

Monthly Update

Fund Commentary

Monthly performance was supported by several strong interim results releases from our holdings. The long equity position declined over the month with the sale of Autohome completed.

Dali Foods advanced 11% in August after beating expectations and providing positive commentary around new product releases. This resulted in an upward revision in consensus estimates.

Industrial and Commercial Bank of China also contributed positively to performance, rising 7%. An improvement in the underlying economic conditions within China has led to renewed optimism regarding the Chinese banking sector. Recent results releases from the major state-owned banks have also shown improved trends in net interest margins and asset quality.

Conversely, PAX Global detracted from performance,

declining 16% after interim results missed estimates, primarily on a weaker than expected performance in their China business. We continue to hold this position with the view that the current valuation fully reflects the weaker conditions present in China. We also believe the market is underestimating the strength of PAX's global operations.

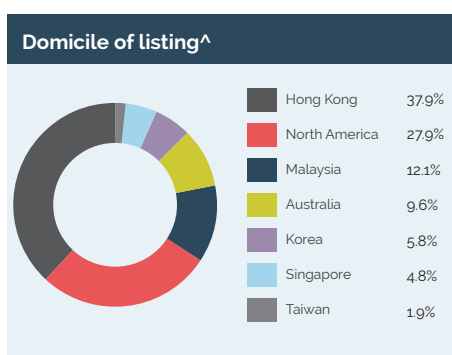
Online classifieds holdings Autohome and 51Jobs continued their recent strong performances rising 32% and 20% respectively. During the month, we exited the remainder of our Autohome position as we believe the broader market's expectations for earnings growth is now more reflective of our own assumptions and valuations have re-rated to a level we deem to be fair.

Fund performance [†] (net of fees)	Inception Date	Exit Price (\$, cum)	1 Month	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	Since Inception pa	Since inception - total
Asian Companies Fund	7/2008	1.8158	0.8%	1.2%	15.2%	19.9%	10.8%	16.2%	16.0%	289.8%
MSCI AC Asia ex Japan Net Total Return Index			2.0%	1.8%	15.7%	18.3%	11.7%	14.9%	8.3%	106.8%
Outperformance by the Fund			-1.2%	-0.6%	-0.5%	1.6%	-0.9%	1.3%	7.7%	183.0%

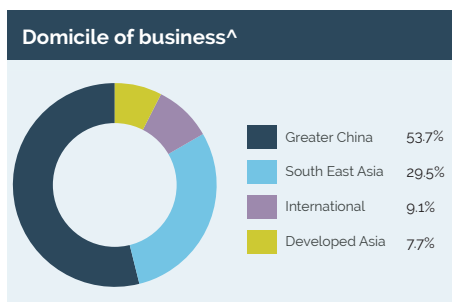
Portfolio investments	Weighting	Current stock example
Consumer - Breweries	6.2%	Heineken Malaysia
Consumer - Other	6.8%	Dali Foods
Online Classifieds & Ecommerce	18.0%	Baidu
Gaming - Macau	8.6%	Wynn Macau
Gaming - Other	7.0%	Nagacorp Limited
Financials	16.3%	HSBC Holdings
Capital Goods & Commodities	10.0%	Turquoise Hill Resources
Other	10.2%	
Long Equity Position	83.1%	
Credit Securities	0.4%	
Net invested position	83.5%	
Total holdings	26	Total exposure 100.0%

* Stated at effective value. *

Currency exposure [†]	
USD	46.5%
HKD	44.3%
AUD	7.2%
Other	2.0%
Total exposure	100.0%



[^] 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office, whereas 'Domicile of Business' represents the location of the predominant business of those entities.



PM Capital Limited, founded in 1998, is a globally-focussed fund manager that invests money on behalf of private clients, the clients of financial advisers and institutions. PM Capital's goal is to build long term wealth by investing in global markets with patience and conviction.

Investment philosophy

We aim to build long term wealth together with our co-investors by finding and exploiting investment anomalies. Using a focused, patient and considered approach to finding simple investment ideas produces the best environment for creating that long term wealth.

Our experience has shown us that while the market is largely efficient, it can, and regularly does, misprice a small proportion of companies. This mispricing can arise as a result of any number of reasons, but is most often associated with disruptive or cyclical change, new information which is misunderstood by the market as having a permanent impact when it is in fact transitory, or just because they are operating in a sector out of favour with investors.

Our unique process is based on scanning the world for those companies (hence the radar in our logo), discovering the associated valuation anomalies and extracting value from them. We buy good businesses at a good price; businesses that we believe are being valued differently to their long term intrinsic value, but will return to their correct value over time.

Who manages the investment?

Kevin Bertoli is the Portfolio Manager, who has over 11 years industry experience and has managed the Fund since its inception. Kevin is supported by a team of experienced investment analysts. The investment team is led by founder and CIO Paul Moore who has over 30 years' experience in successfully managing investment funds.

Further Information

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We believe in being a patient investor, one that has conviction, one that sees opportunities where others only see risk. We only invest in what we know, deeply, via our fundamental research.

Why the Asian Companies Fund?

Asia-specific: The Fund focuses on companies listed or operating in Asia (ex-Japan), giving 100% unrestricted exposure to the world's fastest growing region.

Established: The Fund's process has been shown to be effective, based on a philosophy developed by Paul Moore, over 30 years. This has produced attractive long term capital growth.

Unrestricted: We have an authentic investment process where our exposure to countries, industry sectors or market capitalisation is determined solely by our conviction in the risk/reward opportunities that we identify in individual stocks. No conviction at the stock level = no investment.

Opportunistic and focused: The Fund is not built around a general market benchmark or index - it is highly focused based on our fundamental, bottom-up investment process. As a guide, the Fund holds around 15 - 35 deeply researched stocks that we believe give the best opportunity to produce strong long term returns.

Co-investment: Our co-investors receive access to a unique subset of opportunities to which they may otherwise find difficult to access. The management team have significant investments in the Fund - they invest for and with you.

Outperformance: The Fund *has outperformed the relevant market index by 184% since inception*. The Fund is managed from an Australian investor's perspective with consideration for tax and currency outcomes.

Key Company Details

Fund category

Asian equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

1 July 2008

Fund size

\$22.8 Million

Strategy size

\$86.3 Million

Number of stocks

As a guide, 15-35 stocks

Minimum direct investment

\$20,000

Recommended investment time

Seven years plus

Fees (pa)

Management fee: 1.40%

Buy / sell spread

0.5% (Round trip)

Investor profile

The Fund may be appropriate for investors seeking long-term capital appreciation over a seven plus year investment horizon through a concentrated portfolio of Asian Equities.

Important Notice

This Report is issued by PM Capital Limited ABN 69 083 644 731 AFSL 230222 as responsible entity for the PM CAPITAL Asian Companies Fund (ARSN 130 588 439, the 'Fund'). It contains summary information only to provide an insight into how we make our investment decisions. This information does not constitute advice or recommendations, and is subject to change without notice. It 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 which available from us, and seek their own financial advice prior to investing. The PDS explains how the Fund's Net Asset Value is calculated. 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 market forces. The investment objective is not a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term.

1. Returns are calculated from exit price to exit price assuming the reinvestment of distributions for the period as stated and represent the combined income and capital return. The Index is the MSCI All Country Asia ex Japan Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the Index.