

Net Tangible Assets & Monthly Investment Report

31 December 2016

Company Commentary

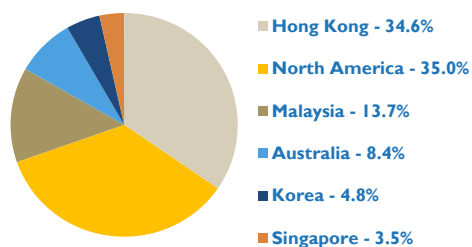
During December the Australian Dollar continued on its downward path against the US Dollar and Hong Kong Dollar, the two major currency exposures of the Company. As a result, the Company's active currency positioning contributed positively to performance.

The Company's Macau holdings declined after reports China UnionPay would reduce the daily ATM withdrawal limit in Macau from 10,000 Macau Pataca (US\$1250) to 5,000 Macau Pataca (US\$625). While the Macau government denied these reports it has resulted in the market becoming more cautious on the regulatory environment, particularly with regards to capital flight from China. If the daily withdrawal limit was reduced it would certainly have some impact on gaming revenues but we do not think it would be material.

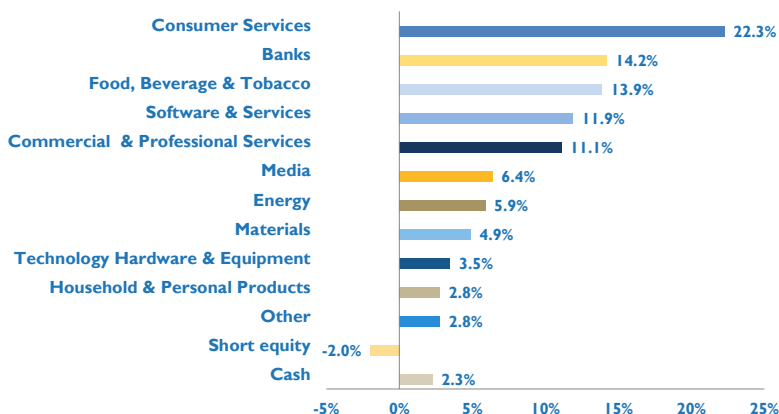
During the month we exited our positions in YUM! Brands and YUM China. YUM! Brands successfully completed its corporate restructuring which led to the spin out of YUM China in late October. The restructuring process drove a 26% return over our 13 month holding period. We used some of the proceeds to increase our position in Autohome Inc.

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE (all figures are unaudited)	NOVEMBER 2016	DECEMBER 2016	CHANGE
NTA before tax accruals + franking credits	\$1.1089	\$1.0942	-1.3%
NTA after tax	\$1.0733	\$1.0632	-0.9%

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PORTFOLIO COMPOSITION^



INVESTED POSITION

LONG EQUITY	99.4%
SHORT EQUITY	-2.0%
NET EQUITY	97.4%
DEBT SECURITIES	0.3%
CASH	2.3%
TOTAL EXPOSURE	100.00%

CURRENCY EXPOSURE*

USD	56.0%
HKD	39.8%
AUD	3.7%
KRW	0.7%
OTHER	-0.2%
TOTAL EXPOSURE	100.0%

TOP 10 EQUITY EXPOSURES	SECTOR^	GEOGRAPHIC EXPOSURES	HOLDING
51JOB INC	COMMERCIAL & SERVICES	CHINA	6.9%
AUTOHOME INC	SOFTWARE & SERVICES	CHINA	6.4%
HSBC HOLDINGS	BANKS	HONG KONG / INTL	6.2%
SINOPEC KANTONS HOLDINGS	ENERGY	CHINA	5.9%
MGM CHINA HOLDINGS LTD	CONSUMER SERVICES	MACAU	5.6%
BAIDU INC ADR	SOFTWARE & SERVICES	CHINA	5.5%
TURQUOISE HILL RESOURCES	MATERIALS	INTERNATIONAL	4.9%
DONACO INTERNATIONAL LTD	CONSUMER SERVICES	VIETNAM	4.9%
WYNN MACAU	CONSUMER SERVICES	MACAU	4.3%
ZHAOPIN LTD	COMMERCIAL & SERVICES	CHINA	4.1%

*Stated Sector represents GICS Industry Group level.

Company Profile

The PM Capital Asian Opportunities Fund Limited (PAF or 'the Company') provides investors with an opportunity to invest in a concentrated portfolio of what the Investment Manager believes to be undervalued listed Asian equities and other investment securities in the Asian region (ex-Japan)¹. The aim is to provide investors with long term capital growth and an opportunity to invest in an actively managed portfolio that does not replicate the standard industry benchmarks.

Who manages the Company's portfolio?

PAF's investment portfolio is managed by PM Capital ('the Manager'). The Chief Investment Officer of PM Capital, Paul Moore has over 30 years' experience in successfully managing global investment funds. The Portfolio Manager, Kevin Bertoli has over 10 years' industry experience. Paul and Kevin are supported by a team of investment analysts.

Manager Profile

PM Capital Limited, founded in 1998, is a Sydney-based specialist equity and income fund manager that manages over \$2.1 billion on behalf of private clients, institutional investors and the clients of financial advisers. PM Capital provides its clients with an opportunity to invest alongside its investment team in businesses that it believes are currently trading below their long-term intrinsic value, but will return to full value over time.

PAF's investment mandate is based on the guidelines of the unlisted PM Capital Asian Companies Fund (ACF) and will generally invest in the same investments as the ACF once the portfolio has been established (although there may be differences in portfolio positioning from time to time). PAF's investment objective is to provide long-term capital growth over an investment horizon of seven years or longer through investment in a concentrated portfolio of Asian (ex-Japan)¹ equities and other investment securities.

Investment Philosophy

The Manager uses the same investment philosophy for the Company and process it utilises for its unlisted retail funds. This philosophy is a belief that:

"the best way to preserve and enhance your wealth is to buy a good business at a good price."

This investment philosophy has been successfully executed by PM Capital's Chief Investment Officer Paul Moore for 30 years and has been applied at PM Capital since its inception in 1998. The philosophy involves taking a business owner's approach to investing by looking to understand how the business works, management's philosophy in managing the business and those parts of the business that determine its intrinsic value.

PM Capital then asks, "What would a rational business owner pay for the business?" Because in the end, the Manager believes that if a company's intrinsic valuation is not recognised by the stock market, it will eventually be recognised by a business owner through a corporate action such as a merger or takeover.



FURTHER INFORMATION

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KEY COMPANY DETAILS	
ASX CODE	PAF
OPTION	PAFO
ACN	168 666 171
LISTING DATE	21 May 2014.
SHARES ON ISSUE	55,538,224
CATEGORY	Asian (ex-Japan) ¹ equities.
INVESTMENT STYLE	Fundamental old-fashioned stock pickers, bottom-up, research-intensive.
NUMBER OF STOCKS	As a guide, around 15-35 equities whose predominant business is in the Asian (ex-Japan) ¹ region.
SUGGESTED INVESTMENT TIME	Seven years plus.
INVESTOR PROFILE	PAF may be appropriate for investors seeking long-term capital growth over an investment horizon of seven years or longer, through investment in a concentrated portfolio of Asian (ex-Japan) ¹ equities.

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 for further information. Past performance is not a reliable indicator of future performance. All positions are reported net of all liabilities including tax.

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).

* Stated at market value before the impact of currency options. ** 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office, whereas 'Geographic Exposures' represents the location of the predominant business of those entities.