



TAYLOR COLLISON

Sharebrokers and Investment Advisers
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PM CAPITAL Asian Opportunities Fund Limited

IPO – APRIL 2014

OVERVIEW

PAF is a newly incorporated company. Upon completion of the IPO, PAF will be a listed investment company that will invest predominately in listed securities diversified across Asian equity markets in the Asian Region (ex-Japan) to provide long-term capital growth over a seven-year plus investment period.

The Company's Portfolio will be managed by the P.M. CAPITAL Limited ("**Manager**" or "**PM Capital**"). The Company will provide investors with the opportunity to invest in an actively managed portfolio and gain access to the investment experience and expertise of the Manager.

As a guide, the Company's Portfolio will be a concentrated portfolio of around 15-35 listed securities diversified across Asian equity markets in the Asian Region (ex-Japan), where there will be no formal restrictions based on industry or company size. The Portfolio will be invested wherever the greatest opportunities exist within the Asian Region (ex-Japan). This region includes China, Hong Kong, Taiwan, Korea, Vietnam, India, Indonesia, Malaysia, Singapore, Thailand, Philippines, Sri Lanka and Pakistan.

The Company's Portfolio may also invest in unlisted securities, managed investment schemes, derivatives, deposit products and cash (see Section 3 of the Prospectus for further details). The Company will also be permitted to short sell as part of its investment strategy.

OFFER DETAILS

Offer Amount	Up to A\$200,000,000 with a minimum of \$50,000,000
Application Amount	General Offer - \$1.00 per share comprising Subscription Price of \$1.00 per share Broker Firm Offer - \$1.00 per share comprising Subscription Price of \$0.9835 per share and Service Fee of \$0.0165 per share (inclusive of GST). Please refer to Important Notice below on Service Fee.
Option	1 Option for Every 1 share subscribed for Exercise Price: \$1.00 Expiry Date: 30 May 2016
ASX code	PAF (Shares); PAFO (Options)
Pro forma NAV per Share	Minimum Subscription: \$0.974 ¹ Maximum Subscription: \$0.977 ²
Arranger & JLM	Ord Minnett Limited
Joint Lead Managers	CBA Equities Ltd, Morgans Corporate Ltd, T.C. Corporate Pty Ltd
Offer Jurisdictions	Australia, New Zealand, others – Please refer to Page (ii) and (iii) of the Prospectus.

1. Calculated on the assumption that 25% of the Maximum Subscription is raised under the General Offer and that 75% is raised under the Broker Firm Offer.
2. Calculated before the exercise of any Options and on the assumption that 25% of the Maximum Subscription is raised under the General Offer and 75% is raised under the Broker Firm Offer.

INDICATIVE OFFER TIMETABLE (Sydney time)

Prospectus lodgement	7 April 2014
Broker firm offer opens	8 April 2014
Offer opens	23 April 2014
Broker firm offer closes	2 May 2014
Offer closes	5.00pm, 9 May 2014
Settlement Date	15 May 2014
Allotment Date	16 May 2014
Despatch of holding statements	16 May 2014
Estimated date of trading of Shares and Options on ASX	22 May 2014

Important Notice on Service Fee under Broker Firm Offer

All applicants under the Broker Firm Offer are required to pay the Applicant Amount of \$1.00 per share which comprises the Subscription Price of \$0.9835 and Service Fee of \$0.0165 (inclusive of GST). For the Service Fee related to a **Retail Applicant** to be payable to their Broker, that Broker is required to procure the Consent of each Retail Applicant that receives a firm allocation from their Broker, to the payment of the Service Fee to that Broker (and also the on-payment of a percentage of that Service Fee to the individual broker advising the Retail Applicant, any financial planners or any financial intermediaries providing advice or dealing services to them in respect of the Offer). Retail Applicants should discuss the Service Fee, as well as any allocation of it between their individual broker, the firm they represent, financial planners or financial intermediaries with their individual broker. It is a term of this Offer that, by signing and delivering their completed Application Form to the Company, **Institutional Applicants** under the Broker Firm Offer consent to and authorise both the transfer of their Service Fee on the Allotment Date from the Company's trust account for Application Monies in relation to the Offer to a service fee trust account and the subsequent on-payment of the Service Fee from that service fee trust account to their Broker. **Please refer to Section 2.4 of the Prospectus for further details.**

KEY HIGHLIGHTS OF THE OFFER

Taking up the Offer will allow investor to:

- ✓ access a **leading boutique investment manager** with a **track record** of strong investment returns in Asian equities investments;
- ✓ gain access to a wide investment universe of companies whose predominant business is conducted in the Asian Region (ex-Japan) where the Manager will seek to invest capital wherever it considers the **greatest risk/reward opportunities** exist;
- ✓ **diversify their existing portfolio** through exposure to a concentrated portfolio where each position has been subject to intensive research and peer group review;
- ✓ invest in a **high conviction portfolio** seeking to deploy long term capital in securities that the Manager considers to be undervalued;
- ✓ access potential **returns** from an investment strategy that **focuses on the Manager's assessment of a company's long-term value**, regardless of its benchmark weighting;
- ✓ take advantage of **new investment opportunities** through exposure to quality Asian businesses across a range of industries; and
- ✓ have the benefit of oversight from a Board with **strong experience in capital markets**, corporate governance and investment with a focus on cost control and efficiency.



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WHY INVEST IN ASIAN EQUITIES?

PM CAPITAL believes that now is an excellent time to offer this Asian equity company to investors based on the following observations and beliefs:

- Asia continues to evolve from being driven by fixed asset investment and government spending to domestic consumption playing a much larger role in generating growth. There is also an abundance of businesses in the Asian region indicating a good long term opportunity for investors.
- The growing transition to domestically orientated consumption in Asia means that the relevance of the Australian market, as an indirect method for Australian investors to gain access to Asia's economic success will diminish.
- Moderation in demand for commodities in Asia, led by China, will put pressure on the resources sector in Australia, which will flow through to the wider economy and put pressure on the elevated Australian dollar.
- Outlook for equity returns in the Asian Region (ex-Japan) in Australian dollar terms is attractive, especially relative to other investment opportunities available to Australian-based investors.
- With only a limited choice of ASX-listed Asian equity managers currently available, this well-timed opportunity will appeal to those investors looking to increase their exposure to equities in the Asian Region (ex-Japan).

WHY PM CAPITAL AS THE MANAGER?

- Award-winning boutique investment management company with a track record of successfully managing Asian equities in the Asian Region (ex-Japan).
- Manages over \$1.7 billion on behalf of private clients, institutional investors and the clients of financial advisers (as at 28 February 2014).
- Simple investment philosophy and investment process - Uses a business approach to investing that involves understanding how the relevant business works, management's philosophy in managing the business and the characteristics of the business that determines its intrinsic value.
- Willingness to look through any short-term risk issues and concentrate on the long-term value of companies.
- This approach has generated strong investment returns for the Manager's clients, having been used by its well-regarded investment team, led by Paul Moore (Chief Investment Officer of the Manager) since its inception in 1998.

WHY PM CAPITAL AS THE MANAGER?

- **Finalist** – Morningstar Best Undiscovered Manager category (Emerging Asia Fund) 2014
- **Winner** – Asia Hedge Awards for Best Global Equity Fund 2013
- **Winner** – Australian Hedge Fund Awards for Best Long Short Fund 2013
- **Finalist** – Professional Planner Zenith Fund Awards for Best International Equities Alternative Strategies 2013
- **Finalist** – Australian Fund Manager Awards for Best Global Equities 2013
- **Silver Winner** – Money Magazine Best of the Best Award for Best International Share Fund 2007
- **Winner** – Asia Hedge Fund Awards for Best International Fund 2004
- **Winner** – Sydney Morning Herald Boutique Skilled Manager of the Year Award 2003
- **Winner** – Australian Hedge Fund Awards for Best Long Short Fund 2000.

PM CAPITAL - KEY INVESTMENT PERSONNEL

Paul Moore

Director and Chief Investment Officer of the Manager since August 1998 with over 25 years of investment experience. Prior to establishing the Manager, Paul was employed with Bankers Trust Australia (1985-1998) as Head of the Retail International Equity Group, which was acknowledged at the time to be Australia's leading mutual fund performer. While at Bankers Trust, Paul managed the North American Fund with a five-year performance to December 1993 of 295% versus a 110% benchmark. From 1994 to 1998 Paul was responsible for the Split Trust and Select Markets International Trust, two of the best performing global mutual funds in Australia at that time. Paul also achieved the distinction of being the No. 1 International Equity Manager for the one and five-year periods to December 1997 in the Micropal Asia Survey of Offshore Funds.

Kevin Bertoli

Joined the Manager in March 2006 and has been the Portfolio Manager of the PM CAPITAL Emerging Asia Fund since its inception on 1 July 2008. Kevin's primary responsibility has been analysing Asian equities under the direction of Paul Moore with the purpose of developing the Manager's coverage in the Asian Region.

Ashley Pittard

Joined the Manager in August 1999 and has served as director of the Manager since June 2012. Currently the portfolio manager of the PM CAPITAL Absolute Performance Fund and has responsibility for analyst coverage of technology (software, hardware and semiconductors), commodities, energy, consumer and media.

Jarod Dawson

Responsible for managing the Manager's fixed income business and the construction of the income portfolios. Jarod has been the Portfolio Manager of the Manager's Enhanced Yield Fund since September 2004. Prior to joining the Manager, Jarod spent six years with UBS Global Asset Management as Fixed Income Portfolio Manager and was responsible for managing and growing UBS's Credit Enhanced product suite.

Tim McGowen

'Options and Protection Strategist' of the Manager since August 2009. Tim's primary responsibility is to manage the Manager's Global Equity Income Fund and to formulate option strategies for portfolio protection and income generation across the suite of equity funds offered by the Manager.

Thomas Rice

Joined the Manager in January 2003, and is currently the Portfolio Manager of the PM CAPITAL Australian Opportunities Fund. Thomas is predominantly focused on Australian equities, with analyst coverage for the retail, internet, healthcare and property sectors, along with select small and mid-cap industrials. He is also responsible for the retail, internet, and healthcare sectors globally.

John Whelan

Chartered Financial Analyst (CFA), has served as an investment analyst at the Manager since April 2009. John has particular strengths in credit and currency analysis and has nine years' financial markets experience primarily analysing and implementing currency, interest rate and equity option strategies, and managing income/credit portfolios.

Uday Cheruvu

Served as an equity and credit analyst of the Manager since August 2008 and is responsible for analysing the global financial sector as well as credit related opportunities for the Manager's Enhanced Yield Fund.

Clement Tseung

Clement is predominantly focused on international equities, with responsibility for the transport, capital goods and housing sectors and select technology businesses.



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PERFORMANCE OF PM CAPITAL'S EMERGING ASIAN OPPORTUNITIES FUND (EAF)

The Company's proposed investment mandate has been broadly based on the guidelines of the PM CAPITAL Emerging Asia Fund (EAF). EAF was established in July 2008 and has achieved a total return of 202.3% since its inception in July 2008, which compares favourably against the MSCI Asia (ex-Japan) Equity Index (Net Dividends Reinvested, AUD) total return of 19.0% for the same period (as at 28 February 2014). Total return is the cumulative income and capital return of EAF and the MSCI Asia (ex-Japan) Equity Index (Net Dividends Reinvested, AUD) respectively for the period from the EAF's inception in July 2008 to 28 February 2014

The EAF has demonstrated strong net performance historically as illustrated below:

	1 YEAR	3 YEARS (pa)	5 YEARS (pa)	Since inception (July 2008) (pa)	Total return since inception
PM CAPITAL Emerging Asia Fund (AUD)	42.4%	17.6%	17.6%	21.6%	202.3%
MSCI Asia (ex Japan) Equity Index (Net Dividends Reinvested, AUD)	11.4%	4.5%	8.7%	3.1%	19.0%
Outperformance	31.0%	13.1%	8.9%	18.5%	183.3%

Note: The performance returns of the EAF as illustrated in the table above are net of fees. The fees for the EAF are different to the Company's fees and the EAF does not charge a performance fee. The EAF's fee is a management fee of 1.4% p.a. of the net asset value. Past performance is not a reliable indicator of future performance. The EAF differs from the Company in that it is a unit trust structure rather than a company. **Please refer to page 5 and Section 3 of the Prospectus for further details.**

BOARD OF DIRECTORS

Brett Spork, Chairman and Non-executive Director (Independent)

20 years' experience in the financial markets industry as a trader, advisor and senior manager both within Australia and overseas. Currently provides consulting services to a broad range of financial and academic institutions. Previously, Brett was the Chief Executive Officer of InvestorFirst Limited and BTIG Australia Limited and before that, during 2003 to 2007, was the Chief Executive Officer of E*Trade Australia Limited. Brett also serves as a director of Clime Capital Limited and The Station Limited.

Todd Barlow, Non-executive Director (Independent)

Currently the managing director of Pitt Capital Partners Limited (PCP). Since joining PCP in 2004, Todd has advised a range of clients on mergers and acquisitions, financial structuring, capital raisings and stock exchange listings. In addition to the provision of corporate advice, PCP manages a private equity fund and provides investment advice to its parent company, Washington H. Soul Pattinson and Company Limited. Between 2005 and 2008, Todd was based in Hong Kong and provided advice on cross-border transactions between Asia and Australia.

Andrew Reeve-Parker, Non-executive Director (Independent)

Representative director and responsible manager of NW Advice Pty Limited. Andrew joined NW Advice Pty Limited in 2004 and is responsible for providing financial advice to NW Advice Pty Limited's client base, principally focused on strategy and asset allocation. Andrew is a committee member of the Filtered Research Centre, an initiative of the Association of Independent Financial Professionals to provide independent investment research and guidance to subscribers of the service. Andrew is also a responsible manager for Wealth Focus Pty Ltd and Personal Choice Management Pty Ltd and is a director of Datacenter Limited.

Chris Donohoe, Executive Director & CEO (Non-Independent)

Has over 20 years' of experience in financial markets. Responsible for managing all day-to-day operations of the Company and developing and implementing strategies approved by the Board. Served as the Chief Executive Officer (CEO) of the Manager since June 2009 and is responsible for implementing the Manager's overall business strategy. Prior to joining the Manager in 2001, Chris gained several years' experience in the derivatives market at Societe Generale Group as a trader and Salomon Smith Barney as the Senior Futures Trader, primarily trading the government bond market as well as SPI futures and options. In this position Chris also managed select local and offshore institutional client relationships. Chris is currently a director and CEO of PM Capital Global Opportunities Fund Limited. Chris is a Member of the Australian Institute of Company Directors.

MANAGEMENT FEE AND PERFORMANCE FEE TO BE PAID TO THE MANAGER

Management Fee	1% p.a. (plus GST) of the Portfolio NAV, which is calculated and accrued on the last day of each month and paid at the end of each month in arrears
Performance Fee	15% (plus GST) of the Portfolio's outperformance of the MSCI Asia (ex Japan) Equity Index (Net Dividends Reinvested, AUD) (Performance Fee), which is calculated and accrued monthly on a pre-tax basis. Any positive performance fee amounts are payable annually in arrears.

RISK FACTORS

The key risks (**not exhaustive**) associated with an investment in the Company include:

- The Manager may stop managing the Portfolio or the Chief Investment Officer may leave the Manager ("**Manager risk**") meaning the Company may have to find a new investment manager;
- The value of the assets selected by the Manager may decline in value over time ("**asset risk**");
- Changes in exchange rates ("**currency risk**") may cause the value of the Portfolio to fluctuate;
- Loss of capital and income through the use of leverage if there are adverse market movements to the leveraged positions deployed ("**leverage risk**");
- Potential volatility associated with a lack of diversity within the Portfolio ("**concentration risk**");
- Potential losses on short positions where the market price of the asset sold rises ("**short selling risk**");
- The Company may pledge its securities as collateral in order to borrow funds from the Prime Broker for investment purposes. The underlying securities pledged are at risk if the Prime Broker becomes insolvent ("**counterparty and credit risk**"); and
- The use of derivatives (futures, options, exchange-traded options, swaps and forward contracts) having a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain ("**derivative risk**").

Please refer to Section 5 of the Prospectus for more detail about these and other risks.