

2 July 2018

ASX Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

By: E-lodgement

## ENTITLEMENT OFFER – LETTER TO SHAREHOLDERS

Attached is a copy of the letter being sent to shareholders in connection with the Entitlement Offer announced today (*Entitlement Offer*).

If you have any questions about the Entitlement Offer, you should seek advice from your financial adviser, stockbroker, or other professional adviser. You can also contact PM Capital Investor Services on +612 8243 0888 at any time between 9.00am to 5.00pm (Sydney time) Monday to Friday, or via email at [Go2025@pmcapital.com.au](mailto:Go2025@pmcapital.com.au).

### **Not for distribution or release in the United States**

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the new securities have been, nor will be, registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or the securities laws of any state or other jurisdiction of the United States.

The entitlements may not be taken up by, and the new securities may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Important Notice to Nominees: Because of legal restrictions, you must not send/circulate copies of this letter nor any material relating to the Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.

2 July 2018

Dear Shareholder

## 1:1 ENTITLEMENT OFFER OF *PTrackERS* WITH A MATURITY DATE of 30 JUNE 2025

PM Capital Global Opportunities Fund Limited (ASX Code: '*PGF*' or '*Parent Company*') and PM Capital GO 2025 Limited (ACN 623 887 285) ('*Company*') are pleased to invite eligible PGF shareholders to participate in a 1:1 non-renounceable entitlement offer of Portfolio Tracking Exchangeable Redeemable Securities (Converting Security) (known as '*PTrackERS*') to raise up to \$491,273,967.80 (the '*Offer*').

The *PTrackERS* will be issued at \$1.40 per *PTrackERS* on terms and conditions outlined in the Prospectus, and the new securities are expected to list on the ASX on 22 August 2018 with the **ASX Code: P25PA**.

*PTrackERS* are a new and improved type of listed investment company (LIC) security specifically designed with the objective of providing long-term holders greater control over their ability to realise their investment at NTA if they choose, and achieving a greater level of investment manager accountability to securityholders than exists with traditional LIC securities.

*PTrackERS* are redeemable exchangeable securities, which: (on terms and conditions described in the Prospectus)

- similarly to traditional LIC securities, have attributable net tangible assets determined by the investment performance of the portfolio purchased with the Offer proceeds;
- give holders the right to elect to redeem on **30 June 2025** at a value determined by reference to the net tangible value of the underlying investment portfolio; and
- if not redeemed, be exchanged for fully-paid ordinary shares of PGF by way of an automatic exchange of *PTrackERS* in a manner which is non-dilutionary to NTA before tax plus franking credits for both PGF shareholders and *PTrackERS* holders; and
- have a target distribution yield<sup>1</sup> of between 3% and 4% per annum paid semi-annually.

The Company plans to deploy the funds raised from the Offer towards investing (for the benefit of the *PTrackERS* holders) in a portfolio of global investments based on the same successful investment strategy as has been implemented by PGF's investment manager, PM Capital Limited ('*PM Capital*' or the '*Investment Manager*') for the ordinary shares.

### **Background and purpose to the Offer**

The Company (issuer of the *PTrackERS*) is a newly incorporated and wholly owned subsidiary of PGF. Since listing in 2013, PGF has observed that:

- even strongly performing LICs, including PGF, can trade away from their underlying net tangible asset value, creating uncertainty for investors as to whether they can obtain the underlying value of their securities;
- growth in an LIC's capital is often associated with economic dilution of net tangible asset per share for existing holders and also adds complexity for investors wishing to track the underlying performance of the Investment Manager; and
- while some LIC investors focus purely on long term capital growth, others also seek certainty of distribution policy.

To address these issues, the Offer is being made as a new and improved form of LIC securities known as a ***PTrackERS***.

### **Overview of the Offer**<sup>1</sup>

***PTrackERS*** are fully paid, unsecured exchanging securities. They are intended to pay Distributions at a target yield of between 3% and 4% per annum of NTA After Tax Liabilities But Before Tax Assets, plus franking (where franking is available) paid semi-annually.

**On the maturity date of 30 June 2025**<sup>2</sup> the ***PTrackERS*** will either:

- be redeemed at the election of the securityholder, or
- mandatorily and automatically exchanged for fully-paid ordinary shares of PGF, at a redemption value, or exchange price, as described in the Prospectus.

Nevertheless, the exchange of ***PTrackERS*** for ordinary shares in PGF will be done in a manner which is non-dilutionary to NTA Before Tax Plus Franking Credits for both PGF shareholders and holders of ***PTrackERS***. The redemption of ***PTrackERS*** (if exercised by the securityholder) will also be based on the prevailing NTA Before Tax Plus Franking Credits in June 2025.

### **Costs of the Offer – not borne by investors**

There is no leakage of investors' money to pay the costs of the Offer. The Investment Manager, PM Capital, is paying for all costs associated with the Offer. Accordingly, on allotment of the ***PTrackERS***, the pro-forma NTA per ***PTrackERS*** will be equal to the Issue Price paid by investors.

That is, for every \$1.40 invested, on day one, \$1.40 in cash can be put to work to the benefit of the investors.

### **Prospectus availability**

On or about 14 July 2018, you will be emailed and/or mailed a Prospectus enclosing a personalised **Entitlement Offer Application Form**. The documents will contain important information about the Offer and the number of ***PTrackERS*** you will be entitled to subscribe for under the Offer. A copy of the Prospectus lodged with the ASX on 2 July 2018 is available during the Exposure Period<sup>3</sup> at [www.pmcapital.com.au](http://www.pmcapital.com.au).

### **Eligibility criteria**

PGF shareholders who are eligible to participate in the Offer (**Eligible Shareholder**) are shareholders who:

- (a) are registered as a holder of PGF shares as at 7.00pm (Sydney time) on the Record Date;
- (b) have a registered address in Australia or New Zealand as listed on the Company's share register on the Record Date;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds securities in the Company for the account or benefit of such persons in the United States); and

(d) are eligible under all applicable securities laws to receive an offer under the Offer.

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to shareholders in countries other than Australia and New Zealand in connection with the Entitlement Offer having regard to:

- (a) the small number of shareholders in other jurisdictions where the Entitlement Offer would be made;
- (b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each jurisdiction where the Entitlement Offer would be made.

The Company may (in its absolute discretion, and subject to compliance with applicable laws) extend the Entitlement Offer (and/or issue any shortfall) to other parties, including parties who would otherwise not be eligible to participate in the Entitlement Offer.

### **Offer Indicative timetable**

The timetable below is indicative only and is subject to change. PGF and the Company, in conjunction with the Brokers to the Offer, reserves the right to alter the dates at their full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act. All times below represent Sydney time.

<b>Key Dates for the Offer</b>	<b>Date</b>
Entitlement Offer announcement	Monday 2 July 2018
Application to ASX for official quotation of the <b><i>PTrackERS</i></b>	Monday 2 July 2018
Expected expiry of Exposure Period	Monday 9 July 2018
Record Date for determining entitlements for the Entitlement Offer	Monday 9 July 2018 at 5.00pm
Entitlement Offer opens	Tuesday 10 July 2018
Entitlement Offer closes	Wednesday 8 August 2018
General Public Offer opens	Tuesday 10 July 2018
Broker Firm Offer opens	Tuesday 10 July 2018
General Public Offer closes	Friday 10 August 2018
Broker Firm Offer closes	Friday 10 August 2018
Settlement of Offer	Friday 17 August 2018
Expected dispatch of holding statements	Friday 17 August 2018
Commencement of trading with <b>ASX Code: P25PA</b>	Wednesday 22 August 2018

Additional information regarding the Offer is contained in the Prospectus, which includes important information such as key risks, terms of the ***PTrackERS***, taxation, and the material agreements.

The Offer is not underwritten. The Company and PGF will seek to place any ***PTrackERS*** not taken up under the Entitlement Offer via the General Public Offer and Broker Firm Offer and may seek to otherwise place such ***PTrackERS*** for up to three months after the Entitlement Offer Closing Date.

### **Investor Enquiries**

If you have any questions about the Entitlement Offer, you should seek advice from your financial adviser, stockbroker, or other professional adviser. General questions in relation to the Offer can be directed to PM Capital Investor Services at any time between 9.00am to 5.00pm (Sydney time) Monday to Friday on the numbers below.

If you believe that you are an Eligible Shareholder, and you do not receive a copy of the Prospectus, or your personalised **Entitlement Offer Application Form**, please call the Company's registry, Boardroom Pty Ltd at any time between 9.00am to 5.00pm (Sydney time) Monday to Friday until the Closing Date of the Offer.

**For information on the Offer:**

PM Capital Limited  
Telephone +61 2 8243 0888

Email [Go2025@pmcapital.com.au](mailto:Go2025@pmcapital.com.au)  
Website [www.pmcapital.com.au](http://www.pmcapital.com.au)

**For information on your PGF holding, and Entitlement:**

Boardroom Pty Limited  
Telephone 1300 737 760 (within Australia)  
Telephone +61 2 9290 9600 (outside Australia)

Email [Go2025@boardroomlimited.com.au](mailto:Go2025@boardroomlimited.com.au)  
Website [www.boardroomlimited.com.au/ca/ptrackers](http://www.boardroomlimited.com.au/ca/ptrackers)

Yours faithfully

**PM Capital Global Opportunities Fund Limited**  
**PM Capital GO 2025 Limited**

Andrew McGill  
Chairman

**Important Notes**

1. Target payment of a semi-annual distribution equal to between 1.5% and 2% multiplied by the average of the previous 6-month end NTA After Tax Liabilities But Before Tax Assets per **PTrackERS** prior to declaration of the distribution. See the Prospectus for detailed terms and conditions, and defined terms.
2. or such other date as described in the Prospectus.
3. the Offer is not open, and Applications cannot be made, during the Exposure Period.

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the new securities have been, nor will be, registered under the U.S. Securities Act of 1933, as amended ("US Securities Act) or the securities laws of any state or other jurisdiction of the United States.

The Entitlements may not be taken up by, and the new securities may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The distribution of this announcement in other jurisdictions outside Australia and New Zealand may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.