QUARTERLY REPORT

SEPTEMBER 2016

PM CAPITAL Global Opportunities Fund Limited
ACN 166 064 875 (ASX Code: PGF)

PM CAPITAL Asian Opportunities Fund Limited
ACN 168 666 171 (ASX Code: PAF)

PM CAPITAL Limited
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AFSL 230222

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Company Overview

Listed Company Description		
	PM CAPITAL Global Opportunities Fund Limited	**PM CAPITAL Asian Opportunities Fund Limited**
Asset Class	Global equities	Asian (ex-Japan) equities
Listing Date	11 December 2013	21 May 2014
Suggested Time Frame	Seven years plus	Seven years plus
Shares On Issue	348,692,583	55,124,501
Share Price[1]	$0.85	$0.93
Market Capitalisation	$296,388,695.55	$51,265,785.93

1. As at close of market trading 30 September 2016

Quarterly Video

We are pleased to share with you a quarterly update video from our investment team. Topics covered include a post Brexit update, concerns relating to Chinese growth and specific portfolio investment themes.

Click on the photo or visit our website for the relevant update.

Interviewer:

Lachlan Cameron
Head of Distribution

Speakers:

Paul Moore
Global Portfolio Manager
Chief Investment Officer

Kevin Bertoli
Asian Portfolio Manager

PM CAPITAL Global Opportunities Fund Limited

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE* (all figures are unaudited)	30 June 2016	30 June 2016[1]	30 Sept 2016[1]	Actual Change (%)[2]
NTA before tax accruals + franking credits	$0.9599	$0.9385	$0.9914	+5.6%
NTA after tax	$0.9729	$0.9579	$0.9953	+3.9%

[1] NTA on a notional ex-dividend basis. For purposes of comparing 30 September 2016 to the previous quarter, the 30 June 2016 NTAs are quoted ex-dividend announced on 7 September 2016. [2] Change calculated on an ex-dividend basis.

Portfolio's Invested Position	
Long Exposure	114.3%
Short Exposure	-20.9%
Net Equity Exposure	**93.4%**
Debt Securities	10.6%
Cash	-4.0%
Total Exposure	**100.00%**

Long Equity Composition (sector and stock examples)	
Diversified Financials - Intercontinental Exchange	37.4%
Banks - JP Morgan, Bank of America	21.3%
Software & Services - Visa Inc	13.0%
Real Estate - Howard Hughes	12.0%
Consumer Durables & Apparel - Tri Point Homes	8.4%
Food, Beverage & Tobacco - Anhesuer-Busch Inbev	7.9%
Pharmaceuticals, Biotech & Life Sciences - Pfizer Inc	6.2%
Consumer Services - MGM China Holdings Ltd	5.5%
Other - PM CAPITAL Asian Opportunities Fund Ltd[3]	2.6%
Total Long Equity Exposure	**114.3%**

[3] Where the Company gains exposure to investments managed by PM Capital, the fees paid to the Manager are rebated to the Company to ensure no double up of fees.

Performance

Over the quarter we witnessed an unwind of the market moves caused by the Brexit vote. The market has begun to refocus on fundamentals post the initial shock of the unexpected result.

The Company had a positive quarter driven by our positions in European domestic banking franchises, Macau gaming companies, the alternative asset managers and Alphabet. The rising AUD versus the US Dollar detracted from some of the positive performance.

Company performance benefited from the continued strength of its Macau gaming investments. After reaching a trough during the first quarter, sentiment towards Macau has gradually improved as the year has progressed. Economic indicators continue to show signs of a recovery in the operating environment leading to suggestions activity has reached an inflection point. This is most evident in the monthly gaming revenue data which have turned positive on a year-over-year basis. August and September gaming revenues were +1.1% and +7.4% year-over-year respectively, representing the first periods of annual expansion since the middle of 2014.

Improving revenue coupled with strong overnight visitor trends have further been reinforced by positive commentary from operators suggesting the worse may be behind Macau, particularly now that mass market gaming has become the predominant contributor to earnings. Our investment thesis remains predicated on a multi-year recovery from a severe cyclical correction and the eventual expansion of the market. We do not view these factors as currently being priced in to the stocks.

With regards to European banks, they are going through a perfect storm of negative rates, increasing regulatory burdens and low demand for loans. This has been amplified by investors projecting no real change in the current environment, which has resulted in stock prices trading at depressed levels. We believe we are close to an inflection point on these issues, and that our underlying thesis of increasing shareholders' returns will start to become evident over the medium term as markets normalise.

As for our investment in the alternative managers, they rose strongly over the quarter as they posted results ahead of consensus. They are achieving robust double digit organic FUM growth and resilient fund performance. We believe that the best of breed asset managers are in the midst of a secular upturn in FUM growth due to the changing regulatory landscape.

Alphabet contributed to the positive performance and continues to benefit from secular tailwinds driven by the increased use of mobile search and growth of digital advertising. Its investments generate high incremental rates of return and these dynamics support favourable underlying risk/return in the current market environment.

Cairn Homes, one of our home building investments, rebounded over the quarter from the somewhat unwarranted fallout from Brexit. Importantly it has now built a ten year land bank at rock-bottom prices and it has commenced the build-out of its developments into a market with robust demand, an acute shortage of supply and improving affordability. This should allow it to deliver strong earnings growth over the medium term.

The recent introduction of a 'help to buy' scheme in the Irish budget is very good news for Cairn Homes. First time buyers will now receive a rebate of up to 5% of the value of new homes up to €400,000. This coupled with tax cuts will push up the demand for new homes, with Cairn Homes and the Irish banks being significant beneficiaries.

* Past performance is not a reliable indicator of future performance. See page 5 for Important Information.

Portfolio Activity

The Company's long exposure was increased by adding to our positions in Cairn Homes and Bank of Ireland. The short exposure was also increased by initiating shorts on a number of US Real Estate Investment Trusts and through the utilisation of S&P500 index derivatives. The net result was a modest reduction in the net equity exposure of the Company.

We continued to have the majority of our currency exposure in US Dollars as we believe a combination of low commodity prices, changing interest rate relativities and a strengthening US economy will lead to a fall in the Australian Dollar versus the US Dollar over the medium term.

Outlook

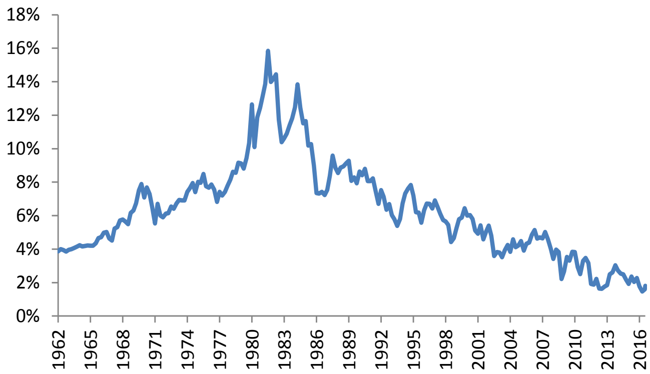
We believe market returns will be subdued going forward. The performance of defensive stocks may wane as the tailwind from continuously falling interest rates turns into a headwind as the interest rate cycle turns. However, potentially increasing interest rates will allow the more cyclical stocks to outperform the market. This has already begun as the performance of defensive stocks has lagged those of cyclical stocks since February 2016 as the valuation gap begins to close from extreme levels. Our current investments in cyclical stocks like the banks, alternative managers and Macau gaming companies offer a very different risk/reward to the market and one which offers investors the opportunity to take advantage of this trend.

Paul Moore,
Global Portfolio Manager

The state of play

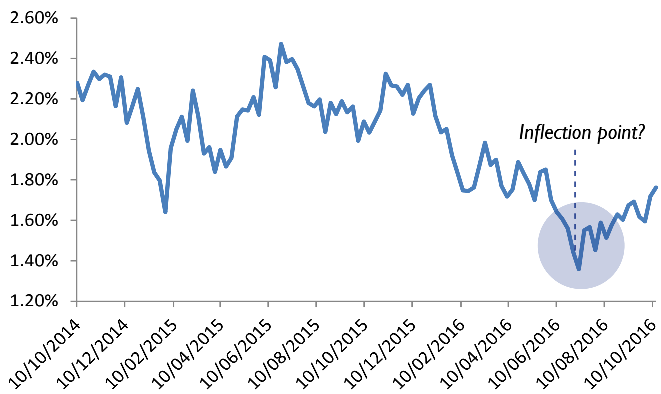
It is important for investors to keep in mind how abnormal rates are - do not let the gyrations of the market hide the fact that the tide may be well and truly changing...

Figure E: US 10 Year Government Bond Yield (%) 1962 to present
Source: Bloomberg



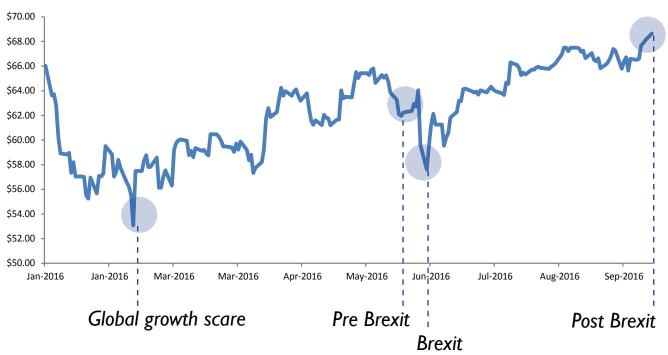
Market noise is potentially hiding what may be a significant inflection point in interest rates and markets - this is the real issue...

Figure F: US 10 Year Government Bond Yield (%) Past 2 years
Source: Bloomberg



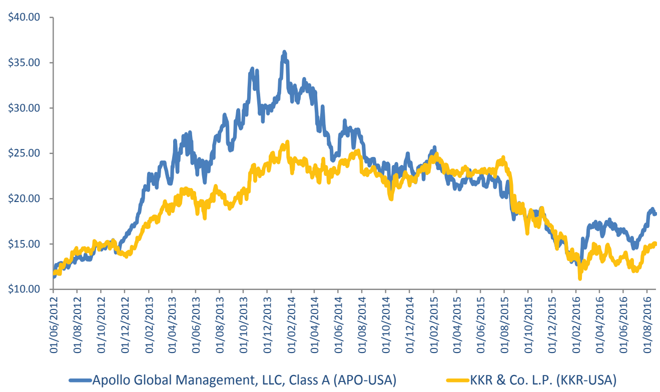
There will be a very different set of opportunities going forward. The assets you want to own will not be the ones that performed well in the past, including infrastructure, REITs and long bonds, but banks like JP Morgan that are leveraged to higher interest rates....

Figure G: Share Price History - JP Morgan & Co. (USD)
Source: Factset



Our portfolio of investments, including alterative asset managers are a different proposition to the market. This has always been our proposition: long term performance accretion built on the integrity and consistency of our philosophy and process.

Figure H: Share Price History - Alternative Asset Managers (USD)
Source: Bloomberg



PM CAPITAL Asian Opportunities Fund Limited

NET TANGIBLE ASSET BACKING PER ORDINARY SHARE* (all figures are unaudited)	30 June 2016	30 June 2016[1]	30 Sept 2016[1]	Change (%)[2]
NTA before tax accruals + franking credits	**$1.0462**	**$1.0105**	**$1.0617**	**+5.1%**
NTA after tax	**$1.0295**	**$1.0045**	**$1.0331**	**+2.8%**

[1] NTA on a notional ex-dividend basis. For purposes of comparing 30 September 2016 to the previous quarter, the 30 June 2016 NTA's are quoted ex-dividend announced on 14 September 2016. [2] Change calculated on an ex-dividend basis.

Portfolio's Invested Position	
Long Exposure	100.6%
Short Exposure	-2.1%
Net Equity Exposure	**98.5%**
Debt Securities	0.0%
Cash	1.5%
Total Exposure	**100.0%**

Long Equity Composition (sector and stock examples)	
Consumer Services - MGM China Holdings Ltd	27.4%
Food, Beverage & Tobacco - Carlsberg Brewery Malaysia	17.0%
Commercial & Professional Services - 51 Job Inc	11.3%
Banks - HSBC Holdings	10.1%
Software & Services - Autohome Inc	8.8%
Media - Astro Malaysia Holdings	7.3%
Energy - Sinopec Kantons Holdings	4.9%
Materials - Turquoise Hill Resources Ltd	4.4%
Technology, Hardware & Equipment - PAX Global	3.9%
Household & Personal Products - Hengan Intl Group	3.1%
Other	2.4%
Total Long Equity Exposure	**100.6%**

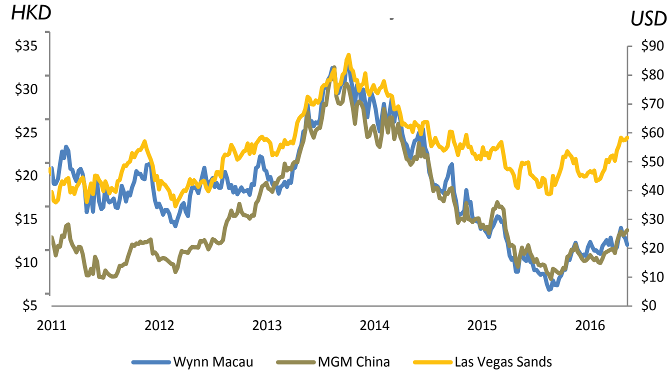
Performance

Company performance benefited meaningfully from the continued strength of its Macau gaming investments with MGM Macau (+34%), Las Vegas Sands (+32%) and Wynn Macau (+15%) all advancing.

After reaching a trough during the first quarter, sentiment towards Macau has gradually improved as the year has progressed as can be viewed in Figure A. Economic indicators continue to show signs of a recovery in the operating environment leading to suggestions activity has reached an inflection point. This is most evident in the monthly gaming revenue data which has turned positive on a year-over-year basis.

August and September gaming revenues were +1.1% and +7.4% year-over-year respectively, representing the first periods of annual expansion since the middle of 2014.

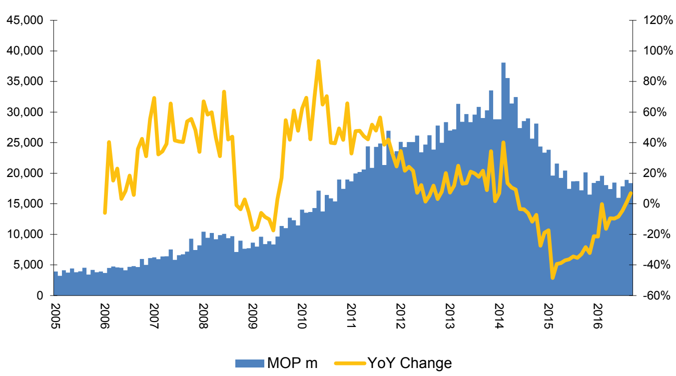
Figure A: Share Price History - Macau
Source: Bloomberg



Improving revenue trends coupled with strong overnight visitation has further been reinforced by positive commentary from operators suggesting the worst may be behind Macau, particularly now that mass market gaming has become the predominant contributor to earnings. An improvement in the underlying operating environment has also coincided with the opening of two new properties in recent months: Wynn Macau's premium mass focused Wynn Palace and Las Vegas Sand's French themed Parisian. Initial indications suggest both properties have been well received and incrementally add to the existing offering currently in the market place.

While short-term data points have been the primary drivers supporting share prices in recent months, we continue to caution readers on paying too much attention to these releases as they tend to be quite volatile month to month. Conversely our investment thesis remains predicated on a multi-year recovery from a severe cyclical correction and the eventual expansion of the market which we do not view as currently priced in.

Figure B: Macau Monthly Gaming Revenues (Mil Pataca)
Source: http://www.dsec.gov.mo/Statistic/aspx



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Other positive contributors included Chinese internet companies Baidu Inc. and 51Jobs as well as HSBC Holdings. Baidu and 51Jobs both benefited from improved attitudes towards China in the US where they are listed rather than any company specific news. HSBC on the other hand recovered from the abrupt sell off in late June post the UK Referendum result. HSBC positively surprised the market during its second quarter results by announcing a US$2.5bn share buyback. The implementation of the buyback has acted as a positive tailwind for the stock.

Conversely PAX Global (-16%) and Turquoise Hill Resources (-12%) detracted from performance. PAX Global was negatively impacted by the resignation of its Chief Financial Officer while Turquoise Hill Resources declined with the copper price over the period. We remain comfortable with the long term investment thesis for both of these holdings. The strengthening Australian Dollar (+3%) also negatively impacted performance as the Company's currency exposure remains predominately US Dollar and Hong Kong Dollar based. Month to month volatility in the Australian Dollar continues to be dominated by sentiment surrounding US interest rate policy which is likely to persist short term. Higher commodity prices were also a positive tailwind for the Australian Dollar over the period.

Portfolio Activity

The portfolio remained broadly unchanged over the quarter. Positions in Beijing Capital International Airport and Mediatek were exited while we initiated a position in South East Asian online automotive classified company, iCar Asia, subsequent to a significant share price correction in anticipation of a capital raise. While iCar Asia's underlying operations have been adversely impacted by short-term macroeconomic conditions across the region, the business remains well placed in its core markets of Malaysia, Thailand and Indonesia. We have had several discussions with new CEO Hamish Stone and are confident in the company's strategic direction under his leadership. With the successful completion of the institutional portion of the capital raise in early September, the business is now adequately funded through to profitability. We view the macroeconomic issues as transitory and with funding issues now behind them the recent correction provides an attractive re-entry point as can be viewed in Figure C.

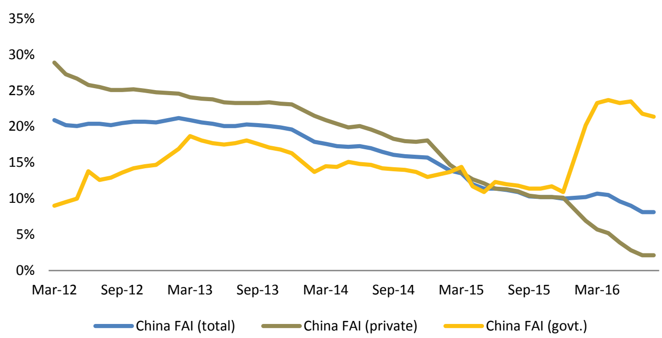
Figure C: Share Price History - iCar Asia (AUD)
Source: Bloomberg

Outlook

Over the course of the last six months, regional equity markets have staged a healthy recovery from their February lows. The Chinese economy has exhibited signs of stabilisation and in some areas even improvement, leading to worst case scenario fears dissipating. This is no more evident than in two of the crucial pillars of the economy, broad fixed asset investment, where the deceleration of growth has eased, and the residential property market, which has strengthened. While we view an improvement in these areas as positive developments we remain cautious when it comes to their sustainability. More specifically, fixed asset investment has been buoyed by a significant increase in government spending while private activity continues to slow which is a cause for concern. We would become incrementally more positive when private investment returned to the market. Also with respect to the residential property market, provincial governments across China have started to reintroduce measures to slow the rates of price growth which may have a flow-on effect.

These concerns are somewhat being reflected in current market valuations. While we have seen valuations rebound off historic lows they still remain below long term averages. As market participants predict the direction of the Chinese economy and the impact that will have regionally, volatility is likely to remain heightened. Asia remains central to global growth over the next decade, however this is likely to be an uneven ride as growth transitions to the consumer. In this environment we continue to believe a targeted approach focusing on specific businesses and industries benefiting from structural growth or recovering from extreme cyclical corrections will yield the best results over the long term.

Figure D: Chinese Fixed Asset Investment (y/y growth)
Source: Bloomberg



We remain comfortable with the investment proposition for our main portfolio thematics and believe they are well positioned to deliver strong returns over the long term.

Kevin Bertoli,
Asian Portfolio Manager

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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