QUARTERLY REPORT

MARCH 2020

Streets empty, markets up-ended

Coronavirus, and what comes next

p.1 Video insight

PM Capital
GLOBAL OPPORTUNITIES FUND LIMITED

PM Capital Global Opportunities Fund Limited

ACN 166 064 875 (ASX Code: PGF)

PM Capital
ASIAN OPPORTUNITIES FUND LIMITED

PM Capital Asian Opportunities Fund Limited

ACN 168 666 171 (ASX Code: PAF)

CONTENTS

Quarterly video update

In his video update, Paul Moore, Chief Investment Officer and Portfolio Manager, Global strategies explains:

- The "peak panic" environment
- Our long term framework
- Recent portfolio activity

Access the video **here.**

Access all market updates and insights **here.**

"We won't really know how the next six months will play out until we have the benefit of hindsight, and noting that the experts are constantly revising their thoughts. What we do know though is that valuations are extreme. Typically, the best time to buy equities is when the economy is approaching its worst point, and it doesn't get much worse than a closing of all non-essential services."

Listed Company Overview

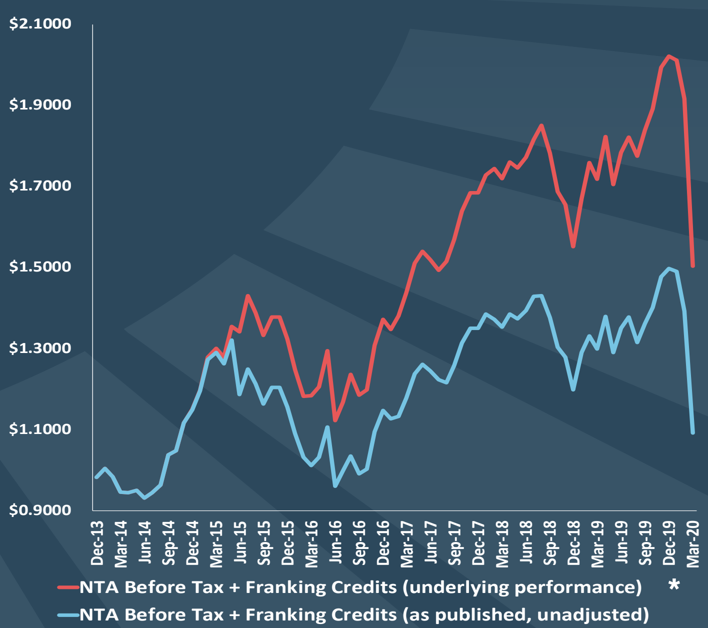
	PM Capital Global Opportunities Fund Limited	PM Capital Asian Opportunities Fund Limited
Asset Class	Global equities	Asian (ex-Japan) equities
Listing Date	11 December 2013	21 May 2014
Suggested Time Frame	Seven years plus	Seven years plus
Shares on Issue	354,175,578	57,611,321
Share Price	$0.88	$0.70
Market Capitalisation	$ 311.7 million	$ 40.3 million
NTA before tax accruals (per share, ex-dividend)	$1.0387	$0.8122
Company Net Assets before tax accruals	$ 367.9 million	$46.8 million

See page 8 for Important Information. As at 31 March 2020.

PM Capital Global Opportunities Fund Limited

- **The Company** aims to create long term wealth through a concentrated portfolio of 25-45 global companies that we believe are trading at prices different to their intrinsic values.
- **The Company's investment objective** is to provide long-term capital growth over seven-year plus investment horizon through investment in a concentrated portfolio of undervalued global (including Australian) equities and other investment securities.

NTA performance since inception



ASX Code	PGF
Category	Global equities (long/short)
Investment style	Fundamental, bottom-up research intensive approach
Number of stocks	As a guide, 25-45 stocks
Shares on issue	354,175,578
Suggested investment time	7 years +
Listing date	11 December 2013

Past performance is not a reliable indicator of future performance.

* Excludes the impact of: Changes in ordinary share capital (i.e., option exercise, DRP); Dividends; and Tax paid. After all costs and expenses, including (but, not limited to): management fees; listing fees; registry costs; audit costs; and directors' fees.

PM Capital Global Opportunities Fund

Paul Moore
Global Portfolio Manager

Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited)[1]	March 2020
NTA before tax accruals[2]	$ 1.0387
NTA after tax (excluding deferred tax assets[3])	$ 1.0014

Company performance (net of fees)[4]	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Since inception p.a.	Total Return
PM Capital Global Opportunities Fund	-25.6%	-12.4%	1.5%	3.0%	6.7%	50.4%

1. Past performance is not a reliable indicator of future performance. 2. NTA before tax accrual does not include franking credits. Franking credits per share are $0.053. 3. Net Tangible Assets (NTA) after tax (including deferred assets) is $1.0747. The disclosure format of NTA has been updated in accordance with a change to ASX Listing Rule 19.12 "Interpretation and definitions", which became effective on 31 March 2020. 4. Performance adjusted for capital flows associated with the payment of dividends, share issuance as a result of the dividend reinvestment plan, and including the value of franking credits.

KEY POINTS

- COVID-19 and the collapse of OPEC prompts the fastest bear market in history
- Peak panic met by peak monetary and fiscal policy response; short term, market responds
- Once in a lifetime opportunity in cyclical stocks?

PERFORMANCE

The impact from COVID-19 resulted in a very challenging quarter for equity markets. The portfolio's value declined sharply during the March quarter as the coronavirus became a global pandemic, prompting the fastest bear market (classed as a fall of 20% or more) in the US market's history. All major equities markets declined heavily.

PORTFOLIO ACTIVITY

We entered the quarter approximately 80% net-invested and we used the volatility in the market to increase our net invested position to approximately 90% by the end of the quarter. We executed this through a combination of closing some of our short positions and adding to some of our long positions.

Our portfolio activity included:

• Closing our short position in Wendy's Company. Our initial thesis was that Wendy's operates in a highly competitive industry, struggles for growth, is highly indebted (both the firm and separately its franchisees), yet trades on a high valuation. While we could not have foreseen the coronavirus and its impact on restaurant operations across the United States, the company's poor fundamentals meant the stock was susceptible to economic disruption of any kind. We took advantage of Wendy's extreme price moves over February and March (the stock closed as high as $23.94 in late February and a low of $7.47 in mid-March) exiting our position at just over $8 a share. We similarly closed our short position in Dunkin's Brands which also suffered a huge price decline.

• Closing our short positions in US REITs, namely Equity Residential, Essex Property Trust and AvalonBay Communities (all US apartment REITs) as their stock prices tumbled. We originally shorted the US REITs as the market put them on multiples akin to high growth stocks, when in reality their growth was coming to an end either through higher interest rates or a slowing economy.

• Removing our short index position on the S&P500 (in hindsight too early).

• Reducing our positions in the alternative asset managers before the market falls, early in the quarter trimming our positions in KKR, ARES Management Corporation and Apollo Global Management.

• Adding to our existing positions in Howard Hughes Corporation, Oracle Corporation and Siemens.

The large fall in the value of the Australian Dollar (hitting a 17 year low over the quarter) facilitated us hedging a higher proportion of our portfolio back to Australian Dollars. The portfolio is now approximately 30% exposed to the Australian Dollar, up from 17% at the end of 2019.

OUTLOOK

Short term price action has been chaotic and excruciating to deal with, compounded by the fact

PM Capital Global Opportunities Fund

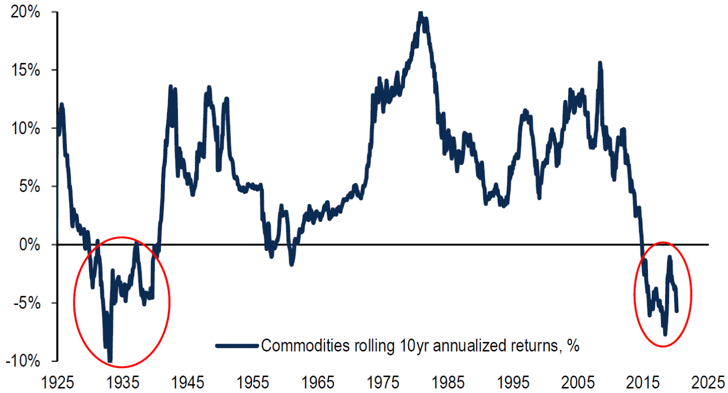
that investments we have made in "cyclical" sectors of the market (where we see the most long term value) are those most impacted by the shutdown of "non-essential" parts of the economy. A good illustration has been Wynn Resorts, a premium global casino operator with casinos in Macau, Las Vegas and Boston. Gaming always recovers, and Wynn has enough cash and access to credit facilities to handle a 12 to 15 month shutdown on a worst-case scenario; I doubt that will occur. But with the temporary closure of its Boston and Vegas casinos, the stock fell from $140 to $35 (-75%) at the peak of the panic on March 18th. A week later it traded at $84 (+140%), a further week later and it was back to $46 (-46%) and most recently, another week later, it traded at $76 (+65%).

We suspect that the later weeks of March may in fact have been the lows for many stocks, with markets having responded to a do "whatever it takes" mentality from central banks (monetary) and governments (fiscal); they have clearly learnt from the GFC.

In saying this, the key unknown is the evolution of the virus and how severe the short term economic impact will be, and when do we see visibility on a path to recovery. This will only be known with the benefit of hindsight. What is clear is that when you look at valuations we have witnessed recently, it appears to be a once in a lifetime opportunity in cyclical stocks with the upside return possibility equal to or better than that seen during the global financial crisis. Markets always bottom well before the worst is seen in the economy, and it does not get much worse than the shutdown of non-essential services.

For a more in-depth review of the stocks in our investment themes and the potential we see in them, please see our update on the website dated 26 March.

Rolling 10yr annualised price returns since 1924, commodities



Source: BofA Global Investment Strategy, Ibbotson, Bloomberg, Datastream.

Portfolio investments	Weighting^^
Housing - Ireland and Spain	8.2%
Global Domestic Banking	27.4%
Service Monopolies	12.4%
Gaming - Macau	7.3%
Alternative Investment Managers	13.4%
Industrial - Europe	5.9%
Materials	6.5%
Other	12.3%
Long Equities Position	**93.4%**
Short Equities Position	-4.5%
Net Invested Equities	88.9%
Total holdings	42

Current stock examples
Cairn Homes
Bank of America
Visa
MGM China Holdings
KKR & Co L.P.
Applus Services
Freeport-McMoRan Copper

Currency exposure*	
USD	55.5%
AUD	31.0%
EUR	6.9%
GBP	5.0%
HKD	1.9%
CAD	1.9%
Total exposure	100.0%

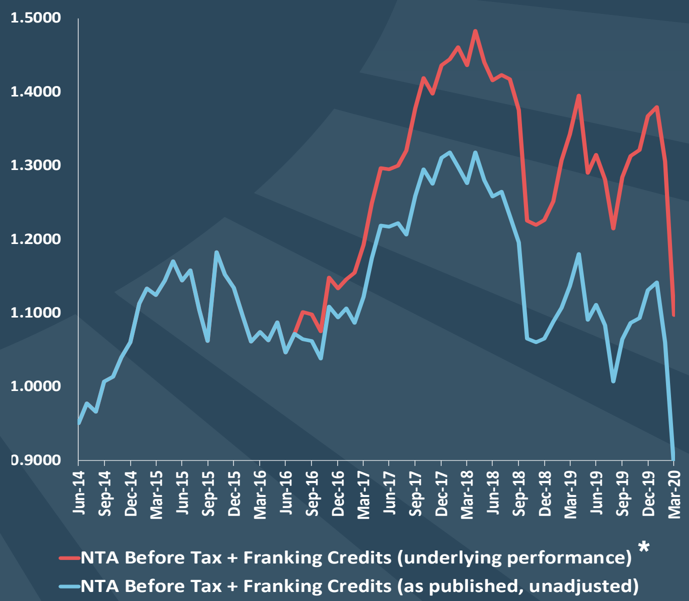
* Stated as effective exposure.

Paul Moore - Chief Investment Officer & Global Portfolio Manager
John Whelan - Contributing author

PM Capital Asian Opportunities Fund Limited

- **The Company** aims to create long term wealth through a concentrated portfolio of typically 15-35 Asian centric companies that we believe are trading at prices different to their intrinsic values.
- **The objective of the Company** is to provide long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of predominantly undervalued listed Asian equities and other investment securities in the Asian Region (ex-Japan).

NTA performance since inception



ASX code	PAF
Category	Asian (ex-Japan)[6] equities
Investment style	Fundamental, bottom-up research intensive approach
Number of stocks	As a guide, 15-35 stocks
Shares on issue	57,611,321
Suggested investment time	7 years +
Listing date	21 May 2014

Past performance is not a reliable indicator of future performance.
*Excludes the impact of: Changes in ordinary share capital (i.e., option exercise, DRP); Dividends; and Tax paid. After all costs and expenses, including (but, not limited to): management fees; listing fees; registry costs; audit costs; and directors' fees.

PM Capital Asian Opportunities Fund

Kevin Bertoli
Asian Portfolio Manager

Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited)[1]	March 2020
NTA before tax accruals[2]	$ 0.8122
NTA after tax (excluding deferred tax assets[3])	$ 0.8022

Company performance (net of fees)[4]	3 Months	1 Year	3 Years p.a.	Since inception p.a.	Total Return
PM Capital Asian Opportunities Fund	-19.7%	-18.3%	-2.7%	1.6%	9.7%

1. Past performance is not a reliable indicator of future performance. 2. NTA before tax accrual does not include franking credits. Franking credits per share are $0.077. 3. Net Tangible Assets (NTA) after tax (including deferred assets) is $0.9205. The disclosure format of NTA has been updated in accordance with a change to ASX Listing Rule 19.12 "Interpretation and definitions", which became effective on 31 March 2020. 4. Performance adjusted for capital flows associated with the payment of dividends, share issuance as a result of the dividend reinvestment plan, and including the value of franking credits.

KEY POINTS

- Asian region caught up in the broader sell-down
- Casinos and internet-related stocks significantly affected
- New positions established, prompted by the broader opportunity set

The pace and severity of the moves witnessed over the quarter were unprecedented in Asia and globally, mirroring the coronavirus's evolution from a relatively isolated single region health crisis to a full-blown pandemic. This has required investors to contemplate a unique market environment where many of their holdings could realistically have zero or close to zero revenues for an extended period of time.

Our gaming holdings have been among the hardest-hit sectors in the portfolio and the broader economy (bracketed with cruise lines and lodging operators) as casinos around the globe were closed in an effort to help combat the spread of coronavirus. On 4 February Macau Chief Executive Ho Iat Seng announced a mandatory 14-day closure of the SAR's 41 casinos. Unfortunately, this was the beginning for the gaming sector. Wynn Resorts, our only Macau casino operator with properties outside Macau, announced the closure of its Boston and Las Vegas properties in mid-March.

Given the near term disruption to operations a negative share price reaction is not unwarranted as investors try to predict the duration of closures. However, we have been surprised at the severity of the moves, particularly in Wynn. Macau accounts for 70% of Wynn Resorts' consolidated EBITDA and the share price remained resilient after the announced closures in Macau. However, Wynn was significantly affected by the US closures, despite it only accounting for 30% consolidated EBITDA.

On a positive note, Macau has been one of the most successful in managing the spread of coronavirus, with less than 100 total cases reported. Furthermore, the casinos reopened after their initial 14-day closures thanks to strict monitoring measures put in place by both government (checks at customs) and the casino operators (checks at individual casino level). Activity in Macau remains well below pre-coronavirus levels, with catalysts for a more rapid improvement in visitation and consequently gross gaming revenue likely to be a reinstatement of tourist visas and the Individual Visitor Scheme.

Portfolio holdings in iCar Asia and Frontier Digital Ventures, two of the largest portfolio positions, were leading detractors to performance due to their position sizes and relative moves. Volatility in both names was heightened by each reaching multi-year highs at the start of the quarter (in the case of Frontier Digital Ventures all-time highs) - whereupon we began actively reducing our positions - only to sell off materially thereafter. iCar Asia was specifically impacted by a nationwide lockdown announced in its largest market of Malaysia, where a cluster of coronavirus cases linked to a religious festival in late February led the government to impose strict movement limitations. For online classifieds businesses the health of the underlying customer bases, property agents and automotive dealers, is of critical importance. Looking forward, we anticipate property agents will weather this period better than used car dealers given the absence of large inventory holdings.

While extremely painful in the short term, external shocks such as that caused by coronavirus can also improve the longer term competitive position of some businesses. During the GFC we saw an acceleration in the transition from traditional newspaper advertising to cheaper, more effective and measurable online advertising. While coronavirus is a different beast to the GFC and online classified advertising now dominates the bulk of real estate and automotive advertising for agents and dealers (hence migration is less of a tailwind) we still expect to see a flight to quality occur and also envision a highly probable scenario whereby smaller, poorly capitalised competitors will cease to exist. Given their

PM Capital Asian Opportunities Fund

position as listed businesses Frontier Digital Ventures and iCar Asia are well placed to benefit. Frontier Digital Ventures, after proactively managing its portfolio over the past six months sits well placed - its balance sheet is at its healthiest since its 2016 IPO.

We continue to look for opportunities to upgrade the portfolio either by adding to existing holdings or initiating new positions in companies historically presenting as being expensive. We initiated a position in China Mobile in January then increased it in during March so that it is now a core position in the portfolio. The initial opportunity to establish a position in the company, the largest mobile and fixed line broadband provider in mainland China, came after the share price traded to near its 10-year lows on increasingly negative sentiment regarding average revenue per user growth as well as 5G capital expenditure overrun fears. We consider these risks fully reflected in the current share price.

We also initiated a position in Vietnamese brewer SABECO during the period. SABECO is the market share leader in the local market, with a dominant share of the mass market segment. The Vietnamese market has very strong underlying fundamentals, both from a competitive dynamic (largely a two player market with Heineken) and from a demographics perspective (a large, young population with estimates of ~1 million people entering the legal drinking age annually).

We have long held a watching brief on SABECO, but was reluctant to take a shareholding given its prohibitive valuation. Concerns around volume growth with the emergence of coronavirus as well as new drink-driving laws have caused a derating and brought valuations back to a more attractive level. From a technical perspective capital outflows from emerging markets has also impact SABECO along with all Vietnamese stocks.

Both China Mobile and SABECO are well placed to weather the current period of uncertainty with material net cash positions on their balance sheets (50% and 20% respectively as at 31 March).

Another by-product of the current environment has been the significant US Dollar appreciation against most currencies, with the Australian Dollar being one of the weakest cross rates. The portfolio's currency exposure is ~60% US Dollars, 30% Australian Dollars and ~10% other currencies. Consequently currency has provided an offset to some of the negative contribution stemming from our equity holdings. During the period we sold Australia Dollar put options representing 10% of the portfolio which would increase our Australian Dollar exposure below $A0.55.

As communicated in my portfolio update (please see the website) we continue to monitor daily infection rates in countries which have been dealing with coronavirus the longest with the view of better understanding the evolution of the virus, the most effective mitigation strategies and the pace of economic normalisation once the virus has been bought under control. Observing the pace of daily inflection rates suggests many countries in Asia have come to terms with how to manage the spread of the virus effectively. There are positive signs in countries such as China, Korea, Taiwan and Singapore to name a few and we are watching to see if the successes experienced to date are maintained.

In the short term balance sheet strength remains the key to weathering the current environment and being ready for the recovery. Looking across the portfolio ~40% of the businesses we own hold significant net cash positions, China Mobile and SABECO in particular. For the companies that do have debt, these are typically longer-dated maturities with manageable debt obligations over the forward 12-month period and they retain ample cash balances to meet any short term working capital or interest requirements. We are monitoring carefully the small tail of companies (one or two positions) that are likely to require capital in the next year, ensuring that we are in dialogue with their management teams as they address this issue.

Portfolio investments	Weighting
Infrastructure - Oil & Gas	12.8%
Infrastructure - Other	4.0%
Online Classifieds & Ecommerce	15.8%
Consumer	15.4%
Gaming	11.8%
Financials	8.0%
Materials (Copper)	6.2%
Other	9.6%
Long Equities Position	**83.6%**
Net Invested Equities	**83.6%**

Current stock examples	
Sinopec Kantons	
China Merchants Holdings International	
iCar Asia	
Dali Food Group	
MGM China Holdings Ltd	
Shinhan Financial	
Freeport-McMoRan Copper	
Total Holdings	26

Currency exposure*	
USD	70.1%
AUD	31.6%
HKD	-6.5%
INR	5.1%
Other	-0.3%
Total exposure	100.0%

* Stated as Effective Exposure.

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 (ASX Code: PGF)

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

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The Index for the PM Capital Global Opportunities Fund Limited is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. The Index for the PM Capital Asian Opportunities Fund Limited 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.

See the company announcements platform at www.asx.com.au, and www.pmcapital.com.au, for further information.

6. The Asian region (ex-Japan) includes Hong Kong, China, Taiwan, Korea, Indonesia, India, Sri Lanka, Malaysia, Philippines, Thailand, Vietnam, Pakistan and Singapore, but excludes Japan. The Company may also obtain exposure to companies listed on other global exchanges where the predominant business of those companies is conducted in the Asian region (ex-Japan).

Annoucement authorised by Benjamin Skilbeck - Director.

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