Interest bearing liabilities	3	55,683,847	98,050,893
Financial liabilities at fair value through profit or loss	2 (d)	5,706,835	4,545,424
Payables	5	2,689,171	945,817
Income tax payable		683,529	4,059,944
Total current liabilities		64,763,382	107,602,078
Non-current liabilities			
Deferred tax liabilities	6 (d)	16,443,222	-
Total non-current liabilities		16,443,222	-
TOTAL LIABILITIES		81,206,604	107,602,078
NET ASSETS		**410,167,158**	**338,531,635**
SHAREHOLDERS' EQUITY			
Share capital	7	344,619,462	343,308,163
Retained profits/(losses)		65,547,696	(4,776,528)
TOTAL SHAREHOLDERS' EQUITY		**410,167,158**	**338,531,635**

This Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Interest received		1,871,305	781,202
Dividends received		8,539,405	8,168,534
Other income received		3,694	272,626
Interest paid		(1,216,172)	(687,524)
Management fees paid		(3,655,371)	(3,822,155)
Performance fees paid		-	(2,998,714)
Income tax paid		(8,166,180)	(5,981,693)
Brokerage fees paid		(331,224)	(480,596)
Other operating expenses		(559,490)	(676,457)
Net cash outflow from operating activities	10	(3,514,033)	(5,424,777)
Cash flows from investing activities			
Proceeds from sale of investments		655,338,914	347,893,936
Purchase of investments		(595,841,264)	(512,503,102)
Net cash inflow/(outflow) from investing activities		59,497,650	(164,609,166)
Cash flows from financing activities			
Costs of share issue		-	(378,750)
Proceeds from share issue		-	28,596,423
Dividends paid (Net of DRP)		(9,487,307)	(4,649,856)
Net cash (outflow)/inflow from financing activities		(9,487,307)	23,567,817
Impact of exchange rate changes on cash and cash equivalents		**(2,980,906)**	**1,621,723**
Net increase/(decrease) in cash and cash equivalents		43,515,404	(144,844,403)
Cash and cash equivalents at the beginning of the financial year		(97,053,434)	47,790,969
Cash and cash equivalents at the end of the financial year	3	**(53,538,030)**	**(97,053,434)**

This Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Share Capital $	Share Option Reserve $	Retained Profit / (Losses) $	Total $
Balance at 1 July 2015		**313,598,956**	**817,599**	**45,597,636**	**360,014,191**
Total comprehensive loss for the year		-	-	(45,163,998)	(45,163,998)
Subtotal		313,598,956	817,599	433,638	314,850,193
Transactions with owners in their capacity as owners					
Shares issued and transfer from share option reserve on exercise of options	7	16,101,544	(817,599)	-	15,283,945
Shares issued pursuant to underwriting agreement	7	13,312,478	-	-	13,312,478
Shares issued under the Company's dividend reinvestment plan	7	560,310	-	-	560,310
Costs of share issue net of deferred tax impact	7	(265,125)	-	-	(265,125)
Dividends paid		-	-	(5,210,166)	(5,210,166)
Subtotal		29,709,207	(817,599)	(5,210,166)	23,681,442
Balance at 30 June 2016		**343,308,163**	**-**	**(4,776,528)**	**338,531,635**
Balance at 1 July 2016		**343,308,163**	**-**	**(4,776,528)**	**338,531,635**
Total comprehensive income for the year		-	-	81,122,830	81,122,830
Subtotal		343,308,163	-	76,346,302	419,654,465
Transactions with owners in their capacity as owners					
Shares issued under the Company's dividend reinvestment plan	7	1,311,299	-	-	1,311,299
Dividends paid		-	-	(10,798,606)	(10,798,606)
Subtotal		1,311,299	-	(10,798,606)	(9,487,307)
Balance at 30 June 2017		**344,619,462**	**-**	**65,547,696**	**410,167,158**

This Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

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 27, 420 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 year ended 30 June 2017, and were authorised for issue by the Directors on 17 August 2017.

A summary of the material accounting policies adopted by the Company in the preparation of the financial statements is set out below:

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, issued by 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 statements and notes thereto comply 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.

Fair value in an inactive or unquoted market
The fair values 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.

1. General information and summary of significant accounting policies (continued)

(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.

(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 foreign exchange.

(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.

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.

1. General information and summary of significant accounting policies (continued)

(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.

(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) Collateral accounts

Collateral accounts represent restricted deposits for derivative financial instruments. The cash is held by the Prime Broker and is only available to meet derivative obligations.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) Share option reserve

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

1. General information and summary of significant accounting policies (continued)

(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 during the year.

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 during the year.

(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 methods used in the valuation of investments are set out in Note 1(e) to these financial statements.

(r) New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting period and have not been early adopted by the Company. The directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

- AASB 9 *Financial Instruments* (and applicable amendments) (effective for financial periods beginning on or after 1 January 2018)

  AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The Standard is available for early adoption. The directors do not expect this Standard to have a significant impact on the recognition and measurement of the Company's financial instruments as they are carried at fair value through profit or loss, and will remain so under the new Standard.

1. General information and summary of significant accounting policies (continued)

(r) New accounting standards not yet adopted (continued)

- AASB 15 *Revenue from Contracts with Customers* (effective for financial periods beginning on or after 1 January 2018)

  AASB 15 will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

  The Company's main sources of income are interest, dividends and distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.

There are no other standards that have been issued that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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. 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 Investment 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 or the weighted average maturity of fixed interest portfolios.

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

2. Financial risk management (continued)

(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 rate volatility, 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 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 Investment 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 net asset value. 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.

(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.

The Company may enter 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 and Euros, 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 Investment 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 an ongoing basis by the Investment Manager.

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

The Company's portfolios in different currencies at balance date is summarised below. The portfolios are substantially hedged into US dollars.

	Australian Dollars A$	US Dollars A$	British Pounds A$	Euro A$	Other Currencies A$	Total A$
2017						
Assets						
Cash and cash equivalents	350,000	1,795,817	-	-	-	2,145,817
Collateral accounts	-	47,843,578	-	-	-	47,843,578
Financial assets at fair value through profit or loss:						
Listed securities	21,332,375	224,565,045	28,573,615	120,605,827	16,516,739	411,593,601
Debt securities	-	7,159,904	13,438,840	8,190,761	-	28,789,505
Futures	-	176,312	-	-	-	176,312
Options	-	307,998	-	-	-	307,998
Receivables	31,082	98,129	84,830	39,404	-	253,445
Deferred tax assets	263,506	-	-	-	-	263,506
Total assets	21,976,963	281,946,783	42,097,285	128,835,992	16,516,739	491,373,762
Liabilities						
Interest bearing liabilities	8,961,069	-	12,265,441	5,951,821	28,505,516	55,683,847
Financial liabilities at fair value through profit or loss						
Currency forward contracts	(50,310,246)	(41,667,091)	-	44,775,859	51,529,466	4,327,988
Swaps	-	1,378,847	-	-	-	1,378,847
Payables	2,689,171	-	-	-	-	2,689,171
Income tax payable	683,529	-	-	-	-	683,529
Deferred tax liabilities	16,443,222	-	-	-	-	16,443,222
Total liabilities	(21,533,255)	(40,288,244)	12,265,441	50,727,680	80,034,982	81,206,604
Net assets	43,510,218	322,235,027	29,831,844	78,108,312	(63,518,243)	410,167,158

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

	Australian Dollars A$	US Dollars A$	British Pounds A$	Euro A$	Other Currencies A$	Total A$
2016						
Assets						
Cash and cash equivalents	350,568	-	-	-	646,891	997,459
Collateral accounts	-	40,456,093	-	-	-	40,456,093
Financial assets at fair value through profit or loss:						
Listed securities	26,881,903	196,180,699	28,708,023	96,245,569	12,154,774	360,170,968
Debt securities	-	7,366,581	16,171,910	7,384,840	-	30,923,331
Futures	-	363,739	-	-	-	363,739
Receivables	348,552	52,511	106,731	98,745	-	606,539
Deferred tax assets	12,615,584	-	-	-	-	12,615,584
Total assets	40,196,607	244,419,623	44,986,664	103,729,154	12,801,665	446,133,713
Liabilities						
Interest bearing liabilities	16,589,483	60,039,745	1,597,662	7,964,005	11,859,998	98,050,893
Financial liabilities at fair value through profit or loss:						
Currency forward contracts	(105,000,000)	(100,846,005)	21,596,437	89,881,204	95,761,075	1,392,711
Swaps	-	3,152,713	-	-	-	3,152,713
Payables	945,817	-	-	-	-	945,817
Income tax payable	4,059,944	-	-	-	-	4,059,944
Total liabilities	(83,404,756)	(37,653,547)	23,194,099	97,845,209	107,621,073	107,602,078
Net assets	123,601,363	282,073,170	21,792,565	5,883,945	(94,819,408)	338,531,635

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency sensitivity
A sensitivity of 5% (2016: 5%) has been selected to account for the current level of exchange rate volatility observed in the market. As at reporting date, should the Australian dollar depreciate/appreciate against the relevant foreign currency (that is the AUD weakens/strengthens) and with all other variables held constant, the change in net assets would be:

	Depreciation of AUD (5%)		Appreciation of AUD (5%)	
	Increase in Net Assets $	Increase in Net Assets %	(Decrease) in Net Assets $	(Decrease) in Net Assets %
30 June 2017	19,297,734	4.7%	(17,459,854)	(4.3%)
30 June 2016	11,312,120	3.3%	(10,234,775)	(3.0%)

(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 exposed to price risk for its investments in both listed and unlisted securities. The price risk of a security is dependent upon the financial circumstances of the companies in which the securities are purchased, including their profits, earnings and cash flows. The return on a security'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. Some securities present a risk of loss of capital and, except where securities are sold short, the maximum exposure resulting from financial instruments is determined by the fair value of those instruments. Potential losses from securities sold short can be unlimited.

The Investment 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 Investment 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 securities holdings vary considerably from the composition of the index.

2. Financial risk management (continued)

(b) Market risk (continued)

(ii) Price risk (continued)

The Collateral Account collateralises the purchase of financial assets in respect to equity swaps and other derivative instruments. Accordingly, the balance of the Collateral Account should be regarded as a financial asset for the purpose of assessing risk and market exposure.

The Company's overall market positions are monitored on an ongoing basis by the Investment Manager.

The Company's net equity exposure as at 30 June 2017 and 30 June 2016 is as follows:

Industry Groups	2017	2016
Banks	40%	31%
Real Estate	13%	12%
Diversified Financials	11%	16%
Consumer Durables & Apparel	11%	7%
Software & Services	9%	14%
Pharmaceuticals, Biotechnology & Life Sciences	6%	6%
Consumer Services	5%	4%
Food, Beverage & Tobacco	3%	8%
Materials	(1%)	0%
Other	3%	2%
Total	100%	100%

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 sensitivity to price risk. 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.

As at reporting date, if the listed security prices in the portfolio had increased/(decreased) by 5% [2016: 5%] with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/(-)$20,579,680 [2016: +/(-) $18,008,548]. The impact of price movements in options and futures, fixed rate bonds, floating rate notes, other debt securities and currency contracts is unlikely to have a significant impact on the Company.

2. Financial risk management (continued)

(c) Credit risk (continued)

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 Investment 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. 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 A-1 for short term debt.

The terms of the Prime Broker Agreement provide that Morgan Stanley may utilise custodial assets for its own lending and financing purposes (including to borrow, lend, charge, re-hypothecate, and dispose of) up to, but not exceeding, 180% of the value of the Company's outstanding liabilities with Morgan Stanley. These assets are owned by Morgan Stanley in its Prime Broker capacity. Under the terms of the Prime Broker Agreement, Morgan Stanley is obliged to return to the Company the equivalent custodial assets irrespective of what transpires between it and any third party with whom Morgan Stanley has transacted.

Cash holdings with Morgan Stanley are not subject to this arrangement and are always considered to be held by Morgan Stanley in its Prime Broker capacity.

All other custodial assets not subject to the Prime Broking arrangement are held by Morgan Stanley in its capacity as a Custodian in a separate asset pool, as is required by the Financial Services Authority (UK).

As at balance date, the maximum value of the Company's gross assets available to Morgan Stanley for its lending and financing activities is $110,503,228 [2016: $184,673,371]. 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 $49,112,546 [2016: $82,077,054] as at balance date.

The credit position of the Company is monitored on an ongoing basis by the Investment Manager.

2. Financial risk management (continued)

(d) Fair Value Measurements

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(i) Fair value in an active market (*level 1*)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Fair value in an inactive or unquoted market (*Level 2 and Level 3*)

The fair value of financial assets and liabilities that are not traded in an active market are valued with reference to external third-party pricing information. These assets and liabilities include: Currency forward contracts and debt securities.

2. Financial risk management (continued)

(d) Fair Value Measurements (continued)

(iii) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2017 and 30 June 2016:

	Level 1 $	Level 2 $	Level 3 $	Total $
2017				
Financial assets at fair value through profit or loss				
Listed securities	411,593,601	-	-	411,593,601
Debt securities	-	28,789,505	-	28,789,505
Futures	176,312	-	-	176,312
Options	307,998	-	-	307,998
	412,077,911	28,789,505	-	440,867,416
Financial liabilities at fair value through profit or loss				
Currency forward contracts	-	4,327,988	-	4,327,988
Swaps	1,378,847	-	-	1,378,847
	1,378,847	4,327,988	-	5,706,835
2016				
Financial assets at fair value through profit or loss				
Listed securities	360,170,968	-	-	360,170,968
Debt securities	-	30,923,331	-	30,923,331
Futures	363,739	-	-	363,739
	360,534,707	30,923,331	-	391,458,038
Financial liabilities at fair value through profit or loss				
Currency forward contracts	-	1,392,711	-	1,392,711
Swaps	3,152,713	-	-	3,152,713
	3,152,713	1,392,711	-	4,545,424

(iv) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(v) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

	2017 $	2016 $

3. Cash and cash equivalents and Interest bearing liabilities

Cash and cash equivalents		
Deposit in Money Markets	350,000	350,568
Cash at bank (Custodian) – USD	1,795,817	-
Cash at bank (Custodian) – other currencies	-	646,891
	2,145,817	997,459
Interest bearing liabilities		
Overdraft at Custodian	(55,683,847)	(98,050,893)
	(53,538,030)	(97,053,434)

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.

4. Receivables

Interest receivable	170,281	146,269
Dividend receivable	53,147	427,913
GST receivable	6,181	9,861
Other receivable	23,836	22,496
	253,445	606,539

5. Payables

Trade creditors and accruals	1,109,418	945,817
Performance fee payable	1,482,051	-
Interest payable	97,702	-
	2,689,171	945,817

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

6. 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:

	2017 $	2016 $
Profit/(Loss) for the period before income tax expense	114,707,895	(65,913,475)
Prima facie income tax expense/(benefit) calculated at 30%	34,412,369	(19,774,043)
Tax credits – current year	(903,803)	(967,184)
Prior year under/(over) provision	76,499	(8,250)
Income tax expense/(benefit)	33,585,065	(20,749,477)

(b) Tax effect of items credited to equity

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

	2017 $	2016 $
Share issue costs	-	(113,625)
	-	(113,625)

(c) Franking credits

	2017	2016
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2016 - 30%)	$8,485,960	$8,110,207
Number of shares on issue at the end of the financial year	349,396,204	347,968,377
Franking Credits available per Share on issue	$0.0241	$0.0233

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits or debits that will arise from the settlement of liabilities or receivables for income tax at the end of the period.

Note the "NTA before tax accruals + franking credits" as announced to the ASX, does not include franking credits that will arise from the payment of income tax payable per the Statement of Financial Position as at the end of each reporting period.

6. Income tax (continued)

(d) Deferred tax

	2017 $	2016 $
Deferred tax assets are represented by the following temporary differences:		
Initial public offering corporate fee	128,861	257,017
Initial public offering legal fees	17,749	35,400
Initial public offering initial listing fee	89,399	127,123
Initial public offering other expenses	7,663	15,338
Insurances	14,007	23,270
Audit fees	5,827	8,765
Unrealised losses on investments	-	12,277,046
Dividends receivable	-	(128,375)
	263,506	12,615,584
Deferred tax liabilities are represented by the following temporary differences:		
Unrealised gains on investments	(16,427,278)	-
Dividend receivable	(15,944)	-
	(16,443,222)	-

7. Share capital and share option reserve

Shares

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 confers on its holder equal voting rights and the right to share equally in dividends and any surplus on winding up.

Subject to the *Corporations Act 2001* and the ASX 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.

7. Share capital and share option reserve (continued)

Movements in share capital during the year are set out below:

	2017 Number of shares	2016 Number of shares	2017 $	2016 $
Shares on issue at beginning of year	347,968,377	318,747,978	343,308,163	313,598,956
Reclassification from share option reserve on exercise or expiration of options	-	-	-	817,599
Shares issued on exercise of options	-	15,283,945	-	15,283,945
Shares issued under the Company's dividend reinvestment plan	1,427,827	623,976	1,311,299	560,310
Shares issued pursuant to underwriting agreement	-	13,312,478	-	13,312,478
Costs of share issue net of deferred tax impact	-	-	-	(265,125)
Shares on issue at the end of the year	349,396,204	347,968,377	344,619,462	343,308,163

Options

Under the Offer outlined in the Prospectus dated 18th November 2013, the Company offered one option for every one Share subscribed for, exercisable on or before 30 June 2015. After this date, the options expired.

The terms and conditions of the options were 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, and a share in the Company issued with payment to the Company of $1.00 per option being exercised;
- An option may be exercised on any business day from the date of grant to 30 June 2015 (inclusive) but not thereafter.

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

	2017 Number of options	2016 Number of options	2017 $	2016 $
Options on issue at beginning of year	-	15,283,945	-	817,599
Options exercised, and related transfer to share capital	-	(15,283,945)	-	(817,599)
Options expired, and related transfer to share capital	-	-	-	-
Options on issue at the end of the year	-	-	-	-

Capital Management

The Company’s objectives for managing capital are 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.

8. Expenses

(a) Fees paid to the Investment Manager

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

(i) Management fee

The Investment Manager is entitled to be paid a management fee equal to 1.00% p.a. (plus GST) of the portfolio Net Asset Value. The management fee is calculated and accrued on the last day of each week and paid at the end of each quarter in arrears.

(ii) Performance Fee

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

P = 15% 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.

Performance fees payable as at 30 June 2017 is $1,482,051 (2016: $Nil).

(b) Auditor's Remuneration

	2017 $	2016 $
Audit and review of the financial statements	40,250	47,810
Tax compliance services	5,450	15,425
Other assurance services	-	12,000
	45,700	75,235

	2017	2016

9. Earnings per share

	2017	2016
Basic earnings/(loss) per share	23.26 cents	(13.02) cents
Diluted earnings/(loss) per share	23.26 cents	(13.02) cents
Reconciliation of earnings and weighted average number of shares used in calculating basic and diluted earnings per share:		
Earnings/(loss) used in calculating basic earnings per share	$81,122,830	($45,163,998)
Earnings/(loss) used in calculating diluted earnings per	$81,122,830	($45,163,998)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	348,693,290	346,976,672
Weighted average number of shares used in the calculation of diluted earnings per share	348,693,290	346,976,672

10. Cash flow statement

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

	2017 $	2016 $
Net Profit/(Loss) after income tax	81,122,830	(45,163,998)
Net (Gains)/Losses on Investment	(107,223,917)	80,610,620
Net Gains on Foreign Exchange	(4,927,572)	(10,935,754)
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	352,387	(47,307)
Increase/(Decrease) in income taxes payable	(3,376,415)	(1,929,999)
Decrease/(Increase) in deferred tax assets	12,352,078	(11,932,736)
Increase/(Decrease) in deferred tax liabilities	16,443,222	(12,868,435)
(Decrease)/Increase in payables	1,743,354	(3,157,168)
Net cash outflow from Operating Activities	(3,514,033)	(5,424,777)

11. 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 2 Financial Risk Management.

12. 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 directors' report);
- The Management Agreement between the Company and the Investment Manager (refer to Note 8 for details of fees paid to the Investment Manager); and

As at 30 June 2017, the Company holds 9,215,066 ordinary shares [2016: 8,787,407] valued at $10,044,422 [2016: $8,172,289] in PM Capital Asian Opportunities Fund Limited, a company associated with the Investment Manager. The Company and PM Capital Asian Opportunities Fund Limited are both managed by the Investment Manager. Any management fee or performance fee incurred or payable by the Company in respect of the shares it holds in the PM Capital Asian Opportunities Fund Limited is reimbursable by the Investment Manager.

Directors' Remuneration

Directors' remuneration received for the year ending 30 June 2017 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Andrew McGill	36,530	3,470	40,000
Brett Spork	31,963	3,037	35,000
Tom Millner (resigned 20 March 2017)	23,973	2,277	26,250
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
	92,466	8,784	101,250

Directors' remuneration received for the year ending 30 June 2016 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Andrew McGill	36,530	3,470	40,000
Brett Spork	31,963	3,037	35,000
Tom Millner	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Ursula Kay	-	-	-
Richard Matthews	-	-	-
	100,456	9,544	110,000

Ben Skilbeck is the Chief Executive Officer of the Investment Manager and Richard Matthews is the Chief Operating Officer and Head of Compliance of the Investment Manager. They are remunerated by the Investment Manager and are not entitled to a director's fee or any other form of remuneration from the Company.

DIRECTORS' DECLARATION

1. In the directors' opinion:

   (a) the financial statements and notes set out on pages 18 to 41 are in accordance with the *Corporations Act 2001*,

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

      (ii) give a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year 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 by the Executive Director and Chief Financial Officer of the Investment Manager the declarations for the year ended 30 June 2017 required by Section 295A of the *Corporations Act 2001*.

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

Andrew McGill
Chairman

Sydney
17 August 2017

Accountants | Business and Financial Advisers

PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

ACN 166 064 875

INDEPENDENT AUDITOR'S REPORT

To the members of PM Capital Global Opportunities Fund Limited:

Opinion

We have audited the financial report of PM Capital Global Opportunities Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190
Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

Key Audit Matter	How our audit addressed the key audit matter
Existence and Valuation of Investments and Cash	
At 30 June 2017 the Company held "Financial assets at fair value through profit or loss" of $440,867,416, "Collateral accounts" of $47,843,578 and "Cash and Cash Equivalents" of $2,145,817, which have been included in the Company's Statement of Financial Position at that date. We considered these areas to be key audit matters due to the size of the amounts involved. As disclosed in Note 1, investments are initially held at fair value through profit or loss including any transaction costs. Subsequent to initial recognition they are accounted for at fair value, with changes in those values recognised in profit or loss.	We confirmed the Existence of the Cash and Investments with the Custodian, and the Valuation of the investments with the Custodian and third party valuation information.
Completeness of Interest Bearing Liabilities and Other Financial Liabilities	
At 30 June 2017 the Statement of Financial Position shows "Interest bearing liabilities" of $55,683,847 and "Financial liabilities at fair value through profit or loss" of $5,706,835. We considered this area to be a key audit matter due to the potential size of the liabilities.	We confirmed with the Custodian that all interest bearing liabilities and other financial liabilities had been recognised.
Completeness of Performance and Management Fees	
The Company has an agreement with its Investment Manager, PM Capital Limited, to pay management fees and, depending on performance, performance fees to PM Capital Limited. For the year ended 30 June 2017 the Company incurred "performance fees" of $1,482,051 and "management fees" of $3,833,738 which have been included in the Company's Statement of Profit or Loss and Other Comprehensive Income. We focused on this area as a key audit matter as the agreement is with the Investment Manager of the Company.	We obtained copies of the Investment Manager's calculation of the performance and management fees. We reviewed the calculation of the fees, ensuring that the rates used were those in the agreement. We confirmed with the Investment Manager that the expense recognised by the Company reconciled to the income received by the Investment Manager.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 16 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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.

HLB Mann Judd
Chartered Accountants

D K Swindells
Partner

Sydney, NSW
17 August 2017

SHAREHOLDER INFORMATION

Additional Information

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

20 Largest Shareholders

Details of the 20 largest ordinary shareholders and their respective holdings as at 26 July 2017.

Holder name	Ordinary Shares held	% of Issued Shares
HSBC Custody Nominees Limited	18,221,671	5.22%
Roaring Lion Pty Ltd	15,138,318	4.33%
PM Capital Limited	10,505,040	3.01%
Forsyth Barr Custodians Ltd	7,993,250	2.29%
Citicorp Nominees Pty Limited	7,534,189	2.16%
UBS Nominees Pty Ltd	4,783,493	1.37%
Nulis Nominees (Australia) Limited	2,815,174	0.81%
Mr Alister John Forsyth	2,479,174	0.71%
Navigator Australia Ltd	2,082,033	0.60%
Becjohn Pty Limited	2,000,000	0.57%
Chriswall Holdings Pty Limited	1,500,000	0.43%
BNP Paribas Nominees Pty Ltd	1,231,106	0.35%
Bond Street Custodians Limited	1,139,598	0.33%
Mordant Investments Pty Ltd	1,000,000	0.29%
Australian Executor Trustees Limited	996,237	0.29%
Netwealth Investments Limited	900,913	0.26%
Mr John Steven Page & Mrs Gillian Kay Page	834,000	0.24%
Old Fletcher & Partners Pty Ltd	800,000	0.23%
Mrs Jennifer Coral Spencer & Mr David Frederick Spencer	754,700	0.22%
BT Portfolio Services Limited	719,000	0.21%
	83,427,896	**23.88%**

Substantial Shareholders

Details of substantial shareholders and their respective holdings as at 26 July 2017.

Holder name	Ordinary Shares held	% of Issued Shares
Paul Moore, Roaring Lion Pty Ltd as trustee for the Roaring Lion Super Fund, PM Capital Limited and associated entities	30,426,852	8.71%
	30,426,852	**8.71%**

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding, as at 26 July 2017.

Holding	Number of shareholders	Ordinary shares held	% of Issued Shares
1 - 1,000	135	76,708	0.02%
1,001 - 5,000	592	2,076,083	0.59%
5,001 - 10,000	1,016	8,617,245	2.47%
10,001 - 100,000	5,023	174,030,920	49.81%
100,001 and over	429	164,595,248	47.11%
	7,195	**349,396,204**	**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 26 July 2017 is 48.

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 no on market buy-back currently.

Investment Transactions

The total number of transactions in securities during the reporting period was 289.

The total brokerage paid (net of RITC) on these transactions was $331,224.

Investment Management Agreement

The Company has appointed PM Capital Limited ("Investment Manager") to manage the investment portfolio of the Company, and to calculate the value of the portfolio and net tangible assets at least monthly. The Investment Manager must, from time to time and on behalf of the Company, invest portfolio money, including money received on disposal of investments or distributions from investments, to make or hold investments, and realise or dispose of investments.

Additional duties of the Investment Manager include assisting the Company's auditors as required, keeping proper books of account and records, providing or procuring the provision of administrative support services reasonably required by the Company, and keeping the Company informed in respect of the management of the portfolio.

In consideration for the performance of its duties as Investment Manager of the Company, the Investment Manager is paid a management fee of 1% per annum of the portfolio net asset value, calculated on the last day of each month, and a performance fee of 15% of the investment return above the benchmark return multiplied by the portfolio net asset value. The performance fee for each month for the year will be aggregated and will be payable if it is a positive amount at 30 June of each year.

The Agreement remains in force for 5 years ("Initial Term") from the IPO allotment date unless terminated earlier by either party in certain circumstances. The Investment Manager may terminate the Agreement at any time after the first anniversary of the Agreement by giving the Company at least 3 months' written notice. The Company may terminate the Agreement after the Initial Term and on delivery of 3 months' prior written notice, or with immediate effect in certain cases, including in the case of the Investment Manager's insolvency, the Investment Manager's material default or breach under the Agreement or the Investment Manager consistently investing outside of the investment strategy.

Corporate Information

DIRECTORS:	Andrew McGill - Chairman and Non-executive Director Brett Spork - Non-executive Director Ben Skilbeck - Executive Director Richard Matthews - Alternate Director for Ben Skilbeck
COMPANY SECRETARY:	Richard Matthews
INVESTMENT MANAGER:	PM Capital Limited Level 27, 420 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 27, 420 George Street Sydney NSW 2000 Telephone: (+612) 8243 0888
SHARE REGISTRY:	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (+612) 9290 9600
ASX CODE:	Shares: PGF.AX
WEBSITE:	http://www.pmcapital.com.au/listed-investment-company/pgf
CHARTERS AND POLICIES:	http://www.pmcapital.com.au/pgf/compliance