PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

ACN 166 064 875

Level 11, 68 York Street
Sydney NSW 2000 Australia

GPO Box 3965
Sydney NSW 2001 Australia

T 61 2 8243 0888
E pmcapital@pmcapital.com.au

www.pmcapital.com.au

Appendix 4E
Final Report
For the year ended 30 June 2021
Date: 12 August 2021

Results for announcement to the market

Financial Results	30 June 2021 $	30 June 2020 $	Change %*
Net revenue/(loss) from ordinary activities	$218,562,587	($22,140,068)	n/a
(Loss)/profit from ordinary activities after tax attributable to members	$146,386,904	($18,671,899)	n/a
(Loss)/profit for the year attributable to members	$146,386,904	($18,671,899)	n/a

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

Net Tangible Asset ("NTA") Backing Per Share	30 June 2021 $	30 June 2020 $	Change %
NTA before tax accruals	1.7031	1.1473	48.44%
NTA after tax (excluding Deferred Tax Asset - "DTA")	1.5234	1.1587	31.47%
NTA after tax excluding DTA (2021 adding the October 2020 dividend of 2.5 cents per share, and March 2021 dividend of 2.5 cents per share)	1.5734	1.1587	35.79%

Dividends:

On 12 August 2021, the Directors declared a fully franked final dividend of 5.0 cents per share (June 2020: 2.5 cents per share) which will be paid on 14 October 2021. The Ex-Dividend date is 15 September 2021, and the Record Date is 16 September 2021.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2021, is $17,640,222 (June 2020: $8,854,389).

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 17 September 2021. 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 2021

PM Capital Global Opportunities Fund Limited

ACN 166 064 875

CONTENTS

CHAIRMAN'S REPORT

- **54% Portfolio return; Profit before tax of $208.0 million**
- **Final dividend 5.0 cents fully franked (+100% on interim dividend)**
- **Minimum annualised 10 cents fully franked dividend guidance**
- **Gross dividend yield (including franking) = 9.0%**[1]
- **4.4% premium to NTA after tax; 6.7% discount to NTA before tax at 30 June 2021**

Dear Shareholders,

Financial year 2021 was a remarkable one for both the Company and markets in general. The year started amidst great uncertainty with COVID-19 ravaging economies around the world. Valuation disparity between that of growth/momentum sectors and value/cyclical sectors stood at near record levels. Here I'm reminded of the words of the Company's Investment Managers, Paul Moore who in July 2020 stated:

> *"There is always plenty to be uncertain about… What is not uncertain, in my mind, is the unwinding of the valuation dispersion between the value and the growth/ momentum sectors of the market will be the dominant feature of markets for some time."*

While it took a few months for the market to decisively display rotation into the value/cyclical sectors, there was no doubt the rotation was well underway following the November 2020 results of clinical trials proving vaccines as a viable and effective weapon in the war against COVID. In the month of November alone, the Company's pre-tax NTA rose by 17%. In the months that followed, the market continued to recognise the attractive valuations within the Company's portfolio, being spurred on by certainty prevailing over the US presidential election and a steady stream of improving global economic data.

By the end of financial year 2021, the Company's portfolio had delivered a return net of fees and expenses of +54.0%[2] for the year compared to the MSCI World Net Total Return Index (expressed in Australian dollars) ("MSCI") of +27.5% and the local S&P/ASX 200 Accumulation Index of +27.8%.

For perspectives on current and future market dynamics influencing the Company's portfolio, I recommend to you the Investment Manager's Portfolio Manager Report within this annual report whereby Paul Moore details his perspectives.

Turning briefly to operational matters, I am again pleased to be able to report that throughout the various COVID induced lockdowns across the nation, all operations of the Company have continued uninterrupted.

Financial Results and Capital Management

For the year ended 30 June 2021, the Company reported a profit before tax of 208.0 million and profit after tax of 146.4 million. Earnings per share was 41.50 cents. Taxable income for the year was $84.8 million – driven by $71.9 million of realised gains on sale of securities, $17.3 million of realised foreign currency and $6.0 million of dividends.

During the year, a profit reserve was established which has now grown to $59.3 million as at 30 June 2021. The profit reserve will allow the Company to pay franked dividends in periods where there are insufficient retained earnings to allow the Company to fully frank dividends. The Board intends to transfer the maximum allowable amounts from retained earnings to profit reserve and continue to pay fully franked dividends from retained earnings, until exhausted, at this point the Board will pay fully franked dividends from the profit reserve.

---

1 Based on 5.0 cents FY'21 final fully franked dividend, forward guidance of minimum FY'21 5.0 cent interim fully franked dividend and closing share price of $1.59 on 30 June 2021.

2 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 2021 NTA the dividends paid, the decrease over the 30 June 2020 NTA before tax accruals was +54.7%; and the increase in NTA after tax was +35.8%

On 8 October 2020, the Company paid a final dividend relating to the 2020 year of 2.5 cents per share fully franked (amounting to $8,854,389). On 25 March 2021, the Company paid an interim 2021 dividend of 2.5 cents per share fully franked (amounting to $8,784,855).

We are pleased to announce a final 2021 dividend of 5.0 cents per share fully franked. The Record date for the final 2021 dividend is 16 September 2021 and it will be paid on 14 October 2021. This represents a 100% increase over last year's final dividend. Together, this final dividend and the forward guidance of a minimum FY'21 5.0 cent interim fully franked dividend, represent an attractive gross dividend yield of 9.0%[1].

As mentioned in my letter last year, as a board, and in our communications with our Investment Manager, we are constantly considering ways to maximise long term shareholder value. In this regard it is worth noting the:

- Equal access buy-back offered between 23 September 2020 and 23 October 2020 resulting in 4,465,411 shares being bought back and providing shareholders additional choice in realising some of the value of the Company at a price close to NTA when meaningful discounts to NTA prevailed in the listed investment company sector;
- Concise forward dividend guidance provided in May 2021; and
- The Investment Manager's roundtable presentations conducted across capital cities just prior to the recent lock-downs, demonstrating the Investment Managers commitment to advisor and shareholder communication.

On 12 May 2021, given the exceptional performance for the Company's portfolio combined with the substantial retained earning reserve, the Board announced its intention to increase the FY'21 final fully franked dividend by 60% from 2.5 to 4.0 cents per share. As outlined above, this has now been exceeded with a 5.0 cent dividend being announced. Further, to provide longer dated guidance, the Board also expressed its intention to deliver a minimum 10.0 cents fully franked dividends in Financial Year 2022, through an interim dividend of at least 5.0 cents and final dividend of at least 5.0 cents to be announced in February and August 2022, respectively. This represents a 25% increase over the guidance provided on 12 May 2021. As at 30 June 2021, the combination of profit reserve and retained earnings, provides over 5 years of dividend coverage at this minimum intended dividend rate[2].

Pleasingly, the Company's shares are now trading at a premium to after-tax NTA. As at 30 June 2021 the Company's share were trading at a 4.4% premium to NTA after tax and a 6.7% discount to before-tax NTA.

In addition to the 5.0 cent dividend, the Board of Directors is pleased to announce a Share Purchase Plan ("SPP") which will allow the Company to grow for the benefit of all shareholders. The SPP offers existing shareholders the opportunity to acquire up to $30,000 of shares in the Company without paying any brokerage of other costs that would normally apply to an on-market purchase of shares. Shareholders who participate in the SPP will be entitled to receive the aforementioned 5.0 cent dividend (assuming shareholders continue to hold the shares at the record date).

1 Based on latest final and interim dividends including franking and using the 30 June 2021 closing share price of $1.59.

2 The intended fully franked dividend is subject to there being no material adverse changes in market conditions and the investment performance of the Company's portfolio. The Company's ability to continue paying fully franked dividends is dependent on the payment of tax on investment profits and there can be no guarantee that such profits will be generated in the future. Past performance is not a reliable indicator of future performance.

In conclusion,

The board thanks all staff of PM Capital Limited for their work, efforts and commitment during the year.

We are encouraged by the Investment Manager's belief that that the market rotation into value sectors represented in the Company's portfolio remains early in its cycle.

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.

Thank you to all our shareholders for your continued interest in and support for the Company.

Chris Knoblanche AM
Chairman
12 August 2021

PORTFOLIO MANAGER'S REPORT

"A financial legacy of the pandemic will be a significant reallocation of assets that has barely begun."

\- Bernstein research report (July 2021).

*"I doubt PM Capital could ever be accused of groupthink. In trying to highlight the characteristics of our approach, I reflected on an excerpt from a book, "*The Story of the Zebra Among the Lions*"*

\- Paul Moore (July 2021).

"Zebras have the same problems as institutional portfolio managers… both have quite specific, often difficult-to-obtain goals. For portfolio managers, above-average performance; for zebras, fresh grass… both dislike risk… both move in herds. They look alike and stick close together. If you are a zebra, the key decision… is where to stand in relation to the rest of the herd. When you think that conditions are safe, the outside of the herd is best; for there the grass is fresh, while those in the middle see only grass that is half-eaten or trampled… zebras, on the outside of the herd, eat much better…The skinny zebras in the middle of the herd may eat less well but they are…[safe]. A portfolio manager for an institution… cannot afford to be an Outside Zebra. For him, the optimal strategy is simple: stay in the center of the herd at all times. As long he continues to buy the popular stocks, he cannot be faulted."

\- Ralph Wanger (*A Zebra Among The Lions)*.

Dear Investor

Financial-year 2021 was another extraordinary year. COVID-19 and China dominated headlines and stockmarket indices finished FY21 at record highs.

I am pleased to report the PM Capital Global Opportunities Fund Limited ("The Company") had a portfolio total return net of fees and expenses of 54.0% for FY21.[1] That exceeded the 27.5% return in the portfolio's benchmark MSCI World Net Total Return Index (AUD) in that period.[2]

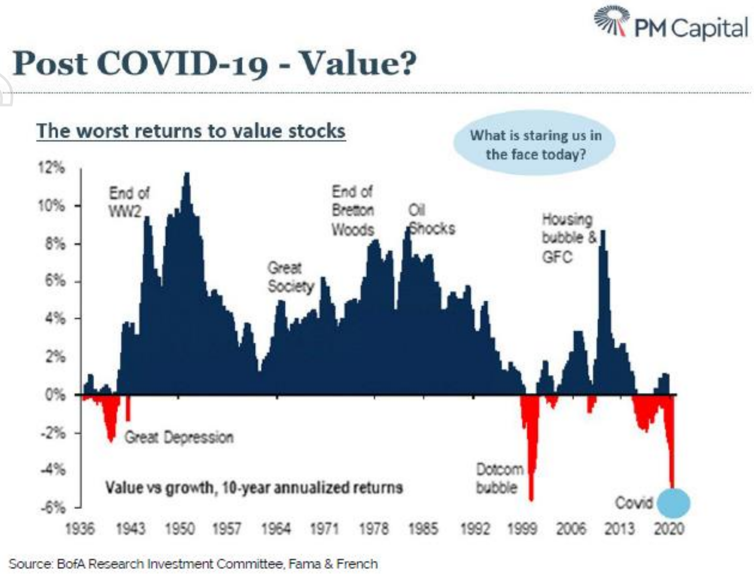
A year ago,[3] I described the March 2020 global equities selloff as "one of those rare investment opportunities that tend to come around every 10 years".

This time last year, headline market indices were pricing a "V-shaped" recovery. However, I argued that this was not priced into all sectors of global equity markets and that valuation disparity between so called growth/momentum stocks relative to cyclical/value sectors remained near record levels.

Several stocks in the Company's portfolio, notably its European bank holdings and commodity-based stocks, such as Royal Dutch Shell, had struggled to recover from their March 2020 lows. Although some of the Company's other commodity stocks, namely its copper theme, had staged a recovery, they remained on extraordinarily attractive valuations.

Chart 1 below highlights the opportunity in value stocks during COVID-19.

Chart 1



Our view that there was a "once-in-a-generation" value on offer in cyclical stocks informed the Company's investments in FY21. The portfolio was positioned for a significant rotation from "growth" to "value" stocks.

Our bias to value stocks weighed on portfolio returns in early FY21 as growth stocks, such as technology companies, traded at peak valuations. But the Company's high-conviction, deep-value investing style was the foundation for its portfolio outperformance in FY21.

We saw the same signs in other crises. After the 1987 crash, quality brand names, such as Coca-Cola, sold at 10 times earnings. After the "TMT" (technology, media and telecommunications) mania in 2000, it was old-economy stocks, such as BHP, that offered value.

Chart 2

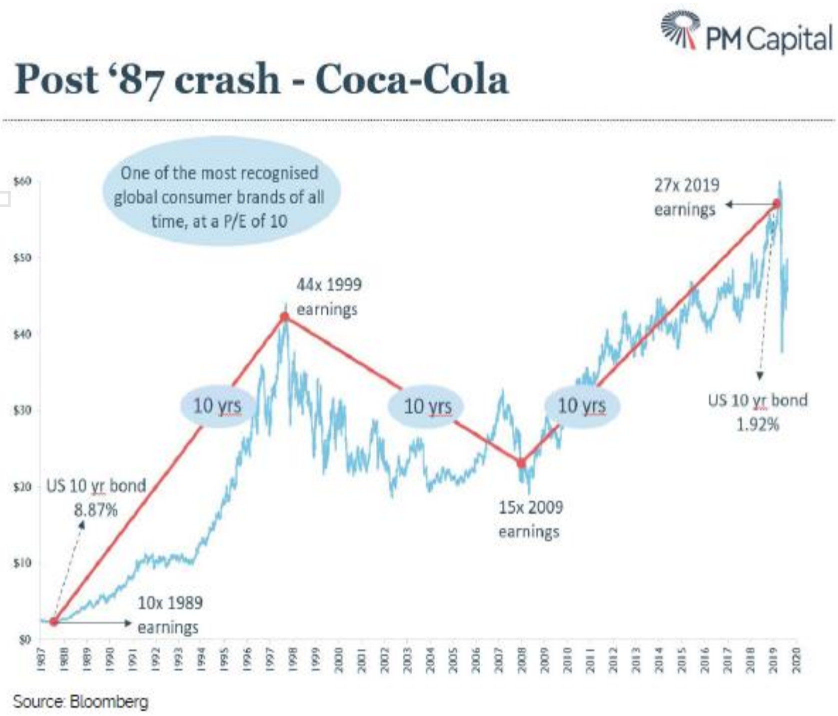
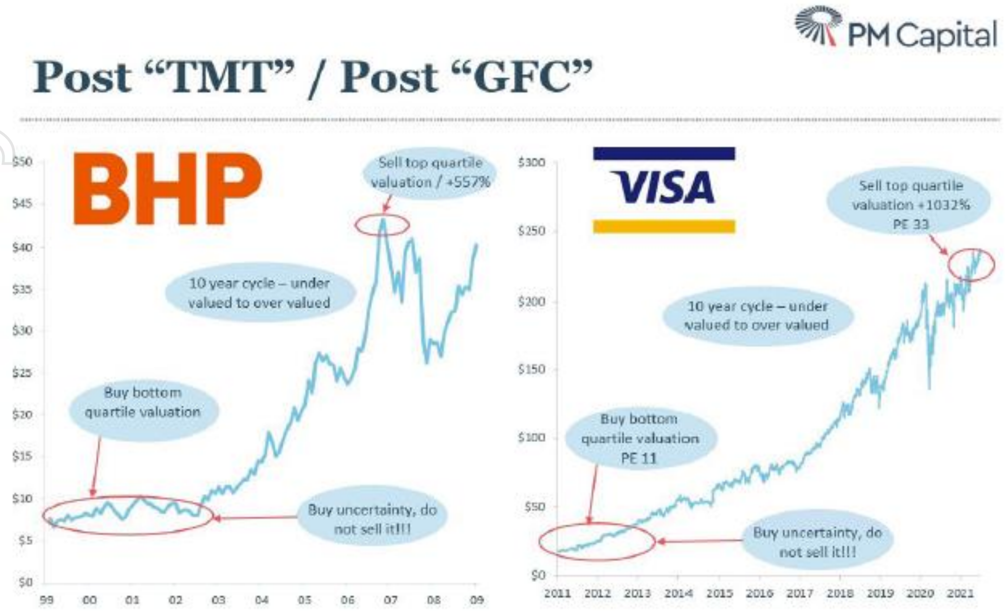


Chart 3



- Perception - old economy (Pets.com!!!!)
- Reality – Tier 1 ore bodies / reserves (Pet food in a garage)
- Profitable at bottom quartile commodity prices – Fe $30
- AMZN, CSCO -90% v BHP + 557%!!

- Uncertainty – mobile disruption of payments
- Reality – enabler and beneficiary of mobile payments
- Bottom quartile valuation for growth and quality profile
- Still a great business but reflected in valuation - SOLD

Source: BHP: Bloomberg. 10 year cumulative return from 1999 to 2009. Visa: Bloomberg. 10 year cumulative return from 2010 to 2020.

After the Global Financial Crisis in 2008-09, it was global oligopolies, such as Visa, that offered deep value. These stocks went from deeply discounted valuations to over-valuation over a similar 10-year period. In 2020, it was "cyclical value" stocks that offered the best opportunity.

As Table 1 below shows, rarely do winners from one decade stay on top in the next decade.

Table 1

Ten year cycles

Top- ten market by market cap: how often do winners stay on top?

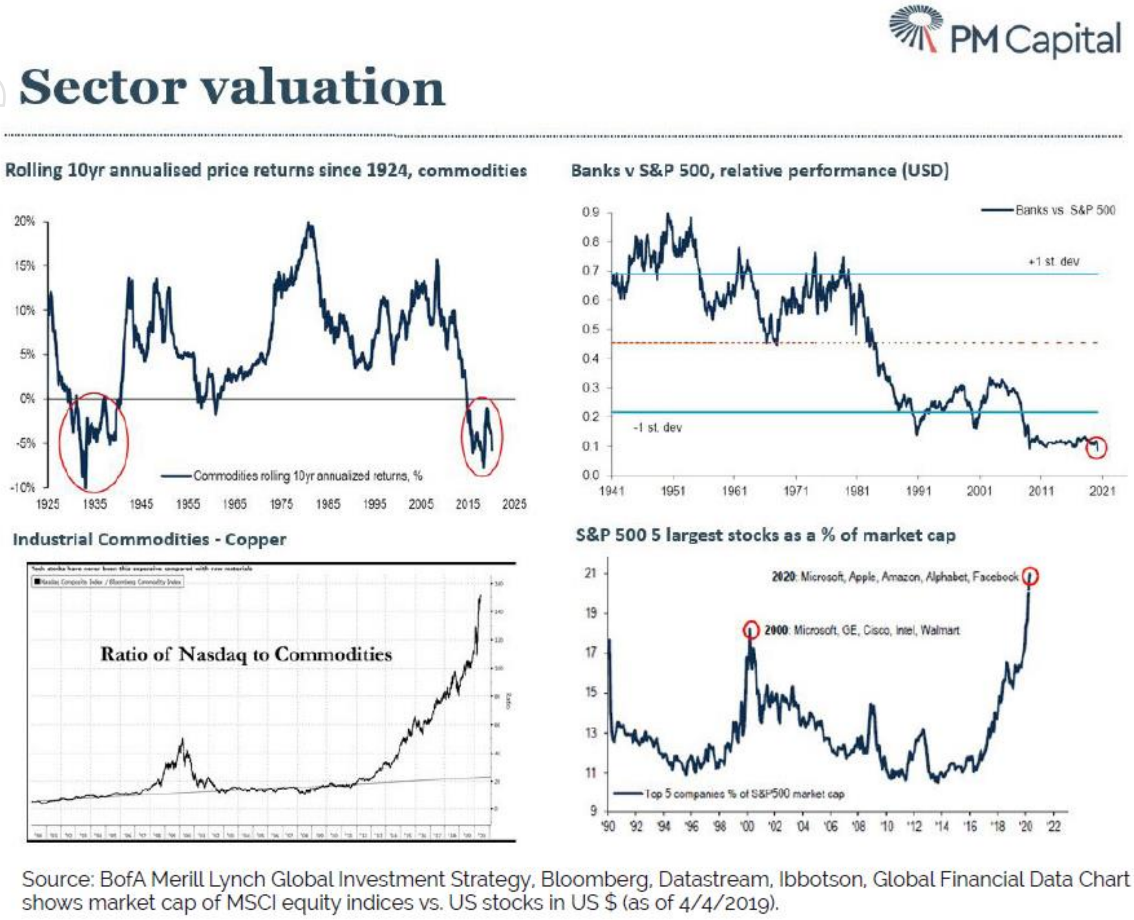
1980	1990	2000*	2010	2020
IBM	NTT	Microsoft (-74%)	Exxon Mobil	Apple Inc.
AT&T	Bank of Tokyo-Mitsubishi	General Electric (-87%)	Petro China	Microsoft
Exxon	Industrial Bank of Japan	NTT DoCoMo (-85%)	Apple Inc.	Amazon Inc.
Standard Oil	Sumitomo Mitsui Banking	Cisco Systems (-88%)	BHP Billiton	Facebook Inc.
Schlumberger	Toyota Motors	Wal-Mart (-39%)	Microsoft	Alphabet Inc. (C)
Shell	Fuji Bank	Intel (-71%)	ICBC	Alphabet Inc. (A)
Mobil	Dai ilichi Kangyo Bank	NTT (-85%)	Petrobras	Johnson & Johnson
Atlantic Richfield	IBM	Exxon Mobil (-25%)	China Construction Bank	Visa A
General Electric	UFJ Bank	Lucent Technologies (-87%)	Royal Dutch Shell	Nestle
Eastman Kodak	Exxon	Deutsche Telekom (-89%)	Nestle	Procter & Gamble
Survivors				
2/10	2/10	2/10	3/10	???

Who will be the survivors in 2030?
More importantly, who will be the new entrants?

Source: Evergeen Gavekal and MSCI World Index. * Returns shows are 2000 peak to decade trough

In FY21, red flags (and opportunities) for investors abounded, as the chart below shows.

Chart 4



There were other signs. Valuations for many Initial Public Offerings in FY21 were ludicrous, in what was a commission-generating paradise for advisers.

The global media seemingly reported a financial scandal daily. Australia's own supply-chain phenomenon, Greensill Capital, collapsed. Bill Hwang's supposed US$25-billion hedge-fund fortune imploded overnight, causing steep losses for investment banks.

My favourite was Hollywood actor Zachary Horwitz, who allegedly managed to lighten investors of nearly a billion dollars on the promise of 35%-plus returns from financing distribution rights for movies that would run on HBO and Netflix. There was one problem: I don't think HBO or Netflix had ever heard of Mr Horwitz!

At the same time, the Great Race to zero interest rates (among central banks) had produced above-normal returns in all asset classes. There were record valuations in specific assets and sectors of the equity market. Investors had never been "longer duration" (at risk from secular change in long-term interest rates.)

There was also record "crowding" by investors. Groupthink became more pervasive, reinforced by process and social media. Investors bought an ever-narrowing group of overpriced technology stocks. Central banks thought and acted like each other after COVID-19, as they had for the past decade. Politicians worldwide lacked fiscal discipline.

These and other warning signs strengthened the Company's view that a multi-year rotation from growth to value stocks would begin in FY21. They also reaffirmed the benefit of our investment process, which focuses on company valuations in a long-term context – and avoids short-term market noise.
The turning point came in November 2020. The rotation from growth stocks to value stocks quickened when Pfizer announced its successful vaccine trial. In the December 2020 quarter, the portfolio's European bank holdings and copper exposures were its best performers. Our decision to buy these stocks when they were out of favour paid off.

Conviction works both ways

High-conviction investing is not just about buying quality companies that trade at a significant discount to intrinsic value. It's also about having the conviction to hold stocks after they rally, provided they still offer value, rather than take quick gains.

In my experience, investors sell too early after sharemarket recoveries. They underestimate how far and fast markets can fall during a crisis. And how long recoveries last.

Significant valuation anomalies typically take three to five years to return to fair value. Over seven to 10 years, they usually become overvalued. We do not expect this value play to be any different. It is likely we have only seen the first quarter of the rotation into value sectors of the market.

That said, future return expectations for markets should be much lower than what has been achieved before. Global equity markets reached new highs in FY21 as they benefited from record monetary and fiscal stimulus. A key debate is if we have seen peak liquidity and stimulus, given the market is a forward-discounting mechanism. Also, have we seen the end of cycle markets?

It's likely that everything we have known in our investment lifetime is changing. Forty years ago, the yield on a US government 10-year bond was 14%. Today, it is 1.28%.[1] In Germany, government bond yields are negative. Investors have to adjust.

If inflation and interest rates have troughed, combined with dramatic change in geopolitics and accelerating technological change, it will never be more important to think carefully about, and be disciplined in, your long-term investing framework. Given current market dynamics, investors – regardless of their risk profile – should dial down risk a notch or two. That means holding more cash and only investments you genuinely believe will offer a satisfactory return. That is why high-quality value stocks dominated the Company's portfolio in FY21.

An example of where thinking might need to change is portfolio diversification: cash, bonds, property, equities and now, alternate investments. Consistently declining interest rates have supported diversification. However, with cash now providing no return, bonds returning 1.5% and property delivering 3% (after costs in the system), a large part of a diversified portfolio will provide zero return with increased mark-to-market risk (from rate volatility).

If I'm right, a rethink of the go-to investment strategy of the past decade – passive investing – is needed. In an above-normal return environment, difficult conversations with clients about index funds are not required. One never has to explain short-term variances in manager performance to the clients. Now, the issue might be: how do you explain the lack of return?

Investors must avoid being anchored to the past. The problem with historical returns is, they are historical. Yes, they give valuable information about a manager's skill set and the characteristics one can expect from their Listed Investment Company. Unfortunately, historic returns give no insight into the risk-reward equation of capital we have invested today.

[1] At 26 July 2021

Portfolio

Our core investments and their origins have been well highlighted in our video insights available on PM Capital's website: www.pmcapital.com.au. So, I will give a quick update on current dynamics.

Freeport Copper, Teck Resources and Royal Dutch Shell are our core commodity investments, mostly initiated after COVID-19. Given the significant commodity price moves over the last 12 months, and likewise with Freeport and Teck, it was no surprise to see them pull back from short-term highs and consolidate over the June quarter.

On spot commodity prices, Freeport still looks cheap at 12 times earnings. Teck looks ridiculous at potentially three times 2023 earnings. Can spot prices hold; who knows? But even on trend commodity prices, the stocks still look reasonable, especially given our expectation that commodities, such as copper, will stay at sustainably higher prices than most expect, supported by above-normal demand due to the renewables-driven re-engineering of the world's electricity grids. We expect to maintain a core position in Freeport Copper and Teck Resources for some time.

Royal Dutch Shell is a little different in that we typically don't like to buy a commodity with structural oversupply; OPEC having excess capacity. But with the drive to net zero emissions and Environmental, Social and Governance (ESG) activists on the warpath, the oil industry is spending well below what is needed to expand oil production. There is a chance of an oil squeeze at some point, and control of oil markets is returning to OPEC.

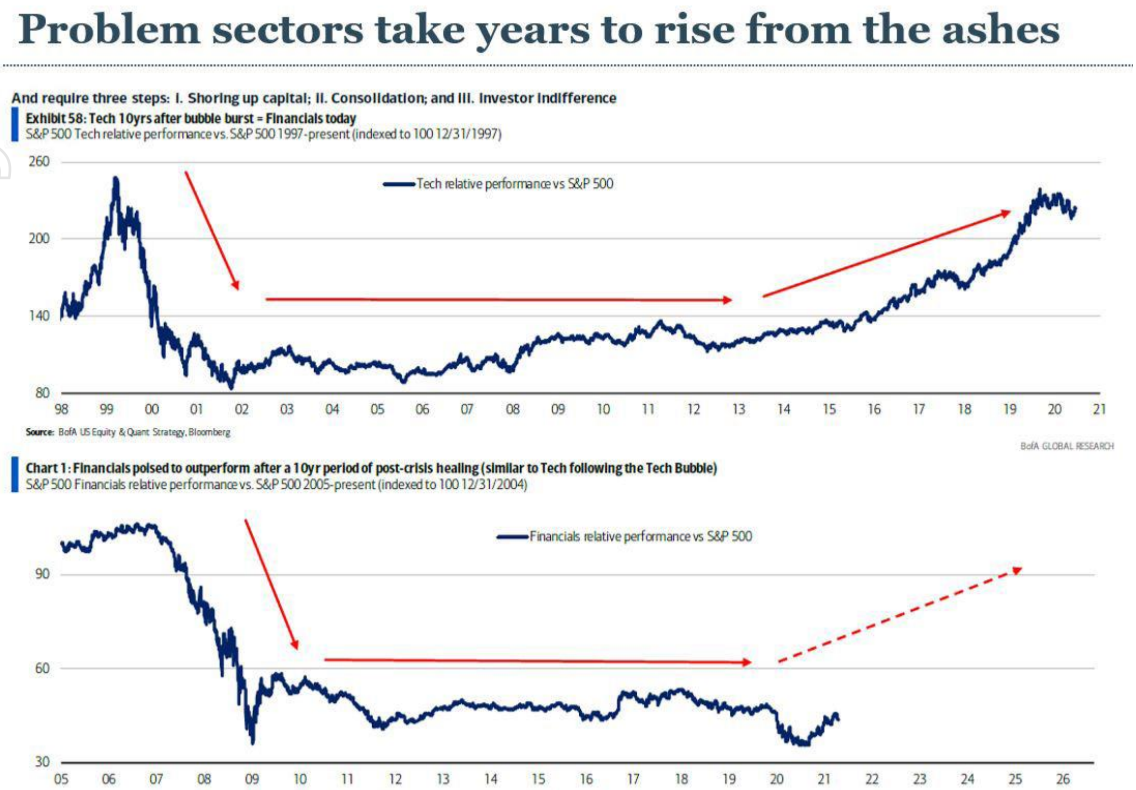
Royal Dutch Shell is selling at 8 times at current forward oil prices and at half what its peers in the US sell for. We find that interesting and expect the stock to re-rate closer to its peers as increased dividends and buybacks return booming cash flow to shareholders, starting in the second half of this year.

Siemens, a quality industrial with market leadership in intelligent factory automation and healthcare, still sells at a discount to its global pure-play peers. With further re-rating ahead of it, plus earnings growth, Siemens will most likely provide a satisfactory return.

The cheapest sector of the market, (and now the Company's biggest position), is European banks. They sell at 6.5 times 2023 excess capital-adjusted earnings. To put the potential upside of European banks in perspective, compare their valuations to the likes of ANZ and Westpac, which sell on 14 times earnings.

We expect the removal of post-COVID-19 restrictions on dividends and buybacks to start a slow process of re-rating in European banks, noting Chart 5 below as a precursor to what may transpire. While we wait, we will pick up a high single-digit dividend yield.

Chart 5



Source: BofA Merill Lynch Global Investment Strategy, Bloomberg, Datastream, Ibbotson, Global Financial Data Chart shows market cap of MSCI equity indices vs. US stocks in US $ (as of 4/4/2019).

One investment that has seen its thesis delayed by the effect of COVID-19 is our European homebuilders. The severity of Europe's lockdown led to closed building sites and deferred the release of pent-up demand for new homes, such as that seen in the US and Australia. Europe is opening, pent-up demand is being released, house prices are increasing. With both the Irish and Spanish homebuilders selling at book value, we recently added to our positions.

Likewise, our Macau casino investments have seen their recovery pushed out by the conservative post-COVID-19 approach to re-opening the border between Macau and mainland China. We expect that 2023 is when gaming trends normalise. That said, it is interesting to note recent gaming statistics out of Las Vegas as its market opens up. Despite visitation levels at 75% of pre-COVID-19 levels, Nevada hold (casino winnings) is 25% higher. We could be surprised at the level of pent-up demand waiting to be released. Wynn Resorts, our largest gaming investment, has exposure to casinos in Boston, Las Vegas and Macau.

On the sale side, in FY21 we finally exited the last of our global oligopoly investments: Visa. In 2011, Visa sold at 11.4 times forward earnings and now sells at 33.4 times forward earnings. Visa is still a great business, but its valuation is at record levels, so we move on.

Conclusion

COVID-19 provided one of the great buying opportunities that extended in FY21, this time in cyclical businesses offering value. However, current market dynamics warrant caution and careful thought about one's investment decisions.

The Company's approach has always been to focus its portfolio on high-quality stocks we believe to be at a discount to their intrinsic worth. Our philosophy is that valuation will dictate long-term returns – and patience will ensure those returns are delivered.

Deep-value investing takes genuine conviction (and stress) at different times. But the reward from doing so is hopefully reflected in the Company's long-term returns.
I'm pleased that the Company's portfolio return in FY21 reinforces its consistent, patient investment approach. PM Capital's focus is always on delivering long-term portfolio returns through market cycles, rather than short-term results.

Thank you for your support in FY21. I encourage you to follow PM Capital investing insights, which are available on our website, in FY22 and beyond.

Paul Moore
Portfolio Manager of PM Capital Global Opportunities Fund Limited
PM Capital Limited
12 August 2021

PM Capital GLOBAL OPPORTUNITIES FUND LIMITED

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2021

Investment	Market Value $
Equity Securities	
Apollo Global Management	49,163,559
Royal Dutch Shell Plc B Shares	39,400,937
Teck Resources Ltd Class B	37,122,189
ING Groep NV	33,350,492
Howard Hughes Corp	32,576,760
Freeport-McMoran Copper	31,062,812
Wells Fargo & Company	30,896,980
Bank of America Corp	30,190,904
Lloyds Banking Group PLC	28,559,945
Wynn Resorts Limited	26,298,369
JP Morgan Chase	22,727,590
Oracle Corp	22,727,310
First Quantum Minerals	21,235,718
Siemens AG	19,502,779
AIB Group Plc	18,477,768
Caixa Bank S.A	17,711,401
Cairn Homes Public Limited Company	16,722,308
Truist Financial Corp	12,806,066
Glenveagh Properties PLC	12,184,359
Nutrien Ltd	12,015,837
Bank of Ireland Group PLC	11,248,829
Sands China	11,022,246
PM Capital Asian Opportunity Fund LIC	10,795,851
Neinor Homes SLU	10,604,124
Applus Services SA	9,823,992
AEDAS Homes	9,798,570
MGM China Holdings Ltd	9,589,655
Boliden AB	9,402,887
Deutsche Boerse AG	7,788,500
SPIE SA	5,713,421
Crown Limited	5,614,970
CNOOC LTD	5,255,400
Barrick Gold USD	4,324,689
Zardoya Otis SA	2,551,529
Barrick Gold CAD	2,371,810
MMC Norilsk Nickel ADR	1,972,089
Frontier Digital Ventures	1,937,609
Icar Asia Limited	1,616,841
Carmax Inc	(2,793,734)
Seek Limited	(2,853,354)
REA Group Limited	(3,079,389)
Wendy's Company	(3,937,960)

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2021 (CONTINUED)

Investment	Market Value $
Equity Securities (continued)	
McDonald's Corporation	(5,787,442)
Carvana CO	(6,693,710)
Cash & Other Securities	
Total Cash assets (per note 3 to the financial statement)	25,265,611
Collateral Accounts	7,735,967
Options	81,978
Currency forward contracts	(4,048,947)
Futures	(1,976,964)
Total Interest bearing liabilities (per note 3 to the financial statements)	(32,115,283)
	605,963,868

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

PM Capital GLOBAL OPPORTUNITIES FUND LIMITED

DIRECTORS' REPORT

The directors submit the financial report of PM Capital Global Opportunities Fund Limited ("the Company") for the year ended 30 June 2021.

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):

Chris Knoblanche AM B.Com, CA, FCPA
Chairman and Independent Non-executive Director
Member of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr Knoblanche has over 36 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 Chairman and Non-executive Director of HiPages Limited, Non-executive Director of Latitude Financial Insurance (Hallmark companies), and PM Capital Asian Opportunities Fund Limited. Boards on which Mr Knoblanche has previously served include: Environment Protection Authority of NSW; iSelect Limited; 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.

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 28 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 Non-executive director of Clime Investment Management Limited, a Director of APP Securities Limited and as Chairman and Non-executive Director of PM Capital Asian Opportunities Fund Limited.

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

DIRECTORS' REPORT (CONTINUED)

Directors' Experience and Other Directorships (continued)

Ben Skilbeck B.Eng (Hons), B.Comm
Executive Director
Member of the Audit Committee
Member of the Nomination and Corporate Governance Committee

Mr Skilbeck has over 25 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, and Director of PM Capital Asian Opportunities Fund Limited. Mr Skilbeck attended the University of Melbourne and holds a Bachelor of Engineering (with Honours) and a Bachelor of Commerce.

Richard Matthews B.Sc, B.A, B.Ec, Grad Dip AppFin (Corporate Finance), MPA
Company Secretary
Alternate Director for Ben Skilbeck

Mr Matthews is PM Capital Limited's Chief Operating Officer, Head of Risk and Compliance and Company Secretary. He has over 21 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 Company Secretary for PM Capital Limited.

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

Attendance at Meetings

Board of Director Meetings

Director	Meetings Held and Entitled to Attend*	Meetings Attended*
Chris Knoblanche	5	5
Brett Spork	5	5
Ben Skilbeck	5	5

* In addition, 6 circular resolutions were made.

Nomination and Corporate Governance Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Chris Knoblanche	3	3
Brett Spork	3	3
Ben Skilbeck	3	3

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Chris Knoblanche	4	4
Brett Spork	4	4
Ben Skilbeck	4	4

Board Skills Matrix

	All Directors
Skills	
Strategy - experience with defining and implementing strategic objectives.	✔
Financial Acumen - experience in accounting, financial reporting and corporate finance	✔
Risk and Compliance - able to identify key risks and risk management effectiveness	✔
Corporate Governance - knowledge and experience of best practice governance	✔
Industry	
Investment Management - extensive experience specifically in investment management	✔
Financial Services - extensive experience in financial services outside of investment management (for example broking, banking, capital markets, superannuation)	✔

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 2021 were as follows:

Director	Number of Shares	Number of Options
Chris Knoblanche	25,000	-
Brett Spork	35,000	-
Ben Skilbeck	304,123	-
Richard Matthews	192,583	-

The relevant interests of the Directors and their related entities in the Securities of the Company as at 30 June 2020 were as follows:

Director	Number of Shares	Number of Options
Chris Knoblanche	25,000	-
Brett Spork	15,000	-
Ben Skilbeck	100,000	-
Richard Matthews	86,283	-

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:

	2021 $	2020 $
Profit/(loss) before Income Tax	208,041,743	(28,137,929)
Income tax (expense)/benefit	(61,654,839)	9,466,030
Profit/(loss) for the year attributable to shareholder	146,386,904	(18,671,899)

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:

	2021 %	2020 %
Equity Securities	100.8 %	97.2 %
Hybrid Securities	0.0 %	4.0 %
Debt Securities	0.0 %	1.9 %
Currency Forward Contracts	0.0 %	1.6 %
Collateral Accounts	1.3 %	1.5 %
Financial liabilities at fair value through profit or loss	(1.0)%	(0.5)%
Cash and cash equivalent assets and interest bearing liabilities	(1.1)%	(5.7)%

Equal Access Buy-Back

On 13 August 2020, the Company announced an off-market share buy-back ("Buy-Back") on an equal access basis allowing Shareholders to sell up to a maximum of 5% of their holdings in the Company at a price set at a 5% discount to the post-tax NTA (excluding deferred tax assets). The Buy-Back commenced on 23 September 2020 and closed on 23 October 2020.

On 28 October 2020, a total of 4,465,411 shares were bought back and cancelled for a total consideration of $5,085,210.

Dividends

On 12 May 2021, given the exceptional performance for the Company's portfolio combined with the substantial retained earning reserve, the Board announced its intention to increase the 30 June 2021 final fully franked dividend by 60% from 2.5 to 4.0 cents per share. As at 30 June 2021, the combination of profit reserve and retained earnings, provides over 6 years of dividend coverage at this minimum intended dividend rate[1].

On 12 August 2021, the Directors declared a fully franked final dividend of 5.0 cents per share (June 2020: 2.5 cents per share) which will be paid on 14 October 2021. The Ex-Dividend date is 15 September 2021, and the Record Date is 16 September 2021.

The amount of the proposed fully franked final dividend, which is not recognised as a liability as at 30 June 2021, is $17,640,222 (June 2020: $8,854,389).

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 17 September 2021. 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

As outlined above, the dividend guidance has now been exceeded with the announcement of a 5.0 cent dividend. The Board now intends to deliver a minimum 10.0 cents fully franked dividends in Financial Year 2022, through an interim dividend of at least 5.0 cents and final dividend of at least 5.0 cents to be announced in February and August 2022, respectively. This represents a 25% increase over the guidance provided on 12 May 2021.

A fully franked interim dividend of 2.5 cents per ordinary share, amounting to $8,784,855, was paid on 25 March 2021.

Net Assets

As at 30 June 2021 the net assets of the Company were $537,520,034 (2020: $410,436,327). Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial year, other than the Equal Access Buy-Back, there was no other significant change in the state of affairs of the Company.

---

[1] *The intended fully franked dividend is subject to there being no material adverse changes in market conditions and the investment performance of the Company's portfolio. The Company's ability to continue paying fully franked dividends is dependent on the payment of tax on investment profits and there can be no guarantee that such profits will be generated in the future. Past performance is not a reliable indicator of future performance.*

DIRECTORS' REPORT (CONTINUED)

Events Subsequent to Balance Date

On 12 August 2021, the Company announced a Company Share Purchase Plan ("SPP"). The SPP will open on 16 August 2021, and close on 7 September 2021, and will allow eligible Shareholders to purchase up to $30,000 worth of Shares without paying any brokerage or other costs that would normally apply to an on-market purchase of Shares.

Shareholders who participate in the SPP will be entitled to the 5.0 cents per Share fully franked final dividend (which will be paid on 14 October 2021) on Shares issued under the SPP on the same basis as existing Shares. Please refer to the ASX announcement for further details.

Other than the SPP, no other 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 amounts 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 22.

DIRECTORS' REPORT (CONTINUED)

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2021, 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:

Chris Knoblanche – 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 2021 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Chris Knoblanche	40,000	-	40,000
Brett Spork	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
	71,963	3,037	75,000

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

Directors' remuneration received or receivable for the year ended 30 June 2020 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Chris Knoblanche	39,674	-	39,674
Brett Spork	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
Andrew McGill (resigned 15 August 2019)	5,608	438	6,046
	77,245	3,475	80,720

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 12th day of August 2021, in accordance with a resolution of the Board of Directors by:

Chris Knoblanche AM
Chairman

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2021, 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 **12 August 2021**	**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

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue			
Interest		376,219	2,000,564
Dividends		6,815,320	7,429,958
Gains/(Losses) on investments at fair value through profit or loss		194,525,281	(29,680,258)
Gains/(Losses) on foreign exchange		16,835,732	(2,065,849)
Other income		10,035	175,517
Total revenue/(loss)		**218,562,587**	**(22,140,068)**
Expenses			
Management fees	8 (a)	5,053,380	4,584,748
Performance fees	8 (a)	3,643,463	-
Brokerage and trading fees		528,819	663,875
Finance costs		441,570	60,458
Registry fees		177,234	129,094
Insurance		149,317	103,064
Administration fees		127,713	124,487
ASX fees		105,298	96,573
Legal and professional fees		83,728	52,238
Directors' fees	12	75,000	80,720
Audit fees	8 (b)	45,100	45,892
Other operating expenses		90,222	56,712
Total expenses		**10,520,844**	**5,997,861**
Profit/(loss) for the year before income tax		**208,041,743**	**(28,137,929)**
Income tax (expense)/benefit	6 (a)	(61,654,839)	9,466,030
Profit/(loss) after income tax		**146,386,904**	**(18,671,899)**
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) attributable to shareholders		**146,386,904**	**(18,671,899)**
Basic earnings/(losses) per share	9	**41.50 cents**	**(5.29) cents**
Diluted earnings/(losses) per share	9	**41.50 cents**	**(5.29) 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.

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
Assets			
Cash and cash equivalents	3	25,265,611	4,885,028
Collateral accounts		7,735,967	5,759,864
Financial assets at fair value through profit or loss	2 (d)	611,103,484	410,208,058
Receivables	4	244,487	33,705,807
Income tax receivable		-	5,831,615
Total current assets		644,349,549	460,390,372
Non-current assets			
Deferred tax assets	6 (c)	50,194	41,909
Total non-current assets		50,194	41,909
TOTAL ASSETS		644,399,743	460,432,281
Liabilities			
Current liabilities			
Interest bearing liabilities	3	32,115,283	27,390,792
Financial liabilities at fair value through profit or loss	2 (d)	6,025,911	1,931,363
Payables	5	5,331,843	18,880,237
Income tax payable		24,296,404	-
Total current liabilities		67,769,441	48,202,392
Non-current liabilities			
Deferred tax liabilities	6 (c)	39,110,268	1,793,562
Total non-current liabilities		39,110,268	1,793,562
TOTAL LIABILITIES		106,879,709	49,995,954
NET ASSETS		**537,520,034**	**410,436,327**
SHAREHOLDERS' EQUITY			
Share capital	7	348,742,713	349,730,412
Retained profits		129,446,368	60,705,915
Profit reserve		59,330,953	-
TOTAL SHAREHOLDERS' EQUITY		**537,520,034**	**410,436,327**

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 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Interest received		389,103	2,030,404
Dividends received		6,618,388	7,340,153
Other income received		6,798	174,142
Interest paid		(458,209)	(129,838)
Management fees paid		(4,522,200)	(4,758,778)
Performance fees paid		-	-
Income tax received / (paid)		5,781,601	(17,324,806)
Brokerage fees paid		(457,251)	(529,764)
Other operating expenses		(914,036)	(865,311)
Net cash inflow/(outflow) from operating activities	10	6,444,194	(14,063,798)
Cash flows from investing activities			
Proceeds from sale of investments		215,229,740	167,192,726
Purchase of investments		(186,602,731)	(135,892,964)
Net cash inflow from investing activities		28,627,009	31,299,762
Cash flows from financing activities			
Dividends paid (Net of DRP)		(14,217,987)	(11,967,563)
Share repurchased under buy-back		(5,085,210)	-
Net cash (outflow) from financing activities		(19,303,197)	(11,967,563)
Impact of exchange rate changes on cash and cash equivalents		**(111,914)**	**2,702**
Net increase in cash and cash equivalents		15,656,092	5,271,103
Cash and cash equivalents at the beginning of the financial year		(22,505,764)	(27,776,867)
Cash and cash equivalents at the end of the financial year	3	**(6,849,672)**	**(22,505,764)**

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

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Share Capital $	Profit Reserve $	Retained Profits $	Total Equity $
Balance at 1 July 2019		**347,597,856**	**-**	**93,477,933**	**441,075,789**
Total comprehensive loss for the year		-	-	18,671,899	18,671,899
Subtotal		347,597,856	-	74,806,034	422,403,890
Transactions with owners in their capacity as owners					
Shares issued under the Company's dividend reinvestment plan	7	2,132,556	-	-	2,132,556
Dividends paid (2.0 cents per share paid 26 September 2019, and 2.0 cents per share paid 26 March 2020)		-	-	(14,100,119)	(14,100,119)
Subtotal		2,132,556	-	(14,100,119)	(11,967,563)
Balance at 30 June 2020		**349,730,412**	**-**	**60,705,915**	**410,436,327**
Balance at 1 July 2020		**349,730,412**	**-**	**60,705,915**	**410,436,327**
Total comprehensive income for the year		-	-	146,386,904	146,386,904
Transfer to profit reserve		-	59,330,953	(59,330,953)	-
Subtotal		349,730,412	59,330,953	147,761,866	556,823,231
Transactions with owners in their capacity as owners					
Shares issued under the Company's dividend reinvestment plan	7	3,421,259	-	-	3,421,259
Share buy-back		(4,408,958)	-	(676,252)	(5,085,210)
Dividends paid (2.5 cents per share paid 8 October 2020, and 2.5 cents per share paid 25 March 2021)		-	-	(17,639,246)	(17,639,246)
Subtotal		(987,699)	-	(18,315,498)	(19,303,197)
Balance at 30 June 2021		**348,742,713**	**59,330,953**	**129,446,368**	**537,520,034**

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 2021

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 11, 68 York 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 2021, and were authorised for issue by the Directors on 12 August 2021.

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.

(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% (2020: 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.

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

(h) 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.

(i) 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.

(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 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) Profit Reserve

The profit reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

(s) New and amended accounting standards adopted

There are no new accounting standards and interpretations that have been published and have been adopted for the 30 June 2021 reporting year that are material to the financial statements.

(t) 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 2021 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 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 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 A$	US Dollars A$	British Pounds A$	Euro A$	Other Currencies A$	Total A$
2021						
Assets						
Cash and cash equivalents	3,787,627	21,383,645	-	-	94,339	25,265,611
Collateral accounts	-	7,735,967	-	-	-	7,735,967
Financial assets at fair value through profit or loss:						
Listed securities	14,032,528	294,672,307	67,960,882	175,478,073	58,877,716	611,021,506
Options	2,990	78,988	-	-	-	81,978
Receivables	42,176	68,396	-	-	133,915	244,487
Deferred tax assets	50,194	-	-	-	-	50,194
Total assets	17,915,515	323,939,303	67,960,882	175,478,073	59,105,970	644,399,743
Liabilities						
Interest bearing liabilities	-	-	20,546,385	7,369,561	4,199,337	32,115,283
Financial liabilities at fair value through profit or loss:						
Futures	-	1,976,964	-	-	-	1,976,964
Currency forward contracts	(197,000,000)	102,900,269	18,397,731	61,513,866	18,237,081	4,048,947
Payables	5,331,843	-	-	-	-	5,331,843
Income tax payable	24,296,404	-	-	-	-	24,296,404
Deferred tax liabilities	39,110,268	-	-	-	-	39,110,268
Total liabilities	(128,261,485)	104,877,233	38,944,116	68,883,427	22,436,418	106,879,709
Net assets	146,177,000	219,062,070	29,016,766	106,594,646	36,669,552	537,520,034

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$
2020						
Assets						
Cash and cash equivalents	4,557,358	-	-	327,670	-	4,885,028
Collateral accounts	-	5,759,864	-	-	-	5,759,864
Financial assets at fair value through profit or loss:						
Listed securities	24,458,459	206,703,314	24,913,331	104,536,515	35,697,668	396,309,287
Debt securities	7,565,592	-	-	-	-	7,565,592
Currency forward contracts	107,200,000	(52,835,869)	-	(49,037,408)	1,006,456	6,333,179
Receivables	44,257	18,114,829	-	13,050,133	2,496,588	33,705,807
Income tax receivable	5,831,615	-	-	-	-	5,831,615
Deferred tax assets	41,909	-	-	-	-	41,909
Total assets	149,699,190	177,742,138	24,913,331	68,876,910	39,200,712	460,432,281
Liabilities						
Interest bearing liabilities	-	7,058,983	8,898,469	-	11,433,340	27,390,792
Financial liabilities at fair value through profit or loss:						
Options	224,740	1,458,126	-	-	-	1,682,866
Futures	-	43,664	-	-	-	43,664
Swaps	204,833	-	-	-	-	204,833
Payables	1,155,129	1,993,931	-	13,253,391	2,477,786	18,880,237
Deferred tax liabilities	1,793,562	-	-	-	-	1,793,562
Total liabilities	3,378,264	10,554,704	8,898,469	13,253,391	13,911,126	49,995,954
Net assets	146,320,926	167,187,434	16,014,862	55,623,519	25,289,586	410,436,327

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency sensitivity
A sensitivity of 5% (2020: 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 2021	20,597,002	3.8%	(18,635,383)	(3.5%)
30 June 2020	13,900,811	3.4%	(12,576,924)	(3.1%)

(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.

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

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 2021 and 30 June 2020 is set out below:

Industry Groups	2021	2020
Banks	34%	30%
Materials	20%	17%
Real Estate	13%	8%
Diversified Financials	9%	15%
Consumer Services	7%	4%
Energy	7%	2%
Software & Services	4%	15%
Capital Goods	4%	5%
Commercial & Professional Services	2%	2%
Consumer Durables & Apparel	0%	2%
Technology Hardware & Equipment	0%	2%
Food, Beverage & Tobacco	0%	(2%)
Household & Personal Products	0%	(2%)
Retailing	(2%)	0%
Others	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% [2020: 5%] with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/(-)$30,551,225 [2020: +/(-) $19,815,464]. 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

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 manages 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 a custodian 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 $68,654,149 [2020: $52,779,879]. 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 $30,512,955 [2020: $23,457,724] as at balance date.

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

2. Financial risk management (continued)

(d) Fair Value Measurements

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

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

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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

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

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

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

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

The fair value of financial assets and liabilities that are not traded in an active market are valued with reference to external third-party pricing information. These assets and liabilities include: 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 2021 and 30 June 2020:

	Level 1 $	Level 2 $	Level 3 $	Total $
2021				
Financial assets at fair value through profit or loss				
Listed securities	611,021,506	-	-	611,021,506
Options	81,978	-	-	81,978
	611,103,484	-	-	611,103,484
Financial liabilities at fair value through profit or loss				
Futures	1,976,964	-	-	1,976,964
Currency forward contracts	-	4,048,947	-	4,048,947
	1,976,964	4,048,947	-	6,025,911
2020				
Financial assets at fair value through profit or loss				
Listed securities	396,309,287	-	-	396,309,287
Debt securities	-	7,565,592	-	7,565,592
Currency forward contracts	-	6,333,179	-	6,333,179
	396,309,287	13,898,771	-	410,208,058
Financial liabilities at fair value through profit or loss				
Options	1,682,866	-	-	1,682,866
Futures	43,664	-	-	43,664
Swaps	-	204,833	-	204,833
	1,726,530	204,833	-	1,931,363

(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.

3. Cash and cash equivalents and Interest bearing liabilities

	2021 $	2020 $
Cash and cash equivalents		
Cash at bank (Custodian) – USD	21,383,645	-
Cash at bank (Custodian) – AUD	3,787,627	1,992,398
Cash at bank (Custodian) – CAD	94,339	-
Cash at bank (Custodian) – EUR	-	327,670
Deposits in Money Markets	-	2,564,960
	25,265,611	4,885,028
Interest bearing liabilities		
Overdraft at Custodian	(32,115,283)	(27,390,792)
	(6,849,672)	(22,505,764)

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

	2021 $	2020 $
Dividends receivable	202,311	-
Other receivables	31,306	25,704
GST receivable	10,870	7,633
Outstanding settlements	-	33,659,586
Interest receivable	-	12,884
	244,487	33,705,807

5. Payables

	2021 $	2020 $
Performance fee payable	3,643,463	-
Trade creditors and accruals	1,659,349	1,109,459
Interest payable	29,031	45,670
Outstanding settlements	-	17,724,853
Other payables	-	255
	5,331,843	18,880,237

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:

	2021 $	2020 $
Profit/(loss) for the year before income tax	208,041,743	(28,137,929)
Prima facie income tax expense/(benefit) calculated at 30% (2020: 30%)	62,412,523	(8,441,379)
Prior year over provision	6,964	-
Non-assessable income	(3,000)	-
Tax credits – current year	(761,648)	(1,024,651)
Income tax expense/(benefit)	61,654,839	(9,466,030)

(b) Franking credits

	2021	2020
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2020: 30%)	$33,258,116	$16,632,377
Number of shares on issue at the end of the financial year	352,804,435	354,175,578
Franking Credits available per Share on issue	$0.0943	$0.0470

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.

6. Income tax (continued)

(c) Deferred tax

	2021 $	2020 $
Deferred tax assets are represented by the following temporary differences:		
Accruals	34,240	30,896
Insurances	15,954	11,013
	50,194	41,909
Deferred tax liabilities are represented by the following temporary differences:		
Unrealised gains on investments	39,050,514	1,792,887
Dividends receivable	59,754	675
	39,110,268	1,793,562

7. Share capital

There is a single class of ordinary shares on issue. 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:

	2021 Number of shares	2020 Number of shares
Shares on issue at beginning of the year	354,175,578	352,020,714
Shares issued under the Company's dividend reinvestment plan	3,094,268	2,154,864
Shares repurchased under buy-back	(4,465,411)	-
Shares on issue at the end of the year	352,804,435	354,175,578

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 $5,053,380 (2020: $4,584,748) as fees paid or payable to the Investment Manager and as at balance date an amount of $1,545,215 (2020: $1,006,469) 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.

The Company expensed an amount of $3,643,463 (2020: $nil) as performance fees paid or payable during the year.

(b) Auditor's Remuneration

	2021 $	2020 $
Audit and review of the financial statements	45,100	45,892
Tax compliance services	9,714	9,300
Tax advice	36,680	-
	91,494	55,192

9. Earnings per share

	2021	2020
Basic earnings/(losses)per share	41.50 cents	(5.29) cents
Diluted earnings/(losses) per share	41.50 cents	(5.29) cents
Reconciliation of earnings/(losses) and weighted average number of shares used in calculating basic and diluted earnings/(losses) per share:		
Earnings/(losses) used in calculating basic earnings/(losses) per share	$146,386,904	($18,671,899)
Earnings/(losses) used in calculating diluted earnings/(losses) per share	$146,386,904	($18,671,899)
Weighted average number of ordinary shares used in the calculation of basic earnings/(losses) per share	352,710,741	353,071,441
Weighted average number of shares used in the calculation of diluted earnings/(losses) per share	352,710,741	353,071,441

10. Cash flow statement

	2021 $	2020 $
Reconciliation of Profit/(loss) after income tax to Cash Flow from Operating Activities		
Profit/(loss) after income tax	146,386,904	(18,671,899)
(Gains)/losses on Investments at fair value through profit or loss	(194,525,281)	29,680,258
(Gains)/losses on Foreign Exchange	(16,835,732)	2,065,849
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(194,596)	28,859
Increase/(decrease) in income tax payable	24,296,404	(5,264,470)
(Increase)/decrease in income tax receivable	5,831,615	(5,831,615)
(Increase)/decrease in deferred tax liabilities	(8,285)	32,315
Increase/(decrease) in deferred tax liabilities	37,316,706	(15,727,066)
Increase/(decrease) in payables	4,176,459	(376,029)
Net cash inflow/(outflow) from Operating Activities	6,444,194	(14,063,798)

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 2021, the Company holds 11,424,181 ordinary shares [2020: 10,569,024] valued at $10,795,851 [2020: $7,186,936] in PM Capital Asian Opportunities Fund Limited ("PAF") , a company which is 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 2021 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Chris Knoblanche	40,000	-	40,000
Brett Spork	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
	71,963	3,037	75,000

Directors' remuneration received or receivable for the year ended 30 June 2020 was as follows:

Director	Directors' fees $	Superannuation $	Total $
Chris Knoblanche	39,674	-	39,674
Brett Spork	31,963	3,037	35,000
Ben Skilbeck	-	-	-
Richard Matthews	-	-	-
Andrew McGill (resigned 15 August 2019)	5,608	438	6,046
	77,245	3,475	80,720

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 23 to 45 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 2021 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 2021 required by Section 295A of the *Corporations Act 2001*.

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

Chris Knoblanche AM
Chairman

Sydney
12 August 2021

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 2021, 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 2021 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 2021 the Company held "Cash and Cash Equivalents" of $25,265,611, "Financial assets at fair value through profit or loss" of $611,103,484 and "Collateral accounts" of $7,735,967, 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 2021 the Statement of Financial Position shows "Interest bearing liabilities" of $32,115,283 and "Financial liabilities at fair value through profit or loss" of $6,025,911. 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 2021 the Company incurred "performance fees" of $3,643,463 and "management fees" of $5,053,380 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 2021, 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 on page 21 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2021 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. Gi

HLB Mann Judd
Chartered Accountants

S Grivas
Partner

Sydney, NSW
12 August 2021

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 20 July 2021.

Holder name	Ordinary Shares held	% of Issued Shares
HSBC Custody (Australia) Limited	23,434,408	6.64%
Roaring Lion Pty Limited	20,708,671	5.87%
Horizon Investments Australia Pty Limited	16,827,340	4.77%
HSBC Custody Nominees	5,525,273	1.57%
George Hawkins Pty Limited	4,994,387	1.42%
Nulis Nominees (Australia)	4,612,144	1.31%
Netwealth Investments Limited	2,865,588	0.81%
BNP Paribas Nominees Pty Ltd	2,745,916	0.78%
Navigator Australia Ltd	2,381,113	0.67%
Becjohn Pty Limited	2,000,000	0.57%
Citicorp Nominees Pty Ltd	1,841,638	0.52%
JP Morgan Nominees Australia	1,622,196	0.46%
BNP Paribas Nominees (NZ) Ltd	1,578,248	0.45%
Old Fletcher & Partners Pty Ltd	1,500,000	0.43%
Barefoot Super Pty Ltd	1,300,000	0.37%
Charles & Cornelia Goode Foundation Pty Ltd	1,282,223	0.36%
Marian & Eh Flack Nominees Pty Ltd	1,182,750	0.34%
Sterda Pty Ltd	1,000,000	0.28%
Mordant Investments Pty	1,000,000	0.28%
Buttonwood Nominees Pty ltd	947,050	0.27%
	99,348,945	**28.16%**

Substantial Shareholders

Details of substantial shareholders and their respective holdings as at 20 July 2021.

Holder name	Ordinary Shares held	% of Issued Shares
Paul Moore, Roaring Lion Pty Ltd as trustee for the Roaring Lion Super Fund, Horizon Investments Australia Pty Limited and associated entities	65,882,176	18.67%
	65,882,176	**18.67%**

SHAREHOLDER INFORMATION (CONTINUED)

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding, as at 20 July 2021.

Holding	Number of shareholders	Ordinary shares held	% of Issued Shares
1-1,000	261	120,819	0.03%
1,001-5,000	707	2,316,756	0.66%
5,001-10,000	1,057	8,619,009	2.44%
10,001-100,000	4,932	160,451,423	45.48%
100,001 and over	421	181,296,428	51.39%
Totals	**7,378**	**352,804,435**	**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 20 July 2021, is 92.

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 248.

The total brokerage paid (net of RITC) on these transactions was $457,065.

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:	Chris Knoblanche - Chairman and Independent Non-executive Director Brett Spork - Non-executive Director Ben Skilbeck - Executive Director Richard Matthews - Alternate Director for Ben Skilbeck
Company Secretary:	Richard Matthews
Investment Manager:	PM Capital Limited Level 11, 68 York 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 11, 68 York 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