

**Closure of the  
PM Capital Asian Companies Fund  
ARSN 130 588 439**

**PM Capital Limited as Responsible Entity**

**Notice of Proposal to Wind up the Fund**

This notice is issued by PM Capital Limited ABN 69 083 644 731, AFSL 230222 (**PM Capital or Responsible Entity**) as responsible entity of the *PM Capital Asian Companies Fund ARSN 130 588 439 (Fund)*.

If you do not understand this document or are in doubt about the action to be taken by you, you should consult your financial adviser, lawyer, accountant or other professional adviser immediately.

The purpose of the notice is to advise unit holders that the Responsible Entity proposes to wind up the Fund under section 601NC(1) of the *Corporations Act 2001* and to advise unit holders of their rights.

### **Explanatory Note**

This Explanatory Note has been prepared:

- to explain to unit holders why the Responsible Entity proposes to wind up the Fund; and
- to advise unit holders of their right to take action under Division 1 of Part 2G.4 of the *Corporations Act 2001*:
  - to call a members' meeting to consider the proposed winding up of the Fund; and
  - to vote on any extraordinary resolution unit holders propose about the winding up of the Fund.

### **Background**

The Fund is an unlisted registered managed investment scheme, established in 2008. The investment objective of the Fund has been to provide long-term capital growth and outperform the greater of the MSCI All Country Asia (ex-Japan) Net Index (AUD) or RBA cash rate over rolling seven year periods.

PM Capital established the Fund in 2008 with the belief that investor interest in the fund would see it reach sufficient scale for it to be economic for PM Capital to absorb the operating costs of the Fund. After nearly 14 years, with only approximately \$16 million of net assets (as at the date of this notice), PM Capital does not see a path for the size of the Fund to reach sustainability.

PM Capital is no longer be willing to absorb the ongoing operating expenses of the Fund and costs associated with external wraps/platforms and product research (as it has voluntarily done so since inception of the Fund in 2008), and would ultimately seek to recover as far as possible these operating costs directly from the Fund. This would add a material additional cost burden on the Fund whilst also materially restricting the ability for the Fund to maintain and grow its FUM to a long-term sustainable size.

Given the above, it is PM Capital's opinion that the Fund's reduced marketability, and higher fees/costs, would amount to an unreasonable burden on the Fund's ability to meet its long term objectives. Accordingly, as per section 601NC(1) of the Corporations Act 2001 PM Capital (as Responsible Entity) considers that the purpose of the scheme cannot be accomplished.

In order to protect the interests of all members (large and small), and to ensure a fair and orderly wind up process, PM Capital has decided to immediately suspend applications to the Fund.

### **Proposal to wind up the Fund**

In light of the above circumstances, the Responsible Entity considers that the purpose for which the Fund was established cannot be accomplished and that the Fund should be wound up. The Responsible Entity considers that the orderly winding up of the Fund is in the interest of the unit holders.

In reaching this decision the Responsible Entity has taken into account factors such as:

- the future size of the Fund;
- the Fund's ability to obtain in-flows and thus grow to a sustainable size; and
- the ongoing operating cost burden on the Fund (and hence on the Fund's ability to generate the target investment return for Fund members).

### **The effect of the Fund being terminated and wound up**

In accordance with the general law, on the termination of the Fund, PM Capital, as Responsible Entity, has the duty to convert all of the assets into cash, pay the liabilities of the Fund and then pay the net assets to the unit holders in accordance with their respective entitlements. At the end of the winding up process final audited accounts will be prepared and lodged with ASIC.

As far as the liabilities of the Fund are concerned, these fall into a number of categories:

- expenses that will be incurred relating to communications with unit holders, reporting and meeting costs if a meeting is called;
- all other costs and expenses incurred in relation to the termination and winding up of the Fund; and
- any liability associated with investment instruments held by the Fund.

At this stage it is not possible to estimate either the amount of cash available for distribution or the amount of fees and expenses that will be incurred. It follows that PM Capital is not in a position to advise unit holders as to the amount that may be available for distribution to them at the end of the winding up process.

Nevertheless, in absence of unforeseen circumstances, the costs of the winding up process are not expected to be material with respect to the value of the Fund assets.

PM Capital may consider an interim distribution to unit holders prior to the final distribution.

### **Your rights as a unit holder**

In light of the above circumstances, the relevant provisions of both the Constitution and the Corporations Act 2001 set out what follows from the determination of the directors of the Responsible Entity that the Fund should be terminated on the ground that the purpose of the Fund will not be accomplished.

In summary these are that:

- Unit holders have the right to call a meeting of members of the Fund:
  - to consider the proposed winding up of the Fund; and

- to vote on any extraordinary resolution members propose about the winding up of the Fund.
- Unit holders should also be aware that the Responsible Entity is permitted to wind up the Fund unless a meeting is called to consider the proposed winding up of the Fund within 28 days of this notice. An extraordinary resolution is one that is passed by at least 50% of the total votes that may be cast by members entitled to vote on the resolution (including members who are not present in person or by proxy).

**What actions are you able to take?**

There are two (2) actions available to you:

- **Do nothing**  
If you agree with the Responsible Entity's proposal to wind up the Fund and you do not wish to call for a meeting of unit holders you need take no further action.
- **Call a meeting**  
If you wish to call for a meeting of unit holders you should complete the attached Request for a meeting of unit holders and return the form to the Responsible Entity at the address given on the form not later than 5 pm (Sydney local time) on 22 April 2022. In order for such a meeting to proceed, unit holders representing at least 5% of the votes that may be cast on the resolution or at least 100 unit holders must request a meeting. In the absence of sufficient requests from unit holders then PM Capital is entitled to wind up the Fund following 28 days from the date of the giving of this notice.

If you have any questions, please contact PM Capital Client Services (9.00am to 5:00pm Sydney time, Monday to Friday):

Telephone +61 2 8243 0888  
Email pmcapital@pmcapital.com.au

Yours sincerely

**PM Capital Limited**  
**as Responsible Entity for the PM Capital Asian Companies Fund**



Ben Skilbeck  
Director

Dated: 18 March 2022

**NOTE**

If you agree with the proposal that the Fund be wound up, you do NOT need to send this request.

**Request for a meeting of unit holders of PM Capital Asian Companies Fund**

I/We being a unit holder(s) in the PM Capital Asian Companies Fund ARSN 130 588 439 (Fund) request that PM Capital Limited call a meeting of unit holders:

- (1) to consider the proposed winding up of the Fund;
- (2) to vote on the following Resolution(s)\*:

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**Investor ID** \_\_\_\_\_

**Name of Unit holder(s)** \_\_\_\_\_  
\_\_\_\_\_

**Signature(s) of Unit holder(s)**  
.....

**Date** .....

\* If, in addition to requesting the consideration of the proposal that the Fund be wound up, you also wish the meeting to consider and vote on other resolutions, please set out the terms of the resolution(s).

You should complete and return this form by no later than 5 pm (Sydney local time) on 22 April 2022, to:

**By Post**

PM Capital Limited  
Level 11, 68 York Street  
Sydney NSW 2000

**Email**

pmcapital@pmcapital.com.au