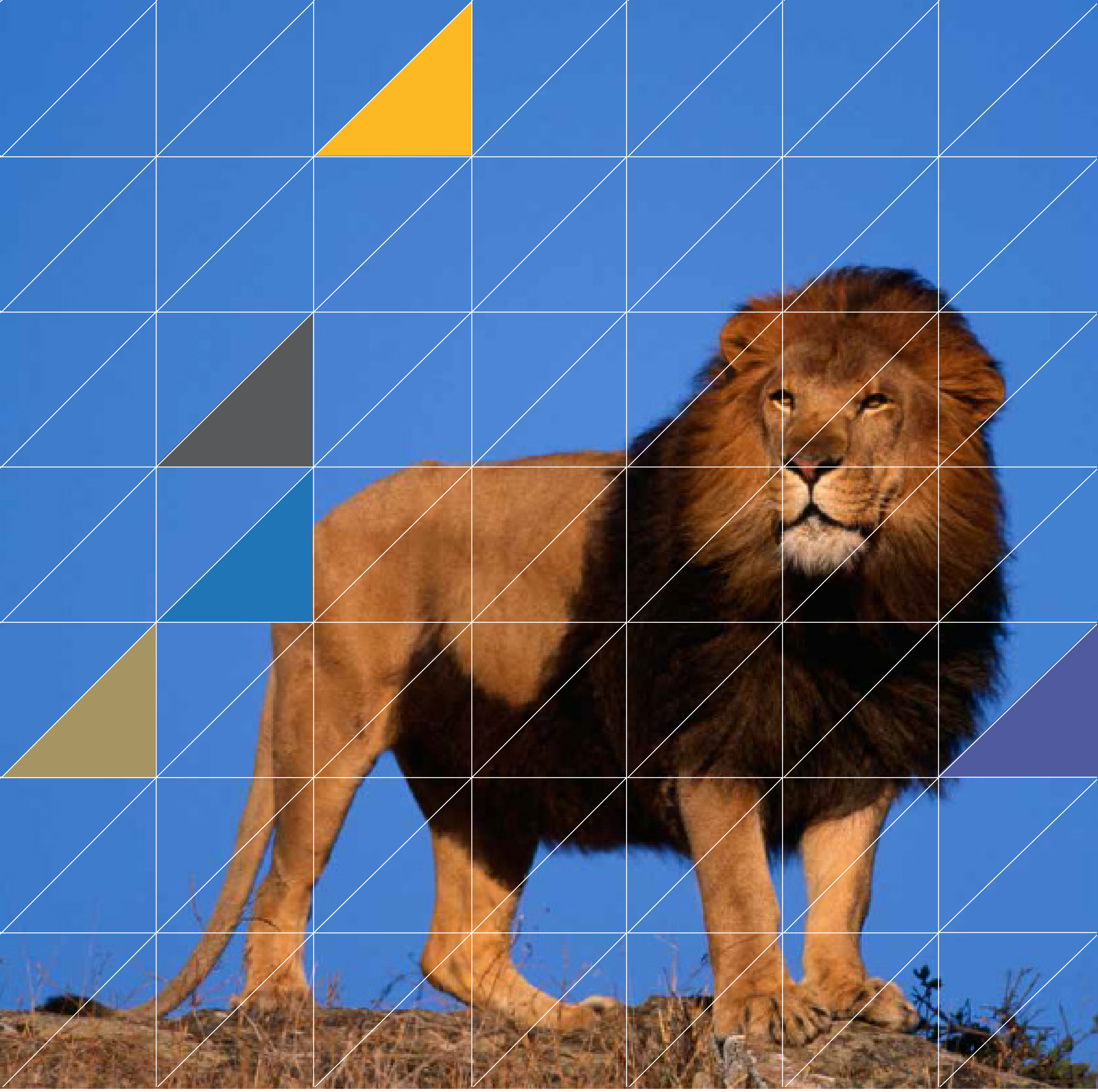


QUARTERLY REPORT

MARCH 2015

PM CAPITAL Global Companies Fund
ARSN 092 434 618, APIR Code PMC0100AU

PM CAPITAL Asian Companies Fund
ARSN 130 588 439, APIR Code PMC0002AU

PM CAPITAL Australian Companies Fund
ARSN 092 434 467, APIR Code PMC0101AU

PM CAPITAL Enhanced Yield Fund
ARSN 099 581 558, APIR Code: PMC0103AU

PM CAPITAL

PM CAPITAL Limited
ABN 69 083 644 731
AFSL 230222

Level 27, 420 George Street
Sydney NSW 2000
Phone (+612) 8243 0888
Fax (+612) 8243 0880
Email pmcapital@pmcapital.com.au
Web www.pmcapital.com.au

Investment Overview

Fund Description						
Fund	**Asset Class**	**Inception Date**	**Suggested Timeframe**	**Fund FUM**	**Total Return Since Inception**[1]	
Global Companies	Global Equities	28 October 1998	7 Years +	$272 million	**Fund** **315.0%**	MSCI AC World Net (AUD) 83.5%
Asian Companies	Asian Equities (ex Japan)	1 July 2008	7 Years +	$11 million	**Fund** **227.8%**	MSCI AC Asia ex Japan Net (AUD) 79.1%
Australian Companies	Global Equities	20 January 2000	7 Years +	$37 million	**Fund** **411.8%**	S&P/ASX Accum. 200 259.6%
Enhanced Yield	Yield Securities	1 March 2002	2 Years +	$411 million	**Fund** **127.4%**	RBA Cash Rate 82.5%

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.

Quarterly Market Overview Video

Click the photo below or visit our website for the March 2015 Quarterly Report Investment Overview video by Paul Moore (8:07 mins). Paul touches on 5 key points in the video;

- The strong move in Continental European stocks
- Our views and expectations on Greece, post our recent research trip
- 0% interest rates on European government bonds and what this mean for deploying capital longer term
- The decline in the AUD and rise in the USD, and whether this has played out over the medium term
- The implication of financial stocks as a % of the S&P/ASX2 00 Index moving to an all-time high

Global Companies Fund

Investment Performance[2]	Inception Date	Exit Price	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	Since Inception pa	Total Return
Global Companies Fund	**10/1998**	**2.3041**	**11.6%**	**20.7%**	**30.4%**	**31.8%**	**15.6%**	**9.1%**	**315.0%**
MSCI AC World Net Index (AUD)			9.6%	18.4%	28.6%	24.2%	14.1%	3.8%	83.5%

Portfolio's Invested Position	
Long Exposure	109.6%
Short Exposure	-6.5%
Net Equity Exposure	**103.1%**
Debt Securities	17.9%
Cash	-21.0%
Total Exposure	**100.0%**

Long Equity Composition	
Banks - Lloyds Bank, Barclays, Bank of America	34.3%
Services - Google Inc, CME Group Inc, Comcast	25.2%
Property - Realogy, Howard Hughes, MDC Holdings	18.9%
Beverages - Heineken Holdings, Anheuser-Busch Inbev	10.1%
Diversified Financials - ING Groep	7.2%
Technology - Oracle	4.3%
Other - Turquoise Hill Resources, Pfitzer	9.6%
Total Long Equity Exposure	**109.6%**

The Fund had a strong quarter, 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 and Real Estate Income Trusts (REITs). Deutsche Börse and Howard Hughes also performed well.

During the quarter the US Federal Reserve continued to indicate that they would be raising interest rates in 2015, which is in stark contrast to the actions of other international central banks. More than fifteen central banks have lowered their interest rates during the quarter and the European Central Bank (ECB), and Sweden, started their quantitative easing (QE) program with bond purchases of 60 billion euro per month. The international central bank actions of lowering their interest rates and thus, depreciating their currency, is akin to a currency war, a race to the bottom for their respective currencies, and in the end a zero sum game, unless they start tackling structural reforms.

This currency market volatility has benefited the Fund, firstly via our ~100% invested position in the US dollar (USD) and secondly via our European export businesses that have rerated due to their significant USA exposure. At this stage we see no reason to change our 100% USD positioning even though the Australian dollar (AUD) has weakened near term.

Our Western European regional banking franchises continued to contribute to positive performance due to their strong earnings as bad loan provisions appear to have peaked and their capital ratios look adequate. We are starting to see increased dividend announcements from selective banking franchises with payout ratios above 50% of earnings. Lloyds Banking Group (Lloyds), one of our largest European financial holdings, announced such a resumption of dividend payments, and agreed to sell their majority stake in TSB Bank to Banco Sabadell for a 30% premium to its listed stock price and a premium to book value. Her Majesty's Treasury (the United Kingdom government department, UK Financial Investments) placed another tranche of their Lloyds shares with institutional investors in March. The latest round of sales of Lloyds shares have netted the government £500 million and reduced their shareholding to below 23%. We continue to view Lloyds favourably.

During the quarter we increased our holdings in Oracle, MDC Holdings, Banco Popular and Bank of Ireland. We reduced our position in Chicago Mutual Exchange and Deutsche Börse. As a result, the net equity position of the Fund increased slightly, finishing the quarter at 103% invested.

We often like to highlight our "common sense business-persons approach" to investing. We are contrarian by nature and focus on the leading businesses in an area that are at an epicentre of a crisis or depressed near term. This approach has led us to explore opportunities in Greece, which is where we spent our research trip this quarter.

The focus of the trip was to meet the management of leading domestic businesses (property, consumer and banking) and to better ascertain how their economy will play out over time.

We are intrigued with Greece because house prices across the board are significantly depressed from their recent peak, commercial A grade office purchases average 1,000 euros (A$1,400) per sqm versus Australian commercial A grade property at A$15,000 a sqm and unemployment is reported at 25% (similar levels to The Great Depression in the USA during the 1930s). Even Coca Cola volumes are down 40% from 2009 levels. It reminds us of our Las Vegas experience in 2009 when property assets were being sold at a 25%-35% discount to replacement value.

From a valuation perspective Greece offers significant value with consumer prices significantly below Australian levels, however it is still too early to tell how large our investments in Greece will be, as we need certainty on whether they will exit or remain in the euro as a starting point. It is always hard to determine if politicians will be rational and even harder when a new government with no experience obtains power as we have seen in Greece since January 2015. We will therefore continue to do more fundamental analysis on the leading domestic businesses in Greece and consider making investments once we get clarity on a 'Grexit'.

Please click here or visit our website to view a video by Ashley, detailing his recent trip to Greece (6:26 mins).

Ashley Pittard, *Global Portfolio Manager*

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

Asian Companies Fund

Investment Performance[2]	Inception Date	Exit Price	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	Since Inception pa	Total Return
Asian Companies Fund	**07/2008**	**1.9013**	**6.8%**	**11.0%**	**12.9%**	**19.4%**	**11.8%**	**19.2%**	**227.8%**
MSCI AC Asia ex Japan Net Index (AUD)			12.3%	20.3%	34.3%	18.2%	10.2%	9.0%	79.1%

Long Equity Composition	
Consumer - Carlsberg Malaysia, Guinness Anchor	22.4%
Internet - Baidu, 51Job Inc., Zhaopin Ltd	17.8%
Gaming - Donaco International, SJM Holdings	17.3%
Infrastructure - Beijing Capital Int'l Airport	11.6%
Commodities - Turquoise Hill Resources, IRC	6.2%
Healthcare - Mindray Medical	6.0%
Financials - HSBC	4.6%
Other	5.5%
Cash	8.6%
Total Exposure	**100.0%**

Over the quarter holdings that we consider to be 'consumer franchises' were standout performers, with LG Household & Healthcare and our Malaysian brewers, Guinness Anchor Bhd and Carlsberg Malaysia Bhd, leading the way.

LG Household & Healthcare advanced 38% as earnings expectations increased in response to the stronger than expected performance of their cosmetics division. Cosmetics accounted for 53% of the group's earnings before interest and tax in 2014 and grew a staggering 87% year on year in the fourth quarter, thanks to strength in sales through the duty free channel. Korean cosmetics products have seen strong demand from mainland Chinese customers who perceive these products to be of higher quality compared to domestic brands. Chinese inbound visitors to Korea increased 58.4% year on year in 2014, driving sales through the duty free channel. While we expect the group's cosmetics sales to remain robust and the operating environment for the company's other divisions to improve this year, we took advantage of current share price strength to exit our holding, believing that the current valuation adequately factors in strong future performance.

Despite the tough economic environment in Malaysia, Guinness Anchor and Carlsberg Malaysia achieved growth in earnings before interest and taxes of 12.2% and 16% year on year respectively, in the second half of 2014. The strong results saw each share price up 15-16%. The earnings growth of both companies was driven by a combination of increasing prices, both organic price increases as well as a mix shift towards premium products, and a disciplined control of costs. The solid operating performance of both businesses continues to highlight the benefits of operating in a rational duopoly market (the two brewers control almost 100% of the beer trade in Malaysia).

During the period, the Fund remained actively positioned for a decline in the AUD and therefore, also benefited from its 6.65% decline. We will continue to maintain this positioning in the foreseeable future with the view that a combination of declining commodity costs, particular iron ore and coal, as well as reducing interest differentials will continue to pressure the AUD over the short to medium term.

Our gaming holdings continued to weigh on performance partially offsetting the gains highlighted above. The factors driving the disappointing performance of our holdings remain consistent with that mentioned in our last quarterly comments. Our Macau holdings continue to be affected by weaknesses in the monthly gaming revenues, which has been expedited by the Mainland government's crackdown on corruption. This negative sentiment flowed through to Donaco International, despite the company announcing the acquisition of Star Vegas Resort and Club in Poipet, Cambodia in early February, which materially changes the businesses exposure away from mainland Chinese gamblers. Star Vegas is a transformational deal for the business with the new property accounting for over 75% of 2016 EBITDA. The company subsequently completed a capital raising to partially fund the acquisition, and the Fund took up its rights allocation at A$0.60.

The Fund's invested position increased to 91.4% over the period compared to 84.1% at the end of December. In addition to the Donaco rights, we also added new positions in HSBC and Lotte Confectionary, and added to our existing position in Sinopec Kantons. The purchase of HSBC marks the first financials holding in the Fund for over twelve months. With its current dividend yield of 5.5% the investment represents an attractive alternative to holding cash given we see minimal downside risk at these levels. We rotated the capital from the sale of LG Household & Healthcare into Lotte Confectionary. Lotte is the dominate player in the Korean confectionary space and also has a growing international presence particularly throughout Asia. The business is well positioned to benefit from an increased focus on shareholder returns in Korea given its significant stake in other listed Lotte Group companies.

The previously mentioned sale of LG Household & Healthcare was the only major position exited during the period.

At the end of March, 60% of the Fund's capital was situated in four core investment thematics; consumer franchises, internet/ecommerce, regional gaming and infrastructure. Five of the Fund's top ten holdings fall within these categories. While the Fund's holdings are relatively concentrated, we are cognisant of ensuring the underlying holdings of any one theme are not all correlated to the same fundamental drivers. While the structural thematic from a top down perspective may be aligned, the bottom up drivers of each individual holding differs vastly.

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

Key Asian Industries in Focus

As our regular readers will be aware, we view investing in Asia as an opportunity to harness the growth of consumers in this region in the next 20 or so years. We provide information below on 3 industry sectors that will benefit from this demographic shift.

Consumer franchises

These holdings are well placed to benefit from the growth in affluence of the populaces across the region. We perceive our holdings to be amongst the strongest consumer franchises in their markets, ones which we believe will maintain, if not strengthen, their positions over time and therefore, benefit from strong underlying structural aspects of the industries they operate in. All of our holdings operate in either monopoly or duopoly categories, where pricing power has been proven over a long period of time. They have also displayed innovate leadership over time and possess visible advantages in distribution, which should help them maintain leadership going forward. Tingyi Holdings is a good example of the advantages we look for in a business. Their manufacturing and distribution footprint is amongst the strongest in China, from a consumer goods perspective. This has led numerous multinationals to partner with them, including Pepsi and Starbucks. The company was also chosen as the beverage supplier to the new Shanghai Disney opening in 2016, marking the first time Coca-Cola was not selected as the exclusive supplier to a Disney World Resort.

One of the clear messages from the recent results season in Asia, particularly from businesses operating in China, is that the government continues to promote domestic consumption by way of wage increases. A large number of state owned enterprises and manufacturing companies in China highlighted wage hikes as a major factor of rising cost bases. Companies we own are well placed to benefit from this over time.

Internet/ecommerce

Globally we are seeing an evolution in the way consumers view content and how businesses spend their advertising budgets in a bid to attract consumers. We believe the opportunity in Asia today resembles developed markets a decade ago. In an attempt to capture this structural shift we have taken a targeted approach, choosing to focus on the classifieds and search categories, where businesses with defendable business models and proven earnings streams exist. All of our holdings are profitable and we have seen businesses of a similar nature work extremely well in a global context.

These businesses are highly scalable, without the need for significant capital reinvestment, which leads to superior returns over the longer term. Current revenue and earnings growth is being driven by volumes as the large addressable markets shift advertising spend online. The addition of new customers will drive growth over the short to medium term while longer term there is the opportunity to leverage strong market positions and increase prices.

Regional gaming

Wagering has been a favourite pastime in Asian culture for centuries (many common wagering games can trace their origins to Asia) but the legalized casino industry is very much a new phenomenon, with the major gaming jurisdictions only opening in the last decade (Macau, Singapore and the Philippines). Development across the region continues at a rapid pace as more markets gradually open up, which is creating new opportunities for investors.

With legalised gaming still very much in its infancy, it is flawed logic to assume this evolution will occur without any teething problems along the way. We expect the region to develop in a similar fashion to that of the US market over the last fifty years, the only difference being that the industry is developing country by country rather than state by state. Las Vegas, a market Macau aspires to be, highlights the ups and downs that can occur throughout its history.

Despite recent weakness in some of these holdings, we continue to believe the long term structural growth story is intact and are of the view that there is still a significant portion of the population in Asia that is yet to be tapped. Macau is a good example of the potential. As highlighted on the table below, Chinese visitation to Macau was only approximately 1.5% of the population in 2014. This compares to Las Vegas which saw approximately 10% of the US population visit the city. Further to this, the average length of stay in Macau is almost 50% of that of Las Vegas. Visitation to Las Vegas has been supported by the availability of over 100,000 hotel rooms on the strip. Over time the enhancement of transportation infrastructure will improve connectivity and a greater supply of non-gaming amenities and hotel room capacity will entice them to stay longer. We expect the differential to narrow over time and point to Macau's near 30,000 hotel rooms as a major bottleneck.

Mainland Chinese Visitation to Macao[1]

	Twelve Months Ended December 31,			Population	GDP Per	Penetration
Province	2013	2014	% Change	(MM)	Capita (US$)	Rate (LTM)
Guangdong	8,200,118	9,008,942	+10%	104	$9,452	8.6%
Fujian	781,571	902,303	+15%	37	$9,342	2.4%
Hunan	655,432	750,687	+15%	66	$5,936	1.1%
Zhejiang	644,929	694,678	+8%	54	$11,054	1.3%
Hubei	553,959	668,188	+21%	58	$6,881	1.2%
Jiangsu	517,760	581,939	+12%	79	$12,047	0.7%
Shanghai	538,143	547,739	+2%	23	$14,547	2.4%
Henan	365,956	508,495	+39%	94	$5,518	0.5%
Guangxi	401,535	504,575	+26%	46	$4,939	1.1%
Jiangxi	370,479	454,682	+23%	45	$5,130	1.0%
Sichuan	378,532	396,421	+5%	80	$5,240	0.5%
Beijing	357,283	387,023	+8%	20	$15,051	2.0%
Hebei	241,581	349,467	+45%	72	$6,251	0.5%
Liaoning	292,874	344,360	+18%	44	$9,961	0.8%
Heilongjiang	242,135	312,103	+29%	38	$6,057	0.8%
Shandong	268,247	300,765	+12%	96	$9,094	0.3%
Chongqing	221,894	257,409	+16%	30	$6,910	0.9%
All Other	3,599,779	4,282,634	+19%	407	N/A	1.1%
Subtotal (Excluding Guangdong)	10,432,089	12,243,468	+17%	1,288	$6,617	1.0%
Mainland China	**18,632,207**	**21,252,410**	**+14%**	**1,392**	**$6,767**	**1.5%**

1. Las Vegas Sands Corp. Q4-2014 Earnings Call Presentation, 28/01/15

Please click here or visit our website to view a video by Kevin, discussing the two recent additions to the portfolio, Lotte Confectionery and HSBC, the Australian dollar and his outlook on regional markets post the strong move in China and Hong Kong markets (3:59 mins).

Kevin Bertoli, *Asian Portfolio Manager*

Australian Companies Fund

Investment Performance[2]	Inception Date	Exit Price	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	Since Inception pa	Total Return
Australian Companies Fund	**01/2000**	**1.7864**	**11.4%**	**12.8%**	**17.0%**	**18.5%**	**10.8%**	**11.3%**	**411.8%**
S&P / ASX Accumulation 200 Index			10.3%	13.8%	14.1%	15.8%	8.6%	8.8%	259.6%

Portfolio's Invested Position	
Long Exposure	102.6%
Short Exposure	0.0%
Net Equity Exposure	**102.6%**
Debt Securities	15.8%
Cash	-18.4%
Total Exposure	**100.0%**

Long Equity Composition	
Banks - ANZ, NAB, BBT, Lloyds, Bank of Ireland	36.7%
Property - Asia Pacific Data Centre, Devine	22.0%
Consumer - JB Hi-Fi, Heineken Holdings	9.1%
Media - PMP Limited	8.8%
Gaming - Donaco International, SJM Holdings	8.2%
Technology - NEXTDC	7.6%
Insurance - QBE Insurance	6.9%
Other - Intercontinental Exchange Inc	3.3%
Total Long Equity Exposure	**102.6%**

The first quarter of 2015 was the strongest quarter since the depths of the GFC, September 2009, and in fact, since the ASX 200 was first introduced in 1991. The RBA also cut interest rates to 2.25%, citing increased pressure on the economy. During the March quarter, Iron Ore prices, which have been a very good indicator historically of how well the Australian economy is doing relative to global economies, fell almost another 10%.

When the market has a strong move like the one this quarter, and the move is disconnected to the movement in economic indicators, we believe it is an appropriate time to step back and reassess using a top-down perspective. In our opinion, the decline in long term interest rates due to RBA rate cuts has pushed down the risk free and discount rates investors are using to value equities. This was the key driver behind the upward re-rating of stocks during the last quarter.

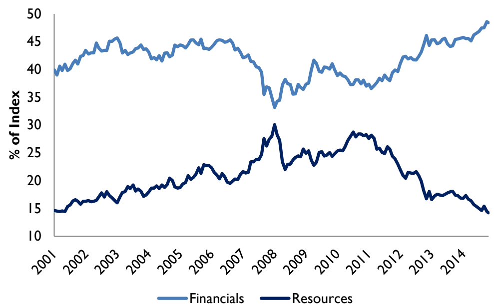
During the quarter, the S&P/ASX 200 rose nearly 9%. Industrials (up ~10%), Consumer Discretionary (up ~12%), Financials (up ~12%) and Healthcare (up ~11%) were the main contributors, while Consumer Staples (up ~1%), Telecommunications (up ~7%), Materials (up ~4%) and Energy (down ~8%) were the main detractors.

The strong performance of the Fund was due to two factors. Firstly, our large positions in Financials, Industrials and Consumer Discretionary, which all outperformed the Index and secondly our underweight position in resources and energy sectors.

Over the last two years we have consistently highlighted the risks in the commodity and energy sectors owing to our view that commodity prices would come under pressure as the Chinese economy slows down. Over the last quarter (as well as FY14), we maintained zero exposure to these sectors. This was a large source of the Funds' relative outperformance.

In contrast, we have had an overweight position in the financial sector (including Property) over the last three years. We have held a view that financial stocks had a better earnings growth profile versus industrial companies and resource companies as financial stocks were coming off trough earnings post the GFC. In January, we took advantage of underperformance in Westpac to increase our position. Financial stocks outperformed as a result of investors searching for yield as the RBA cut short term rates, resulting in a fall in long term yields and making the dividend yield provided by the banks and property related positions even more attractive. Our overweight position in banks and property stocks was a large contributor to both relative outperformance and positive absolute performance.

The following chart shows the total market capitalisation of financial stocks as a % of the total S&P/ASX 200 market capitalisation, which is at a 15 year high. We believe the relative valuation appeal of financial stocks, as they approach full valuation, versus other industrial stocks is now declining rapidly.



We detailed our international stock positions in the December Quarterly Report. We indicated that due to the uncertain macro outlook in Australia, these international stocks would outperform domestic stocks over the longer run. During the March quarter, our international stock component performed in line with our expectations, in a quarter when the ASX 200 outperformed most other major global indices. The international component of our portfolio returned a reasonable 8%, including a positive 2% currency return, for the quarter.

Deliberating back to our earlier point, given the strong moves in the Australian market and the disconnect with macro fundamentals, we believe that we may be reaching another inflection point and our focus is on reassessing the portfolio.

We are beginning to become increasingly cautious about the domestic market and believe that stock prices and valuations are getting stretched. In this environment, we currently do not see many opportunities to invest in good businesses in Australia that are trading at valuations we think make them attractive as investments. We believe that we should take advantage of the stretched valuations and reduce our exposure to the market. It is more likely that we will reduce our net invested position rather than add to it over the coming quarters.

Uday Cheruvu, *Australian Portfolio Manager*

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

Enhanced Yield Fund

Investment Performance[2]	Inception Date	Exit Price	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	Since Inception pa	Total Return
Enhanced Yield Fund	**03/2002**	**1.1168**	**1.0%**	**1.4%**	**3.6%**	**4.9%**	**5.4%**	**6.5%**	**127.4%**
RBA Cash Rate			0.6%	1.2%	2.5%	2.9%	3.6%	4.7%	82.5%

		Av Yield	Av Spread to RBA
Cash	44.2%	2.9%*	0.6%*
Corporate Bonds	34.8%	4.9%*	2.7%*
Fixed Floating	0% 34.8%		
Hybrids	17.8%	4.4%*	2.2%*
Fixed Floating	0% 17.8%		
Equity Income Strategies	3.2%	5.9%*	3.6%*
Total Exposure	**100.0%**		

Duration	
Interest Rate	0.15 Years*
Average Term to Maturity	2.70 Years*

Yield Security Maturity Profile	
0-1 year	59.0%
1-2 years	7.8%
2-3 years	6.0%
3-4 years	0.9%
4 years +	26.3%
Regional Allocation	
Australia	78.8%
UK	7.4%
US	7.0%
Europe	6.8%

*These numbers are an estimate and should be used as a guide only.

The Fund returned 1.0% over the quarter, a strong result in the current volatile, low interest rate environment. The Fund has returned 3.6% for the year, to the end of March 2015.

Softening in the US economy prompting the market to speculate about a delay in the timing of the Fed's tightening cycle, the beginning of the European QE program, plus a lack of direction in terms of the position of Greece within (or without!) the Eurozone, and further falls in the Iron Ore price hitting both the budget and the economy closer to home, all contributed to market volatility over the quarter. In the end, credit spreads actually tightened a little on average, as markets start to form the view that we will have more stimulus for longer.

The RBA reduced interest rates to an all-time low of 2.25% in February, citing weaker domestic demand, and the material decline in the terms of trade. This will likely see unemployment remain at an elevated level for longer, and lead to softer GDP in the near to medium term. The market is looking for further reductions in official rates, however I tend to think any further reduction in local rates will make little difference to the longer term picture and indeed, will likely only add to what is fast becoming a bubble in the Sydney and Melbourne housing markets.

Portfolio Activity

The Fund initiated a new 2% position in the bonds of Spanish real estate company Lar Espana (LE) during the quarter. Regular readers of our reports will be familiar with our thesis and current exposure to a number of European property companies, so I won't go back over them, only to say that LE have now invested all of their equity and have begun their well telegraphed tapping of international bond markets to further their investment in local commercial property.

The bonds were purchased at a yield swapped back to $A of Bills + 338bp or an initial yield of ~5.75%. We think this is very attractive when you consider that the assets that they are investing in are located in the major Spanish cities, have fallen 30-50% in value, and are generating yields of 7-8%. We think this represents an anomaly when you compare them to Australian property trusts whose asset values are still quite elevated, are generating yields of only ~5%, and are trading on materially lower spreads of around $A Bills +125bp to +150bp.

We also topped up a number of the Funds existing holdings during the quarter, with additional investments made in:

Tabcorp	2 yr sub debt	Bills + 230bp	~4.65%
Tattersalls	4 yr senior debt	Bills + 200bp	~4.35
Crown	3 yr sub debt	Bills + 370bp	~6.05%
CBA	3 month hybrid debt	Bills + 230bp	~4.05%

As is evident from the above table, there are some very attractive credit spreads still on offer if you look in the right places.

Outlook

As we have communicated in previous quarters, we expect markets to remain reasonably volatile in the near term, particularly until after the Fed begins its tightening cycle and Greece resolves its status within the Eurozone. Additionally, the degree to which the RBA feels it needs to reduce interest rates in order to stimulate the Australian economy will also be a factor. Putting aside the investments that we have made over the past couple of quarters, we still have approximately 20% of the portfolio available to invest, as short term market dislocation creates attractive investment opportunities. In the interim, the current gross yield to maturity on the portfolio is a healthy ~3.85%, derived from a credit portfolio that we are very comfortable holding on a longer term basis.

On the interest rate side, we think most global interest rate markets represent poor value, with short term interest rates across numerous developed nations now being negative or close to, against what we believe to be a positive long term fundamental backdrop. Thus, we hold all but no interest rate risk in the Fund and would argue that this should be the focus of any fixed income strategy in the current environment. Our invested position is well placed to benefit from a longer term upward move in rates.

Jarod Dawson, *Yield Portfolio Manager*

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

IMPORTANT INFORMATION

This Quarterly Report is issued by PM CAPITAL Limited (ABN 69 083 644 731, AFSL No. 230222) as responsible entity for the:
PM CAPITAL Global Companies Fund (ARSN 092 434 618),
PM CAPITAL Asian Companies Fund (ARSN 130 588 439),
PM CAPITAL Australian Companies Fund (ARSN 092 434 467), and
PM CAPITAL Enhanced Yield Fund (ARSN 099 581 558)
the 'Fund', or collectively the 'Funds' as the context requires.

The Quarterly Report contains summary information only to provide an insight into how and why we make our investment decisions. This information is subject to change without notice, and does not constitute advice or a recommendation (including on any specific security or other investment position mentioned herein).

The Quarterly Report does not take into account the objectives, financial situation or needs of any investor which should be considered before investing. Investors should consider a copy of the current Product Disclosure Statement ('PDS') which is available from us, and seek their own financial advice prior to making a decision to invest. The PDS explains how the Funds' Net Asset Value is calculated. Returns are calculated from exit price to exit price (inclusive of the reinvestment of distributions) for the period from inception to 31 March 2015 and represent the combined income and capital return. The investment objective is expressed after the deduction of fees and before taxation. The objective is not a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns may not be achieved and are not guaranteed. Past performance is not a reliable guide to future performance and the capital and income of any investment may go down as well as up due to various factors, including market forces.

The Index for the Global Companies Fund is the MSCI All Country World Net Index in Australian dollars, net dividends reinvested. The Index for the Asian Companies Fund is the MSCI All Country Asia ex Japan Net Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the MSCI indices. The Index for the Australian Companies Fund is the S&P/ASX 200 Accumulation Index. See www.asx.com.au for further information. The Index for the Enhanced Yield Fund is RBA Cash Rate. See www.rba.gov.au for further information.

RESPONSIBLE ENTITY
PM CAPITAL Limited
ABN 69 083 644 731
AFSL 230222

Level 27, 420 George Street
Sydney NSW 2000
Phone (+612) 8243 0888
Fax (+612) 8243 0880
Email pmcapital@pmcapital.com.au
Web www.pmcapital.com.au

CONTACT
Rob Thompson
Head of Distribution
Phone (+612) 8243 0807
Mobile 0434 367 553
Email rthompson@pmcapital.com.au

Shane O'Connor
Business Development Manager
Phone (+612) 8243 0815
Mobile 0424 996 795
Email soconnor@pmcapital.com.au

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