

Appendix 4E
Final Report
For the year ended 30 June 2018
Date: 16 August 2018

Results for announcement to the market

Financial Results	30 June 2018 \$	30 June 2017 \$	Change %
Revenue from ordinary activities	\$78,300,339	\$122,211,457	(35.93%)
Profit from ordinary activities after tax attributable to members	\$50,277,561	\$81,122,830	(38.02%)
Profit for the year attributable to members	\$50,277,561	\$81,122,830	(38.02%)

Net Tangible Asset ("NTA") Backing Per Share	30 June 2018 \$	30 June 2017 \$	Change %
NTA before tax accruals + franking credits	1.3938	1.2445	12.00%
NTA before tax accruals + franking credits (2018 adding the September 2017 of 1.8 cents per share, and March 2018 dividend of 1.8 cents per share)	1.4452	1.2445	16.13%
NTA after tax	1.2812	1.1739	9.14%
NTA after tax (2018 adding the September 2017 of 1.8 cents per share, and March 2018 dividend of 1.8 cents per share)	1.3172	1.1739	12.21%

Dividends:

On 16 August 2018, the Directors declared a fully franked final dividend of 1.8 cents per share (June 2017: 1.8 cents per share) which will be paid on 27 September 2018. The Ex-Dividend date is 5 September 2018 and the Record Date is 6 September 2018.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2018, is \$6,316,380 (June 2017: \$6,289,132).

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 7 September 2018. 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, PM Capital Global Opportunities Fund Limited (“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 gained or lost during the period:

During the period the Company gained control of PM Capital GO 2025 Limited (“GO 2025”) on 18 January 2018.

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>



PM Capital

GLOBAL OPPORTUNITIES FUND LIMITED



Annual Report

For the year ended 30 June 2018

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 2018.....	7
DIRECTORS’ REPORT	9
AUDITOR’S INDEPENDENCE DECLARATION	16
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	17
STATEMENT OF FINANCIAL POSITION	18
STATEMENT OF CASH FLOWS.....	19
STATEMENT OF CHANGES IN EQUITY.....	20
NOTES TO THE FINANCIAL STATEMENTS	21
DIRECTORS’ DECLARATION.....	40
INDEPENDENT AUDITOR’S REPORT	41
SHAREHOLDER INFORMATION	45
CORPORATE INFORMATION	48

CHAIRMAN'S REPORT

16 August 2018

Dear Shareholders,

During the 2018 financial year, PM Capital Global Opportunities Fund Limited ("the Company") performed well, with strong investment returns and strong growth in share price. This performance was achieved against a backdrop of higher global equities markets, political and trade uncertainties and changing outlooks on interest rates. Paul Moore reports on investment related matters during 2018 later in this annual report. His comments on markets and the implications for the Company's investment portfolio are insightful and I commend them to you.

The Company was again recognised by the funds management industry, nominated as a finalist in the 2018 Professional Planner | Zenith Fund Manager of the Year Awards (as it was last year).

2018 Investment Performance

During the 2018 financial year, our Investment Manager, PM Capital Limited, delivered strong investment returns for shareholders. Net tangible assets per share increased by 16.6%¹. By comparison, over the year to 30 June 2018 the MSCI World Net Total Return Index (expressed in Australian dollars) returned 15.3% and the local S&P/ASX 200 Accumulation Index returned 13.0%. I congratulate Paul and his team on another very good year.

It was pleasing to see the strong investment performance reflected in an improved share price through the year. The Company's share price gained 20.3% for the year with a further 4.7%² returned to shareholders via dividends. At year end, the discount to post-tax NTA had been eliminated with the share price trading between the pre-tax NTA and the post-tax NTA.

Financial Results

For the year ended 30 June 2018, the Company reported profit before tax of \$70.5 million and profit after tax of \$50.3 million. Earnings per share was 14.36 cents. The majority of profit before tax during 2018 was unrealised mark-to-market gains on the value of the investment portfolio. Taxable income for the year was \$29.4 million.

On 27 September 2017, the Company paid a final dividend relating to the 2017 year of 1.8 cents per share fully franked (amounting to \$6,289,132). On 29 March 2018, the Company paid an interim 2018 dividend of 1.8 cents per share fully franked (amounting to \$6,303,453).

We are pleased to announce a final 2018 dividend of 1.8 cents per share fully franked amounting to \$6,316,380. The Record date for the final 2018 dividend is 6 September 2018 and it will be paid on 27 September 2018.

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 2018 NTA the dividends paid, the increase over the 30 June 2017 NTA before tax accruals + franking credits was 16.1%; and the increase in NTA after tax was 12.2%

² Including value of franking credits, utilising a 30 June 2017 closing share price of \$1.105.

Other

On 2 July 2018, the Company and its subsidiary – PM Capital GO 2025 Limited (“GO 2025”) announced an offer of redeemable listed investment company securities, named **Portfolio Tracking Exchangeable Redeemable Securities (Converting Security) (“PTrackERS”)**. PTrackERS were structured to be an innovative new type of security offering investors the ability to gain access to the underlying NTA in the future regardless of whether the securities were trading at a discount to NTA on the stock exchange.

The offer closed on 10 August 2018 with insufficient applications to meet the minimum amount specified in the prospectus. As such the Offer was withdrawn. As a Board, we are disappointed to have not reached the Minimum Subscription. We believe the Offer of PTrackERS would have been beneficial to the Company and represented a step forward for shareholders investing in LICs.

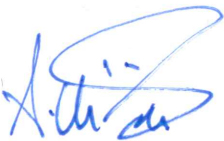
We thank those of you that supported the Offer. We are in the process of returning all application monies as quickly as possible and apologise for any inconvenience caused.

I would like to note that PM Capital Limited will pay all costs in relation to the offer, thus ensuring that there is no detrimental impact to the Company.

During the year, PM Capital has continued to focus on improving communications and engagement with shareholders and the market generally. Our website has been renewed with an increased number of videos and articles available for shareholders. Several investor and shareholder forums were held around the nation during the year. The Company now holds a Recommended Rating from each of Zenith and Lonsec and a Recommended Plus rating from Independent Investment Research. The number of shareholders of the Company has more than doubled since the time of our IPO.

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 8 November 2018.



Andrew McGill
Chairman
16 August 2018

PORTFOLIO MANAGER'S REPORT

Dear investor,

The 2018 year was a year when the “post-Trump” era truly bedded in. Although there was much noise about the “three Ts” – tech, trade, and Trump – markets hit record highs around the globe and economies, particularly the US economy, showed a very real and broad-ranging recovery, prompting generally higher long-term and short-term interest rates. It again shows that transient macro issues are not reliable indicators as to the direction of financial markets.

Pleasingly, I can report that the Company's total return³ for the year was 16.6% (following on from the 35.3% in 2017). Since inception, the Company's performance⁴ has been a total 77.2%, or 13.4% per annum.

The global equities strategy underpinning the Company has again showed good performance over the longer term. Since its inception in October 1998, the Global Companies Fund, managed to the same strategy, to the end of June 2018 produced a return of 448.2%, against a return of 142.9% for the MSCI World Total Return Index. Over the past seven years ended June 2018 (our recommended minimum investment timeframe) the Global Companies Fund has been ranked first for performance out of more than 150 peers.

Our focus over the past 12 months has been the inflection in interest rates from a generally downward or stable direction to rising rates. At our 2017 investor forum, we used the movie and book *Moneyball* as a light-hearted vehicle to give a deeper insight into why we do what we do. This year we used a play on the infamous schlock movie *Sharknado* (with appropriate graphics) as the basis of our investor forum theme – Bondnado. We used the Bondnado theme to highlight that investing in long term government bonds may not be a good experience from this point on (much like the experience from viewing *Sharknado*).

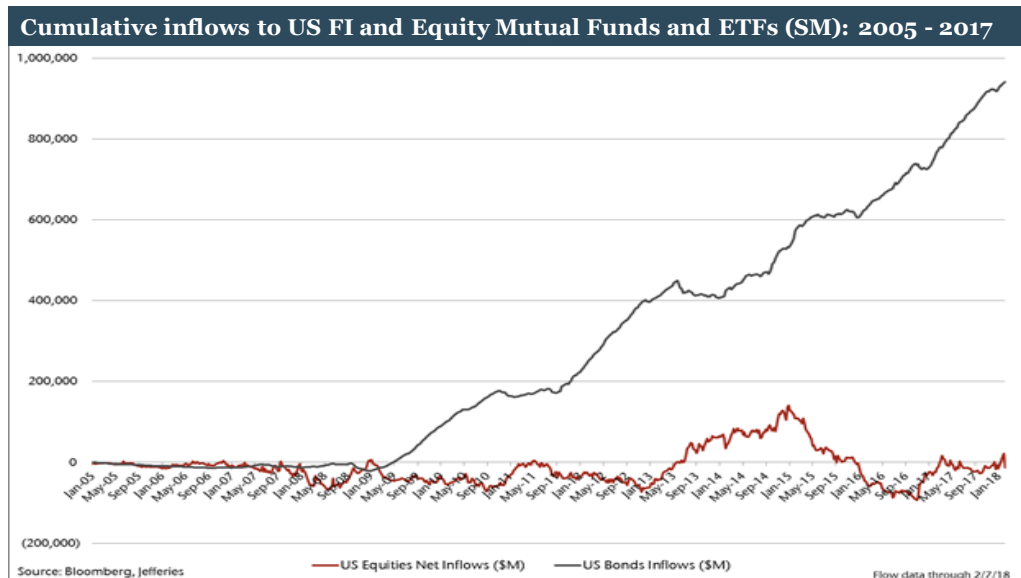
In the past I have highlighted that in 30 years in financial markets I have seen a range of significant events, including the stock market crash in '87, Gulf Wars, 2000 old economy versus new, the Twin Towers and the global financial crisis. While the rise of Donald Trump and Brexit took many of the headlines of the 2016 and into the 2017 financial years, the most significant event in those years was the fall of interest rates to negative territory – the lowest ever. Particularly in the context of a period where government debt was at record levels, this struck me as a glaring anomaly that would have significant influence across the market as it unwound – a Bondnado.

To state the obvious, it is difficult to make a positive return when interest rates are zero, particularly when adjusted for inflation. At the beginning of 2017 inflation was priced as a virtual impossibility, as were defaults. The bottom line is that the financial system does not work with negative rates – it leads to a mis-allocation of capital.

³ 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 2018 NTA the dividends paid, the increase over the 30 June 2017 NTA before tax accruals + franking credits is 16.1%; and the NTA after tax is 12.2%

⁴ Performance adjusted for capital flows associated with the payment of dividends, share issuance as a result of the reinvestment plan and option exercise, and including the value of franking credits. Inception price is the office price of \$1.00.



Then on the qualitative side, since 2005 there has been an explosion of money into bond funds. As we are all aware, the majority of money comes in at the top and comes out at the bottom – the bigger the crowd the bigger the risk.

In financial year 2017 the inflection from down to up in government bond rates became more obvious – the US Federal Reserve raised rates a further three times to end the year at 2.0%. As this was occurring we were also seeing the first effects of liquidity being slowly removed from the system in the form of a leveraged hedge fund blowing up overnight, and further significant volatility in Bitcoin.

In such an environment trading carefully and choosing market anomalies in which to invest becomes even more crucial and it is this belief that has influenced our investment decision-making. There is no longer the benefit of falling interest costs to cover faltering business fundamentals. Going forward, investors will require a specific reason to act and we believe that factor will be earnings growth potential. Our investments in alternative asset managers, which added significantly to returns over the year, are an example of how we approached investment this year.

Blackstone and KKR's prices were deeply discounted in 2016 as their performance fees were expected to trough. This was associated with the cyclical realisation of current investments and the taking up of future investments. At the same time, their partnership and trust structures restricted some investors, such as index funds, from owning them. As a result, they were vulnerable to traders who reacted to the lower short-term performance fees. However, the underlying business value continued to increase because of inflows attracted by their peer-leading performance, meaning that the earnings growth potential was high.

In 2017, the Trump tax reform reduced the corporate tax rate to 20%, motivating the alternative managers to move from their partnership and trust structure to a company structure (particularly given that the founders are now at an age where they are wanting to easily transition ownership). KKR has now converted to a company and others will no doubt follow. This has been enough for the rest of the market to look closer at the earnings growth potential within these Wall Street managers. These stocks have done particularly well for us, but at the time of writing they are still only on 11 times [2019FY] earnings compared to a traditional fund manager of 15 times. We think the earnings potential remains strong, providing potentially 40% to 50% upside, and in the meantime, we are receiving an approximately 8% yield.

Outlook

Markets have provided significant returns, with the weight of money available in the system pushing up bad stocks as well as good ones. As liquidity is removed from the system this is unlikely to be as prevalent. A much more conservative and watchful investment framework is now required, but that does not correlate with there being a lack of opportunities; they will just be different to those in the past. Opportunities, measured by the range of market prices, have shrunk on a short-term basis, but have demonstrably risen on a long-term basis. President Trump's pro-growth policies and the improvements in the global economy mean government bonds, bond proxies, property, infrastructure and other defensive sectors are probably the most at risk. On the other hand, we think strong companies with earnings growth potential like foreign banks with a focus on their domestic market are prime beneficiaries.

We do not underestimate the magnitude of change and the implications for portfolio composition. With the US tax reform program in effect we are now in the second innings of the post-Trump environment where there is global growth, but stock picking will be crucial. This plays into our core competency of finding and exploiting genuine long-term market anomalies.

As the Company's investment manager, we are endeavouring to improve our communications with shareholders. For more information on the Company's investment performance, holdings, commentaries and views, I would encourage you to visit the Insights section of our website – www.pmcapital.com.au. In particular, the Bondnado presentation (March 2018) will give you a more detailed look at our portfolio positioning, while the Moneyball presentation (May 2017) gives a good insight into our investment philosophy and process.



Paul Moore
Portfolio Manager of PM Capital Global Opportunities Fund Limited
PM Capital Limited
16 August 2018

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2018

Investment	Market Value \$
<u>Equity Securities & Convertible Notes</u>	
KKR & Co	25,440,669
Bank of America Corp	22,840,481
Wells Fargo & Company	20,362,241
Intercontinental Exchange Inc	20,311,188
Bank of Ireland Group PLC	20,221,634
JP Morgan Chase & Co.	19,095,459
ING Groep NV	18,640,991
Apollo Global Management	18,310,767
Lloyds Banking Group PLC	18,107,927
Howard Hughes Corporation	17,906,375
CaixaBank SA	17,742,564
Tri Pointe Homes Inc	17,210,826
Pfizer Inc	17,161,616
Deutsche Boerse AG	16,213,911
Alphabet Inc Class C	16,020,906
Visa Inc-Class A Shares	15,752,022
MasterCard Inc	15,730,377
CME Group Inc	15,430,022
National Australia Bank Limited - Note	14,771,106
The Blackstone Group LP	14,399,019
Ares Management	13,982,033
Neinor Homes SA	13,711,131
Toll Brothers Inc	11,569,857
PM Capital Asian Opportunities Fund Limited	10,651,178
Barclays PLC	10,352,989
Aedas Homes	9,458,915
NH Hotel Group SA	9,354,150
AIB Group Plc	9,295,297
BB&T Corp	9,095,926
Glenveagh Properties PLC	9,095,398
Cairn Homes PLC	9,054,401
MGM China Holdings Ltd	9,053,389
Lennar Corporation	8,171,811
Realogy Holdings Corp	6,957,418
Sands China Ltd	4,879,902
Zardoya Otis SA	3,422,798
PMP Limited	329,000
PM Capital GO 2025 Limited	1
The Wendy's Company	(2,371,740)
Dunkin' Brands Group Inc	(2,524,044)

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2018 (CONTINUED)

Investment	Market Value \$
<u>Debt Securities</u>	
Taurus PLC	12,942,902
<u>Cash & Other Securities</u>	
Total Cash assets (per note 3 to the financial statement)	9,244,549
Currency forward contracts	4,099,520
Collateral Accounts	1,769,965
Futures & Options	988,225
Total Interest bearing liabilities (per note 3 to the financial statements)	(48,311,748)
	<hr/> 485,943,324 <hr/>

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 2018.

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 B.Comm, LLB, Grad Dip AppFin
Chairman and Non-executive Director
Member of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr McGill has more than 28 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 Chairman and Non-executive Director of PM Capital GO 2025 Limited, Non-executive Director of Countplus Limited, 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 B.Bus
Non-executive Director
Chairman of the Nomination and Corporate Governance Committee
Chairman of the Audit Committee

Mr Spork has over 25 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 Director of PM Capital GO 2025 Limited, a Non-Executive Chairman of Primarymarkets.com, and as 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)

Ben Skilbeck B.Eng (Hons), B.Comm

Executive Director

Member of the Audit Committee

Member of the Nomination and Corporate Governance Committee

Mr Skilbeck has over 22 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 Mr Skilbeck 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, Director of PM Capital GO 2025 Limited and Director of 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 B.Sc. B.A. B.Ec. Grad Dip AppFin (Corporate Finance) MPA

Company Secretary

Alternate Director for Ben Skilbeck

Mr Matthews is PM Capital Limited's Chief Operating Officer and Head of Compliance. He has over 18 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.

Mr Matthews is also the Alternate Director for Mr Ben Skilbeck, and Company Secretary, for PM Capital Asian Opportunities Fund Limited and for PM Capital GO 2025 Limited, and Company Secretary for PM Capital Limited.

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.

Attendance at Meetings

Board of Director Meetings

Director	Meetings Held and Entitled to Attend*	Meetings Attended*
Andrew McGill	4	4
Brett Spork	4	4
Ben Skilbeck	4	4

* In addition, 4 circular resolutions were made.

DIRECTORS' REPORT (CONTINUED)

Attendance at Meetings (continued)

Nomination and Corporate Governance Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Andrew McGill	3	3
Brett Spork	3	3
Ben Skilbeck	3	3

Audit Committee Meetings

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

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 2018 are as follows:

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

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

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)

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:

	2018	2017
	\$	\$
Profit before Income Tax	70,494,855	114,707,895
Income Tax Expense	(20,217,294)	(33,585,065)
Profit for the year attributable to members	50,277,561	81,122,830

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

The invested position of the Company is recognised on the Balance Sheet as follows:

	2018	2017
	%	%
Equity Securities	104.0 %	95.8 %
Debt Securities	2.7 %	6.7 %
Cash and cash equivalent assets and interest bearing liabilities	(8.0)%	(12.5)%
Collateral accounts	0.4 %	11.1 %
Other financial assets at fair value through profit or loss	1.1 %	0.2 %
Financial liabilities at fair value through profit or loss	0.0 %	(1.3)%

Dividends

On 16 August 2018, the Directors declared a fully franked final dividend of 1.8 cents per share (June 2017: 1.8 cents per share) which will be paid on 27 September 2018. The Ex-Dividend date is 5 September 2018 and the Record Date is 6 September 2018.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2018, is \$6,316,380 (June 2017: \$6,289,132).

The Dividend Reinvestment Plan ("DRP") will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 7 September 2018. 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 1.8 cents per ordinary share, amounting to \$6,303,453, was paid on 29 March 2018.

DIRECTORS' REPORT (CONTINUED)

Net Assets

As at 30 June 2018 the net assets of the Company were \$449,576,312 (2017: \$410,167,158). Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial year there was no significant change in the state of affairs of the Company.

Events Subsequent to Balance Date

On 2 July 2018, the Company and its subsidiary - PM Capital GO 2025 Limited ("GO 2025") - announced an offer of **Portfolio Tracking Exchangeable Redeemable Securities (Converting Security) ("PTrackERS")**.

The offer closed on 10 August 2018 with insufficient applications to meet the minimum amount specified in the prospectus. As such the Offer was withdrawn

The Company is in the process of returning all application monies as quickly as possible and apologises for any inconvenience caused.

PM Capital Limited will pay all costs in relation to the offer, thus ensuring that there is no detrimental impact to the Company.

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.

DIRECTORS' REPORT (CONTINUED)

Proceedings on behalf of the company

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

Non-Audit Services

Details of amount paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 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 16.

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2018, under the requirements of *Section 300A(1)* of the *Corporations Act 2001*.

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
 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' remuneration received or receivable for the year ended 30 June 2018 was as follows:

Director	Directors' fees \$	Superannuation \$	Total \$
Andrew McGill	36,530	3,470	40,000
Brett Spork	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
	68,493	6,507	75,000

Directors' base fees are limited in the Constitution to a maximum of \$250,000 per annum.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report (continued)

Directors' Remuneration (continued)

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

Ben Skilbeck is the Chief Executive Officer of the Investment Manager and Richard Matthews is the Chief Operating Officer and Head of Risk and 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 16th day of August 2018, in accordance with a resolution of the Board of Directors by:



Andrew McGill
Chairman

PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED

ACN 166 064 875

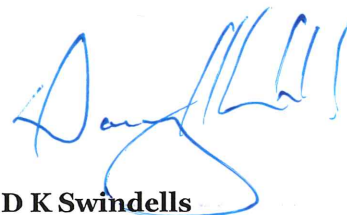
AUDITOR'S INDEPENDENCE DECLARATION

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 2018, 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
16 August 2018**



**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

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of **HLB** International. A world-wide network of independent accounting firms and business advisers.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue			
Interest		1,487,683	1,895,317
Dividends		8,294,423	8,164,639
Gains on investments held at fair value through profit or loss		74,661,458	107,223,917
(Losses)/gains on foreign exchange		(6,143,322)	4,927,572
Other income		97	12
Total revenue		78,300,339	122,211,457
Expenses			
Management fees	8 (a)	4,603,298	3,833,738
Performance fees	8 (a)	1,017,682	1,482,051
Finance costs		1,230,953	1,313,874
Audit fees	8 (b)	42,445	39,930
Directors' fees	12	75,000	101,250
Insurance		60,039	60,014
Brokerage fees		348,529	331,224
Other operating expenses		427,538	341,481
Total expenses		7,805,484	7,503,562
Profit for the year before income tax		70,494,855	114,707,895
Income tax expense	6 (a)	(20,217,294)	(33,585,065)
Profit after income tax		50,277,561	81,122,830
Other comprehensive income for the year		-	-
Total comprehensive income attributable to shareholders		50,277,561	81,122,830
Basic earnings per share	9	14.36	23.26
Diluted earnings per share	9	14.36	23.26

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 2018**

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	3	9,244,549	2,145,817
Collateral accounts		1,769,965	47,843,578
Financial assets at fair value through profit or loss	2 (d)	523,338,007	440,867,416
Receivables	4	59,565	253,445
Total current assets		<u>534,412,086</u>	<u>491,110,256</u>
Non-current assets			
Deferred tax assets	6 (c)	64,102	263,506
Total non-current assets		<u>64,102</u>	<u>263,506</u>
TOTAL ASSETS		<u>534,476,188</u>	<u>491,373,762</u>
Current liabilities			
Interest bearing liabilities	3	48,311,748	55,683,847
Financial liabilities at fair value through profit or loss	2 (d)	97,449	5,706,835
Payables	5	2,395,048	2,689,171
Income tax payable		5,115,513	683,529
Total current liabilities		<u>55,919,758</u>	<u>64,763,382</u>
Non-current liabilities			
Deferred tax liabilities	6 (c)	28,980,118	16,443,222
Total non-current liabilities		<u>28,980,118</u>	<u>16,443,222</u>
TOTAL LIABILITIES		<u>84,899,876</u>	<u>81,206,604</u>
NET ASSETS		<u>449,576,312</u>	<u>410,167,158</u>
SHAREHOLDERS' EQUITY			
Share capital	7	346,343,640	344,619,462
Retained profits		103,232,672	65,547,696
TOTAL SHAREHOLDERS' EQUITY		<u>449,576,312</u>	<u>410,167,158</u>

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 2018**

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Interest received		1,634,536	1,871,305
Dividends received		8,347,570	8,539,405
Other income received		165	3,694
Interest paid		(1,221,431)	(1,216,172)
Management fees paid		(4,458,837)	(3,655,371)
Performance fees paid		(1,482,051)	-
Income tax paid		(3,049,010)	(8,166,180)
Brokerage fees paid		(348,529)	(331,224)
Other operating expenses		(593,882)	(559,490)
Net cash (outflow) from operating activities	10	<u>(1,171,469)</u>	<u>(3,514,033)</u>
Cash flows from investing activities			
Proceeds from sale of investments		641,908,697	655,338,914
Purchase of investments		(615,619,924)	(595,841,264)
Net cash inflow from investing activities		<u>26,288,773</u>	<u>59,497,650</u>
Cash flows from financing activities			
Dividends paid (Net of DRP)		(10,868,407)	(9,487,307)
Net cash (outflow) from financing activities		<u>(10,868,407)</u>	<u>(9,487,307)</u>
Impact of exchange rate changes on cash and cash equivalents		221,934	(2,980,906)
Net increase in cash and cash equivalents		14,470,831	43,515,404
Cash and cash equivalents at the beginning of the financial year		<u>(53,538,030)</u>	<u>(97,053,434)</u>
Cash and cash equivalents at the end of the financial year	3	<u>(39,067,199)</u>	<u>(53,538,030)</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Share Capital \$	Retained Profit / (Losses) \$	Total \$
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
Balance at 1 July 2017		344,619,462	65,547,696	410,167,158
Total comprehensive income for the year		-	50,277,561	50,277,561
Subtotal		344,619,462	115,825,257	460,444,719
Transactions with owners in their capacity as owners				
Shares issued under the Company's dividend reinvestment plan	7	1,724,178	-	1,724,178
Dividends paid		-	(12,592,585)	(12,592,585)
Subtotal		1,724,178	(12,592,585)	(10,868,407)
Balance at 30 June 2018		346,343,640	103,232,672	449,576,312

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018, and were authorised for issue by the Directors on 16 August 2018.

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.

The Company and its wholly owned subsidiary, PM Capital GO 2025 Limited, are investment entities. An investment entity is an entity that:

- a) Obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- b) Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- c) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

Australian Accounting Standards do not allow an investment entity which controls another investment entity to consolidate that subsidiary and instead requires that an investment in that subsidiary be held at fair value through profit or loss - refer to Note 1(e) investments for further information in respect of the accounting treatment of the investment in the wholly owned subsidiary.

(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. For further details on how the fair value of financial instruments is determined please see Note 2(d).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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/(losses) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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

(i) Investment income

(i) Interest income

Interest income is recognised in profit or loss for all financial instruments that are held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in gains/(losses) on financial instruments. Other changes in fair value of such instruments are recorded in accordance with the policies described in Note 1(e) to the financial statements.

(ii) Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded against dividend income. The Company incurs withholding tax imposed by certain countries on dividend income.

(iii) Net changes in fair value of investments

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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

(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) 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 2018 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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 foreign 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

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

	Australian Dollars A\$	US Dollars A\$	British Pounds A\$	Euro A\$	Other Currencies A\$	Total A\$
2018						
Assets						
Cash and cash equivalents	8,879,619	-	-	-	364,930	9,244,549
Collateral accounts	-	1,769,965	-	-	-	1,769,965
Financial assets at fair value through profit or loss:						
Listed securities	25,751,284	300,853,230	28,460,916	136,211,189	13,933,291	505,209,910
Unlisted securities	1	-	-	-	-	1
Debt securities	-	-	12,942,902	-	-	12,942,902
Futures	-	1,085,674	-	-	-	1,085,674
Currency forward contracts	(9,000,000)	60,706,349	-	(47,606,829)	-	4,099,520
Receivables	36,137	-	23,428	-	-	59,565
Deferred tax assets	64,102	-	-	-	-	64,102
Total assets	25,731,143	364,415,218	41,427,246	88,604,360	14,298,221	534,476,188
Liabilities						
Interest bearing liabilities	-	37,769,059	9,931,223	611,466	-	48,311,748
Financial liabilities at fair value through profit or loss:						
Options	-	97,449	-	-	-	97,449
Payables	2,395,048	-	-	-	-	2,395,048
Income tax payable	5,115,513	-	-	-	-	5,115,513
Deferred tax liabilities	28,980,118	-	-	-	-	28,980,118
Total liabilities	36,490,679	37,866,508	9,931,223	611,466	-	84,899,876
Net assets	(10,759,536)	326,548,710	31,496,023	87,992,894	14,298,221	449,576,312

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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\$
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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency sensitivity

A sensitivity of 5% (2017: 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 all other variables remaining 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 2018	24,228,203	5.4%	(21,920,755)	(4.9%)
30 June 2017	19,297,734	4.7%	(17,459,854)	(4.3%)

(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 securities is dependent on 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

2. Financial risk management (continued)

(b) Market risk (continued)

(ii) Price risk (continued)

The Collateral Account collateralises the purchase of financial assets with 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 2018 and 30 June 2017 is as follows:

Industry Groups	2018	2017
Banks	37%	40%
Diversified Financials	24%	11%
Real Estate	11%	13%
Consumer Durables & Apparel	9%	11%
Software & Services	9%	9%
Consumer Services	4%	5%
Pharmaceuticals, Biotechnology & Life Sciences	3%	6%
Capital Goods	1%	0%
Food, Beverage & Tobacco	0%	3%
Materials	0%	(1%)
Other	2%	3%
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% [2017: 5%] with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/- \$25,260,496 [2017: +/- \$20,579,680]. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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 debt 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 \$87,136,555 [2017: \$110,503,228]. 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 \$38,727,358 [2017: \$49,112,546] as at balance date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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: Unlisted securities, Options, Currency forward contracts and debt securities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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 2018 and 30 June 2017:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2018				
Financial assets at fair value through profit or loss				
Listed securities	505,209,910	-	-	505,209,910
Unlisted securities	-	-	1	1
Debt securities	-	12,942,902	-	12,942,902
Futures	1,085,674	-	-	1,085,674
Currency forward contracts	-	4,099,520	-	4,099,520
	<u>506,295,584</u>	<u>17,042,422</u>	<u>1</u>	<u>523,338,007</u>
Financial liabilities at fair value through profit or loss				
Options	97,449	-	-	97,449
	<u>97,449</u>	<u>-</u>	<u>-</u>	<u>97,449</u>
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
	<u>412,077,911</u>	<u>28,789,505</u>	<u>-</u>	<u>440,867,416</u>
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
	<u>1,378,847</u>	<u>4,327,988</u>	<u>-</u>	<u>5,706,835</u>

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

	2018 \$	2017 \$
3. Cash and cash equivalents and Interest bearing liabilities		
<i>Cash and cash equivalents</i>		
Deposits in Money Markets	350,000	350,000
Cash at bank (Custodian) – AUD	8,529,619	-
Cash at bank (Custodian) – USD	-	1,795,817
Cash at bank (Custodian) – HKD	364,930	-
	<u>9,244,549</u>	<u>2,145,817</u>
<i>Interest bearing liabilities</i>		
Overdraft at Custodian	(48,311,748)	(55,683,847)
	<u>(39,067,199)</u>	<u>(53,538,030)</u>
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	23,428	170,281
Dividend receivable	-	53,147
GST receivable	6,113	6,181
Other receivable	30,024	23,836
	<u>59,565</u>	<u>253,445</u>
5. Payables		
Trade creditors and accruals	1,270,142	1,109,418
Performance fee payable	1,017,682	1,482,051
Interest payable	107,224	97,702
	<u>2,395,048</u>	<u>2,689,171</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

2018	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:

Profit for the year before income tax expense	70,494,855	114,707,895
Prima facie income tax expense calculated at 30% (2017: 30%)	21,148,457	34,412,369
Tax credits – current year	(930,624)	(903,803)
Prior year under provision	(539)	76,499
Income tax expense	20,217,294	33,585,065

(b) Franking credits

2018	2017
------	------

Franking credits available for subsequent reporting periods based on a tax rate of 30% (2017 - 30%)	\$10,611,541	\$8,485,960
Number of shares on issue at the end of the financial year	350,909,977	349,396,204
Franking Credits available per Share on issue	\$0.0302	\$0.0243

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

2018	2017
\$	\$

6. Income tax (continued)

(c) Deferred tax

Deferred tax assets are represented by the following temporary differences:

Initial public offering corporate fee	-	128,861
Initial public offering legal fees	-	17,749
Initial public offering other expenses	-	7,663
Listing fees	45,929	89,399
Insurances	9,002	14,007
Audit fees	9,171	5,827
	<u>64,102</u>	<u>263,506</u>

Deferred tax liabilities are represented by the following temporary differences:

Unrealised gains on investments	(28,980,118)	(16,427,278)
Dividend receivable	-	(15,944)
	<u>(28,980,118)</u>	<u>(16,443,222)</u>

7. Share capital

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 (exercisable on or before 30 June 2015, after that date the options expired). 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. Movements in share capital during the year were as set out below:

	2018 Number of shares	2017 Number of shares
Shares on issue at beginning of year	349,396,204	347,968,377
Shares issued under the Company's dividend reinvestment plan	1,513,773	1,427,827
Shares on issue at the end of the year	<u>350,909,977</u>	<u>349,396,204</u>

Capital Management

The Company's objectives for managing capital are to invest the capital in investments meeting the description, risk exposure and expected return pursuant to the Investment Management Agreement between the Company and the Investment Manager.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

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:

$$P = 15\% \times (A - B) \times \text{portfolio Net Asset Value at the end of the last day of the relevant month where:}$$

P is the Performance Fee for the relevant month;
A is the Investment Return of the portfolio for the relevant month; and
B is the Benchmark Return for the relevant month. "Benchmark Return" means, in respect of the relevant month, the percentage by which the Morgan Stanley Capital International World Index (AUD) increases or decreases over the course of the relevant month.

The performance fee for each month in a financial year will be aggregated (including any negative amounts carried forward) and paid annually in arrears if the aggregate performance fee for that financial year (including any negative amounts carried forward) is a positive amount.

(b) Auditor's Remuneration

	2018	2017
	\$	\$
Audit and review of the financial statements	41,410	40,250
Tax compliance services	10,500	5,450
Other assurance services	-	-
	51,910	45,700

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

	2018	2017
9. Earnings per share		
Basic earnings per share	14.36 cents	23.26 cents
Diluted earnings per share	14.36 cents	23.26 cents
Reconciliation of earnings and weighted average number of shares used in calculating basic and diluted earnings per share:		
Earnings used in calculating basic earnings per share	\$50,277,561	\$81,122,830
Earnings used in calculating diluted earnings per share	\$50,277,561	\$81,122,830
Weighted average number of ordinary shares used in the calculation of basic earnings per share	350,182,765	348,693,290
Weighted average number of shares used in the calculation of diluted earnings per share	350,182,765	348,693,290

10. Cash flow statement

Reconciliation of Profit after income tax to Cash Flow from Operating Activities

	2018	2017
	\$	\$
Profit after income tax	50,277,561	81,122,830
Gains on Investments at fair value through profit or loss	(74,661,458)	(107,223,917)
Losses/(Gains) on Foreign Exchange	6,143,322	(4,927,572)
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	194,945	352,387
Increase/(Decrease) in income tax payable	4,431,984	(3,376,415)
Decrease in deferred tax assets	199,404	12,352,078
Increase in deferred tax liabilities	12,536,896	16,443,222
(Decrease)/Increase in payables	(294,123)	1,743,354
Net cash outflow from Operating Activities	<u>(1,171,469)</u>	<u>(3,514,033)</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)**

12. Related party transactions

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

- Compensation arrangements with the Directors and Executive Directors (refer to Directors' Remuneration below);
- Interests in the Company held directly or indirectly by the Directors and Executive Directors (refer to remuneration report included in the directors' report); and
- Management Agreement between the Company and the Investment Manager (refer to Note 8 for details of fees paid to the Investment Manager).

As at 30 June 2018, the Company holds 9,425,821 ordinary shares [2017: 9,215,066] valued at \$10,651,178 [2017: \$10,044,422] in PM Capital Asian Opportunities Fund Limited ("PAF") and 1 ordinary share [2017: Nil] valued at \$1 [2017: \$Nil] in PM Capital GO 2025 Limited ("GO 2025"). Both companies are associated with the Investment Manager.

The Company and PAF are 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 PAF is reimbursable by the Investment Manager.

Directors' Remuneration

Directors' remuneration received or receivable for the year ending 30 June 2018 was as follows:

Director	Directors' fees \$	Superannuation \$	Total \$
Andrew McGill	36,530	3,470	40,000
Brett Spork	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
	68,493	6,507	75,000

Directors' remuneration received or receivable 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

Ben Skilbeck is the Chief Executive Officer of the Investment Manager and Richard Matthews is the Chief Operating Officer and Head of Risk and 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 17 to 39 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 2018 and of its performance for the year ended on that date.
 - (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 2018 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
16 August 2018

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 2018, 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 2018 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@hlbns.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of  International. A world-wide network of independent accounting firms and business advisers.

Key Audit Matter	How our audit addressed the key audit matter
<i>Existence and Valuation of Investments and Cash</i>	
<p>At 30 June 2018 the Company held “Financial assets at fair value through profit or loss” of \$523,338,007, “Collateral accounts” of \$1,769,965 and “Cash and Cash Equivalents” of \$9,244,549, which have been included in the Company’s Statement of Financial Position at that date.</p> <p>We considered these areas to be key audit matters due to the size of the amounts involved.</p> <p>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.</p>	<p>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.</p>
<i>Completeness of Interest Bearing Liabilities and Other Financial Liabilities</i>	
<p>At 30 June 2018 the Statement of Financial Position shows “Interest bearing liabilities” of \$48,311,748 and “Financial liabilities at fair value through profit or loss” of \$97,449.</p> <p>We considered this area to be a key audit matter due to the potential size of the liabilities.</p>	<p>We confirmed with the Custodian that all interest bearing liabilities and other financial liabilities had been recognised.</p>
<i>Completeness and Occurrence of Performance and Management Fees</i>	
<p>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.</p> <p>For the year ended 30 June 2018 the Company incurred “performance fees” of \$1,017,682 and “management fees” of \$4,603,298 which have been included in the Company’s Statement of Profit or Loss and Other Comprehensive Income.</p> <p>We focused on this area as a key audit matter as the agreement is with the Investment Manager of the Company.</p>	<p>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.</p> <p>We confirmed with the Investment Manager that the expense recognised by the Company reconciled to the income received by the Investment Manager.</p>

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 2018, 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

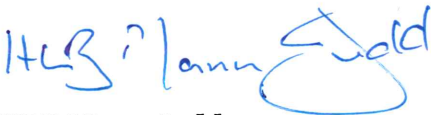
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 15 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2018 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.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink that reads 'D K Swindells'.

D K Swindells
Partner

Sydney, NSW
16 August 2018

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 25 July 2018.

Holder name	Ordinary Shares held	% of Issued Shares
Roaring Lion Pty Ltd	15,685,737	4.47%
HSBC Custody Nominees	12,078,932	3.44%
Nulis Nominees (Australia)	12,078,932	3.44%
PM Capital Limited	10,840,391	3.09%
Forsyth Barr Custodians Ltd	6,557,145	1.87%
Mr Alister John Forsyth	4,936,195	1.41%
Navigator Australia Ltd	3,482,415	0.99%
Becjohn Pty Limited	2,558,315	0.73%
BNP Paribas Nominees Pty Ltd	2,277,226	0.65%
Chriswall Holdings Pty Limited	2,176,859	0.62%
O'Keefe Aus Holdings Pty Ltd	1,633,463	0.47%
Netwealth Investments Limited	1,500,000	0.43%
Old Fletcher & Partners Pty Ltd	1,270,000	0.36%
Australian Executor Trustees	1,270,000	0.36%
Marian & Eh Flack Nominees	1,121,520	0.32%
Mordant Investments Pty Ltd	1,000,000	0.28%
Mrs Jennifer Coral Spencer & Mr David Frederick Spencer	1,000,000	0.28%
Palombara Pty Ltd	850,000	0.24%
Demeta Pty Ltd	805,775	0.23%
Frapam Pty Ltd	754,700	0.22%
	83,877,605	23.90%

Substantial Shareholders

Details of substantial shareholders and their respective holdings as at 25 July 2018.

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	31,462,324	8.97%
	31,462,324	8.97%

SHAREHOLDER INFORMATION (CONTINUED)

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding, as at 25 July 2018.

Holding	Number of shareholders	Ordinary shares held	% of Issued Shares
1 - 1,000	183	102,626	0.03%
1,001 - 5,000	693	2,359,589	0.67%
5,001 - 10,000	1,193	9,944,274	2.84%
10,001 - 100,000	5,525	184,760,615	52.65%
100,001 and over	446	153,742,873	43.81%
	8,040	350,909,977	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 25 July 2018, is 66.

Other Stock Exchanges Listing

Quotation has been granted for all Ordinary Shares 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 380.

The total brokerage paid (net of RITC) on these transactions was \$348,529.

SHAREHOLDER INFORMATION (CONTINUED)

Investment Management Agreement (between the Company and the Investment Manager)

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 and payment of termination fees where applicable, 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) 9290 9600

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>