

QUARTERLY REPORT

JUNE 2015

PM Capital Global Opportunities Fund Limited
ACN 166 064 875 (PGF)

PM Capital Asian Opportunities Fund Limited
ACN 168 666 171 (PAF)



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Investment Overview

The June 2015 financial year was very rewarding for the initial capital put to work in the listed investment companies, with a return net of fees of 43.9% in the global LIC and 20.4% in Asian LIC. In contrast, over the same period the MSCI World Net Total Return Index (AUD) returned 24.6%, the local S&P/ASX 200 Accumulation Index returned 5.7%, and the RBA cash rate returned 2.4%.

With respect to the global LIC, it is important to understand the return achieved, as it is not immediately apparent given the nature of the recent option conversion and receipt of new capital. That capital is now being put to work and we suspect that it will be fully invested in the near future. The recent volatility created by the soap opera in Greece has allowed us to selectively add to some positions.

Our basic framework for investment markets continued to hold true throughout the year, with:

1. The continued recovery in the American economy;
2. An acceptance that Europe too had turned the corner; and
3. A Chinese economy that was clearly losing momentum.

The reality of the slowing Chinese economy was reflected in commodity prices, with oil and iron prices, amongst others, collapsing approximately 50%. This was the dominant factor influencing the Australian dollar, which declined approximately 18%.

These trends very much supported our offshore investment thesis (that being a better breadth of opportunity and a better risk reward) with commodity stocks in Australia continuing to decline and the banks being relatively flat. In particular, the bank stocks highlighted the dangers of group think and how quickly market sentiment can change, declining approximately 20% from their April highs. In contrast, offshore banks were one of the stronger performing sectors for the quarter, resulting in a performance differential of around 40% between the offshore and onshore banks within a very short period of time. With our offshore domestic banking franchises being the single largest investment within our global portfolios, this was a major contributor to the strong returns over the financial year.

Looking ahead, we continue to believe that our basic framework will continue to hold true:

1. The US economy will continue to edge along. No doubt the markets will react to any increase in interest rates, if they ever eventuate, but I suspect this will be temporary;
2. Europe's recovery will gain momentum and acceptance and as we detailed post our trip to Greece last quarter, Greece itself will prove to be more of a speed bump than a chasm.

China is the interesting one and far more important than Greece. I have always held the simplistic view that where there is a boom, there is a bust and in China we have had one of the greatest economic booms we have ever seen. The markets, in my opinion, have always had a misguided trust that the Chinese totalitarian regime could simply manufacture a simple transition from an excessive period of old fashioned fixed capital investment to a modern society dominated by consumption and services. Anecdotes increasingly suggest otherwise, including horrific pollution, "ghost" cities, massive corruption, the flight of capital to offshore property markets and now the manipulation of the Chinese "A" share market.

In May, I travelled with Kevin Bertoli, Fund Manager for the Asian Companies Fund on a 2 week research trip to Asia, culminating in Beijing. The first part of the trip was to visit a number of casino operations across the region to assess the impact of the

crackdown on Chinese corruption on these operations and assess if that had created an opportunity.

In respect of Beijing / China, our timing was fortuitous. The Chinese "A" share market was in a raging bull market - confirmation of my concern over the ability of the Chinese economy to exit its hyper fixed asset investment phase without a period of significant pain.

What was most remarkable was the broadly held view that the Chinese government could manufacture the outcome of the market with the purpose of creating higher stock prices to facilitate companies raising equity and thus paying down excessive debts. It was always going to end badly and it did, very quickly. This only re-enforces my view that China still faces a significant risk of a major bump along the road and until that happens it will be difficult for commodity prices and the Australian dollar, despite their significant falls, to be an opportunity as opposed to a risk. Thus we are maintaining our offshore currency exposures.

From a stock perspective, there is no doubt that valuations have now adjusted and there are sectors of the market such as property and infrastructure that are being distorted by the lowest borrowing rates that we have ever seen. Excluding these sectors, it still appears that owning a business is the preferable option for a genuine long term investor. One just has to be clear that 40% type returns are not the norm and that returns will now be driven by underlying earnings as opposed to valuation adjustments. When bonds and cash are generating very low single digit returns, high single digit returns from owning a business are very rewarding.

So the bottom line is that our core investments are still valid and continue to play out. Don't expect to see a lot of change, but there will always be individual stocks that offer an opportunity to add to or remove from the portfolio. For example, we have recently acquired positions in home building companies in both Ireland and California that are consistent with our long term theme of residential housing recovery within these markets.

For those who like to gain a further insight into our investments, we have provided links below to articles that appeared in the Financial Times and Forbes recently with respect to Howard Hughes and Anheuser-Busch InBev, two of our core investments over the last 5 years. Hopefully, they bring further colour to our investment philosophy and process which ultimately is far more important than the individual details of specific investments.

Baby Buffett: Will Bill Ackman Resurrect The Ghost of Howard Hughes and Build a Corporate Empire?

This article appears in the May 25, 2015 issue of Forbes.



AB InBev's hard-nosed kings of beer

Andrew Hill and Scheherazade Daneshkhu; This article appears on The Financial Times website, ft.com/management.



Paul Moore,
Chief Investment Officer

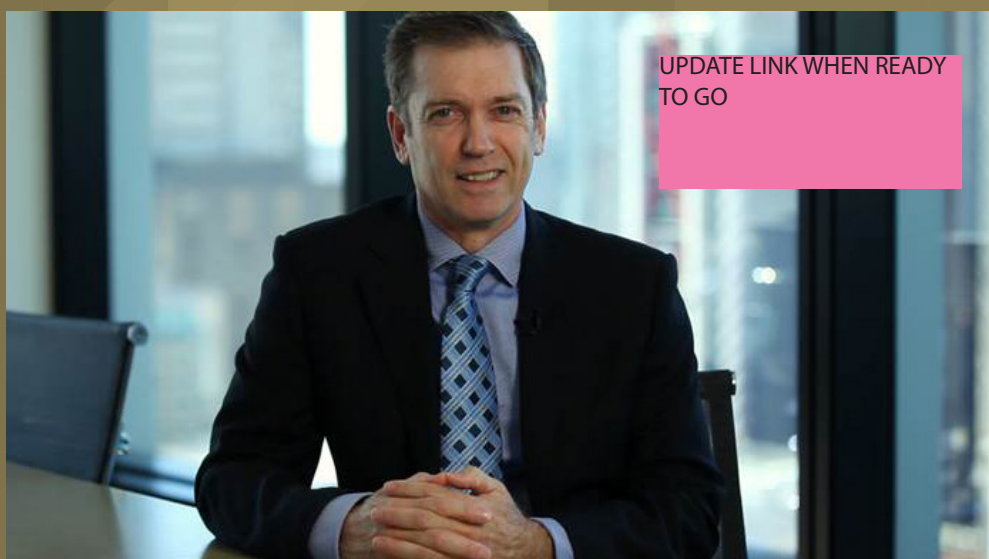
1. Past performance is not a reliable indicator of future performance. See page 8 for Important Information.

Listed Company Overview

Listed Company Description		
Listed Company	PM Capital Global Opportunities Fund Limited	PM Capital Asian Opportunities Fund Limited
Asset Class	Global Equities (long / short)	Asian (ex-Japan) equities
Listing Date	11 December 2013	21 May 2014
Suggested Time Frame	Seven years plus	Seven years plus
Shares On Issue	318,747,978 ²	55,087,501
Options On Issue	NA	55,087,500
Share Price ³	\$1.020	\$0.950
Market Capitalisation	\$325,122,937.56 ²	\$52,333,125.95

1. Past performance is not a reliable indicator of future performance. See page 8 for Important Information. Detailed performance figures for other periods can be found on pages 3, 4, 6, 7 for each Fund within this report. 2. This number only represents the shares issued up to 30 June 2015, and excludes valid option exercises that had not yet been processed by the share registry. 3. As at close of business 30 June 2015

Quarterly Market Overview Video



Click the above photo or visit our website for the June 2015 Quarterly Report Investment Overview video by Paul Moore (14:06 mins).

UPDATE TIME

PM Capital Global Opportunities Fund Limited

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE ² (all figures are unaudited)	30 June 2014	30 June 2015	Actual ³ change (%)	Adjusted ⁴ change (%)
NTA before tax accrual	\$0.9312	\$1.1868	27.5%	43.9%
NTA before tax on unrealised gains, but after tax accrual on realised gains	\$0.9398	\$1.1640	23.9%	38.6%
NTA after tax	\$0.9435	\$1.1236	19.1%	30.0%

³ Represents the actual change in NTA per share between 30 June 2014 and 30 June 2015, and includes the dilutionary impact of shares issued as a result of exercise of PGFO options (exercise price \$1.00 per option) as at 30 June 2015. ⁴ Represents the return on capital invested as at 30 June 2014 adjusted to exclude the impact of the share issuance as a result of PGFO option exercise. This is provided for information purposes only, and does not represent the actual fully-diluted return.

Portfolio's Invested Position	
Long Exposure	85.2%
Short Exposure	0.0%
Net Equity Exposure	85.2%
Debt Securities	6.2%
Cash	8.6%
Total Exposure	100.0%

The 2015 financial year performance was assisted by the fall in the Australian dollar (AUD) and the rapid share price appreciation across multiple European positions, including our Continental European regional banking positions, Beverage names, Real Estate Income Trusts (REITs) and our International stock exchange positions.

During the financial year, the US Federal Reserve ended their quantitative easing program and indicated that they would be willing to raise interest rates when they perceive that the United States economy was growing at rates that they believed would create inflation, wage growth and unsustainable employment levels. In contrast, various international central banks started their quantitative easing programs and lowered their interest rates aggressively. We also witnessed the first country to ever sell a 10 year debt instrument with a yield below 0%, when Switzerland offered a ten year bond with a negative yield. The Federal Reserve hurdles to raise interest rates were not achieved during the year, but their intentions and the subsequent dichotomy of quantitative easing programs across the world created significant volatility in the global bond markets. This created knock on effects to the currency and equity markets. This market volatility benefited the Company, firstly via our 94% invested position in the US dollar (USD) and secondly, as we increased the Company's net equity exposure throughout the year. During the month of October, we increased our net equity invested position by 13% as the S&P 500 experienced a peak to trough correction of approximately 10% intra month.

During the quarter, there were little notable changes to the portfolio, except for the reduction in our debt securities and the short term increase in cash levels due to the exercise of options. The reduction in the debt component of our portfolio was a result of Restaurant Brands International redeeming and refinancing their existing senior secured first lien loans at significantly more favourable rates. We used this event to exit our position. We originally entered the loans in September 2014 when Burger King announced it was buying Tim Hortons for US \$12.5 billion to create the world's third largest quick service restaurant company with leading positions in hamburgers, donuts and coffee. We were originally attracted to the deal due to the high absolute coupon of approximately 6%, strong management team (3G Capital), and the deal structure.

In any takeover situation, the management team is vital and must be assessed on their ability to create shareholder value from the transaction. 3G Capital, whose founders are one of the largest shareholders in Anheuser Busch Inbev, the world's leading brewer, and have helped consolidate the international beer market over the last decade, own 51% of Restaurants Brands International. They bring a zero based budgeting cost control focus, wherein every expense must be newly justified every year, not just new ones, and the goal is to bring costs down lower than they were the previous year. 3G Capital

Long Equity Composition (sector and stock examples)	
Banks - Lloyds Bank, Barclays, Bank of America	34.8%
Services - Google Inc, CME Group Inc	17.2%
Property - Realogy, MDC Holdings	13.5%
Beverages - Heineken Holdings, Anheuser-Busch Inbev	7.4%
Technology - Oracle	4.2%
Asia - PM Capital Asian Companies Fund Ltd	3.6%
Other - PM Capital Asian Companies Fund Ltd	4.5%
Total Long Equity Exposure	85.2%

have an ownership culture whereby every employee is incentivised to increase the value of the business over the longer term. It is thus no wonder they have partnered with Warren Buffett on numerous transactions and earned his praise, "I'm not embarrassed to admit that Heinz is run better under (3G Managing Partner) Alex Behring and Bernardo Hees, than would be the case if I were in charge. We expect to partner with 3G in more activities". The deal structure was attractive as the loans stood at the top of the corporate structure and was effectively 100% value backed by the company's Real Estate assets. Warren Buffett's \$3 billion preferred shares investment in the merged entity along with his warrants also gave us confidence as they ranked lower down the corporate structure. We believed that the merger would be successful and that the downside was very well protected, due to the significant buffer provided by the common equity, preferred share equity and the second lien notes along with the solid business characteristics. The business is effectively a royalty franchise model and following our analysis of their Real Estate assets, we believed that the business value was multiple times the value of the senior secured loan value. It thus has come as no surprise to us that the merger to date has been successful, that Warren Buffet has exercised his warrant rights to become a 5% common equity holder and that the first lien loans have been refinanced at more favourable rates.

As many long term investors associated with PM Capital would be aware, we used the global financial crisis to take advantage of the dislocation in credit spreads, as we believed it was a once in a lifetime opportunity. The philosophy of buying assets at the top of the corporate structure with variable interest rate coupons, with a significant downside equity buffer, that trade at multiple discounts to their intrinsic value, forms the bulk of our debt securities in the Company. It would be remiss not to mention that we believe that these opportunities are fast disappearing as credit spreads tighten and interest rates decline. It is no wonder therefore that debt securities exposure in the Company is currently approximately 6%, down significantly from a year ago.

We continue to believe that volatility in markets may continue near term, thus entering a stage in the equity market that is best suited to selective stock picking instead of broader market exposure.

Ashley Pittard, Global Portfolio Manager



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PM Capital Asian Opportunities Fund Limited

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE ² (all figures are unaudited)	30 June 2014	30 June 2015	Change (%)
NTA before tax accrual	\$0.9509	\$1.1450	20.4%
NTA before tax on unrealised gains, but after tax accrual on realised gains	\$0.9548	\$1.1029	15.5%
NTA after tax	\$0.9555	\$1.0924	14.3%

Long Equity Composition (sector and stock examples)	
Gaming - Donaco International	20.0%
Internet - Baidu, 51Job Inc.	18.8%
Consumer - Tingyi	12.9%
Infrastructure - Sinopec Kantons Holdings	8.4%
Healthcare - Mindray Medical	7.0%
Commodities - Turquoise Hill Resources	5.3%
Financials - HSBC	5.0%
Other	5.5%
Cash	17.1%
Total Exposure	100.0%

The performance of the underlying portfolio was driven by several stock specific events during the period, particularly those of Turquoise Hill Resources, Beijing Capital International Airport (BCIA) and Donaco International.

Turquoise Hill advanced after signing the 'Oyu Tolgoi Underground Mine Development and Financing Plan' with Rio Tinto and the Government of Mongolia. This agreement addresses the key outstanding shareholder issues which have postponed the development of the underground mine since 2013. While there are still several hurdles yet to overcome (i.e. project financing) before development can recommence, this is definitely a step in the right direction.

BCIA performed solidly, after recording better than expected traffic growth year to date. Traffic growth has been driven by international flights, which bodes well for underlying earnings, given tariffs on these routes are double that of domestic flights. Management subsequently revised their guidance for international traffic growth for 2015 upwards to high single digits for the full year. A shifting in BCIA's traffic mix towards international routes is still in the early stages and should act as tailwind for revenue growth over the next few years. This along with the likelihood of higher dividends and potential tariff increases will increasingly garner the attention of investors, so we remain comfortable with our holding in the company.

Donaco completed the acquisition of the Star Vegas casino in Poipet on July 1 2015. The pending completion drove the company's strong quarterly performance. We visited the property in May taking the three hour commute from Bangkok airport. After visiting all of the casinos, it is clear Star Vegas is the best quality asset in Poipet. Despite operating for 15 years, the property has been well maintained and requires minimal investment unlike some of its peers. There is also ample vacant floor space where capacity can be added, if and when demand dictates. Poipet is a relatively mature casino market, targeting mass market day trippers from Thailand. It is hard to see how the wider market will significantly increase patronage without a meaningful investment back into some of the other properties. That being said, there is scope to grow visitation when border crossing hours are eventually extended to 24 hours and Star Vegas should be the biggest beneficiary. The completion of Star Vegas acquisition has been an significant overhang for Donaco's share price over the past six months, now that this is behind the market should refocus

on the underlying operations and earnings growth potential which we believe will lead to a valuation rerating overtime.

Growing concern over China's growth outlook, the uncertain outlook for Greece and the expectation of monetary tightening in the US lead to the continued appreciation of the US Dollar (and by proxy the pegged HK Dollar). This was again a positive contributor to the Companies performance. The declines in most free floating Asian currencies, including the Australian Dollar, over the past year highlights the importance of managing underlying equity positions and currency exposures separately.

The primary detractors to performance again included our Macau gaming holdings, which continued to be impacted by lacklustre gaming revenues and continued policy uncertainty, particularly regarding the upcoming total smoking ban. Monthly gaming revenues declined 34% during the quarter despite flat visitation. With hotel room supply increasing by 50% over the next 2 years, the industry must grow visitation and per visit spend to offset the impending increase in operating costs.

The invested position increased from 79.4% to 82.9% during the quarter. Two new positions were initiated in iProperty Group and Astro Malaysia. Both of these names increase the Companies no China exposure. iProperty operates market leading online real estate portals in Malaysian, Hong Kong and Indonesia while Astro Malaysia is the dominant PayTV operator in Malaysia. Offsetting these two additions we took advantage of the strong moves in the Hong Kong market in April to trim some of our core China holdings.

Paul Moore and I recently returned from a trip to Asia, which included Vietnam, Cambodia, Macau and China. During the trip we met among many others the management teams of 9 of the current 22 portfolio holdings including all of the companies with Chinese exposure. While it is clear the Chinese economy continued to slow in the first half of this year we came away from our meetings comfortable with the outlook and value proposition for these holdings. We have consistently outlined our cautious view on China and these concerns has increasingly come to the markets attention in recent months. Given our concerns the Company has had no exposure to the Chinese A-Share market, although we continue to hold a favourable view on select Chinese businesses that are listed in Hong Kong. The recent activities of the Chinese Government in trying to support the equity markets and the volatility it has created again reinforces our philosophy of focusing our research on underlying companies and building a portfolio of select businesses that meet our strict criteria. This approach allows us to look through the market noise and ensures we are not reactive in our decision making.



Kevin Bertoli, Asian Portfolio Manager

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IMPORTANT INFORMATION

This Quarterly Report is issued by PM CAPITAL Limited (ABN 69 083 644 731, AFSL No. 230222) as investment manager for the:

- PM Capital Global Opportunities Fund Limited ACN 166 064 875 (PGF); and
- PM Capital Asian Opportunities Fund Limited ACN 168 666 171 (PAF).

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