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Australian Securities Exchange Limited
Level 4, 20 Bridge Street
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**RE: PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED (PAF)
AUGUST 2015 MONTHLY VIDEO UPDATE**

The August 2015 Monthly Video Update, providing presentation from PM CAPITAL's Chief Investment Officer, Paul Moore and can be accessed here:

http://www.pmcapital.com.au/news/webinars_and_videos/august_2015_monthly_market_update239.aspx

TRANSCRIPT STARTS (Market Update by Paul Moore, 10 September 2015)

"August was certainly a month that caught the attention of investors and thus, we thought it would be worthwhile, sharing some observations and thoughts that typically we would keep until the end of the quarter.

Back in July we suggested that China, not Greece, was what really mattered due to their relative economic footprint and our belief that the adjustment from a focus on fixed asset investment will probably be more painful than most were expecting. The collapse in commodity prices highlighted that this was in fact occurring and the "government manipulated" China A share market reminded us of the internet tech bubble of the year 2000.

Such observations became the focus of the investment crowd over the last month and what was most interesting, was that all asset classes saw an initial decline in prices of similar magnitude. This was no doubt, in part, due to the fact that we truly are a global marketplace today and the size of the stampeding herd is so much bigger and more instantaneous. Plus, regulators have unwittingly reduced liquidity in markets and that liquidity is increasingly dominated by ETF'S, index funds and computer driven traders that only compound the tendency of all short term investors to act the same. So when investor sentiment starts to fret that the Chinese economy may in fact de-rail the global recovery, there is a downdraft in asset prices and investors start to worry about volatility.

As we have re-iterated many times, our investment framework post GFC, has been to expect a process of two steps forward and one step back. The steps forward are as economies and markets trek a path to normality and the step back, every time there is a growth scare. Early on the growth scares were from America. Then, investor anxiety moved to Europe and Greece and this time it is China. I can't say with certainty how significantly China will impact global growth. It certainly will impact those who benefited most from its boom; commodity prices and the Australian dollar as examples and it is why we think commodity companies, Although having fallen significantly, we still expect to be a tough place to invest in, and would avoid for a number of years.

But what I can tell you is fact, is that since March 2009, there have been 16 times when the market has declined 5% or more as part of this two steps forward and one step back process. And note that the decline in commodity prices, such as oil, has a significant positive impact on disposable income and is typically positive for developed market economies.

So the best way to deal with “volatility” and what we have been dealing with for the last 5 years, is to try and avoid the noise and focus on what you believe to be businesses that will generate acceptable returns to their shareholders over the medium to longer term. We believe that to continue to be the case from the businesses that we own and have in fact, used the recent market correction to add a couple of companies to the portfolio that operate in a business segment that we have not previously invested in.

Thank you for your time and we shall speak again in October”.

TRANSCRIPT ENDS

Yours faithfully



Ben Skilbeck
Director
PM Capital Asian Opportunities Fund Limited

