PM Capital Global
Opportunities Fund Limited
ABN 17 166 064 875

Level 27, 420 George Street
Sydney NSW 2000 Australia

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

Appendix 4E
Final Report
For the year ended 30 June 2019
Date: 15 August 2019

Results for announcement to the market

Financial Results	30 June 2019 $	30 June 2018 $	Change %
Revenue from ordinary activities	$9,274,514	$78,300,339	(88.16%)
Profit from ordinary activities after tax attributable to members	$2,882,539	$50,277,561	(94.27%)
Profit for the year attributable to members	$2,882,539	$50,277,561	(94.27%)

Net Tangible Asset ("NTA") Backing Per Share	30 June 2019 $	30 June 2018 $	Change %
NTA before tax accruals	1.3179	1.3782	(4.38%)
NTA after tax	1.2530	1.2812	(2.20%)
NTA after tax (2019 adding the September 2018 dividend of 1.8 cents per share, and March 2019 dividend of 1.8 cents per share)	1.2890	1.2812	0.61%

Dividends:

On 15 August 2019, the Directors declared a fully franked final dividend of 2.0 cents per share (June 2018: 1.8 cents per share) which will be paid on 26 September 2019. The Ex-Dividend date is 4 September 2019 and the Record Date is 5 September 2019.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2019, is $7,040,414 (June 2018: $6,316,380).

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 6 September 2019. No discount will be 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:

None.

Details of associates and joint venture entities

None.

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

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

Annual Report

For the year ended 30 June 2019

PM Capital Global Opportunities Fund Limited

ACN 166 064 875

CONTENTS

CHAIRMAN'S REPORT

15 August 2019

Dear Shareholders,

During the 2019 financial year, performance for PM Capital Global Opportunities Fund Limited ("the Company") was somewhat subdued, with modestly positive portfolio investment returns, but a decline in net tangible assets per share after dividend payments. Market and economic conditions during the year were volatile – witness the pre-Christmas equities sell-off followed by a rally in the second half of the year returning indices to their highs; and government bond yields falling to near record lows on rate expectations and record high bond fund inflows.

Paul Moore reports on investment-related matters during 2019 later in this annual report, including in relation to the valuation dispersion currently apparent as equity markets are driven by the combination of economic cycle concerns and falling yields. His comments on markets and the implications for the Company's investment portfolio are insightful and I commend them to you.

2019 Investment Performance

During the 2019 financial year, portfolio returns net of fees and expenses generated a return of 0.6% . By comparison, over the year to 30 June 2019 the MSCI World Net Total Return Index (expressed in Australian dollars) returned 12.0% and the local S&P/ASX 200 Accumulation Index returned 11.5%.

Financial Results

For the year ended 30 June 2019, the Company reported profit before tax of $2.4 million and profit after tax of $2.9 million. Earnings per share was 0.82 cents. The majority of profit before tax during 2019 was from dividends paid on global equities held by the Company. Taxable income for the year was $42.4 million – driven by $33.3 million of realised gains on sale of securities.

On 27 September 2018, the Company paid a final dividend relating to the 2018 year of 1.8 cents per share fully franked (amounting to $6,316,380). On 28 March 2019, the Company paid an interim 2019 dividend of 1.8 cents per share fully franked (amounting to $6,320,898).

We are pleased to announce a final 2019 dividend of 2.0 cents per share fully franked amounting to $7,040,414. The Record date for the final 2019 dividend is 5 September 2019 and it will be paid on 26 September 2019.

A broad range of LICs specialising in global equities, including PGF, saw their discounts to Net Tangible Assets (NTA) widen considerably during FY2019. We are aware that this can mean the mark-to-market returns of a shareholder can be quite different to the investment performance of the underlying portfolio. The history of the LIC market in Australia has shown that many LICs cycle between experiencing adverse and positive movements in share price relative to NTA. In PGF's case the recent expansion in the share price discount to NTA between 31 December 2018 and 30 June 2019 appears to be driven by essentially no movement in the Company's point to point share price since the pre-Christmas sell off in global equities, while at the same time Pre-Tax NTA increased by 12.4%.

As a board we are constantly considering ways to maximise long term shareholder value. During the year PM Capital has been actively promoting the Company through interaction with stockbrokers, advisers and researchers. In addition, it continues to focus on communications and engagement with the market generally. Numerous investment manager insight and portfolio positioning articles, reports and videos have been made available for investors through the year.

On 4 July 2019 the Company announced my intention to retire as a director of the Company. It has been a pleasure to serve shareholders and the Company since the time of its IPO and to work with Paul Moore and his capable team. PM Capital's experience has been beneficial to shareholders, and its significant investment in the Company has been indicative of its commitment. I take this opportunity to thank all staff of PM Capital Limited for their hard work, efforts and commitment. Thank you to all our shareholders for your continued interest in and support for the Company.

Chris Knoblanche has been appointed to the board and he will be appointed Chairman effective immediately following the release of the Annual Report today. Chris is a highly capable and experienced director and I am confident he will provide the Company with strong leadership.

The board and management team look forward to further discussing the results presented in this Report and to meeting with shareholders at the Annual General Meeting on 15 November 2019.

Andrew McGill
Chairman
15 August 2019

PORTFOLIO MANAGER'S REPORT

Dear investor,

Financial year 2019 (FY19) in global markets featured two 'greats' – a great race, and a great dilemma.

The great race was the race towards zero bond and market interest rates, with many central banks reducing their official cash rates to stave off an economic downturn, and a glut of yield-hungry investors seemingly happy to receive near no return for government bonds, or in some cases, actually pay governments to take their money.

The great dilemma was over divergence in valuations between sectors, in particular those sectors perceived to be defensive to slowing economic growth, relative to those sensitive to 'late cycle'. In last year's report I talked about the markets being affected by the three 't's – tech, trade, and Trump. Despite the negatives that can be related to them, in June 2018 these three factors, as well as an improved economy, encouraged US equities to their highs.

Here we are, one year later, and the three 't's remain in the middle of the action, and many global markets, including the US, are (as at 30 June 2019) – again - at (or around) fresh highs. Led, commonly, by the same stocks on stretched valuations, *but* in an environment where interest rates are falling in market anticipation of future economic weakness. Same, same, but different. Concurrently, valuations in the so called 'late cycle' economically-sensitive sectors saw near record relative valuation disparities, making them look like comparative bargains. So had valuations and valuation disparities become extreme, or, was the market fairly valued in an environment where the cost of capital continued to fall with the potential for an economic slow-down on the horizon? That was the great dilemma of FY19.

In this environment, it was difficult for many active investors to add value versus broad market outcomes. The Company's portfolio total return[3] for financial year 2019 (FY2019) was 0.6% (following on from 35.3% in 2017 and 16.6% in 2018). Since inception, the Company's performance[4,3] has been a total 78.3%, or 11.0% per annum.

To give some longer term context, the PM Capital global equities strategy underpinning PGF commenced in October 1998 in the form of the PM Capital Global Companies Fund. From inception to the end of June 2019, this Fund, using PGF's fee structure, would have produced a return[5] of 636%, against a return of 172% for the MSCI World Net Total Return Index (expressed in Australian dollars).

In achieving this long-term performance, our objective was, and remains, to grow investor's capital over the long term, and at the same time accrete value relative to both the MSCI and the RBA cash rate. When investing, our rough rule of thumb is to find those stock ideas that we believe will generate a gross return of 10% p.a. over the appropriate time frame and to then apply these ideas to a portfolio with patience and conviction. In our experience, this has allowed us to produce long-term net returns which have exceed both the MSCI and RBA cash rate.

Market environment

FY19 witnessed some clear phases. In September 2018 there was a 2000 TMT-like blow-off in growth stocks, then a pre-Christmas equities implosion on the back of record fund outflows, followed by a second half rally that returned many market indices to their highs.

---

[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 2019 NTA the dividends paid, the increase over the 30 June 2018 NTA before tax accruals + franking credits is 0.5%; and the NTA after tax is 0.6%

[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.

[5] Past performance is not a reliable indicator of future performance.

Overall, there was a transition from a world still recovering from the GFC to a world dealing with all the positives and negatives surrounding a Trump presidency, and the general acceptance that we are 'late cycle', marked by fears of decelerating economic growth, lower rates, and peaks in profit margins, sales and stock multiples.

The great race to zero

Global negative yielding debt at record high

Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg

Global government bond yields at record lows

Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg, Global Financial Data. Chart shows simple average 10-year yield.

The most important and fascinating issue in investment markets during the year was the "Great Race" to zero interest rates. Record low government bond yields, negative yielding debt, booming short term bond fund inflows – were all triggered by the biggest investment crowd of all - bond investors. If we refer to Germany as an example, bond yields are negative - investors are paying to give their money to others. Argue right or wrong, but Germany does have credibility when it comes to price stability and it has a huge trade surplus. However, how about Greece? Greece first defaulted in the fourth century BC, has defaulted five times in modern history and spent half of the last 90 years in financial crisis. Bond investors are lending it money, at 2.4%, for the next ten years! At face value 2.4% may look attractive relative to -0.3%, but lending to Greece at this level does not compensate investors for the overall risk of loss they are taking on. Compare that to the total yield of Bank of America – over 13%. Bond investors are clearly desperate for yield.

Australian Gov't Bonds at 1% (Germany < 0%, Greece 2.4%)

V

Equities at 6%+ (Bank Europe 14%, Visa 3%)

	Coupon	Growth
Japan	-0.2%	0
Germany	-0.3%	0
Ireland	0.2%	0
Italy	2.1%	0
Greece	2.4%	0
Visa	3.2%	10%+
McDonalds	4.0%	~5%?
Bank of America	13.7%	~5%

BAC June 2019

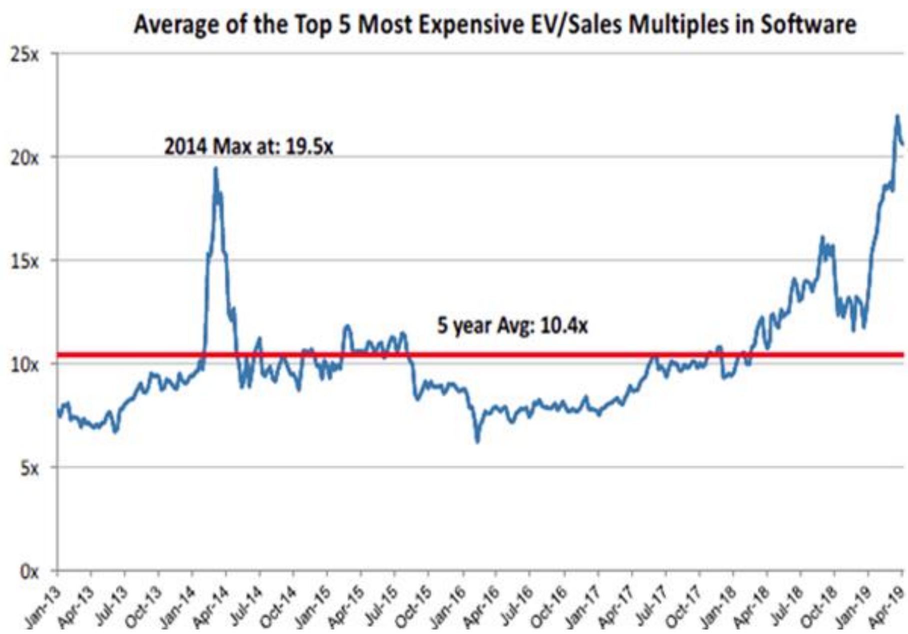
Market value $ 268 bn
Buybacks Net $ 30 bn
Cash Dividends $ 6.8 bn

Total yield = 13.7%

I have always felt that the only way to successfully invest is to do so away from the crowd, so the current situation is a head-scratcher. It brings to mind the classic 1841 book *Extraordinary Popular Delusions & the Madness of Crowds*. Are we witnessing one of the great manias of all time? Many argue record low rates are the 'new norm', but combined with the process-dominated passive and ETF investment world in which we live, we may end up with an explosive Wall St cocktail.

This leads us to the great dilemma. We will only know with the benefit of hindsight, but if low rates are the new norm, a net present value calculation of future cashflows including zero rates would imply that equities in general are extraordinarily cheap, even when indices are at record highs. I do not believe this to be the case – while parts of the market are cheap other are materially overvalued and this is why an active stock-picking approach is required.

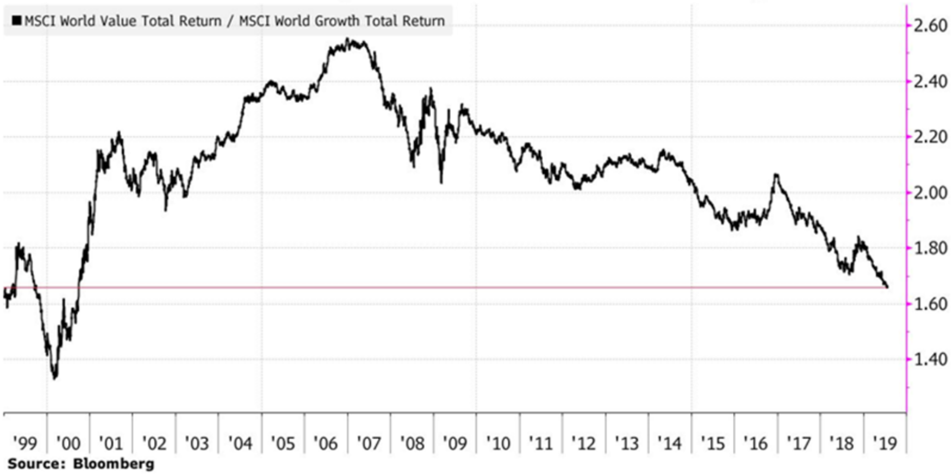
Software stocks continued to be bid up



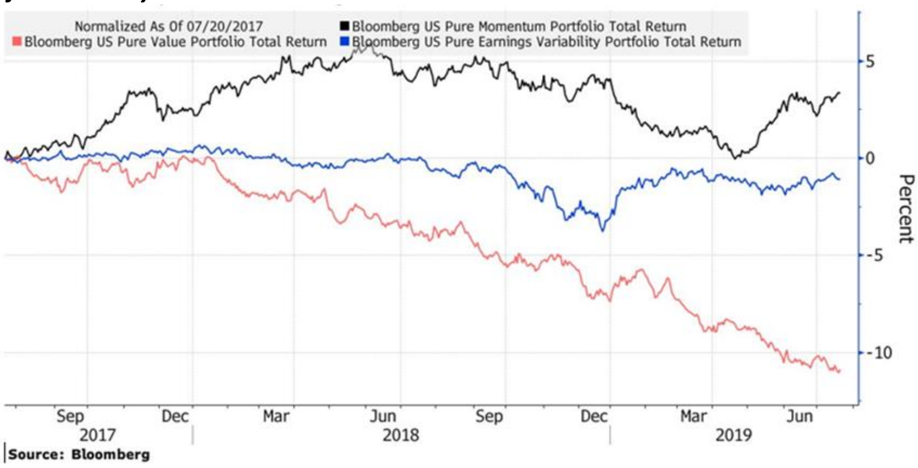
There were clear winners and losers in the 'late cycle' environment. The winners were stocks that may be able to grow notwithstanding the economic cycle (particularly with losses being funded by cheap debt), eg tech stocks. The losers (relatively speaking) were stocks more value- than growth-oriented, and therefore more likely to be affected by consumer/ business sentiment.

Software companies, consumer brands, cosmetics, spirits and many other businesses have never been more expensive. On the other hand, Financials' business models were squeezed by ultra-low rates, producing low relative valuations. This resulted in record valuation disparities within market sectors and a large dispersion in investor outcomes.

Growth continued to outpoint value



All facilitated by the herd…



Out of this chart, the worst total return has come from value stocks. This underperformance accelerated in the latter half of FY19. The best return came out of a portfolio derived from momentum signals – investing in the best-performing companies from the past year. The market chose winners like the big tech stocks in 2018 and, thinking that the rest of the economy was troubled, continued to bid them up in FY2019. As I have written before, this is the herd mentality in action. At some point this will turn around, and when it does, it will be a sharp turn.

The beauty of record valuation disparities is that they typically translate to long term opportunity.

Portfolio

During the year we took a measured approach, preferring to concentrate on the building of long term positions backed by our research.

The portfolio's major positions were in the following themes:

- Alternative asset managers
- Global domestic banking
- Service monopolies
- Macau
- Materials

Last year we pointed out the attributes of our investments in alternative managers – Apollo, KKR, Blackstone and Ares. All of our alternative investment managers have now converted to a company structure or are in the process of doing so, allowing passive funds, whose mandates did not allow them to buy partnership/ trust securities, to enter. We have seen strong buying from those passive funds and strong performances from those companies over the past six months - a good example of letting our investment themes mature over time.

Our US domestic banks story is playing out as we expected, although gains have been limited by the short term direction of interest rates and their effect on net interest margins/ income. However, the US Federal Reserve, with its most recent review of the banks' capital and ability to pay back dividends and engage in buybacks, has again approved higher payouts to shareholders. As an example of what this means, Bank of America has been allowed to move to an effective 13+% return (including dividends, buy-backs and earnings growth) – a very strong incentive to hold the stock while waiting for it to be re-rated.

In contrast, our European bank holdings performed poorly on the back of a tepid economy and interest rate torpor. Earnings have been adjusted down and price to earnings ratios have also de-rated, leading to these companies selling on 7x multiples and a 7% dividend yield. They are also suffering from an inability to raise shareholder payouts to the same degree as their US counterparts. However, if we do ever get positive traction on interest rates in Europe their banks would be extremely attractive at these levels.

Among our other positions, our service monopolies, including Google, Facebook, Deutsche Bourse, Visa and MasterCard, continued to trade well on the back of their strong business models. In Macau, our casino positions were volatile but, as we have said in the past, they are an evolving 'Las Vegas of China' story. The market there is now dominated by mass market gamblers who are there for an experience as much as whether they win or lose. Infrastructure connecting Macau to population centres continues to facilitate visitation, with a new bridge from Hong Kong airport and a new high speed rail service.

We left our currency position unhedged over FY19.

Performance

I wrote about PGFs' investment performance above. However, unlike investments in managed funds, LICs like PGF can trade away from their net tangible asset value and so the mark-to-market returns of a PGF shareholder can be quite different to the investment performance of the underlying portfolio.

A broad range of listed investment companies specialising in global equities saw their discounts to NTA widen considerably during FY2019. As at end June 2018 the average discount to pre-tax NTA for global equities-focused LICs was 7.3%. As at end June 2019 this discount had more than doubled to 15.4%[6].

This widening of discounts can be attributed to the possibility of an election of a Labor federal government and their policy of dismantling excess franking credit refunds, the increased supply of new LIC offerings, and negative retail investor sentiment after the December market sell-off.

PGF's own discount to NTA was clearly adversely affected by this downdraft.

As the investment manager, we need to concentrate on investing shareholders' assets consistent with the approach we have developed over the past 20 years and producing satisfactory long term returns should be the ultimate determinant of a share price reflecting it's NTA. On that measure, our returns since inception would argue that the current discount is an anomaly. The fact that franking has been retained should also help shorter term.

Outlook

I suspect that at some point in the future we will look back and realise how abnormal zero rates were. If such low bond rates *are* the "new norm" it would suggest that equities are not expensive, offering superior yield plus growth. But with markets back to their highs, a conservative and watchful investment framework and individual stock picking is still required to take advantage of the opportunities that are definitely available. This plays into our core competency of finding and exploiting genuine long term market anomalies.

I believe that about 30% of the market is materially overvalued. However, that leaves 70% of the market being fair to under value, particularly in those so-called late cycle areas and that is where our attention is focused.

A final, general, point - it's amazing how often - if one has patience - the conventional wisdom proves itself to be wrong.

For more information on PGF's investment performance, holdings, commentaries and views, I would encourage you to visit our website – www.pmcapital.com.au.

Paul Moore
Portfolio Manager of PM Capital Global Opportunities Fund Limited
PM Capital Limited
15 August 2019

[6] Source: ASX, PM Capital

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2019

Investment	Market Value $
Equity Securities	
Apollo Global Management	26,977,661
Bank of America Corp	24,573,693
KKR & Co	22,917,180
Wells Fargo & Company	21,535,438
Howard Hughes Corporation	20,223,818
JP Morgan Chase & Co.	19,978,226
MasterCard Inc	19,315,685
Visa Inc-Class A Shares	19,084,936
Ares Management	18,797,798
ING Groep NV	16,899,787
Alphabet Inc Class C	16,342,651
Wynn Resorts Limited	15,784,320
The Blackstone Group	15,564,882
Freeport-McMoRan Inc	14,706,491
Deutsche Boerse AG	14,655,411
Tri Pointe Homes Inc	13,258,257
Oracle Corporation	12,599,564
CaixaBank SA	12,379,748
Facebook Inc	12,376,202
BB&T Corp	12,219,525
AIB Group PLC	12,050,489
Lennar Corporation	11,282,077
MGM China Holdings Ltd	11,085,183
Lloyds Banking Group PLC	10,542,898
Bank of Ireland Group PLC	10,204,073
Neinor Homes SA	9,392,859
PM Capital Asian Opportunities Fund Limited	9,251,399
Toll Brothers Inc	8,954,745
Glenveagh Properties PLC	8,377,306
Barclays PLC	8,328,359
Aedas Homes	6,678,195
Sands China Ltd	5,207,546
Intercontinental Exchange Inc	5,106,312
Cairn Homes PLC	5,076,512
Siemens AG	4,752,856
Discovery Communications Inc	4,633,894
Nokia OYJ	4,477,811
Zardoya Otis SA	4,225,485
Southern Copper Corporation	3,811,480
Antofagasta PLC	3,371,608
PM Capital Go 2025 Limited	1

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2019 (CONTINUED)

Investment	Market Value $
Equity Securities (continued)	
Essex Property Trust	(2,350,416)
The Wendy's Company	(2,845,971)
Unilever NV	(4,463,196)
Equity Residential Trust	(4,735,872)
Avalonbay Communities Inc	(4,849,683)
Dunkin' Brands Group Inc	(5,003,681)
Procter & Gamble Co	(7,319,636)
McDonald's Corporation	(9,981,292)
Debt Securities	
Taurus PLC Class A Note (Floating Rate)	11,906,379
NEXTDC Limited Notes III (Fixed Rate)	7,491,425
Hybrid Securities	
National Australia Bank Limited Hybrid Securities (Floating Rate)	15,759,455
Cash & Other Securities	
Total Cash assets (per note 3 to the financial statement)	7,431,566
Currency forward contracts	46,498
Collateral Accounts	3,749,663
Futures & Options	(1,091,331)
Swaps	(295,555)
Total Interest bearing liabilities (per note 3 to the financial statements)	(35,208,433)
	465,242,281

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 2019.

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

Mr Spork has over 26 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' Experience and Other Directorships (continued)

Chris Knoblanche AM B.Com, CA, FCPA (appointed 4 July 2019)
Independent Non-executive Director
Member of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr Knoblanche has over 34 years experience in the financial markets in corporate strategy, financing, risk control and management. Mr Knoblanche's previous executive experience includes serving as Managing Director and Head of Citigroup Corporate and Investment Banking Australia & NZ, partner in Caliburn (now Greenhill Investment Bank) and CEO of Andersen Australia and Andersen Business Consulting — Asia.

Mr Knoblanche is currently the Non-executive Chairman of iSelect, and a Non-executive Director of Latitude Financial, Environment Protection Authority of NSW and PM Capital Asian Opportunities Fund Limited. Boards on which Mr Knoblanche has previously served include: Aussie Home Loans Limited; Greencross Limited; The Australian Ballet; and Australian Business Arts Foundation.

Mr Knoblanche holds a Bachelor of Commerce (Accounting and Financial Management) and is a member of Chartered Accountants Australia and New Zealand (CA) and Fellow of the Australian Society of CPA's (FCPA). In 2014 Mr Knoblanche was awarded an Order of Australia (AM) for significant service to arts administration, the community and the business and finance sector. In 2000 Mr Knoblanche was awarded the Centenary Medal by the Australian Government for services to the arts and business.

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 23 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.

DIRECTORS' REPORT (CONTINUED)

Directors' Experience and Other Directorships (continued)

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, Head of Risk and Compliance and Company Secretary. He has over 19 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.

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	6	6
Brett Spork	6	6
Ben Skilbeck	6	6

* In addition, 9 circular resolutions were made.

Nomination and Corporate Governance Meetings

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

Audit Committee Meetings

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

DIRECTORS' REPORT (CONTINUED)

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 2019 were as follows:

Director	Number of Shares	Number of Options
Andrew McGill	200,000	-
Brett Spork	15,000	-
Ben Skilbeck	100,000	-
Richard Matthews	86,283	-

The relevant interests of the Directors and their related entities in the Securities of the Company as at 30 June 2018 were 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	-

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:

	2019 $	2018 $
Profit before Income Tax	2,381,201	70,494,855
Income Tax Benefit / (Expense)	501,338	(20,217,294)
Profit for the year attributable to members	2,882,539	50,277,561

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:

	2019 %	2018 %
Equity Securities	97.9 %	100.9 %
Debt Securities	4.2 %	2.7 %
Hybrid Securities	3.4 %	3.0 %
Cash and cash equivalent assets and interest bearing liabilities	(6.0)%	(8.0)%
Collateral Accounts	0.8 %	0.4 %
Other financial assets at fair value through profit or loss	0.0 %	1.1 %
Financial liabilities at fair value through profit or loss	(0.3)%	0.0 %

Dividends

On 15 August 2019, the Directors declared a fully franked final dividend of 2.0 cents per share (June 2018: 1.8 cents per share) which will be paid on 26 September 2019. The Ex-Dividend date is 4 September 2019 and the Record Date is 5 September 2019.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2019, is $7,040,414 (June 2018: $6,316,380).

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 6 September 2019. No discount will be 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 $6,320,898, was paid on 28 March 2019.

Net Assets

As at 30 June 2019 the net assets of the Company were $441,075,789 (2018: $449,576,312). 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

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments

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

Indemnification of Officers

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

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

The terms of the policy preclude disclosure of the premium.

Environmental Regulations

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

Proceedings on behalf of the company

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

Non-Audit Services

Details of amount paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 8(b) to the financial statements. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under *Section 307C* of the *Corporations Act 2001* is set out on page 19.

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2019, 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 were:

Andrew McGill – Chairman and Independent Non-executive Director
Brett Spork – Independent 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 2019 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 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

Ben Skilbeck is the Chief Executive Officer of the Investment Manager and Richard Matthews is the Chief Operating Officer, Head of Risk and Compliance and Company Secretary 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 15th day of August 2019, in accordance with a resolution of the Board of Directors by:

Andrew McGill
Chairman

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 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

Sydney, NSW
15 August 2019

S Grivas
Partner

hlb.com.au

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
Level 19, 207 Kent Street Sydney NSW 2000 Australia
T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue			
Interest		2,269,939	1,487,683
Dividends		10,550,320	8,294,423
(Losses)/Gains on investments held at fair value through profit or loss		(4,560,177)	74,661,458
Gains/(Losses) on foreign exchange		998,544	(6,143,322)
Other income		15,888	97
Total revenue		**9,274,514**	**78,300,339**
Expenses			
Management fees	8 (a)	4,606,517	4,603,298
Performance fees	8 (a)	-	1,017,682
Finance costs		1,069,599	1,230,953
Brokerage fees		426,421	348,529
Registry fees		144,597	141,718
Professional Fees		123,197	121,982
Foreign tax compliance fees		120,000	-
ASX fees		113,103	93,232
Insurance		77,690	60,039
Audit fees	8 (b)	42,794	42,445
Directors' fees	12	75,000	75,000
Other operating expenses		94,395	70,606
Total expenses		**6,893,313**	**7,805,484**
Profit for the year before income tax		**2,381,201**	**70,494,855**
Income tax benefit/(expense)	6 (a)	501,338	(20,217,294)
Profit after income tax		**2,882,539**	**50,277,561**
Other comprehensive income for the year		-	-
Total comprehensive income attributable to shareholders		**2,882,539**	**50,277,561**
Basic earnings per share	9	**0.82 cents**	**14.36 cents**
Diluted earnings per share	9	**0.82 cents**	**14.36 cents**

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 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	3	7,431,566	9,244,549
Collateral accounts		3,749,663	1,769,965
Financial assets at fair value through profit or loss	2 (d)	490,656,371	523,338,007
Receivables	4	75,795	59,565
Total current assets		501,913,395	534,412,086
Non-current assets			
Deferred tax assets	6 (c)	74,224	64,102
Total non-current assets		74,224	64,102
TOTAL ASSETS		501,987,619	534,476,188
Liabilities			
Current liabilities			
Interest bearing liabilities	3	35,208,433	48,311,748
Financial liabilities at fair value through profit or loss	2 (d)	1,386,886	97,449
Payables	5	1,531,413	2,395,048
Income tax payable		5,264,470	5,115,513
Total current liabilities		43,391,202	55,919,758
Non-current liabilities			
Deferred tax liabilities	6 (c)	17,520,628	28,980,118
Total non-current liabilities		17,520,628	28,980,118
TOTAL LIABILITIES		60,911,830	84,899,876
NET ASSETS		**441,075,789**	**449,576,312**
SHAREHOLDERS' EQUITY			
Share capital	7	347,597,856	346,343,640
Retained profits		93,477,933	103,232,672
TOTAL SHAREHOLDERS' EQUITY		**441,075,789**	**449,576,312**

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 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Interest received		2,250,643	1,634,536
Dividends received		10,637,876	8,347,570
Other income received		15,743	165
Interest paid		(1,061,773)	(1,221,431)
Management fees paid		(4,659,306)	(4,458,837)
Performance fees paid		(1,017,682)	(1,482,051)
Income tax paid		(10,819,317)	(3,049,010)
Brokerage fees paid		(426,421)	(348,529)
Other operating expenses		(675,936)	(593,882)
Net cash (outflow) from operating activities	10	(5,756,173)	(1,171,469)
Cash flows from investing activities			
Proceeds from sale of investments		134,206,672	641,908,697
Purchase of investments		(106,946,604)	(615,619,924)
Net cash inflow from investing activities		27,260,068	26,288,773
Cash flows from financing activities			
Dividends paid (Net of DRP)		(11,383,062)	(10,868,407)
Net cash (outflow) from financing activities		(11,383,062)	(10,868,407)
Impact of exchange rate changes on cash and cash equivalents		**1,169,499**	**221,934**
Net increase in cash and cash equivalents		11,290,332	14,470,831
Cash and cash equivalents at the beginning of the financial year		(39,067,199)	(53,538,030)
Cash and cash equivalents at the end of the financial year	3	**(27,776,867)**	**(39,067,199)**

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 2019

	Note	Share Capital $	Retained Profits $	Total Equity $
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**
Balance at 1 July 2018		346,343,640	103,232,672	449,576,312
Total comprehensive income for the year		-	2,882,539	2,882,539
Subtotal		346,343,640	106,115,211	452,458,851
Transactions with owners in their capacity as owners				
Shares issued under the Company's dividend reinvestment plan	7	1,254,216	-	1,254,216
Dividends paid		-	(12,637,278)	(12,637,278)
Subtotal		1,254,216	(12,637,278)	(11,383,062)
Balance at 30 June 2019		**347,597,856**	**93,477,933**	**441,075,789**

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 2019

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 2019, and were authorised for issue by the Directors on 15 August 2019.

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 the 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).

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 2019 (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 for 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.

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 and amended accounting standards adopted

AASB 9 Financial Instruments replaced AASB 139 Financial Instruments: Recognition and Measurement, AASB 15 Revenue from Contracts with Customers replaced AASB 118 Revenue and AASB 111 Construction Contracts and AASB 2016-5 Amendments to Australia Accounting Standards – Classification and Measurement of Share-based Payment Transactions. These new standards were effective for the Company from 1 July 2018. The Company has performed an assessment and concluded that no transitional adjustments were required as a result of complying with the new standards.

There are no other new accounting standards and interpretations that have been published and have been early adopted for the 30 June 2019 reporting year that are material to the financial statements.

(s) New accounting standards and interpretations not yet adopted

A number of new accounting standards, amendments to standards and interpretations are not yet effective for 30 June 2019 reporting period and have not been early adopted in preparing these financial statements. The directors' assessment of these new accounting standards (to the extent relevant to the Company) and interpretations is that they are not expected to have a material effect on the financial statements of the Company.

2. Financial risk management

(a) Objectives, strategies, policies and processes

The objective of the Company is to provide long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of global (including Australian) equities and other investment securities. 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 investment mandate as amended from time to time.. 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 or liability of the Company against a fluctuation in market values or to reduce volatility;
- as a substitute for physical securities;
- adjusting asset exposures within the parameters set in the investment strategy;
- adjusting the duration or the weighted average maturity of fixed interest portfolios.

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

2. Financial risk management (continued)

(b) Market risk

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

The Company is a focused portfolio and, due to the concentrated nature of the Company's investments, considerable short term volatility may be experienced. The Company may also short specific securities that, in the opinion of the Investment Manager, are overvalued. All of the portfolio positions are subject to research and peer group review and if appropriate opportunities cannot be found the Company will hold cash until new opportunities arise. The Company may utilise leverage to enhance the portfolio's returns. Leverage is acquired through the use of derivatives, short selling and a leverage facility with the Prime Broker. The maximum leverage allowed net invested position (being long positions less short positions) is 130% of the portfolio's net market value. As part of its risk management strategy, the Company uses futures, options and forward currency contracts to manage exposures resulting from changes in interest rates, foreign currencies and equity price risks.

(i) Foreign currency risk

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

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

The Company may enter into foreign exchange forward contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. Foreign exchange instruments are principally denominated in US dollars and Euros, reflecting the denominations but not necessarily the physical locations of the majority of the Company's international security investments. The terms and conditions of these contracts rarely exceed one year and the level of hedging will depend on the Investment Manager's expectation of future currency exchange rate movements.

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

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

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

	Australian Dollars	US Dollars	British Pounds	Euro	Other Currencies	Total
	A$	A$	A$	A$	A$	A$
2019						
Assets						
Cash and cash equivalents	1,071,181	-	-	6,234,579	125,806	7,431,566
Collateral accounts	-	3,749,663	-	-	-	3,749,663
Financial assets at fair value through profit or loss:						
Listed securities	25,010,853	302,958,287	22,242,864	104,707,335	16,292,729	471,212,068
Unlisted securities	1	-	-	-	-	1
Debt securities	7,491,425	-	11,906,379	-	-	19,397,804
Currency forward contracts	65,000,000	(39,413,607)	-	(25,539,895)	-	46,498
Receivables	52,133	175	23,487	-	-	75,795
Deferred tax assets	74,224	-	-	-	-	74,224
Total assets	98,699,817	267,294,518	34,172,730	85,402,019	16,418,535	501,987,619
Liabilities						
Interest bearing liabilities	-	26,216,538	4,461,156	-	4,530,739	35,208,433
Financial liabilities at fair value through profit or loss:						
Options	(17,226)	427,673	-	-	16,554	427,001
Futures	-	664,330	-	-	-	664,330
Swaps	295,555	-	-	-	-	295,555
Payables	1,443,857	87,556	-	-	-	1,531,413
Income tax payable	5,264,470	-	-	-	-	5,264,470
Deferred tax liabilities	17,520,628	-	-	-	-	17,520,628
Total liabilities	24,507,284	27,396,097	4,461,156	-	4,547,293	60,911,830
Net assets	74,192,533	239,898,421	29,711,574	85,402,019	11,871,242	441,075,789

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (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$
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

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency sensitivity
A sensitivity of 5% (2018: 5%) has been selected to account for the current level of exchange rate volatility observed in the market. As at reporting date, should the Australian dollar depreciate/appreciate against the relevant foreign currency (that is the AUD weakens/strengthens) and with all other variables 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 2019	19,309,645	4.4%	(17,470,631)	(4.0%)
30 June 2018	24,228,203	5.4%	(21,920,755)	(4.9%)

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

2. Financial risk management (continued)

(b) Market risk (continued)

(ii) Price risk (continued)

The Collateral account collateralises the purchase of financial assets with respect to 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 2019 and 30 June 2018 is set out below:

Industry Groups	2019	2018
Banks	37%	37%
Diversified Financials	21%	24%
Software & Services	14%	9%
Consumer Durables & Apparel	8%	9%
Real Estate	7%	11%
Materials	4%	0%
Consumer Services	3%	4%
Media	3%	0%
Capital Goods	2%	1%
Technology Hardware & Equipment	1%	0%
Pharmaceuticals, Biotechnology & Life Sciences	0%	3%
Food, Beverage & Tobacco	(1%)	0%
Household & Personal Products	(1%)	0%
Other	2%	2%
Total	100%	100%

Price sensitivity
The directors of the Company believe that it is difficult to accurately estimate future returns. Equity market returns can be volatile and returns from year to year often have a wide variance. As such, the Company uses a long-term performance average, rather than a short term performance number, when estimating sensitivity to price risk. The longer return average takes into consideration the full market cycle, whereas an estimate based solely on last year's performance is likely to be misleading when the market cycle shifts.

As at reporting date, if the listed security prices in the portfolio had increased/(decreased) by 5% [2018: 5%] with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/(-)$23,560,603 [2018: +/(-) $25,260,496]. The impact of price movements in options and futures, fixed rate bonds, floating rate notes, other debt securities and currency contracts is unlikely to have a significant impact on the Company.

2. Financial risk management (continued)

(c) Credit risk (continued)

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

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

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

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

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

The contractual credit risk of assets is represented by the net payments or receipts that remain outstanding, and the cost of replacing the derivative position in the event of a counterparty default. There are no financial assets that are past due or impaired as at balance date.

The Company has appointed Morgan Stanley & Co. International Plc ("Morgan Stanley") as both Prime Broker and Custodian to the Company. Morgan Stanley is subject to regulatory oversight and capital requirements imposed by the Financial Services Authority (UK) and, where applicable to its Australian operations, the Australian Securities and Investments Commission. As at the date of this report, Morgan Stanley has a credit rating of A+ (S&P) for long term 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 $65,871,574 [2018: $87,136,555]. 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 $29,276,255 [2018: $38,727,358] as at balance date.

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

2. Financial risk management (continued)

(d) Fair Value Measurements

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

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

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (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 & Futures, Swaps, Currency forward contracts and debt securities.

2. Financial risk management (continued)

(d) Fair Value Measurements (continued)

(iii) Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at 30 June 2019 and 30 June 2018:

	Level 1 $	Level 2 $	Level 3 $	Total $
2019				
Financial assets at fair value through profit or loss				
Listed securities	471,212,068	-	-	471,212,068
Unlisted securities	-	-	1	1
Debt securities	-	19,397,804	-	19,397,804
Currency forward contracts	-	46,498	-	46,498
	471,212,068	19,444,302	1	490,656,371
Financial liabilities at fair value through profit or loss				
Options	427,001	-	-	427,001
Futures	664,330	-	-	664,330
Swaps	-	295,555	-	295,555
	1,091,331	295,555	-	1,386,886
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
	506,295,584	17,042,422	1	523,338,007
Financial liabilities at fair value through profit or loss				
Options	97,449	-	-	97,449
	97,449	-	-	97,449

(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.

	2019 $	2018 $

3. Cash and cash equivalents and Interest bearing liabilities

	2019 $	2018 $
Cash and cash equivalents		
Deposits in Money Markets	350,000	350,000
Cash at bank (Custodian) – EUR	6,234,579	-
Cash at bank (Custodian) – AUD	721,181	8,529,619
Cash at bank (Custodian) – CAD	125,806	-
Cash at bank (Custodian) – HKD	-	364,930
	7,431,566	9,244,549
Interest bearing liabilities		
Overdraft at Custodian	(35,208,433)	(48,311,748)
	(27,776,867)	(39,067,199)

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

	2019 $	2018 $
Interest receivable	42,724	23,428
GST receivable	6,258	6,113
Other receivables	26,813	30,024
	75,795	59,565

5. Payables

	2019 $	2018 $
Trade creditors and accruals	1,328,807	1,270,142
Other payables	87,556	-
Performance fee payable	-	1,017,682
Interest payable	115,050	107,224
	1,531,413	2,395,048

	2019 $	2018 $

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:

	2019 $	2018 $
Profit for the year before income tax	2,381,201	70,494,855
Prima facie income tax expense calculated at 30% (2018: 30%)	714,360	21,148,457
Tax credits – current year	(1,216,186)	(930,624)
Prior year over/(under) provision	488	(539)
Income tax (benefit)/expense	(501,338)	20,217,294

(b) Franking credits

	2019	2018
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2018: 30%)	$16,317,529	$10,611,541
Number of shares on issue at the end of the financial year	352,020,714	350,909,977
Franking Credits available per Share on issue	$0.0464	$0.0302

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.

6. Income tax (continued)

(c) Deferred tax

	2019 $	2018 $
Deferred tax assets are represented by the following temporary differences:		
Listing fees	22,725	45,929
Insurances	7,876	9,002
Accruals	43,623	9,171
	74,224	64,102
Deferred tax liabilities are represented by the following temporary differences:		
Unrealised gains on investments	17,520,628	28,980,118
	17,520,628	28,980,118

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 this 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:

	2019 Number of shares	2018 Number of shares
Shares on issue at beginning of year	350,909,977	349,396,204
Shares issued under the Company's dividend reinvestment plan	1,110,737	1,513,773
Shares on issue at the end of the year	352,020,714	350,909,977

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.

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.

The Company expensed an amount of $4,606,517 (2018: $4,603,298) as fees paid or payable to the Investment Manager and as at balance date an amount of $1,183,397 (2018: $1,239,572) is included in Trade creditors and accruals.

(ii) Performance Fee

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

P = 15% x (A – B) x Portfolio Net Asset Value at the end of the last day of the relevant month where:
P is the Performance Fee for the relevant month;
A is the Investment Return of the Portfolio for the relevant month; and
B is the Benchmark Return for the relevant month. “Benchmark Return” means, in respect of the relevant month, the percentage by which the Morgan Stanley Capital International World Index (AUD) increases or decreases over the course of the relevant month.

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

No performance fee was payable during the year (2018: $1,017,682).

(b) Auditor’s Remuneration

	2019 $	2018 $
Audit and review of the financial statements	42,794	41,410
Tax compliance services	5,600	10,500
Other assurance services	-	-
	48,394	51,910

	2019	2018

9. Earnings per share

	2019	2018
Basic earnings per share	0.82 cents	14.36 cents
Diluted earnings per share	0.82 cents	14.36 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	$2,882,539	$50,277,561
Earnings used in calculating diluted earnings per share	$2,882,539	$50,277,561
Weighted average number of ordinary shares used in the calculation of basic earnings per share	351,324,253	350,182,765
Weighted average number of shares used in the calculation of diluted earnings per share	351,324,253	350,182,765

10. Cash flow statement

	2019 $	2018 $
Reconciliation of Profit after income tax to Cash Flow from Operating Activities		
Profit after income tax	2,882,539	50,277,561
Losses/(Gains) on Investments at fair value through profit or loss	4,560,177	(74,661,458)
(Gains)/Losses on Foreign Exchange	(998,544)	6,143,322
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(16,055)	194,945
Increase in income tax payable	148,957	4,431,984
(Increase)/Decrease in deferred tax assets	(10,122)	199,404
(Decrease)/Increase in deferred tax liabilities	(11,459,490)	12,536,896
(Decrease) in payables	(863,635)	(294,123)
Net cash (outflow) from Operating Activities	(5,756,173)	(1,171,469)

11. Segment information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry (though most investments are in foreign jurisdictions). It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 2 Financial Risk Management.

12. Related party transactions

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

- 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 2019, the Company holds 9,789,840 ordinary shares [2018: 9,425,821] valued at $9,251,399 [2018: $10,651,178] in PM Capital Asian Opportunities Fund Limited ("PAF") and 1 ordinary share [2018: 1] valued at $1 [2018: $1] 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 ended 30 June 2019 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 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

Ben Skilbeck is the Chief Executive Officer of the Investment Manager and Richard Matthews is the Chief Operating Officer, Head of Risk and Compliance and Company Secretary 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 20 to 42 are in accordance with the *Corporations Act 2001 and*,

   (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 2019 and of its performance for the year ended on that date; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

3. The directors have been given by the Executive Director and Chief Financial Officer of the Investment Manager the declarations for the year ended 30 June 2019 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
15 August 2019

Independent Auditor’s Report to the Members of PM Capital Global Opportunities Fund Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

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 2019, 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, and 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 2019 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.

Key Audit Matter	How our audit addressed the key audit matter
Existence and Valuation of Cash and Investments	
At 30 June 2019 the Company held “Cash and Cash Equivalents” of $7,431,566, “Financial assets at fair value through profit or loss” of $490,656,371 and “Collateral accounts” of $3,749,663, which have been included in the Company’s Statement of Financial Position at that date. We considered these areas to be key audit matters due to the size of the amounts involved.	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.

hlb.com.au

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289
Level 19, 207 Kent Street Sydney NSW 2000 Australia
T: +61 (0)2 9020 4000 F: +61 (0)2 9020 4190 E: mailbox@hlbnsw.com.au

Key Audit Matter	How our audit addressed the key audit matter
Existence and Valuation of Cash and Investments (continued)	
As disclosed in Note 1 to the financial report, 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.	
Completeness of Interest Bearing Liabilities and Other Financial Liabilities	
At 30 June 2019 the Statement of Financial Position shows "Interest bearing liabilities" of $35,208,433 and "Financial liabilities at fair value through profit or loss" of $1,386,886. We considered this area to be a key audit matter due to the potential size of the liabilities.	We confirmed with the Custodian that all interest bearing liabilities and other financial liabilities had been recognised.
Completeness and Occurrence of Performance and Management Fees	
The Company has an agreement with its Investment Manager, PM Capital Limited, to pay management fees and, depending on performance, performance fees to PM Capital Limited. For the year ended 30 June 2019 the Company incurred "performance fees" of $Nil and "management fees" of $4,606,517 which have been included in the Company's Statement of Profit or Loss and Other Comprehensive Income. We focused on this area as a key audit matter as the agreement is with the Investment Manager of the Company.	We obtained copies of the Investment Manager's calculation of the performance and management fees. We reviewed the calculation of the fees, ensuring that the rates used were those in the agreement. We confirmed with the Investment Manager that the expense recognised by the Company reconciled to the income received by the Investment Manager.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, 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 ability of the Company 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 17 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

S. Gr

HLB Mann Judd
Chartered Accountants

S Grivas
Partner

Sydney, NSW
15 August 2019

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 23 July 2019.

Holder name	Ordinary Shares held	% of Issued Shares
HSBC Custody Nominees	18,742,610	5.32%
Roaring Lion Pty Ltd	16,041,215	4.56%
PM Capital Limited	11,021,533	3.13%
Nulis Nominees (Australia)	4,454,576	1.27%
Citicorp Nominees Pty Ltd	4,040,697	1.15%
Mr Alister John Forsyth	2,636,963	0.75%
Netwealth Investments Limited	2,461,908	0.70%
Becjohn Pty Ltd	2,176,859	0.62%
BNP Paribas Nominees Pty Ltd	2,158,996	0.61%
Navigator Australia Ltd	2,006,703	0.57%
Old Fletcher & Partners Pty Ltd	1,500,000	0.43%
O'Keefe Aus Holdings Pty Ltd	1,270,000	0.36%
Chriswall Holdings Pty Limited	1,186,223	0.34%
Mordant Investments Pty Ltd	1,000,000	0.28%
Marian & Eh Flack Nominees	965,000	0.27%
Geat Incorporated	784,864	0.22%
Mrs Jennifer Coral Spencer & Mr David Frederick Spencer	754,700	0.21%
Cliffjoy Pty Ltd	750,000	0.21%
Oneilco Pty Ltd	750,000	0.21%
Jain Family Super Pty Ltd	735,600	0.21%
	75,438,447	**21.43%**

Substantial Shareholders

Details of substantial shareholders and their respective holdings as at 23 July 2019.

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	32,081,427	9.11%
	32,081,427	**9.11%**

SHAREHOLDER INFORMATION (CONTINUED)

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding, as at 23 July 2019.

Holding	Number of shareholders	Ordinary shares held	% of Issued Shares
1 - 1,000	186	86,193	0.02%
1,001 - 5,000	598	2,093,280	0.60%
5,001 - 10,000	1,165	9,677,022	2.75%
10,001 - 100,000	5,547	185,205,689	52.61%
100,001 and over	443	154,958,530	44.02%
	7,939	**352,020,714**	**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 23 July 2019, is 81.

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 223.

The total brokerage paid (net of RITC) on these transactions was $426,421.

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 was automatically extended on the expiry of the Initial Term (5 years from the IPO allotment date) for 5 years (the "Extended Term"). The Investment Manager may terminate the Agreement at any time by giving the Company at least 3 months' written notice. The Company may terminate the Agreement 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 Chris Knoblanche - Independent Non-executive Director (appointed 4 July 2019) 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