

Net Tangible Assets & Monthly Investment Report 31 December 2014

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE (all figures are unaudited)	DECEMBER	NOVEMBER	CHANGE
NTA before tax on unrealised gains	1.0446	1.0279	+1.62%
NTA after tax	1.0326	1.0185	+1.38%

Month in Review

Positions in Sinopec Kantons Holdings and Astro Malaysia were initiated during the month. The invested position now stands at 72% which compares to the unlisted unit trust at 84%.

Primary contributors to performance during the month included IO4 Corp., which continues to perform strongly in line with a strong operating environment, and Donaco International, which recovered from November lows. Detractors to performance included our Macau gaming holdings and Mindray Medical.

Final approval for Beijing's second airport was announced in early December giving the green light for construction to begin in 2015. Importantly Beijing Capital International Airport (BCIA) will not be involved in the funding stage, which frees up the company to further reduce debt and increase their payout ratio going forward.

Newly purchased Sinopec Kantons Holdings (a company involved in the operation of crude oil loading and unloading, storage and transportation facilities, LNG shipping and oil and petrochemical trading) announced the acquisition of gas pipeline assets from its parent company Sinopec. The company will pay 2.6bn RMB for 100% of the Yulin-Jinan gas pipeline, valuing the assets at 9.7x trailing earnings, which we view as attractive given their outlook.

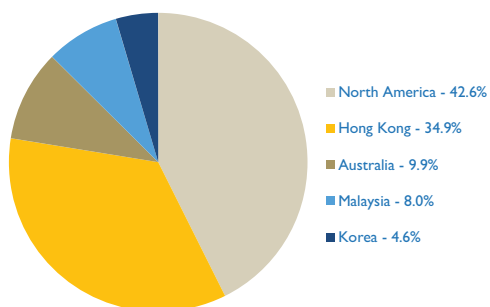
TOP 10 EXPOSURES	SECTOR	GEOGRAPHIC EXPOSURE	HOLDING (%)
51JOB INC	INTERNET	CHINA	9.2%
DONACO INTERNATIONAL LTD	GAMING	VIETNAM	7.1%
MINDRAY MEDICAL	HEALTHCARE	CHINA / INTERNATIONAL	6.4%
BEIJING CAPITAL INT'L	INFRASTRUCTURE	CHINA	5.4%
TINGYI	CONSUMER	CHINA	5.0%
GENTING MALAYSIA	GAMING	MALAYSIA	4.8%
MGM CHINA HOLDINGS LTD	GAMING	MACAU, CHINA	4.4%
TURQUOISE HILL RESOURCES	COMMODITIES	INTERNATIONAL	4.3%
SJM HOLDINGS	GAMING	MACAU, CHINA	4.0%
BAIDU INC ADR	INTERNET	CHINA	3.9%

INVESTED POSITION

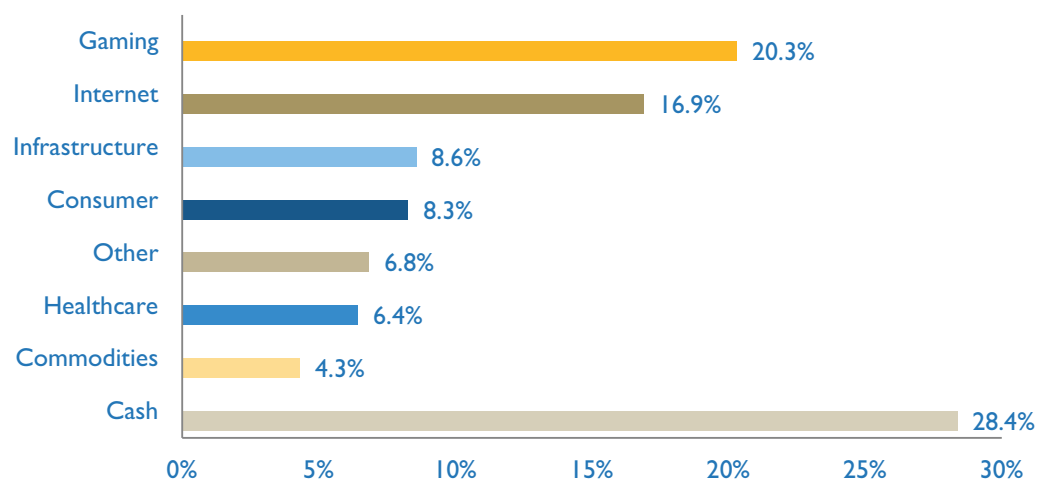
LONG EQUITY	71.6%
CASH	28.4%
TOTAL EXPOSURE	100.0%

CURRENCY EXPOSURE*

USD	79.2%
HKD	25.7%
KRW	-0.1%
MYR	-0.5%
AUD	-4.3%
TOTAL EXPOSURE	100.0%

DOMICILE OF LISTING

KEY COMPANY DETAILS

ASX CODE	PAF
OPTION CODE	PAFO
ACN	168 666 171
LISTING DATE	21 May 2014
SHARES ON ISSUE	55,087,501
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 a seven year plus investment horizon, through investment in a concentrated portfolio of Asian (ex-Japan) ¹ equities

PORTFOLIO COMPOSITION


Company Profile

PM CAPITAL Asian Opportunities Fund Limited (PAF or the Company) provides investors with an opportunity to invest in a concentrated portfolio of predominantly 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?

The Chief Investment Officer, Paul Moore, who has over 29 years experience in successfully managing global investment funds. The portfolio manager, Kevin Bertoli, who has over 9 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 \$1.9 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, investing 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 a seven-year plus investment horizon through investment in a concentrated portfolio of Asian (ex-Japan)¹ equities and other investment securities.

Investment Philosophy

PAF's investment portfolio is managed by PM CAPITAL, which uses the same investment philosophy and process they utilise for their 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 29 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.



FURTHER INFORMATION

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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 Asia Region (ex Japan).

* Stated at market value before the impact of currency options.

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