

# Net Tangible Assets & Monthly Investment Report

30 JUNE 2021

## Company commentary

- Inflation remains primary focal point for investors
- US Federal Reserve commentary drives rotation back towards growth and momentum
- CRISIL Limited
- Frontier Digital Ventures increases its ownership of one of its best performing portfolio companies

Despite the recent Covid-19 outbreak being experienced in India, positions in Indian credit rating agencies contributed meaningfully to performance over the month. CRISIL, the largest rating agency firm within India and a controlled subsidiary of S&P Global advanced 31%. CRISIL's outperformance comes after the company announced stronger than expected earnings in late May.

Frontier Digital Ventures announced the acquisition of the outstanding minority interests in property portal Infocasas. Frontier acquired an initial 31.2% stake in Infocasas back in September 2017 and subsequently increased its shareholding to controlling 51% in early 2020. We consider the deal to be well structured with a majority of the

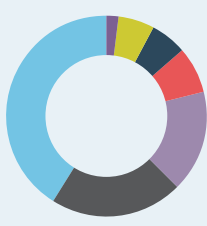
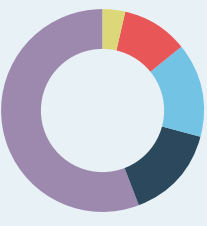
consideration consisting of earnout payments subject to profitability hurdles over the next two years.

The portfolio's copper positions gave back some of the gains achieved over the past years after the copper price declined from record highs. Several factors acted as negative headwinds for base metal prices, most notable were China's decision to make available its strategic reserves in an attempt to ease souring base metal prices, as well as a weakening US Dollar post the US Federal Reserve commentary.

A weakening Australia Dollar also added to performance over the month.

Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited) <sup>1</sup>	June 2021	Company performance (net of fees) <sup>2</sup>	1 Month	1 Year	3 Years p.a.	5 Years p.a.	7 Years p.a.	Since inception p.a.	Total Return
NTA before tax accruals	\$ 1.1265	PM Capital Asian Opportunities Fund	1.8%	30.3%	2.6%	8.0%	8.3%	6.2%	53.5%
NTA after tax (excluding	\$ 1.1071								

1. Past performance is not a reliable indicator of future performance. 2. Performance adjusted for capital flows including those associated with the payment of dividends and tax, share issuance as a result of option exercise and the dividend reinvestment plan.

Portfolio investments	Weighting	Current stock example	Domicile of listing <sup>^</sup>
Gaming	13.8%	MGM China Holdings	 <ul style="list-style-type: none"> <li>Hong Kong 41.1%</li> <li>North America 21.4%</li> <li>Australia 16.3%</li> <li>Korea 7.5%</li> <li>India 5.8%</li> <li>Vietnam 5.7%</li> <li>Malaysia 2.2%</li> </ul>
Online Classifieds & Ecommerce	13.6%	iCar Asia	
Financials	12.2%	Shinhan Financial	
Infrastructure	10.9%	Sinopec Kantons	
Materials (Copper)	10.6%	Freeport-McMoRan	
Consumer	7.7%	SABECO	
Technology	6.6%	Travelsky	
Energy	4.9%	CNOOC	
Other	5.8%	China Mobile	
<b>Long Equities Position</b>	<b>86.1%</b>		
Net Invested Equities	86.1%	Currency exposure*	Domicile of business <sup>^</sup>
		USD	 <ul style="list-style-type: none"> <li>Greater China 55.6%</li> <li>South East Asia 15.2%</li> <li>South Asia 14.9%</li> <li>International 10.6%</li> <li>Developed Asia 3.7%</li> </ul>
		AUD	
		KRW	
		INR	
		Other	
<b>Total holdings</b>	<b>25</b>		

<sup>^</sup> 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office, whereas 'Domicile of Business' represents the location of the predominant business of those entities. \* Stated as Effective Exposure.

PM Capital Limited ('the Manager'), founded in 1998, is a globally-focussed fund manager that invests money on behalf of private clients, the clients of financial advisers and institutions. PM Capital's goal is to build long term wealth by investing in global markets with patience and conviction.

### Company profile

The PM Capital Asian Opportunities Fund Limited (ASX:PAF, ACN 168 666 171) is intended to provide investors with an opportunity to invest in the Asian region (ex-Japan)<sup>1</sup> via an Australian Securities Exchange (ASX) listed investment company. The company began trading on the ASX on 22 May 2014.

Managed by PM Capital (AFSL 230222), the aim is to create long term wealth through a concentrated portfolio of typically 15-35 quality companies within Asia ex-Japan that it believes are trading at prices different to their intrinsic values.

### Who manages the Company's portfolio?

Kevin Bertoli is the Portfolio Manager, who has over 15 years' industry experience and is supported by a team of experienced investment analysts. The PM Capital investment team is led by founder and CIO Paul Moore.

PM Capital believes in being a patient investor, one that has conviction, one that finds opportunities where others can only see risk. We only invest in what we know, deeply, via our fundamental research.

### Investment philosophy

PM Capital aims to build long term wealth together with our co-investors by finding and exploiting investment anomalies around the world. Using a focused, patient and considered approach to finding simple investment ideas produces the best environment for creating that long term wealth.

Our experience has shown us that while the market is largely efficient, it can,

and regularly does, misprice a small proportion of companies. Our unique process is based on scanning the world for those companies (hence the radar in our logo), discovering the associated valuation anomalies and extracting value from them. We buy good businesses at a good price; businesses that we believe are being valued differently to their long term intrinsic value, but will return to their correct value over time.

## Why the PM Capital Asian Opportunities Fund Limited?

**Asia-specific:** The Company focuses on companies listed or operating in Asia (ex-Japan)<sup>1</sup>, giving unrestricted exposure to the world's fastest growing region.

**Established:** The Company's process has been shown to be effective, based on a philosophy developed by Paul Moore, over 35 years. This has produced attractive long term capital growth.

**Unrestricted:** We have an authentic investment process where our exposure to countries, industry sectors or market capitalisation is determined solely by our conviction in the risk/reward opportunities that we identify in individual stocks.

**Opportunistic and focused:** The Company's portfolio is not built around a general market benchmark or index - it is highly focused based on our fundamental, bottom-up investment process. As a guide, the portfolio holds around 15 to 35 deeply researched stocks that we believe give the best opportunity to produce strong long term returns.

**Co-investment:** Shareholders receive access to a unique subset of opportunities to which they may otherwise find difficult to access. The Manager has a significant investment in the Company - it invests with and for you.

## Key Company Details

### ASX Code

PAF

### ACN

168 666 171

### Trading commenced

22 May 2014

### Shares on issue

57,230,342

### Category

Asian (ex-Japan)<sup>1</sup> equities

### Investment style

Fundamental, bottom-up, research-intensive approach

### Number of stocks

As a guide 15-35 stocks

### Suggested investment time

Seven years plus

### Investor profile

PAF may be appropriate for investors seeking to profit from long-term capital appreciation over a seven plus year investment horizon through a concentrated portfolio of Asian Equities.<sup>1</sup>

## Important Notice

PM Capital Asian Opportunities Fund Limited ACN 168 666 171 (PAF) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in PAF. Nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of PAF and conduct its own investigations and analysis. See the ASX Company Announcements platform at [www.asx.com.au](http://www.asx.com.au) for further information. Past performance is not a reliable indicator of future performance. All positions are reported net of all liabilities including tax. Announcement authorised by: Benjamin Skilbeck - Director.

1. The Asian region (ex-Japan) includes Hong Kong, China, Taiwan, Korea, Indonesia, India, Sri Lanka, Malaysia, Philippines, Thailand, Vietnam, Pakistan and Singapore, but excludes Japan. The Company may also obtain exposure to companies listed on other global exchanges where the predominant business of those companies is conducted in the Asian region (ex-Japan).

Address: Level 11, 68 York Street, Sydney NSW 2000, Australia

## Share Registry Enquiries

**Boardroom Pty Limited** T: 1300 737 760 E: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

## Further Information: Investment Manager Representative Contacts

[www.pmcapital.com.au](http://www.pmcapital.com.au) T: +61 8243 0888 E: [pmcapital@pmcapital.com.au](mailto:pmcapital@pmcapital.com.au)

**John Palmer** T: +61 447 471 042 E: [jpalmer@pmcapital.com.au](mailto:jpalmer@pmcapital.com.au)

**Nicholas Healy** T: +61 447 814 784 E: [nhealy@pmcapital.com.au](mailto:nhealy@pmcapital.com.au)