QUARTERLY REPORT
MARCH 2021

Value most valued

Value stocks (and portfolios) have roared back to life.

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

Video update	1
PM Capital Global Opportunities Fund	2
PM Capital Asian Opportunities Fund	5
Important information	8

Quarterly video update

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

- The situation one year on from the COVID-19 economic shutdown
- Why most financial or consensus forecasts should be treated with a great deal of scepticism
- The only tools found to be genuinely useful as an investor over time

Access the video **here.**

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

"Crowding has never been higher; most investors are standing on the same side of the ship and probably the most interesting insight I can give you at the moment is that the long term alpha opportunity has never been higher. That is great news for genuine investors..."

Listed Company Overview

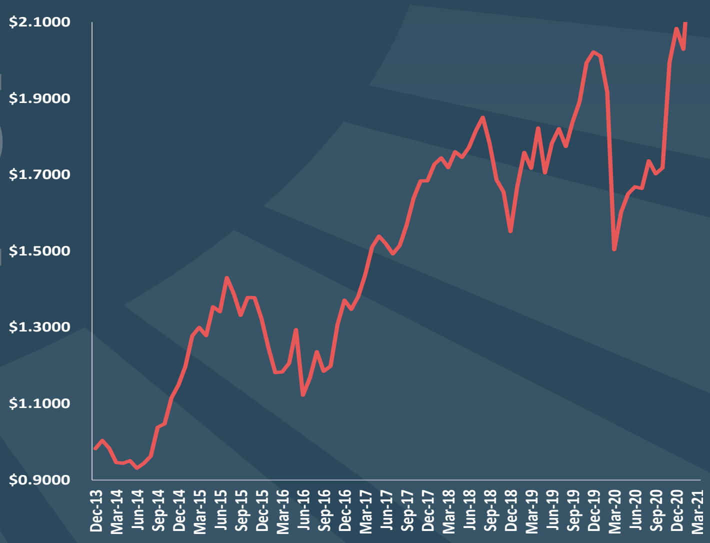
	PM Capital Global Opportunities Fund Limited	PM Capital Asian Opportunities Fund Limited
Asset Class	Global equities	Asian (ex-Japan) equities
Listing Date	11 December 2013	21 May 2014
Suggested Time Frame	Seven years plus	Seven years plus
Shares on Issue	352,804,435	57,230,342
Share Price	$1.30	$0.92
Market Capitalisation	$458.6 million	$52.7 million
NTA before tax accruals (per share, ex-dividend)	$1.5889	$1.1026
Company Net Assets before tax accruals	$560.6 million	$63.1 million

See page 8 for Important Information. As at 31 March 2021.

PM Capital Global Opportunities Fund Limited

- **The Company** aims to create long term wealth through a concentrated portfolio of generally 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.

Underlying performance since inception (after fees)



—NTA Before Tax + Franking Credits (underlying performance)*

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	352,804,435
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 2021
NTA before tax accruals	$ 1.5889
NTA after tax (excluding deferred tax assets)	$ 1.4378

Company performance (net of fees)[2]	3 Months	1 Year	3 Years p.a.	5 Years p.a.	Since inception p.a.	Total Return	Gross Dividend Yield (p.a.)[3]
PM Capital Global Opportunities Fund	13.2%	60.3%	11.6%	15.2%	12.7%	139.6%	5.5%

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. 3. Based on prior 12 month dividends including franking and using share price as at 31 March 2021.

KEY POINTS

- Divergence in alternative asset manager share prices and M&A activity creates an opportunity to focus on Apollo Global Management
- Significant move in interest rates as inflation expectations rise materially

PERFORMANCE

The portfolio had a strong quarter. The major contributors were our banking positions in the US and Europe and our exposure to copper miner Freeport-McMoRan.

PORTFOLIO ACTIVITY

We exited our positions in alternative investment managers Ares and KKR and used the proceeds to increase our position in Apollo Global Management. In early March, Apollo announced its intention to merge with Athene, an insurance company in an all-stock transaction. Apollo already own 27% of Athene and the merger will result in Apollo increasing its share count by roughly 30% while adding circa 70% to earnings as it effectively buys Athene on 7 times earnings. Apollo also intends to complete a full conversion to a corporate (c-corp) with a one share, one vote structure.

The single share class structure combined with a higher market capitalisation and a newly installed fixed dividend policy should bolster Apollo's case for S&P 500 inclusion when the Athene transaction closes early next year. While we acknowledge that insurance is a lower quality business given its capital intensity and balance sheet risk, the merger creates full alignment between Athene and Apollo and allows Apollo to take full advantage of Athene's growth prospects with funds under management growing over 20% per annum over the last five years.

We decided to exit our investment in payment network Mastercard during the quarter. Since our original purchase in October 2014 Mastercard has been one of the portfolio's core positions and strongest performers. Mastercard remains an excellent business but we suspect earnings growth in the next five years may not be good as that over the past five. With interest rates inflecting upwards and Mastercard's valuation in the mid-30s price-to-earnings, we believe there are better opportunities elsewhere.

We also took advantage of volatility over the quarter to add to our positions in ING Groep and Teck Resources.

OUTLOOK

Our US and European banking positions had a very strong quarter. This was the result of expectations for higher interest rates in combination with central banks loosening their restrictions on dividends and buybacks and a recalibration of expected loan losses from the pandemic.

Firstly, interest rates moved materially higher in the March quarter. Rates are rising due to the sharp increase in inflation expectations which is being driven by huge fiscal stimulus, higher commodity prices and the likelihood of a sharp rebound in spending as consumers start to spend their excess savings over the pandemic period.

Secondly, during 2020, the pandemic created a very uncertain environment for banks which led them to allocate large amounts of provisions against their lending books. These provisions are becoming increasingly less likely to be required in full given the huge fiscal and monetary assistance.

Lastly, central banks that severely limited dividends and buybacks post COVID are beginning to loosen these restrictions as the economic fallout from the pandemic

PM Capital Global Opportunities Fund

becomes clearer. The Fed announced in March that as of 30 June it will end for most banks the temporary limits it had imposed on their ability to make dividend payments and buy back their own stock. As expected, the ECB will lag the Fed but it looks like it will also lift its restrictions on paying dividends in September. The Bank of England relaxed its restrictions back in December.

In relation to our exposure to copper, Freeport-McMoRan rose ~26% over the quarter. A sometimes overlooked aspect of our Freeport investment thesis (and that of peer miner First Quantum) is its rapidly improving balance sheet. For much of the past decade Freeport mixed its natural commodity price leverage with substantial financial leverage - a combination highly susceptible to market downturns. Freeport's deleveraging again continued in the quarter, and the balance sheet is heading towards net cash in the next few years. A cleaner balance sheet should drive Freeport's valuation multiple closer to that of peers Southern Copper and Antofagasta.

Siemens also performed strongly over the quarter, up ~22%, as preliminary earnings showed good revenue growth and expanding margins across most business units. Our investment thesis – that the true value of Siemens' high quality industrial business was obscured by its complicated conglomerate structure – is starting to play out post the Energy spin-off. Siemens re-rated upwards relative to other capital goods companies in the past quarter.

With regard to the market generally, while value-related stocks have already showed signs of momentum, we believe that this is part of a long-term rotation that will continue to benefit these stocks going forward.

Portfolio investments	Weighting^^
Housing - Ireland and Spain	7.9%
Global Domestic Banking	33.5%
Global Oligopolies	4.0%
Gaming - Macau	8.7%
Alternative Investment Managers	6.8%
Industrial - Europe	6.7%
Materials	20.8%
Energy	5.8%
Other	12.0%
Long Equity Position	**106.2%**
Short Equity Position	-18.4%
Net Invested Equities	87.8%
Total holdings	42

Current stock examples
Cairn Homes
Bank of America
Visa
MGM China holdings
Apollo Global Management
Siemens
Freeport-McMoRan
Royal Dutch Shell

Currency exposure*	
USD	42.5%
AUD	27.9%
EUR	18.8%
GBP	4.4%
CAD	2.7%
Other	3.7%
Total exposure	100.0%

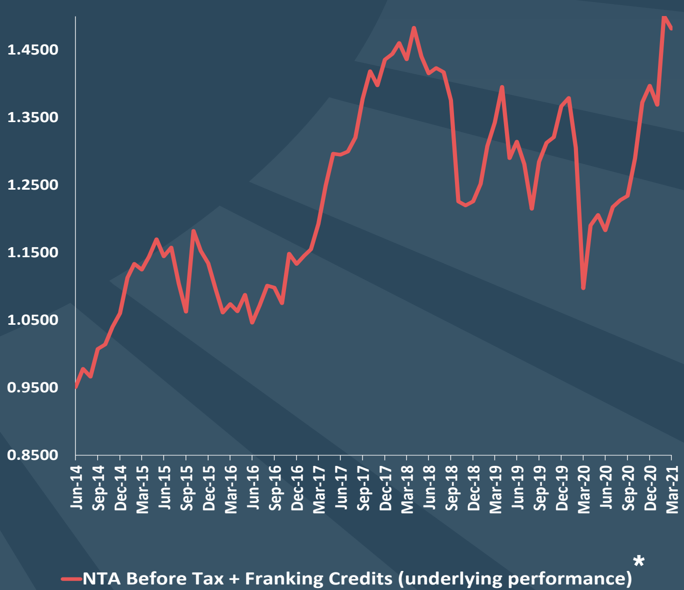
* Stated as effective exposure.

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).

Underlying performance since inception (after fees)



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.

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	57,230,342
Suggested investment time	7 years +
Listing date	21 May 2014

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 2021
NTA before tax accruals	$ 1.1026
NTA after tax (excluding deferred tax assets)	$ 1.0884

Company performance (net of fees)[2]	3 Months	1 Year	3 Years p.a.	Since inception p.a.	Total Return
PM Capital Asian Opportunities Fund	6.5%	38.4%	1.6%	6.1%	50.2%

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.

KEY POINTS

- Impressive performance from commodities sector
- iCar Asia slips back as takeover talk subsides
- Portfolio well positioned for rotation from expensive growth and momentum to cyclical and value stocks

PERFORMANCE & PORTFOLIO COMPOSITION

Over the past year we have spoken at length about the investment opportunities we believe have emerged across the commodities sector. This investment thesis has manifested itself in significant positions in commodity companies across all our global strategies, the strongest conviction amongst those being companies leveraged to copper.

We have witnessed a gradual but consistent shift in sentiment in favour of copper over the past year but this noticeably accelerated during the most recent quarter. During February the copper price reached a high of US$4.36/lbs, a price level not seen since 2011. This acted as a catalyst for our holdings. The key focal points today which have driven increased interest in copper and consequently copper producers, namely the emergence of new demand drivers in renewables and electric vehicles coupled with a tight supply environment, have been central tenets of our investment thesis from the outset. In aggregate, the portfolio's copper holdings rose by almost one third during the quarter, taking annual gains to over 300%.

Despite the impressive performance, market dynamics continue to suggest we are still in the early stages of a supportive cycle for copper companies (see the latest video detailing our thesis for copper). We also continue to see clear catalysts for a further re-rating for our holdings relative to the broader peer group.

Freeport-McMoRan, our largest holding, is poised to benefit from improving fundamentals as the underground mine at Grasberg in Indonesia transitions into production. Grasberg remains Freeport's flagship asset and will lead a material increase in cash flows in coming years, something which is starting to be acknowledged by investors.

Turquoise Hill Resources continues to trade at the largest discount to intrinsic value amongst our holdings and presents an attractive event driven opportunity. The company has lagged its peer group in recent years with its Oyu Tolgoi project plagued by development and governance issues which have caused growing tensions between management, independent minority shareholders, and mine operator and controlling shareholder Rio Tinto.

Promisingly in early April, the company reached a binding agreement with Rio Tinto regarding project financing which represents a major milestone. The two parties have agreed to several financing objectives including limiting any equity offering to US$500 million. The prospect of a large dilutive equity issuance has been the biggest overhang for the share price with some analysts factoring in a capital raising up to US$1.5 billion. This agreement coupled with the strong rebound in commodity prices should result in a relatively modest equity offering, a welcome result for minority shareholders.

Oyu Tolgoi, scheduled to achieve sustainable first production in late 2022, is set to become one of the world's largest copper and gold mines once fully operational. Using current spot prices Turquoise Hill Resources trades at ~0.3x P/NAV (using 10% factor) which is the lowest amongst tier one copper producers. As development risks reduce and cashflow inflection nears, we believe the company will attract more investor interest.

Kunlun Energy was another standout contributor to performance. The company announced the sale of its 60% stake in PetroChina Beijing Gas Pipeline Co. to

PM Capital Asian Opportunities Fund

China's newly formed National Pipeline Company in the latter stages of 2020. The reform of gas pipeline ownership within China had been a persistent and frustrating overhang for our oil and gas infrastructure holdings, Kunlun Energy and Sinopec Kantons, however this has now been removed with both companies disposing of their gas pipeline assets in the second half 2020. While both companies achieved higher valuations than the market had anticipated the subsequent performance has been a visible contrast with Kunlun rising 35% while Sinopec Kantons remains broadly flat. We put this down to capital management with Kunlun declaring a special dividend equal to 50% of the net sale proceeds, the equivalent of 34% dividend yield at its quarter-end share price. To the chagrin of minority shareholders, Sinopec Kantons has failed to communicate a coherent capital management strategy and this has dictated its share price performance.

iCar Asia was the largest detractor of performance. In October 2020, the company received a non-binding A$0.50 per share offer from Autohome Inc., the leading automotive classifieds company in China. The glacial speed of the negotiations between the two parties in progressing to a binding agreement has unsurprisingly led many investors to concluded that a transaction is unlikely. Given the limited commentary from either party this seems to be the most prudent view. The share price is now trading back at the levels witnessed before the original announcement despite continued improvement in the operating environment for the business.

OUTLOOK

A year on from the initial wave of COVID-19 and the vast majority of global equity markets are back above where they were in January 2020 with many at or near all-time highs. The phenomenal progress made developing the initial vaccines and now optimism around the distribution of those vaccines, coupled with unprecedented levels of fiscal and monetary policy support have been the primary catalysts responsible for the rapid turnaround.

While the historic level of monetary support injected into the economy played a vital role in the aftermath of the initial outbreak, it has also created areas of absolute and relative valuation distortion in markets which we do not view as justified by underlying fundamentals.

Underneath the surface we have seen a growing divergence in performance with many of the market darlings of 2020 experiencing significant share price declines. We have also witnessed several events which highlight the excesses caused by a rapid increase in leverage within the financial system and what happens when that liquidity starts to tighten. Most notably among them were the collapse of Greensill and Archegos as well as the Melvin Capital/ Gamestop short squeeze.

These events have occurred despite monetary conditions remaining very supportive. However, with treasury yields inflecting and experiencing a sharp rise during the quarter as economic growth and inflation expectations increase, the potential for further market disruption remains high.

As evidenced by the last two quarters the portfolio is well positioned to take advantage of the rotation from expensive growth and momentum to cyclical and value stocks.

Portfolio investments	Weighting
Online Classifieds & Ecommerce	14.4%
Gaming	13.9%
Infrastructure	11.7%
Materials (Copper)	11.7%
Consumer	11.2%
Technology	6.9%
Financials	6.5%
Energy	4.6%
Other	5.7%
Long Equities Position	**86.6%**
Net Invested Equities	**86.6%**

Current stock examples	
iCar Asia	
MGM China Holdings	
Sinopec Kantons	
Freeport-McMoRan	
SABECO	
Travelsky	
Shinhan Financial	
CNOOC	
China Mobile	
Total Holdings	24

Currency exposure*	
USD	60.7%
AUD	22.1%
KRW	9.8%
INR	4.2%
Other	3.2%
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)

It contains general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities of either PGF or PAF. The information herein seeks to provide an insight into how and why we make our investment decisions, and is subject to change without notice. The Quarterly Report does not constitute product or investment advice, nor does it take into account any investors' investment objectives, taxation situation, financial situation or needs. An investor should seek their own financial advice, and must not act on the basis of any matter contained in this Quarterly Report in making an investment decision but must make their own assessment of PGF and/or PAF and conduct their own investigations and analysis prior to making a decision to invest. Past performance is not a reliable indicator of future performance and no guarantee of future returns, ASX trading prices, or market liquidity is implied or given. The capital and income of any investment may go down as well as up due to various market forces. All values are expressed in Australian currency unless otherwise stated.

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.

4. 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.

INVESTMENT MANAGER

PM Capital Limited
ABN 69 083 644 731
AFSL 230222

Level 27, 420 George Street
Sydney NSW 2000

P +61 2 8243 0888

F +61 2 8243 0880

E pmcapital@pmcapital.com.au

www.pmcapital.com.au

REPRESENTATIVE CONTACTS

John Palmer
Client Relationship Manager
M 0447 471 042
E jpalmer@pmcapital.com.au

Nicholas Healey
Client Relationship Manager
M 0447 814 784
E nhealey@pmcapital.com.au