

# Net Tangible Assets & Monthly Investment Report 30 September 2015

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE (all figures are unaudited)	AUGUST	SEPTEMBER	CHANGE
NTA before tax on unrealised gains, but after tax	\$1.0590	\$ 1.0138	-4.27%
NTA after tax	\$1.0726	\$ 1.0378	-3.24%

## NTA Disclosure

As at 30 September 2015, the NTA before tax accrual was \$1.0625 per share. After the accrual of tax on realised gains (but before tax on any unrealised gains), the NTA was \$1.0138 per share as shown in the table above.

## Month in Review

September saw a continuation of the trends seen in recent months as market participants continued to focus on China's growth outlook and US monetary policy. Chinese data points released during the month remained weak with the flash Purchasing Managers Index released by Caixin Markit<sup>^</sup> falling to 47, the lowest level in over six years. Industrial profits for August also declined 8.8% year on year.

In light of the weakening economic outlook for China, the September quarter was the weakest quarter for Asian (ex. Japan) equities since third quarter of 2011. The Company's gaming holdings continues to negatively impact performance. Gaming markets that rely on Chinese patrons i.e. Macau and Korea continue to be impacted by the weak sentiment in that market. Those with a lesser reliance on mainland Chinese visitation have performed significantly better. The Company's holding in Genting Malaysia is a good example; only 4% of its visitation comes from China and its share price has been flat over the past twelve months.

Positive contributors to performance included our consumer holdings i.e. Lotte Confectionary and Tingyi which typically perform better in weak markets given their perceived defensiveness.

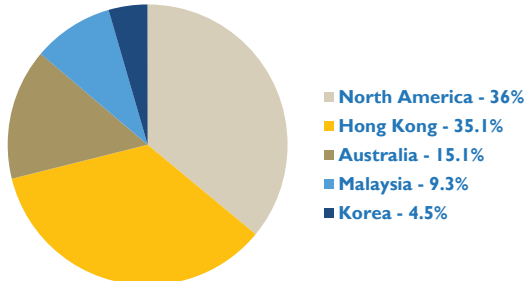
TOP 10 EQUITY EXPOSURES	SECTOR	GEOGRAPHIC EXPOSURES	HOLDING
DONACO INTERNATIONAL LTD	GAMING	VIETNAM	9.6%
51JOB INC	INTERNET	CHINA	8.2%
MINDRAY MEDICAL	HEALTHCARE	CHINA / INTERNATIONAL	6.2%
HSBC	FINANCIALS	HONG KONG / INTERNATIONAL	5.9%
BAIDU INC ADR	INTERNET	CHINA	4.9%
GENTING MALAYSIA	GAMING	MALAYSIA	4.5%
TURQUOISE HILL	COMMODITIES	INTERNATIONAL	4.1%
AAC TECHNOLOGIES	TECHNOLOGY	HONG KONG	4.1%
TINGYI	CONSUMER	CHINA	4.0%
SINOPEC KANTONS HOLDINGS	INDUSTRIALS	HONG KONG/ CHINA	3.9%

**INVESTED POSITION**

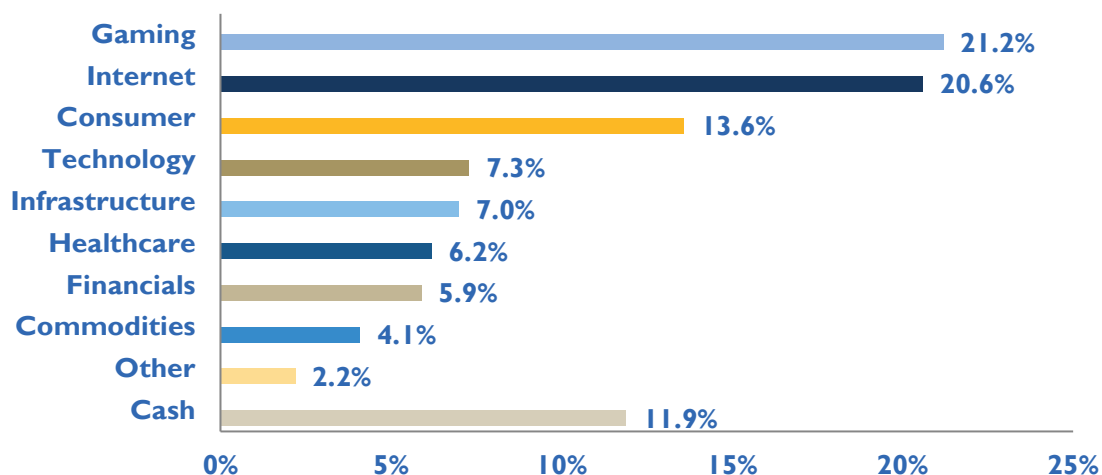
<b>LONG EQUITY</b>	88.1%
<b>CASH</b>	11.9%
<b>TOTAL EXPOSURE</b>	100.0%

**CURRENCY EXPOSURE\***

<b>USD</b>	64.9%
<b>HKD</b>	29.3%
<b>AUD</b>	6.9%
<b>KRW</b>	0.5%
<b>MYR</b>	-1.6%
<b>TOTAL EXPOSURE</b>	100.0%

**DOMICILE OF LISTING**

**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 \$2.2 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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E: [pmcapital@pmcapital.com.au](mailto:pmcapital@pmcapital.com.au)

### SHARE REGISTRY ENQUIRIES

Boardroom Pty Limited  
T: 1300 737 760  
E: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

**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](http://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 Asia Region (ex Japan).

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

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