

# Net Tangible Assets & Monthly Investment Report

30 APRIL 2020

## Company commentary

- Asia sees rapid bounce in accordance with global trends
- Gaming and copper strong
- Frontier Digital Ventures sees realisation of value

Equity markets staged a rapid reversal from March as investor sentiment improved from the period of peak panic witnessed when coronavirus began to spread rapidly across the US. The share price recoveries witnessed by gaming and copper holdings were of particular note. Investors' attention is now firmly focused on the gradual reopening of economies and the pace of economic normalisation.

Freeport McMoRan announced decisive action to reduce operating costs and improve cash flows which was taken positively by the market. Importantly, underground development at Grasberg remains unaffected by the recent coronavirus crisis and continues to progress along its critical path.

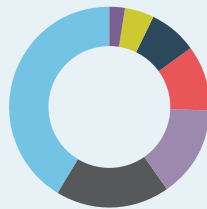
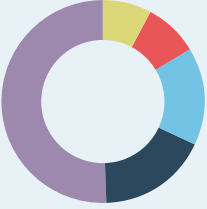
Of interest to the portfolio's gaming holdings were

comments from Las Vegas Sands' (not owned) controlling shareholder Sheldon Adelson, who flagged an interest in sector M&A with a focus on Asia. We believe there are only a handful of attractive targets available, two of which are owned in the portfolio.

EMPG is the parent company of Zameen, which is 30% owned by portfolio holding Frontier Digital Ventures. In late April EMPG announced a merger with global classifieds giant OLX. Based on available information the transaction values EMPG at US\$610 million. Based on our calculations this transaction values Frontier's Zameen stake at somewhere near Frontier's entire market capitalisation, meaning investors receive the remaining 10 investments - many of which show significant promise - at little cost.

Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited) <sup>1</sup>	March 2020	Company performance (net of fees) <sup>2</sup>	1 Month	1 Year	3 Years p.a.	Since inception p.a.	Total Return
NTA before tax accruals	\$ 0.8876	PM Capital Asian Opportunities Fund	8.5%	-14.7%	-1.6%	3.0%	19.0%
NTA after tax (excluding deferred tax assets)	\$ 0.8800						

1. Past performance is not a reliable indicator of future performance. 2. Performance adjusted for capital flows including those associated with the payment of dividends and tax, share issuance as a result of option exercise and the dividend reinvestment plan, and including the value of franking credits.

Portfolio investments	Weighting	Current stock example	Domicile of listing <sup>^</sup>
Online Classifieds & Ecommerce	18.5%	iCar Asia	 <ul style="list-style-type: none"> <li>Hong Kong 41.3%</li> <li>Australia 18.2%</li> <li>North America 14.8%</li> <li>Korea 10.7%</li> <li>Vietnam 7.7%</li> <li>India 4.7%</li> <li>Malaysia 2.6%</li> </ul>
Infrastructure - Oil & Gas	12.3%	Sinopec Kantons	
Infrastructure - Other	3.7%	China Merchants Holdings International	
Consumer	13.9%	Dali Food Group	
Gaming	12.9%	MGM China Holdings Ltd	
Financials	7.5%	Shinhan Financial	
Materials (Copper)	6.8%	Freeport-McMoRan Copper	
Other	9.0%		
<b>Long Equities Position</b>	<b>84.6%</b>		
<b>Net Invested Equities</b>	<b>84.6%</b>		
<b>Total holdings</b>	<b>26</b>		
		Currency exposure <sup>*</sup>	Domicile of business <sup>^</sup>
		100%	 <ul style="list-style-type: none"> <li>Greater China 50.4%</li> <li>South East Asia 17.4%</li> <li>South Asia 15.8%</li> <li>International 8.5%</li> <li>Developed Asia 7.9%</li> </ul>
		USD 30.2%	
		AUD 33.3%	
		HKD 31.3%	
		INR 5.0%	
		Other 0.2%	

<sup>^</sup> '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. \* Stated as Effective Exposure.

PM Capital Limited ('the Manager'), 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.

### Company profile

The PM Capital Asian Opportunities Fund Limited (ASX:PAF, ACN 168 666 171) is intended to provide investors with an opportunity to invest in the Asian region (ex-Japan)<sup>1</sup> via an Australian Securities Exchange (ASX) listed investment company. The company began trading on the ASX on 22 May 2014.

Managed by PM Capital (AFSL 230222), the aim is to create long term wealth through a concentrated portfolio of typically 15-35 quality companies within Asia ex-Japan that it believes are trading at prices different to their intrinsic values.

### Who manages the Company's portfolio?

Kevin Bertoli is the Portfolio Manager, who has over 13 years' industry experience and is supported by a team of experienced investment analysts. The PM Capital investment team is led by founder and CIO Paul Moore.

PM Capital believes in being a patient investor, one that has conviction, one that finds opportunities where others can only see risk. We only invest in what we know, deeply, via our fundamental research.

### Investment philosophy

PM Capital aims to build long term wealth together with our co-investors by finding and exploiting investment anomalies around the world. 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. 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.

## Why the PM Capital Asian Opportunities Fund Limited?

**Asia-specific:** The Company focuses on companies listed or operating in Asia (ex-Japan)<sup>1</sup>, giving unrestricted exposure to the world's fastest growing region.

**Established:** The Company's process has been shown to be effective, based on a philosophy developed by Paul Moore, over 34 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.

**Opportunistic and focused:** The Company's portfolio 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 portfolio holds around 15 to 35 deeply researched stocks that we believe give the best opportunity to produce strong long term returns.

**Co-investment:** Shareholders receive access to a unique subset of opportunities to which they may otherwise find difficult to access. The Manager has a significant investment in the Company - it invests with and for you.

## Key Company Details

### ASX Code

PAF

### ACN

168 666 171

### Trading commenced

22 May 2014

### Shares on issue

57,611,321

### Category

Asian (ex-Japan)<sup>1</sup> equities

### Investment style

Fundamental, bottom-up, research-intensive approach

### Number of stocks

As a guide 15-35 stocks

### Suggested investment time

Seven years plus

### Investor profile

PAF may be appropriate for investors seeking to profit from long-term capital appreciation over a seven plus year investment horizon through a concentrated portfolio of Asian Equities.<sup>1</sup>

## Important Notice

PM Capital Asian Opportunities Fund Limited ACN 168 666 171 (PAF) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in PAF. Nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of PAF and conduct its own investigations and analysis. See the ASX Company Announcements platform at [www.asx.com.au](http://www.asx.com.au) for further information. Past performance is not a reliable indicator of future performance. All positions are reported net of all liabilities including tax. Announcement authorised by: Benjamin Skilbeck - Director

1. 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).

## Further Information

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