

Net Tangible Assets & Monthly Investment Report

31 JANUARY 2017

Company commentary

The underlying equities portfolio performed strongly over the period. Autohome Inc., Wynn Macau and Turquoise Hill Resources were the largest contributors to positive performance.

Autohome Inc. (+24%) continued its strong momentum subsequent to management's decision to refocus the business on the core lead generation, advertising and third party marketplace businesses. Since management's announcement in November we have seen renewed interest in the company with several sell side brokers reinstate coverage.

Wynn Macau (+16%) advanced after a stronger than expected fourth quarter result showed the company's recently opened Wynn Cotai property continued to gain traction with patrons while not cannibalising the existing Peninsula business.

Turquoise Hill Resources (+12%) reacted positively to a strong copper price over the period. Renewed optimism for global

growth and the increasing likelihood of a major strike at the world's largest copper mine, Escondida in Chile, improved the supply, demand outlook for the copper market.

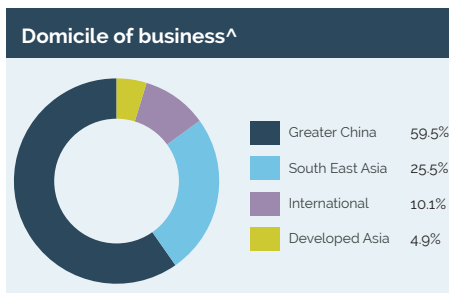
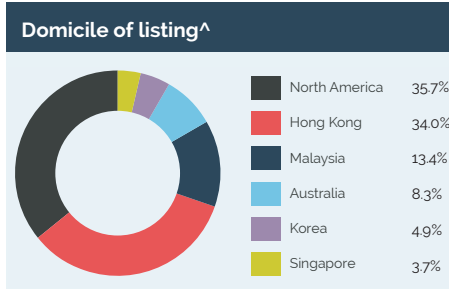
Our currency positioning offset the strong underlying stock performance as the Australian Dollar rose strongly over the month as the upward trajectory in long term US interest rates lost some momentum. We continue to believe that the market is underappreciating the prospect of materially higher rates in the United States.

The Company's net invested position was broadly unchanged over the month.

Net Tangible Asset (NTA) backing per ordinary share (all figures are unaudited)	December 2016	January 2017	Change
NTA before tax accruals and franking credits	\$1.0942	\$1.1061	+1.1%
NTA after tax	\$1.0632	\$1.0715	+0.8%

Portfolio investments	Weighting	Current stock example
Consumer - Breweries	9.3%	Heineken Malaysia
Consumer - Other	9.8%	Hengan International
Online Classifieds & Ecommerce	27.5%	Autohome
Gaming - Macau	13.1%	Wynn Macau
Gaming - Other	8.8%	Genting Malaysia
Financials	14.8%	HSBC Holdings
Capital Goods & Commodities	7.6%	Turquoise Hill Resources
Other	9.6%	Sinopec Kantons
Long Position	100.5%	
Short Position	-2.1%	
Net Invested Equities	98.4%	
Credit Securities	0.3%	
Net invested position	98.7%	
Total holdings	28	

Currency exposure*	
USD	56.3%
HKD	39.5%
AUD	3.2%
Other	1.0%
Total exposure	100.0%



[^] '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 at market value.

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)¹ via an Australian Securities Exchange (ASX) listed investment company. The company began trading on the ASX on 22 May 2014.

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

Who manages the Company's portfolio?

PAF's investment portfolio is managed by PM Capital. Kevin Bertoli is the Portfolio Manager, who has over 10 years industry experience and is supported by a team of experienced investment analysts. The investment team is led by founder and CIO Paul Moore who has over 30 years' experience in successfully managing investment funds.

We believe 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

We aim 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)¹, giving 100% 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 30 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: Our co-investors receive access to a unique subset of opportunities to which they would otherwise find difficult to access. The management team have significant investments in the Company – they invest for and with you.

Key Company Details

ASX Code

PAF

ACN

168 666 171

Listing Date

21 May 2014

Shares on issue

55,538,224

Category

Asian (ex-Japan)¹ 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 Equities¹

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).

Further Information

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