

28 September 2021

WAM Capital announces superior offer for PM Capital Asian Opportunities Fund Limited (ASX: PAF)

WAM Capital Limited (ASX: WAM) has today **announced** its intention to make a conditional off-market takeover bid for PM Capital Asian Opportunities Fund (ASX: PAF) (**Offer**).

The WAM Capital Offer is a superior proposal to the proposed scheme of arrangement between PAF and PM Capital Global Opportunities Fund Limited (ASX: PGF) (**Scheme**) and represents a premium to the implied value to PAF shareholders under the Scheme.

Based on the 24 September 2021 Scheme exchange ratio of 0.7347¹ and the PGF closing share price of \$1.49 per share on 27 September 2021, the Scheme provides PAF shareholders with an opportunity to exit their investment at a 0.5% discount to PAF's 24 September 2021 pre-tax Net Tangible Asset (NTA) backing. The Scheme provides for a mutual break fee of \$500,000 payable by each of PAF and PGF to the other party in certain circumstances which the Scheme does not proceed (**Break Fee**).

Under the Offer, accepting PAF shareholders will receive **1 WAM Capital share for every 1.99 PAF shares** they own. In the event the Break Fee is removed, WAM Capital's intention is to increase its Offer to **1 WAM Capital share for every 1.975 PAF shares**.

The Offer of **1 WAM Capital share for every 1.975 PAF shares** represents² a:

- 10.6% premium to the 27 September 2021 closing share price for PAF;
- 7.0% premium to the 24 September 2021 after-tax NTA for PAF; and
- 5.1% premium to the 24 September 2021 pre-tax NTA for PAF.

WAM Capital Chairman Geoff Wilson AO said: "WAM Capital's Offer is clearly superior to the proposed Scheme and we look forward to PAF's Board Committee recommending our Offer to all PAF shareholders. It is our view that the PAF board of directors have not explored all avenues to extract maximum value for PAF shareholders. The Break Fee payable by PAF shareholders, in the event the proposed Scheme does not proceed, is illogical and uncommercial. It would appear that the Break Fee was implemented to stifle a public and transparent process to the benefit of the investment manager, PM Capital Limited."

For further information in relation to the proposed takeover, please contact Geoff Wilson on 02 9247 6755 or Head of Operations and Key Account Manager Martyn McCathie on 0433 312 603.

¹The Scheme calculation ratio of 0.7347 is calculated based on the PAF 24 September 2021 post-tax NTA (excluding deferred tax assets) announced on 27 September 2021 of \$1.08 per share divided by the PGF 24 September 2021 post-tax NTA (excluding deferred tax assets) announced on 27 September 2021 of \$1.47 per share.

²Based on the closing share price for WAM Capital on 27 September 2021 of \$2.36 per share adjusted for the \$0.0775 fully franked final dividend payable on 29 October 2021.

About WAM Capital

WAM Capital Limited (ASX: WAM) is a listed investment company (LIC) managed by Wilson Asset Management. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

All major platforms provide access to WAM Capital, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Capital receives coverage from the following independent investment research providers:



This announcement has been authorised by the Board of WAM Capital Limited.

For further information, visit
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About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) – Wilson Asset Management invests over \$5 billion on behalf of more than 110,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.