

15 November 2019

Attention: Company Announcements  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

By: E-Lodgement

**ANNUAL GENERAL MEETING**  
**ADDRESS BY THE CHAIRMAN: MR BRETT SPORK**

**TRANSCRIPT STARTS**

Welcome to the 2019 Annual General Meeting of the PM Capital Asian Opportunities Fund Limited.

As reported in our Annual Report, the 2019 financial year delivered a negative outcome for our Company's investments. Underlying Investment performance over the year ended 30 June 2019 was negative 7.1%<sup>1</sup> in an environment where the broader Asian index experienced modestly positive returns.

For the period 1 July 2019 to 31 October 2019, the investment return was essentially flat at negative 0.1%, against an MSCI AC Asia ex Japan Net Total Return Index which slightly up 1.7%.

Performance was been adversely impacted by the portfolio's exposure to investments deemed by the market to be sensitive to adverse macroeconomic issues associated with the US-China trade dispute, and concerns over slowing growth. We are pleased to see recent progress on the ASEAN trade agreement, and see an agreement as providing positive stimulus for the Asian region, and market sentiment, generally.

For the year ended 30 June 2019, the Company reported a loss before tax of \$5.0 million and total comprehensive loss after tax of \$3.7 million. Despite this loss, the Company realised gains on the sale of a number of its investments which was the primary driver of taxable income for the year, being \$5.5 million.

What has been also disappointing has been the re-emergence of the discount in the price to which the Company's shares have traded on the ASX relative to the Net Tangible Asset value per share.

Whilst this issue is shared by many of the Company's Asian and global Listed Investment Company peers, it is not something the Board likes to see. We are acutely aware that changes in this trading discount materially affects the mark-to-market returns of our shareholders – and means that the mark-to-market returns of each shareholder can be quite different to the investment performance of the Company's underlying portfolio.

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

The history of the Listed Investment Company market in Australia has shown that many Listed Investment Companies cycle between experiencing both adverse and positive movements in share price relative to NTA. In the Company's case the discount to pre-tax NTA as at 31 December 2018 was a mere 0.3%, however, this had expanded to 9.6% as at 30 June 2019, and to 19.3% as at 31 October 2019.

As a board we are constantly considering ways to maximise long term shareholder value. These considerations include capital management.

The Board has been pleased that PM Capital, as the Investment Manager, continues to actively promote PAF through interaction with stockbrokers, advisers and researchers, and has focused on communications and engagement with the market generally, including adviser visits and roadshows. PM Capital has also continued producing numerous investment manager insight and portfolio positioning articles, reports and videos on the website and third party media.

Whilst it does not change a shareholders' personal circumstances, what may provide some comfort (and a strong signal of ongoing confidence) is that our Investment Manager (and its associates and related parties) remains materially our Company's largest shareholder – with a shareholding (as at its last report date in October 2018) of around 13.5 million shares, being approximately 23.5% of the Company's issued capital. Accordingly, PM Capital is materially aligned to shareholders, and is highly motivated to work hard to increase investment returns.

Immediately following the official business of this meeting, the Portfolio Manager, Mr Kevin Bertoli will update shareholders on the portfolio performance, insights into the market, and current investment positioning.

I would like to thank the Investment Manager's team for their collective hard work, efforts and commitment during the year.

I would also like to thank our shareholders for your continued interest in, and support for, the Company. We look forward to a rewarding 2019-20 for our Company.

Thank You

**TRANSCRIPT ENDS**

Yours faithfully

**PM Capital Asian Opportunities Fund Limited**



Richard Matthews  
Company Secretary