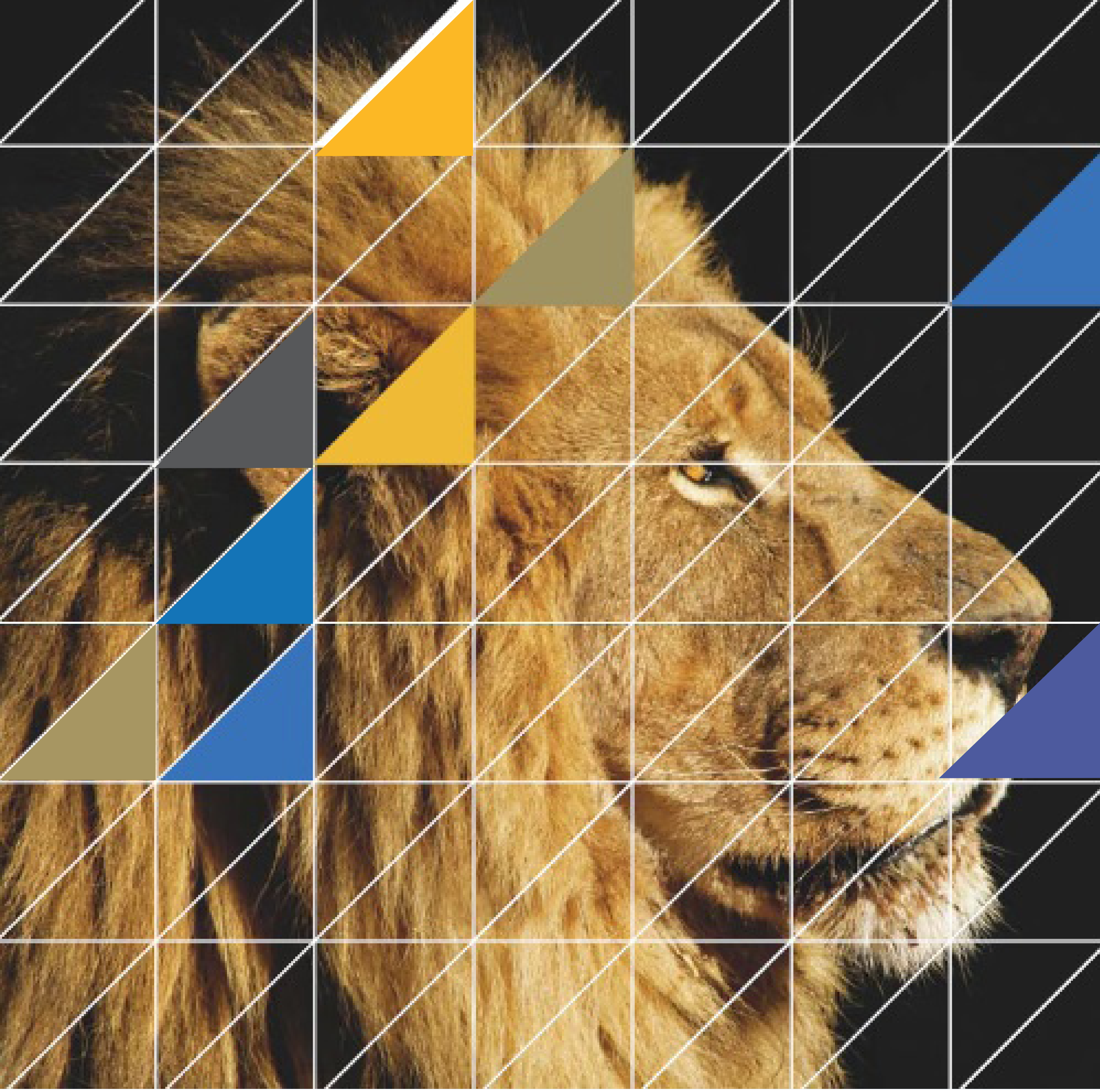

QUARTERLY REPORT

JUNE 2016

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

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Fund Overview

Fund	Asset Class	Inception Date	Suggested Time frame	Fund FUM	Total Return Since Inception*	
Global Companies	Global Equities	28 October 1998	7 Years +	$262.1 million	**Fund 257.0%**	MSCI World Net (AUD) 83.6%
Asian Companies	Asian Equities (ex Japan)	1 July 2008	7 Years +	$17.0 million	**Fund 210.5%**	MSCI AC Asia ex Japan Net (AUD) 62.9%
Australian Companies	Australian Equities	20 January 2000	7 Years +	$31.9 million	**Fund 381.5%**	S&P/ASX 200 Accum. 235.3%
Enhanced Yield	Yield Securities	1 March 2002	2 Years +	$364.1 million	**Fund 131.6%**	RBA Cash Rate 86.9%

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

Quarterly Video

We are pleased to share with you quarterly updates relating to our Global and Credit Strategies.
Click on the photo or visit our website for the relevant update.

Speaker: Paul Moore
Global Equities Portfolio Manager
Chief Investment Officer

Chapters:
1. Market overview
2. Brexit update
3. Market outlook
4. Invested Positions Review
5. Adviser Questions
   - *Q1: How can you take advantage of low prices from the recent sell off when fully invested?*
   - *Q2: What is your view on the impact of recent market developments on the Australian Dollar and commodity stocks?*

Speaker: Jarod Dawson
Enhanced Yield Fund Portfolio Manager
Director

Chapters:
1. Introduction
2. Credit market update
3. Outlook
4. Adviser Questions
   - *Q1: Do you have any exposure to any of the UK Property Funds that have recently closed to redemptions?*
   - *Q2: What is the interest rate exposure for the Fund and what is your rationale?*

Global Companies Fund

Investment Performance*	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**	**1.9619**	**-5.6%**	**-15.6%**	**-17.7%**	**8.7%**	**14.2%**	**7.5%**	**257.0%**
MSCI World Net Total Return Index (AUD)			4.4%	-1.6%	0.4%	14.6%	14.7%	3.5%	83.6%

Portfolio's Invested Position	
Long Exposure	118.0%
Short Exposure	-16.3%
Net Equity Exposure	**101.7%**
Debt Securities	15.8%
Cash	-17.5%
Total Exposure	**100.00%**

Long Equity Composition (GICS sector and stock examples)	
Diversified Financials - ING Groep NV, Bank of America	36.8%
Banks - Lloyds Banking Group PLC, Wells Fargo	20.6%
Software & Services - Alphabet Inc, Oracle Corp	15.5%
Real Estate - Realogy Holdings Corp, Howard Hughes	15.0%
Food, Beverage & Tobacco - Heineken Holding	8.3%
Pharmaceuticals, Biotech & Life Sciences - Pfizer Inc	7.4%
Consumer Durables & Apparel - Tri Point Homes Inc	5.7%
Consumer Services - MGM China Holdings Ltd	5.1%
Other - 51 Job Inc, PMP Limited	3.6%
Total Long Equity Exposure	**118.0%**

The Brexit referendum and its effect on our positions in European and UK financial stocks drove our negative performance this quarter. However, we gained some positive performance from the continued strength of a number of our pharmaceutical and beverage holdings.

Over the quarter we continued to reduce our position in Anheuser-Busch Inbev and sold completely out of Diageo plc as our thesis on the brewing industry plays out and valuations for these businesses reach fair value. This selling has led to a small reduction in our net equity exposure.

"...one of the ironies of the situation [Brexit] is that those who voted to leave have in fact suffered the biggest dent in consumer confidence" ***Paul Moore***

With regard to the UK referendum results, it came as a surprise to us and the market. Brexit is a political matter that markets perceive will create political and economic uncertainty for years. Short term, bank earnings will no doubt be negatively impacted by even lower interest rates and lower loan growth. However, the stock price impact will depend on perceived future earnings and dividend levels. Taking this into account, the reaction looks excessive as while we think there will be a slowdown in lending growth and likely falls in highly priced London office and residential markets, we do not think there will be a UK or European wide property crash.

Yet, the UK banking market is oligopolistic, Brexit may actually improve the competitive structure of the market long term as it should lower competition and push up costs for smaller competitors and challenger banks and thus benefit the dominant banking franchises like Lloyds.

It should also be noted that the composition of UK/European banks balance sheets is vastly different from what they were in 2007. Currently they have over twice the equity capital which results in considerably lower overall leverage ratios and are funded through retail deposits compared to highly leveraged balance sheets with wholesale funding requirements pre crisis. Asset quality has also been improved given the banks have maintained tighter lending standards and greatly reduced high risk development finance exposure.

Moving onto European bank valuations, the negative EU rates, the Brexit referendum and the uncertain political outlook across Europe are known risks and we believe are over reflected in certain banking sector stock prices. Our holdings of predominately dominant retail banking franchises are trading around 8x 2016 earnings, 0.6x price to book and predicated to pay mid to high single digit dividend yields over 2016/17. The overall banking sector currently makes up 10% of European market capitalisation which is at the low end of the long term 10-20% range.

In relation to our Spanish and Irish property investments - focused on the recovery story from deeply depressed levels - the Brexit result gave rise to heightened negative sentiment around Europe which will affect our positions short term. That said, before the referendum result announcement, GDP growth, loan growth and employment numbers were coming in above expectations and thus the thesis was playing out as expected. At the moment there is no change to the fundamentals and long term Ireland can be a beneficiary of Brexit due to it being an attractive alternative base for European headquarters. In particular we believe our position in Cairn Homes is well positioned to capitalise on the growing imbalance between the demand for, and supply of, new homes in

Commentary continues on page 4.

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

Global Companies Fund

Ireland as it spent the last twelve months buying up a ten year land bank at prices 70% below peak values. It is currently valued at around 1x book value which we believe is very attractive given the recovering Irish housing market being propelled by the fastest growing economy in Europe.

Oracle, one of our tech holdings announced its quarterly results and the stock reacted positively to the fact that cloud revenues have accelerated and management guided that in the next quarter, growth in cloud revenues will offset the decline in their core licences business.

We took the rise in the share price to reduce our position in Oracle as we are of the view that in spite of the acceleration in cloud revenues, the growth in total revenues for Oracle will remain challenged and at 15x forward PE, the stock is near its valuation target.

With regard to our pharmaceutical positions in Pfizer and Merck, the large-cap pharmaceutical sector is emerging from a cyclical trough in earnings driven by the loss of key patents on blockbuster drugs. The market extrapolated this period as a signal that returns on R&D would be in perpetual decline discounting the pipeline value of large-cap pharmaceuticals to zero. The emergence of a wave of break-through cancer drugs from the pipeline has provided the market with renewed evidence of a potential inflection point in earnings. Whilst valuations may take time to factor in the value emerging from the pipeline, we continue to collect a high single digit cash flow yield in the form of dividends and buybacks on an undemanding valuation.

In connection with our exposure to the alternative asset managers, we believe they are in the midst of a secular tailwind of rising allocations with flows skewed to the best of breed providers. Organic FUM growth is running in double digits for our positions in Blackstone, KKR and Apollo compared to traditional asset managers losing FUM on the back of competition from low cost ETF products. It is surprising to us that the alternative managers we own are on average trading on 8x 2017 consensus earnings versus traditional US managers trading on 12x earnings.

Looking forward we believe that while Brexit will disrupt markets short term, the underlying fundamentals continue to point to a strengthening global economy being driven by the US where June job numbers quashed worries that job growth was flagging. This was accompanied by US existing home sales rising at the fastest pace since 2007 and the FED giving US banks approval to increase dividends and buybacks as they stated that even in a stressed environment US banks had excess capital. On the back of this, Bank of America announced it would increase its dividend payment by 50%. JP Morgan kicked off the earnings results season recently, with CEO Jamie Dimon commenting that the bank continues to perform well in all their major businesses with core loan growth up 16%, record consumer deposits up 10%, credit card sales volume up 8%, merchant processing volume up 13% and credit quality remaining solid. Post these results, the stock is now selling in line with its pre Brexit price highlighting how quickly the market has returned to a focus on US domestic banking issues.

"...it is about the risk reward from here on in... we have to take Brexit, it has occured, it has been a fundamental change, it will take some time before we really understand the true ramifications of it, but you have got to come back to the basic valuations and understand if that is that now being reflected in the underlying businesses and where do you really want to deploy your capital over the next three to five years.

So clearly with Brexit it is a more difficult environment; uncertainty has increased. On the other hand, valuation disparities are at record levels and that is the environment in which you really have to stick to the framework of your philosophy and process. Make sure that emotion does not over ride that. Otherwise you are vulnerable to increasing your exposure to those areas that you actually want to be walking away from. This is what we are really concentrating on at the moment" Paul Moore

With regards to the market, we see continuing widening of the valuation gap between what are perceived to be defensive stocks and cyclical stocks. We trace this back to the extreme situation in global bond markets whereby currently over $10 trillion of global government debt trades on a negative yield. This is leading to certain assets with predictable cash-flows starting to look overpriced versus assets which lack earnings visibility as low volatility assets continue to be the market darlings.

In conclusion, we believe the current market is best suited to selective stock picking rather than broader market exposure.

Paul Moore, *Global Portfolio Manager*

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

Asian Companies Fund

Investment Performance*	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**	**1.5965**	**-2.2%**	**-6.6%**	**-7.3%**	**8.6%**	**9.8%**	**15.2%**	**210.5%**
MSCI AC Asia ex Japan Net Total Return Index (AUD)			3.7%	-0.2%	-9.2%	9.3%	7.6%	6.3%	62.9%

Long Equity Composition (GICS sector and stock examples)	
Consumer Services - MGM China Holdings Ltd	25.5%
Food, Beverage & Tobacco - Carlsberg Brewery Malaysia	15.7%
Commercial & Professional Services - 51 Job Inc	12.6%
Banks - HSBC Holdings	8.4%
Software & Services - Baidu.com, Autohome Inc	7.0%
Energy - Sinopec Kantons Holdings	6.8%
Technology Hardware & Equipment - PAX Global	6.6%
Materials - Turquoise Hill Resources Ltd	4.0%
Transportation - Beijing Capital Airport	3.9%
Media - Astro Malaysia Holdings	3.8%
Other - Hengan International Group Co Ltd	3.6%
Cash	2.1%
Total Exposure	**100.0%**

While the June quarter was a mixed period for global equities, in local currency terms, culminating with the surprise UK Referendum result, the Fund's performance was impacted primarily by stock and sector specific issues rather than the general global macro concerns. In most part we believe these issues are transitory in nature and continue to believe in the long term prospects of our portfolio of holdings.

The Fund's US listed Chinese e-commerce and classified holdings detracted from performance during the quarter. Of particular note were Autohome and Baidu. During June, Telstra completed the sale of a 47.4% stake in Autohome to Ping An. Subsequent to the deal completion numerous board and management changes were made including replacing CEO James Qin. This negatively impacted Autohome as it is unlikely management's non-binding privatisation proposal led by James Qin will move forward. Autohome maintains a strong position in the online automotive classifieds market and continues to display solid growth prospects. We have previously communicated our view that the Telstra sale and management's privatisation proposal both undervalued the long term prospects of the business. We will continue holding the position based on our long term view of the business. Baidu on the other hand, reduced its second quarter revenue guidance after an investigation by Chinese authorities into its advertising practices resulted in several recommendations being handed down. In our view Baidu has been unreasonably penalised for the advertising practises of independent advertisers appearing on its search engine. While the recommendations from the investigation structurally lowers the revenue generation capabilities of Baidu's search business we continue to foresee upside from the current share price.

The Fund's Macau holdings also detracted giving back the gains achieved during the March quarter. While there was limited material news flow concerning Macau over the period, the recovery in monthly gaming revenues remains subdued which has led to an extension of the markets 'wait and see' approach to any recovery. We believe the opening of Wynn Palace and Las Vegas Sand's Parisian both scheduled for the third quarter will provide a positive catalyst for the sector in coming months.

On a positive note, Turquoise Hill Resources advanced after speculation surfaced again that Rio Tinto may look to privatise the company. Mongolian parliamentary elections in June also proved positive for sentiment after the Mongolian People's Party (MPP) was comprehensively returned to government after four years in opposition. The MPP won 65 in the 76 seat parliament and it is hoped the victory puts an end to several years of political instability in Mongolia which has negatively impacted economic growth and the development of Turquoise Hill Resources' Oyu Tolgoi deposit. While it is our view that Rio Tinto is the natural owner of 100% of Turquoise Hill Resources longer term, this is not central to our investment thesis. Oyu Tolgoi remains one of the best positioned copper and gold deposits globally and will ultimately be driven by the trajectory of the copper price and to a lesser extent the gold price. We continue to look favourably upon copper over the long term with the view that supply side shortages will eventually result in a price recovery.

With the UK Referendum results at the forefront of investors' considerations it is worth noting the Fund's direct UK exposure is low. HSBC Holdings, Genting Malaysia and YUM Brands have direct exposure to the UK. In the case of Genting Malaysia and YUM Brands, UK earnings are below 10% and largely immaterial when factoring in the outlook for other parts of these businesses. Conversely HSBC Holdings with its global headquarters in London and a meaningful domestic banking business, derives 25% of its revenues from the UK. HSBC has declined 7% post the UK Referendum result and while the outlook in the UK is uncertain at less than 0.7x tangible book and with an 8% dividend yield much of this is already being priced in and we remain comfortable holding this position.

After an abnormally high level of activity during the March quarter where we added seven new holdings, portfolio activity slowed as we remained close to fully invested. The primary change to the portfolio was an adjustment to our Macau exposure to better reflect the changing competitive landscape. As we alluded to in our March quarterly, long term growth assumptions are being revised downwards across most sectors in the region and valuation remains near cyclically depressed levels. The 'sell everything' mentality that we witnessed in the early part of this year has resulted in businesses with strong market positions and significant long term earnings growth potential being sold off with the wider market. We believe the culmination of these factors is a great starting point and warrants being fully invested. We continue to focus on the underlying earnings potential of the businesses we own rather than getting fixated on the macro trends which are very hard to predict. Despite our comfort in the long term earnings potential of our holdings, in the short term, we expect volatility to remain heightened and it will therefore take time for market participants to refocus on underlying earnings.

Kevin Bertoli, *Asian Portfolio Manager*

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

Australian Companies Fund

Investment Performance*	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**	**1.6654**	**0.1%**	**-6.0%**	**-5.3%**	**7.1%**	**8.3%**	**10.0%**	**381.5%**
S&P / ASX 200 Accum. Index			3.9%	1.1%	0.6%	7.7%	7.4%	7.6%	235.3%

Portfolio's Invested Position	
Long Exposure	92.5%
Short Exposure	-2.4%
Net Equity Exposure	**90.1%**
Debt Securities	25.3%
Cash	-15.4%
Total Exposure	**100.00%**

Long Equity Composition (GICS sector and stock examples)	
Banks - ANZ, Westpac Banking Corporation, NAB	35.1%
Real Estate - Asia Pacific Data Centre	13.5%
Diversified Financials - Macquarie Group Limited	13.5%
Software & Services - NextDC Limited	11.5%
Commercial & Professional Services - PMP Limited	9.7%
Consumer Services - Donaco International Limited	5.0%
Insurance - QBE Insurance Group Limited	4.2%
Total Long Equity Exposure	**92.5%**

The June quarter was a tough one for the Fund as political events in the UK had a substantial negative impact on performance of the international banks and QBE. Earlier this month, our CIO Paul Moore provided an update on Brexit which can be found on our website. In addition, please refer to our Global Strategies quarterly commentary and video update provided in this report for a further update on Brexit and our relating invested positions.

The largest sector exposure in the Fund is to domestic banks which we believe provide a better risk reward opportunity than the broader market. We believe that earnings for industrial businesses will not grow as much as their current PE multiples imply. As a result, we see a risk that industrial stocks will have to de-rate in the near term. In contrast, we believe that the PE multiples of the domestic banks already reflect the current low earnings growth environment and therefore, absent a capital shock, the risk of a further derating for the domestic banks is low.

This when coupled with a ~6-7% dividend yield, which translates to a 8–9% yield with franking credits, means that the banks provide a more positive relative risk return skew than the broader market. However, we have also maintained that in spite of their PE de-rating compared to a year ago, the domestic banks, in particular CBA, were more expensive than international banks. As a result, we maintained a ~15% allocation to international banks. We invested in Bank of America, Bank of Ireland and Lloyds as these are the leading retail banking franchises in their respective geographies. We believed that being primarily retail banks that are looking to have high payout ratios, these represented a better risk reward than CBA over medium term.

The political events in UK which caused a large sell-off in European banks meant that the returns on Lloyds (-17.3%), Bank of Ireland (-29.8%) and ING (-12.3%) had a significant negative impact on the returns for the Fund over the quarter. From a short term horizon perspective, we acknowledge that the UK referendum results came as a surprise to us and the market. However, we believe that investment decisions should be made on a forward looking basis rather than a reactionary basis. With that in mind, we are reassessing the potential earnings impacts to European banks arising from the Brexit. We believe the de-rating of these stocks already factors in a recessionary environment which may or may not fully eventuate and that large earnings declines are already priced into the share prices. Therefore, at present we see better risk reward from continuing to hold onto these positions.

The rest of the portfolio performed in line with our expectations last quarter. NextDC (+29.6%) was the best performing stock as sell-side analyst coverage for NextDC increased. During the quarter, management announced that they had secured sites for the second data centres in Brisbane and Melbourne. These two data centres are expected to be constructed towards the end of the second half of 2017. This reinforces our investment thesis for the stock. In addition, Equinix (the largest global data centre operator) is rumoured to be looking at NextDC as an acquisition target. As a result, NextDC remains the largest position in the Fund.

Donaco (-23.1%) detracted from performance this quarter. Donaco management team released a trading update which reiterated their expectations for this financial year but did not give the market enough comfort in regards to capital management policy. Subsequently, we took a more proactive role and began engaging with the Donaco management team. We put forward our argument that the basis behind the de-rating of the stock is the loss of confidence about the value of the underlying assets given the performance of the assets has not matched the expectations set by the management when they acquired the Star Vegas Asset last year. We reiterated to the management team that the best way to regain market confidence is to demonstrate that the cash flows from the combined business can underpin a dividend and/or a buyback. We believe that this commitment to a capital management plan is what is required for the market to re-rate the stock. We remain hopeful that Donaco management team takes on board our views.

We initiated a position in Latam Auto (LAA) during the quarter. LAA is an online auto classified portal based in South America, similar to iCar in Asia and carsales.com in Australia. It operates in six countries, being the #1 or #2 operator in each of the geographies. The online classified market in these countries is in its nascent state and probably a couple of years behind the developing Asian markets and further behind the fully developed Australian market. LAA has an experienced management team which has built and sold similar business to larger global corporates and is attractively valued given the size of the growth opportunity. The business is not cash flow positive currently; however management has a credible business plan to increase penetration and profitability in the markets they operate in.

During the quarter we sold down our positions in JB Hi-Fi after the stock returned ~28% for the financial year and closed out our position in SJM.

Uday Cheruvu, *Australian Portfolio Manager*

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

Enhanced Yield Fund

Investment Performance*	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**	**1.1063**	**1.0%**	**1.0%**	**1.3%**	**3.1%**	**4.0%**	**6.0%**	**131.6%**
RBA Cash Rate			0.5%	1.0%	2.0%	2.3%	2.9%	4.5%	86.9%

Performance

Well it has certainly been an eventful year. As investors we have all had a lot to digest - the slowing rate of growth in China and their subsequent policy responses, the US finally beginning to raise interest rates and then appearing to go back on hold and Europe's seemingly endless commitment to quantitative easing, leading to a significant portion of European government bond yields carrying a negative yield. We have also had Australia cutting official rates to another all time low of 1.75%, and more recently the UK's decision to extricate itself from the EU.

The outcome of all these events combined is that markets in general have been a lot more volatile than usual, and in this regard credit markets have been no exception. Both investment grade and high yield credit spreads on average are notably wider over the year, around +30-40bp and +150-200bp respectively, and thus generating positive returns in a market where asset prices have generally been falling has not been easy.

To this end, we are somewhat pleased to have ended the year having comfortably preserved our investor's capital, and to have generated a positive return of 1.3%.

Portfolio Activity

We didn't make a lot of changes to the portfolio over the June quarter. Of note is that we divested our holdings in both our BHP USD Senior and Subordinated debt, after substantial price appreciation post their business restructure in late February. This culminated in a return of around 7% in total from this position in just a few months. We also reduced our position in the senior debt of casino company Wynn Macau after around a 2% contraction in their credit spread since earlier in the calendar year.

Outlook

The 3 key areas that have the markets attention at the moment, and thus have the potential to create further volatility, are the US, UK/Europe and China.

There is no doubt in my mind that rates in the US need to rise, and soon. The market is fixated on whether it will be one particular month or another, but I think that is largely irrelevant. To me what is relevant is that the Fed has made it very clear that rates will only rise when accompanied by a solid foundation of growth. We believe this growth has been materialising for some time. Stronger growth in the US will be good for credit markets, and thus shouldn't be a major concern for investors.

The UK and Europe are slightly more complex. There is no doubt that post the BREXIT vote UK confidence will take a hit and this will likely manifest itself in lower growth near term. There will also be some speculation about the future of the other parts of the EU and thus the hit to confidence may extend to other parts of Europe also. Longer term we think that issues like UK trade and tourism (a form of trade in services), any structural impact on the financial sector, and the long term knock on effects to real assets like property will be eventually resolved. There are also some structural benefits to the UK in leaving the EU, such as greater flexibility in negotiating its own trade deals, and a ceasing of contributions to the EU budget to name just a couple.

Finally there is China. With relatively limited transparency it is always hard to gauge the true picture in China. One thing that appears pretty clear though is that there are considerable imbalances within their property and fixed asset markets and by association, within their banking sector, which has lent significantly into these areas. Time will tell as to whether a more significant restructure of their property and financial services industries is required, or indeed whether they can get by with more incremental reform.

As any good investor will tell you, out of volatility comes opportunity. And with the Fund having been conservatively positioned with almost 50% sitting in cash, we are in an excellent position to take advantage of further credit market anomalies around the world as they present themselves.

However at this point in time, we would caution investors with regard to taking broad exposures to markets. Price action from sector to sector has in many cases been quite distinct, and thus a broad cross section of credit investments in the current environment may not get you too far. We genuinely believe that the current environment is specifically suited to individual stock picking strategies aimed at identifying individual companies that are significantly undervalued, and making a meaningful investment in them.

In the interim, the current yield to maturity of the Fund sits at a healthy ~3.75%* on an after fees basis, which represents a margin over the RBA cash rate of ~2%*. All things being equal this margin over the RBA rate will continue to rise as we get the portfolio more invested over time, and should put the Fund well on its way to meeting its longer term performance objectives.

		Av Yield	Av Spread to RBA
Cash	44.1%	2.35%^	0.60%^
Corporate Bonds	35.5%	5.71%^	3.96%^
Fixed	0.0%		
Floating	100.0%		
Hybrids	17.3%	5.60%^	3.85%^
Fixed	0.0%		
Floating	100.0%		
Equity Income Strategies	3.1%		
Total Exposure	**100.0%**		

Duration	
Interest Rate	0.15 Years^
Average Term to Maturity	2.45 Years^

Regional	
Australia	77.4%
UK	12.7%
Europe	5.1%
US	3.7%
Asia	1.1%

Yield Security Maturity	
0-1 year	65.1%
1-2 years	0.6%
2-3 years	4.4%
3-4 years	7.4%
4 years +	22.5%

Please refer to page 8 for notice regarding the distribution for the June 2016 quarter.

Jarod Dawson, *Yield Portfolio Manager*

* Past performance is not a reliable indicator of future performance. See page 8 for Important Information.
^ These numbers are an estimate and are provided as a guide only.

EYF NOTICE: LARGE DISTRIBUTION FOR JUNE 2016 QUARTER

Please note that due to differences in accounting treatment between some of our offshore bond holdings and their corresponding currency hedges (remembering that all offshore holdings are hedged back into $A) there is a larger than expected distribution for the quarter to 30 June 2016. To offset this larger distribution now, there will likely be smaller distributions in a number of future quarters.

PM CAPITAL would like to emphasise that this is merely accounting related, and indeed does not impact the performance of the Fund. The Fund is well known throughout the industry for having provided a steady income stream over the past 14 years, and we expect this to continue once this current dynamic works its way through.

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 30 June 2016 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 World Net Total Return Index in Australian dollars, net dividends reinvested. The Index for the Asian Companies Fund is the MSCI AC Asia ex Japan Net Total Return 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.

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