

# Net Tangible Assets & Monthly Investment Report 31 March 2015

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE (all figures are unaudited)	MARCH	FEBRUARY	CHANGE
NTA before tax on unrealised gains	\$1.0892	\$1.1056	-1.48%
NTA after tax	\$1.0782	\$1.0842	-0.55%

## Month in Review

The underlying equity portfolio detracted value over the month with Tingyi Holdings, 51Jobs and MGM China the largest detractors of performance.

Tingyi Holdings, China's largest food and beverage manufacturer, declined after missing full year earnings estimates. The miss was driven primarily by a 6% year on year decline in revenues. Despite the weaker than expected result we continue to hold our position, viewing the reasons for the earnings decline as transitory. Furthermore, we believe Tingyi is at an inflection point in terms of profitability in both their instant noodle and beverage division, which will be recognised over the next two to three years.

Positive contributors to performance included LG Household & Healthcare, 104 Corp. and Beijing Capital International Airport. LG Household & Healthcare was buoyed by improving optimism for growth in the Korean cosmetics sector, which is benefiting from strong demand from mainland Chinese consumers (in 2014 cosmetics accounted for 53% of LG Household & Healthcare earnings before interest and tax (EBIT)).

PAF continues to be actively positioned for a depreciation of the Australian dollar (AUD). The AUD declined almost 2% during March, which partially offset the performance of the underlying equity portfolio.

Post the recent rally in LG Household & Healthcare, which saw the share price rise 30%, we exited the position, as we believed the future growth was being fairly priced. We rotated some of the capital into Korean confectionary company Lotte Confectionary.

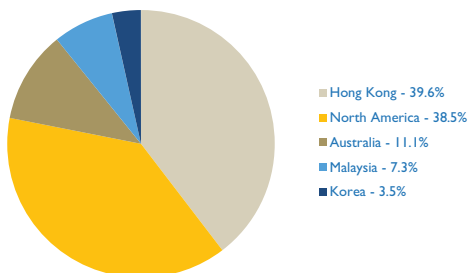
TOP 10 EXPOSURES	SECTOR	GEOGRAPHIC EXPOSURE	HOLDING
DONACO INTERNATIONAL	GAMING	VIETNAM	8.8%
51JOB INC	INTERNET	CHINA	8.5%
MINDRAY MEDICAL	HEALTHCARE	CHINA / INTERNATIONAL	6.8%
BEIJING CAPITAL INT'L AIRPORT	INFRASTRUCTURE	CHINA	6.7%
SINOPEC KANTONS	INFRASTRUCTURE	HONG KONG, CHINA	4.9%
TINGYI	CONSUMER	CHINA	4.8%
GENTING MALAYSIA	GAMING	MALAYSIA	4.8%
HSBC	FINANCIALS	HONG KONG / INTERNATIONAL	4.7%
TURQUOISE HILL RESOURCES	COMMODITIES	INTERNATIONAL	4.5%
ZHAOPIN	INTERNET	CHINA	4.1%

**INVESTED POSITION**

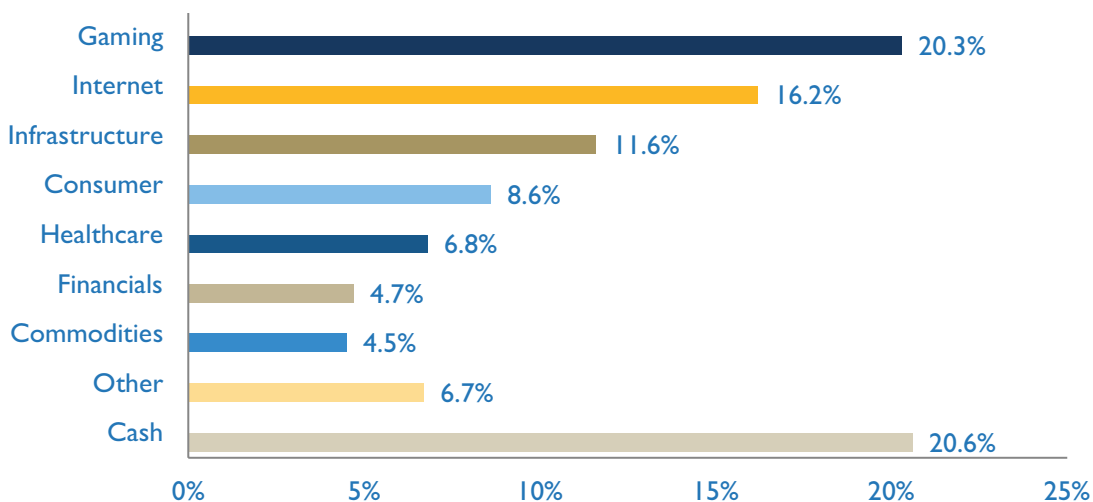
<b>LONG EQUITY</b>	79.4%
<b>CASH</b>	20.6%
<b>TOTAL EXPOSURE</b>	100.0%

**CURRENCY EXPOSURE\***

<b>USD</b>	64.6%
<b>HKD</b>	31.9%
<b>AUD</b>	3.3%
<b>MYR</b>	0.1%
<b>KRW</b>	0.1%
<b>TOTAL EXPOSURE</b>	100.0%

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**KEY COMPANY DETAILS**

<b>ASX CODE</b>	PAF
<b>OPTION CODE</b>	PAFO
<b>ACN</b>	168 666 171
<b>LISTING DATE</b>	21 May 2014
<b>SHARES ON ISSUE</b>	55,087,501
<b>OPTIONS ON ISSUE</b>	55,087,500
<b>CATEGORY</b>	Asian (ex-Japan) <sup>1</sup> equities
<b>INVESTMENT STYLE</b>	Fundamental old fashioned stock pickers, bottom-up research-intensive
<b>NUMBER OF STOCKS</b>	As a guide, around 15-35 equities whose predominant business is in the Asian (ex-Japan) <sup>1</sup> region
<b>SUGGESTED INVESTMENT TIME</b>	Seven years plus
<b>INVESTOR PROFILE</b>	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) <sup>1</sup> 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)<sup>1</sup>. 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 of PM CAPITAL, 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 \$2.0 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)<sup>1</sup> 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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### SHARE REGISTRY ENQUIRIES

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**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. Past performance is not a reliable indicator of future performance.

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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