

PM CAPITAL Absolute Performance Fund

ARSN 092 434 618

PM CAPITAL Emerging Asia Fund

ARSN 130 588 439

PM CAPITAL Australian Opportunities Fund

ARSN 092 434 467

PM CAPITAL Enhanced Yield Fund

ARSN 099 581 558

Product Disclosure Statement

Information for all investors

Dated 25th June 2013

Issued by PM CAPITAL Limited

ABN 69 083 644 731

Australian Financial Services

Licence No 230222



PM CAPITAL Limited

Product Disclosure Statement

This Product Disclosure Statement ('PDS') is dated 25th June 2013.

PM CAPITAL Limited (referred to in this PDS as 'the Responsible Entity', 'we', 'our', and 'us') ABN 69 083 644 731 is the Responsible Entity of the PM CAPITAL Absolute Performance Fund (ARSN 092 434 618), PM CAPITAL Australian Opportunities Fund (ARSN 092 434 467), PM CAPITAL Enhanced Yield Fund (ARSN 099 581 558), and PM CAPITAL Emerging Asia Fund (ARSN 130 588 439) (together referred to as the 'Funds' or 'PM CAPITAL Funds' in this PDS) and is wholly responsible for the contents of this PDS. PM CAPITAL Limited may engage the services of other parties, including non-associated parties, to assist it with its obligations. PM CAPITAL Limited, in its capacity as trustee of the Funds, has engaged as at the date of this PDS, MAPP Pty Ltd (ACN 117 306 162) as Investment Manager of the Funds ('Investment Manager').

PM CAPITAL Limited and MAPP Pty Ltd are related parties. Any reference to 'PM CAPITAL' in this PDS is a reference to PM CAPITAL Limited in its role as the responsible entity and/or the Investment Manager.

The Agreement between PM CAPITAL Limited and MAPP Pty Ltd provide for the Investment Manager's replacement on the giving of 20 business days notice, and in certain other circumstances.

The Funds of PM CAPITAL Limited have ongoing disclosure requirements, which are displayed through our website. In the event of any significant changes affecting the Funds, including a change of Investment Manager, these changes would be reflected through the 'Ongoing Disclosure' section of each Fund.

Neither PM CAPITAL nor any of its associates guarantee the repayment of capital or any rate of return. Investments in the Funds are not deposits with or other liabilities of PM CAPITAL and are subject to investment risk, including possible delays in repayment and loss of income or principal invested.

PM CAPITAL authorises the use of this PDS as disclosure to private clients, financial advisers and institutional investors as well as clients and prospective clients of an Investor Directed Portfolio Service ('IDPS') or an IDPS-like scheme (commonly called a master trust or wrap account).

This PDS will be issued, circulated and distributed throughout Australia and New Zealand. If you are printing an electronic copy of this document, you must print all the pages. If you make this document available to another person, you must give them the entire electronic file or printout.

Any information in this PDS is general information and does not take into account your individual objectives, tax and financial situation. We strongly recommend you consult with a licensed financial adviser and a taxation adviser prior to investing in any of the Funds.

The information in this PDS is current as at the date shown on the front cover.

General information in this PDS is subject to change. Certain information that is not materially adverse may be updated without issuing a supplementary PDS.

Such updated information may be obtained:

- **from your financial adviser**
- **by calling our investor relations on +612 8243 0888**
- **on our website www.pmcapital.com.au**

A paper copy of the updated information is available free of charge upon request.

We encourage investors to read our most recent quarterly investment report for the latest views of PM CAPITAL. The report is sent to investors via email.

Unless otherwise stated, all fees quoted in this PDS are inclusive of GST, after allowing for an estimate for reduced input tax credits ('RITCs') and all dollar amounts quoted in this PDS are in Australian dollars unless stated otherwise.

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A Summary – PM CAPITAL

About PM CAPITAL

PM CAPITAL is a specialist equity and income fund manager that was founded in 1998 and is located in Sydney, Australia. The firm is owner operated with an experienced investment team that is distinguished with a successful long term global investment track record. PM CAPITAL manages in excess of \$1 Billion on behalf of private clients, institutional investors and the clients of financial advisers.

PM CAPITAL's funds management is focused on absolute, long term, after tax returns. It is a common-sense business approach to investing where portfolios are selectively assembled on the merits of individual stock picking, as opposed to the industry standard of being constructed around industry benchmarks. The investment process is a research intensive, bottom up approach that results in each Fund holding high conviction positions in companies that are assessed to be trading below their long term intrinsic value.

What makes PM CAPITAL unique?

We are focused on absolute, long term returns. PM CAPITAL does not align its portfolios with standard industry benchmarks. Rather, the portfolios are selectively assembled on the merits of individual stock picking. We build the portfolios from stock specific ideas after intensive research and peer group review.

We analyse stocks as owners. When we invest in a business, we analyse it by asking, "is this a business we would be prepared to own outright?" This creates a higher level of due diligence and it allows us to have a more focused portfolio.

The investment team is willing to look through short-term risk issues and concentrate on the long-term value of a company. Over the short term our Funds have a greater risk of divergence from the index; however we believe that this is necessary to take advantage of mis-pricing anomalies and genuine long-term opportunities.

We are focused on after-tax returns, or what actually ends up in our unitholder's pocket once the investment is sold. We cannot over-emphasise the importance of tax and the laws of compounding when investing. At PM CAPITAL we understand that tax effective investing is critical in maximising the long term wealth of our unitholders.

PM CAPITAL's senior staff own the business and invest their own money in the Funds, ensuring an alignment of interest with unitholders, and a discernibly greater level of passion, commitment and focus.

The principles that govern our business include:

- To always act in the best interests of our clients.
- That we always put our clients' interests first and in the long run the owners and employees of the business will be well rewarded.
- To be ethical, fair and honourable.
- That the integrity of the firm will not be compromised under any circumstances.
- To be as transparent as is prudently responsible in our communication with our constituencies.
- To be committed to constant improvement.
- To acknowledge our mistakes.
- That the character of our employees is just as important as their ability.

Investment Process and Philosophy

PM CAPITAL's investment process is a research intensive, bottom up approach. It is the same process that identifies both risk and opportunity, and is essentially the same process that has been used by Chief Investment Officer, Paul Moore for over two decades.

The investment philosophy of PM CAPITAL is based on the simple principle:

"the best way to preserve and enhance your wealth is to buy a good business at a good price".

It is a common sense business person's approach to investing, with four key ingredients:

- Understand how the business works;
- Understand managements' philosophy in managing the business;
- Understand the characteristics of the business that determine its intrinsic valuation; and
- Given the above, what is the reasonable price a rational business person would pay for the business?

Why a rational business person? Because in the end it is the business person, the real owner of a business, that will arbitrage any differential that exists between a stock market valuation and inherent business valuation.

Typically, our initial investment time horizon is two to three years, in which time we believe the greatest inefficiencies in pricing exist. The shorter the time horizon the more efficient the market becomes, which is why we do not believe in market timing. Ideally, we would like to find a business we never have to sell. It is very difficult to find a good business at a good price, so when we do find such a business, we like to hold on to it. As long as the intrinsic worth of the company continues to compound at a satisfactory rate, we will continue to hold the stock, unless of course the market places an excessive valuation on the company's future cash-flow, in which case we would sell.

In executing our investment philosophy, some of the guidelines we follow include:

- You can value only what you understand. It is illogical to try to know everything. It is far better to master a few areas and know when to take a substantial position;
- Avoid popular stocks. Value is seldom found in popular stocks;
- Do not follow the Noah's Ark approach to diversification: buy two of everything and end up with a zoo, not a portfolio.

Above all, we are at all times conscious of the fact that the stock market is far more volatile than the underlying businesses it represents. The key to successful investing is good business judgement in combination with the ability to control your emotions.

PM CAPITAL holds an Australian Financial Services Licence No 230222.

Key person information

BOARD

Paul Moore – Chairman of the Board
 Christopher Donohoe – Chief Executive Officer
 Ashley Pittard – Global Portfolio Manager

COMPLIANCE COMMITTEE

Mr Richard Stokes – External Member
 Mr Dennis Wildenburg – External Member
 Mr Christopher Donohoe – PM CAPITAL CEO

Paul Moore – Brief Biography

Paul has over two decades of investment experience. Prior to establishing PM CAPITAL, he was employed with Bankers Trust Australia (1985-1998) as Head of the Retail International Equity Group, acknowledged at the time to be Australia's leading mutual fund performer. Highlights included managing the North American Fund with a 5 year performance to December 1993 of 295% versus a 110% benchmark¹. 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. Paul also achieved the distinction of No. 1 International Equity Manager for the 1 and 5 year periods to December 1997 in the Micropal Asia Survey of offshore Funds. Other highlights include Australian International Equity Manager of the Year in 1995 and 1996 and Balanced Fund Manager of the Year in 1996.

Since its establishment in 1998, PM CAPITAL has won several awards including the Sydney Morning Herald Boutique Skilled Fund Manager of the Year Award in 2003, Best International Fund 2004 at the Asia Hedge Fund Awards, InvestorWeb Rising Star 2004, the Citigroup Golden Calf Award for the Best Emerging Fund Manager in 2004 and the Money Magazine Best of the Best Award for Best International Share Fund in 2007.

Further information about the Board of Directors and PM CAPITAL's key personnel may be found on our website:

www.pmcapital.com.au

¹ Note: Investments can go up and down. Past performance is not necessarily indicative of future performance.

Portfolio Manager	Portfolio	Experience	Qualifications
Paul Moore	All portfolios	27 years in funds management with BT Funds Mgt and PM CAPITAL Limited	Bachelor of Commerce (Honours)(UNSW)
Ashley Pittard	Absolute Performance Fund	16 Years in funds Management with BT Funds Mgt and PM CAPITAL Limited	Bachelor of Commerce (UNE), Bachelor of Engineering (UNSW)
Kevin Bertoli	Emerging Asia Fund	8 Years in funds Management with PM CAPITAL	Bachelor of Applied Finance, Bachelor of Business (UniSA)
Thomas Rice	Australian Opportunities Fund	12 years in funds management with PM CAPITAL Limited	Bachelor of Commerce (1st class honours) / Bachelor of Economics (Monash)
Jarod Dawson	Enhanced Yield Fund	17 Years in funds Management with PM CAPITAL, UBS and ING	Bachelor of Commerce (Macquarie University); Graduate Diploma - Applied Finance and Investment (FINSIA)

B Fund Choices

PM CAPITAL offers four Fund choices in this PDS

PM CAPITAL Absolute Performance Fund	6
(Global Equities – long/short)	
PM CAPITAL Emerging Asia Fund	10
(Asian Equities – long only)	
PM CAPITAL Australian Opportunities Fund	13
(Australian Equities – long/short)	
PM CAPITAL Enhanced Yield Fund	17
(Diversified Credit – conservative)	

Important warning to investors

The Responsible Entity does not take into account the investment objectives, financial situation or needs of any particular person. The information contained in this PDS is general advice only. Before making any investment decision on the basis of this PDS you should consult a licensed investment and taxation adviser.

Performance and returns

Investment returns represent the income and capital return for the specified period calculated from redemption price to redemption price. The returns are net of all fees before tax and assume the reinvestment of all distributions. The returns represent historic performance and are not indicative of future returns.

Performance and Fund return data may be found on our website www.pmcapital.com.au

The Funds at a glance

	Absolute Performance Fund	Emerging Asia Fund	Australian Opportunities und	Enhanced Yield Fund
Fund Category	Global Equities – long/short	Asian Equities – long only	Australian Equities – long/short	Diversified Credit - conservative
APIR Code	PMC0100AU	PMC0002AU	PMC0101AU	PMC0103AU
Investment Objective ¹	The objective of the Fund is to provide positive long term capital growth over a 7 year plus investment horizon by investing in a concentrated portfolio of undervalued equities and other Global (including Australia) investment securities.	The objective of the Fund is to provide positive investment returns over a 7 year plus investment horizon by investing in a concentrated portfolio of listed securities in the Asia ex-Japan region.	The objective of the Fund is to provide positive long term capital growth over a 7 year plus investment horizon by primarily investing in a concentrated portfolio of Australian securities listed on the Australian securities exchange or Australian companies on overseas securities exchanges.	The objective of the Fund is to target a return in excess of the Reserve Bank of Australia's (RBA) cash rate. The Fund aims to outperform the RBA cash rate with a low degree of volatility and minimal risk of capital loss.
Inception Date ²	28 October 1998	1 July 2008	20 January 2000	11 February 2002
Minimum Suggested Timeframe	7 Years +	7 Years +	7 Years +	2 Years +
Annualised Performance since inception to 31 May 2013 ³	Fund 7.0% MSCI 1.2%	Fund 18.7% MSCI Asia Ex-Japan 2.2%	Fund 10.9% ASX 200 7.9%	Fund 6.9% RBA cash rate 5.1%
Potential Volatility	High	High	High	Low
Fund Size at 31 May 2013	\$169 ⁴ Million	\$6 ⁴ Million	\$53 ⁴ Million	\$298 ⁴ Million
Management Fee ⁵	1.09%p.a.	1.40% p.a.	1.09%p.a.	0.55%p.a.
Adviser Service Fees ⁶	An optional additional ongoing fee of 0.50%p.a.	An optional additional ongoing fee of 0.50%p.a.	An optional additional ongoing fee of 0.50%p.a.	An optional additional ongoing fee of 0.25%p.a.
Application/Redemption Fees	Nil	Nil	Nil	Nil
Buy/Sell Spread Fee ⁷	+/-0.25%	+/-0.20%	+/-0.25%	+/-0.10%
Performance Fee ⁸	20% of the Fund's performance in excess of the RBA cash rate (subject to a high water mark).	Nil	20% of the Fund's performance in excess of the RBA cash rate (subject to a high water mark).	25% of the Fund's performance in excess of the RBA cash rate (subject to a high water mark).
Unit Pricing	Daily	Daily	Daily	Daily
Distribution ⁹	At least annually	At least annually	At least annually	Quarterly
Minimum Investment	\$20,000	\$20,000	\$20,000	\$20,000

¹ Investment markets can be volatile and you may experience negative returns over the period of your investment.

² Inception date is the date the Fund is seeded and may be different to the date of when the scheme was registered.

³ The returns represent historic performance and are not indicative of future returns. The MSCI is the Morgan Stanley Capital International Total Return Net World Index in AUD. The Funds' returns represent past performance on an exit to exit basis and assume distributions are reinvested.

⁴ Rounded to nearest million dollars.

⁵ These figures are net of the effect of GST and reduced input tax credits (RITC). This is the maximum PM CAPITAL will charge for the duration of this PDS. The management fee excludes transaction costs, performance fees and abnormal expenses. Please refer to the section 'Additional explanation of fees and costs'.

⁶ You can agree with your financial adviser to have ongoing adviser service fees paid from your investments on your behalf to your adviser. These fees expressed as a percentage of your total investment, will be deducted as an additional fee from your distribution or full redemption proceeds and will appear on your account statements. In the event that there are insufficient Funds from a distribution to pay an ongoing adviser service fee, PM CAPITAL will redeem units in your account to effect payment. Please refer to the section 'Additional explanation of fees and costs'.

⁷ When you invest or withdraw all or part of your investment in a Fund, PM CAPITAL uses the buy/sell spread to recover the transaction costs of buying and selling underlying investments in a Fund that result from the application and redemption of units. A buy/sell spread is not applied to units purchased via reinvestment of distribution. Please refer to the section on 'Additional explanation of fees and costs'.

⁸ For details of the performance fee please refer to the section on 'Additional explanation of fees and costs'.

⁹ The frequency of the distribution may be changed if, in the opinion of the Responsible Entity, it will benefit the majority of unit holders.

PM CAPITAL

Absolute Performance Fund

Fund Category:

Global Equities (long/short)

Australian Registered Scheme Number:

092 434 618

APIR Code:

PMCO100AU

Investor profile:

The Absolute Performance Fund is appropriate for investors seeking a global equity Fund focused on long term absolute returns while accepting that short term volatility may be experienced due to financial market movements.

The Fund is suitable for investors with a seven year plus investment horizon.

Disclosure Principles:

Investment Personnel

Portfolio Manager - Ashley Pittard – refer to Page 3 of this PDS.

The Fund's investment personnel spend as much time as is required to affect the investment strategy of the Fund.

Investment Objective

The objective of the Fund is to provide positive long term capital growth over a seven year plus investment horizon by investing in a concentrated portfolio of undervalued equities and other global (including Australia) investment securities. The goal of the Fund is not to replicate the standard industry benchmarks such as the MSCI Global Equity Index. It is expected that the Fund will have varied outcomes to that of a traditional index benchmarked Fund.

The Fund is managed from an Australian investor's perspective. Tax and currency exposures are important considerations in the daily management of the Fund.

The level of hedging back to the Australian dollar will depend on PM CAPITAL's expectation of future currency exchange rate movements.

Currency exposures within the Fund are actively managed with the objective of delivering positive Australian dollar absolute returns.

Investment Strategy

The investment process is built around the simple principle that the best way to preserve and enhance your wealth over the longer term is to "buy a good business at a good price".

The Fund is a focused portfolio, with its listed equity component typically diversified across approximately 35 to 45 securities diversified across global equity markets. All portfolio positions are subject to intensive research and peer group review.

The Fund has a wide investment universe and will seek to invest capital wherever the greatest risk reward opportunities exist.

The investment process is bottom up and research intensive. It is the same process that identifies both risk and opportunity.

The Fund primarily invests in listed global securities. The Fund may also invest in unlisted securities, interest bearing debt securities, registered managed investment schemes, derivatives (both exchange traded and over the counter (OTC)), deposit products and cash.

PM CAPITAL uses derivatives for risk management as well as to create new positions. We may also short sell securities we think have material downside potential or to reduce risk on securities we feel are overvalued.

Leverage may be used to enhance returns for example, where corporate bond yields exceed borrowing costs.

It is not expected that the investment strategy of the Fund will change. If we were to alter the Fund's investment strategy, please refer to the 'Updated information' sub-section on page 21 for information on how we would effect this change.

Investment risk is the chance that the investment's actual return will differ from that expected including the possibility of losing some or all of the original investment.

Please refer to the risk section on pages 21 - 23 for a full description of each risk associated with this Fund.

The amount of distributions paid from the Fund (if any) to unitholders may fluctuate, as may the Fund's unit price.

The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request being made and the time the redemption unit price is calculated.

Investment Guidelines

- As a guide, typically the Fund will hold 35 to 45 globally listed securities.
- Individual security positions will be reduced if they exceed 10% of the portfolio's net market value.
- The Fund may hold up to 30% of its net market value in interest bearing debt securities and, if appropriate, may hold up to 100% in *cash.
- Industry sector equity exposures will be reduced if they exceed the net market value of the Fund by the greater of 35% or three times the corresponding MSCI Global Equity Index weight.
- Individual direct short positions may be sold up to a limit of 2% at net market value, and will be reduced if the position exceeds 3%. The Fund may have a maximum total of 30% in direct shorts. 'Direct shorts' are defined as shorts that are not paired with a long position, such as a spread trade.
- Derivatives may be used for hedging purposes or to replicate underlying positions.
- Option strategies may be employed to reduce market risk or to create new exposures.
- The maximum net equity exposure is 110%; defined as long equity minus short equity, and is calculated on a net effective, option adjusted basis.
- The maximum allowable net invested total position is

**130%. This maximum weighting may be comprised from a maximum net equity position of 110% and a maximum allocation to interest bearing debt securities of 30%.

- The Fund may purchase up to 10% of the net market value in unlisted securities and Australian registered managed investment schemes (MIS). These other MIS may be operated by PM CAPITAL or a third party responsible entity or Fund manager. The investments made by any such MIS will be consistent with the investment objective of the Fund however these investment guidelines do not apply in respect of such investments.
- There are no constraints regarding geographical exposure.

*Cash is defined as deposits, term deposits and senior debt (i.e. borrowed money that has priority for repayment over other forms of debt) with less than 12 months to maturity and term deposits.

**130% is the maximum exposure. For example, if the net equity position were 110% then total debt securities would be limited to 20%.

Investment Manager

MAPP Pty Ltd is the investment manager for the Fund and is a related party of PM CAPITAL Limited.

MAPP has an agreement with PM CAPITAL to ensure that it complies with the requirements of the policies of PM CAPITAL.

Fund Structure

The Fund accepts money from investors and directly invests this money in accordance with its investment strategy rather than investing in underlying Funds that give effect to the Fund's investment strategy. However, the Fund may also invest up to 30% [net market value] in interest bearing debt securities and 10% [net market value] in unlisted securities and Australian registered managed investment schemes.

Should the Fund invest in another one of the PM CAPITAL Funds the management costs for the other Fund will be rebated.

Please refer to Diagram 1 on page 9 which details the Fund's investment structure.

Specific Risks within the structure:

Custody risk – Since the Fund's underlying investments are primarily domiciled overseas, the Fund's custodian may hold these investment securities in their local jurisdiction. Assets held in their local jurisdiction may be registered in the name of the custodian, due to the nature of law or market practice in the relevant jurisdiction, if it is in the best interests of the Fund or not feasible to do otherwise. These assets and any cash held by the custodian will not be segregated from the custodian's own assets and may not be well protected. Please refer to Morgan Stanley' sub-section on page 41 and the risks section on page 21 - 23.

Counterparty risk - Is the risk of loss due to a counterparty or issuer defaulting.

Counterparties include prime brokers, stockbrokers, clearing brokers as well as counterparties to derivative contracts.

Key Services Providers:

The Responsible Entity regularly monitors the performance of its service providers against the documented service level agreements.

Morgan Stanley is the Prime Broker and Custodian (refer to pages 41 - 43).

HLB Mann Judd (NSW Partnership) is the auditor of the Fund and has been engaged as the independent auditor of the Fund's compliance plan and financial reports. Please refer to the 'Compliance' sub-section on page 43 and 'Managed investments regulation' sub-section on page 44 for further information.

DLA Piper Australia is our appointed legal adviser; refer to page 56 for further information.

Valuation, Location and Custody Assets

Assets of the Fund (E.G. securities, fixed interest instruments, derivatives) are generally bought on market through a broker with valuations independent of the Responsible Entity. For a complete list of the asset types, allocation and location please refer to Table 1 at the end of the Fund Summary Table on page 9.

The assets and liabilities of the Fund are valued daily at market value in accordance with PM CAPITAL's valuation methodology for the Fund. For further information on PM CAPITAL's valuation methodology, please refer to the 'Unit pricing' sub-section on page 33.

The Fund is able to purchase assets globally. The assets of the Fund, except for certain cash equivalents and short-term deposits, are held by a third party custodian. PM CAPITAL has appointed Morgan Stanley & Co. International plc as the custodian of the Fund.

Any cash equivalents and short-term deposits not held by the Fund's custodian will be directly held by PM CAPITAL.

PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

The Fund has material assets (greater than 10% of the Fund's net asset value) in Australia and the USA. However the Fund may hold material assets in any market around the world, including emerging markets.

Liquidity

The majority of asset classes invested in by the Fund are listed assets on major global or Australian exchanges (EG NYSE, LSE, ASX).

The Responsible Entity estimates that under normal market conditions at least 80% of the Fund's assets are able to be liquidated within 10 business days.

The Fund is therefore considered liquid.

Leverage

Leverage is utilised to enhance the Fund's returns, for example where corporate bond yields exceed borrowing costs.

The maximum allowable net invested total position is 130%.

The net equity limit is adjusted for option positions which are calculated by including the effective value of bought and written put options that are within 5% of their strike prices.

For example, if the Fund owns an index put covering 5% of the portfolio, this would reduce the net equity position by 5% for the purposes of our risk limits.

Leverage is acquired through the use of derivatives, short selling and a leverage facility with the Fund's prime broker, Morgan Stanley & Co. International plc. In order to secure the obligations to its prime broker, the Fund is required to provide collateral and charge the assets held in custody by the prime broker in favour of the prime broker.

Any collateral held by the prime broker will not be segregated from its own assets. This lack of segregation for assets held by the prime broker and the prime broker's right to rehypothecate the Fund's assets are additional risks for the Fund.

Please refer to the 'Morgan Stanley & Co. International plc' sub-section on page 41 for further details on these risks.

The maximum allowed leverage position of the Fund is 130% of the Fund's net asset value. For every \$1 of the net asset value, the Fund is able to leverage by a further \$0.30c.

As a working example, if the Fund were to utilise \$1,000,000 of its cash to purchase \$1,000,000 worth of investments it is not using leverage and its net and gross position are equal.

If the Fund borrows \$300,000 and invests this with the original \$1,000,000 it is now using leverage and has a gross invested position of \$1,300,000.

If the assets increase in value by 25%, the gross value would be \$1,625,000. The gain of \$325,000 represents a net return of 32.5% on the \$1,000,000 invested in the Fund and results in a net value of \$1,325,000.

Conversely, if the value of the assets decrease by 25%, the gross value would be \$975,000. This \$325,000 loss represents a 32.5% net loss on the \$1,000,000 invested in the Fund resulting in a net value of \$675,000.

As demonstrated, the use of leverage can increase the size of any potential gains or losses of the Fund.

Derivatives

Derivatives may be used for risk management or to create new positions.

- Derivatives available for use include interest rate derivatives, credit derivatives, equity derivatives and currency derivatives.
- Derivatives may be both OTC and exchanged traded.
- We use multiple derivative counterparties and all counterparties must be of investment grade at the time of trading.

- All derivatives are backed by either cash or other assets of the Fund. The collateral for exchange traded derivatives is held by a third party central clearing facility. However, collateral for OTC derivatives positions is held directly by the derivatives counterparty and is not segregated from the derivatives counterparty's own assets. As such, in the event of a counterparty becoming insolvent, the Fund may not be able to recover its collateral in full. Please refer to the 'Risks of investing in managed investment schemes' sub-section on page 44 and the 'Morgan Stanley & Co. International plc' sub-section on page 43 for further details on these risks.

Short Selling

The Fund will opportunistically use short selling to short securities we think have material downside potential or to reduce risk.

The Fund's net short position will change over time depending on the number of opportunities we are seeing. That is, when we believe markets are inexpensive and we're finding a lot of opportunities on the long side, it is likely the Fund's short positions will be minimal.

The level of short selling or 'shorts' will not be in excess of 30% of the Fund's net portfolio with individual positions not exceeding 3%.

Short selling risks - The maximum profit from a short position is equal to the value of the asset sold 'short' minus any lending fees incurred in borrowing the asset.

In the extreme event of the market price of the short sold asset falling to zero, the short position can theoretically be covered at zero cost, resulting in a profit equal to the initial proceeds from the sale of the asset - minus the lending fees. However, in theory the potential loss on a short position can be infinite where the market price of the asset sold short rises. The costs of covering the short position can rise without limit. In practice the position would generally be closed out at a predetermined price to cap the level of potential loss.

The risk of loss from short selling is greater than holding a long position.

Withdrawals

Withdrawal requests are processed on each Business Day.

If we receive your fully completed withdrawal request in our office by 3pm (AEST) on a Business Day, we will process your withdrawal using the exit price calculated, based on market valuations, at the close of business that day.

Payments are normally processed within five Business Days of receipt of the request, although the Fund Constitution allows for payment up to 30 days.

As outlined in Section D, the Funds' Constitutions provides for the Responsible Entity to suspend redemptions under certain extenuating circumstances. If the Fund is illiquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act (please refer to the 'How do I make a withdrawal?' sub-section on page 51 for further information).

Any changes affecting the Fund are notified through our website which details the Fund's ongoing disclosures.

Diagram I
Absolute Performance Fund - Fund Investment Structure

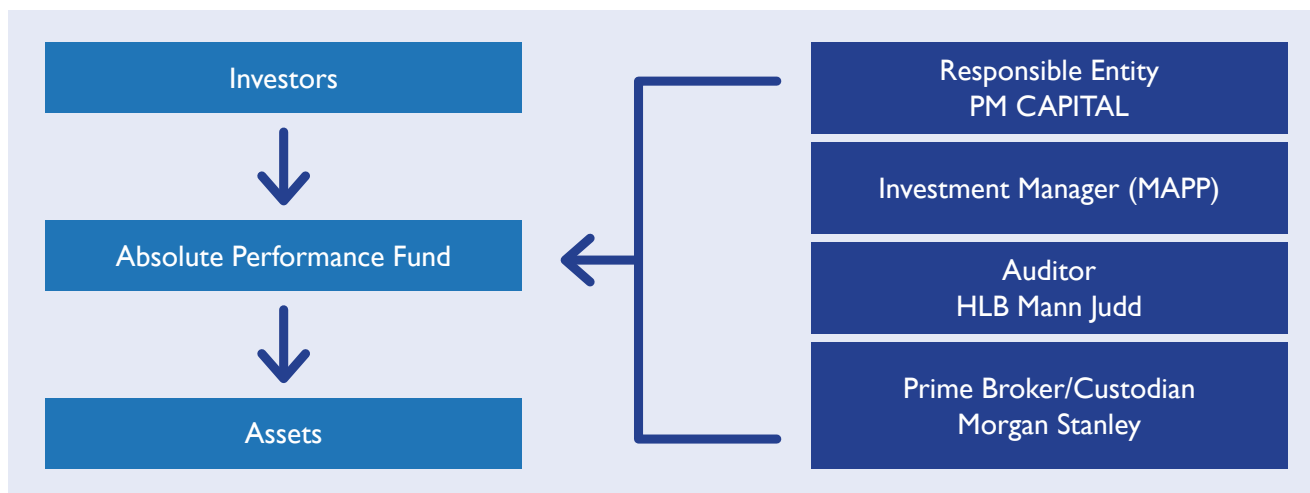


Table I
Absolute Performance Fund – Asset type, allocation and likely geographic location

Asset Type and valuation	Allocation Range	Location and valuation
International Listed Equities including Australian Listed Equities On market	0 to 110%	Global (including Australia)
International Government Bonds including Australian Government Bonds Valued by Custodian/Broker	0 to 30%	Global (including Australia)
International Corporate Bonds including Australian Corporate Bonds Valued by Custodian/Broker	0 to 30%	Global (including Australia)
Exchange-traded derivatives; On market	Create underlying position when required.	Global (including Australia)
Over-the-counter (OTC) derivatives; Valued by Prime Broker and Counterparties	Hedging purposes	Global (including Australia)
Other securities such as MIS and unlisted securities	0 to 10%	Global (including Australia)
Cash and cash equivalent investments; (See Term deposits) As held by custodian	0 to 100%	Global (including Australia)
#Term deposits As held by PM CAPITAL	As required	Australia

*Term deposits may be held directly by PM CAPITAL. PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

PM CAPITAL Emerging Asia Fund

Fund Category:

Asian Equities (long only)

Australian Registered Scheme Number:

130 588 439

APIR Code:

PMCO002AU

Investor profile:

The Emerging Asia Fund is appropriate for investors seeking an equity fund with exposure to the Asia ex-Japan region, focused on long term returns. The Fund is suitable for investors with a seven year plus investment horizon.

Disclosure Principles:

Investment Personnel

Portfolio Manager - Kevin Bertoli – refer to Page 3 of this PDS.

The Fund's investment personnel spend as much time as is required to affect the investment strategy of the Fund.

Investment Objective

The objective of the Emerging Asia Fund is to provide positive investment returns over a seven year plus investment horizon by investing in a concentrated portfolio of listed securities in the Asia ex-Japan region.

The objective of the Fund is not to replicate the standard industry benchmarks such as the MSCI Asia (ex-Japan) Equity Index. It is expected that the Fund will have varied outcomes to that of a traditional index benchmarked fund.

The Fund is managed from an Australian investor's perspective. Tax and currency exposures are important considerations in the daily management of the Fund.

The level of hedging back to the Australian dollar will depend on PM CAPITAL's expectation of future currency exchange rate movements.

Currency exposures within the Fund are actively managed with the objective of delivering positive Australian dollar absolute returns.

Investment Strategy

The investment process is built around the simple principle that the best way to preserve and enhance your wealth over the longer term is to "buy a good business at a good price".

The Fund has a wide investment universe in that there are no formal restrictions based on industry or company size. The Fund will invest wherever the greatest opportunities exist within the Asia ex-Japan region. The Asia ex-Japan region includes China, Hong Kong, Taiwan, Korea, Vietnam, India, Indonesia, Malaysia, Singapore, Thailand, Philippines, Sri Lanka and Pakistan. That being said, the Fund may obtain exposure to companies listed on stock exchanges other than those in the Asia ex-Japan region, where the predominant business of such companies is conducted in that region and/or the companies benefit from exposure to the region.

The investment process is bottom up and research intensive. It is the same process that identifies both risk and opportunity.

PM CAPITAL uses derivatives for risk management and to create new positions.

It is not expected that the investment strategy of the Fund will change. If we were to alter the Fund's investment strategy, please refer to the 'Updated information' sub-section on page 21 for information on how we would effect this change.

Investment risk is the chance that the investment's actual return will differ from that expected. Risk includes the possibility of losing some or all of the original investment.

Please refer to the risk section on pages 21 - 23 for a full description of each risk associated with this Fund.

The amount of distributions paid from the Fund (if any) to unitholders may fluctuate, as may the Fund's unit price.

The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request being made and the time the redemption unit price is calculated.

Investment Guidelines

- As a guide, typically the Fund will hold 15 to 35 stocks diversified across the Asia ex-Japan region.
- Individual stock positions will be reduced if they exceed 10% of the portfolio's market value.
- The Fund may hold up to 30% of its net market value in interest bearing debt securities and, if appropriate, may hold up to 100% in *cash.
- Derivatives may be used for hedging purposes or to replicate underlying positions.
- Option strategies may be employed to reduce market risk or to create new exposures.
- The Fund may purchase up to 10% of the net market value in unlisted securities and Australian registered managed investment schemes (MIS). These other MIS may be operated by PM CAPITAL or a third party responsible entity or Fund manager. The investments made by any such MIS will be consistent with the investment objective of the Fund however these investment guidelines do not apply in respect of such investments.

*Cash is defined as deposits, term deposits and senior debt (i.e. borrowed money that has priority for repayment over other forms of debt) with less than 12 months to maturity and term deposits.

Investment Manager

MAPP Pty Ltd is the investment manager for the Fund and is a related party of PM CAPITAL Limited.

MAPP has an agreement with PM CAPITAL to ensure that it complies with the requirements of the policies of PM CAPITAL.

Fund Structure

The Fund accepts money from investors and directly invests this money in accordance with its investment strategy rather than investing in underlying Funds that give effect to the Fund's investment strategy. However, the Fund may also invest up to 30% [net market value] in interest bearing debt securities and 10% [net market value] in unlisted securities and Australian registered managed investment schemes.

Should the Fund invest in another of PM CAPITAL's funds management costs will be rebated.

Please refer to Diagram 1 on page 12 for details on the Fund's investment structure.

Specific risks within the structure:

Custody risk – Since the Fund's underlying investments are domiciled overseas, the Fund's custodian may hold these investment securities in their local jurisdiction. Assets held in their local jurisdiction may be registered in the name of the custodian, due to the nature of law or market practice in the relevant jurisdiction, if it is in the best interests of the Fund or not feasible to do otherwise. These assets and any cash held by the custodian will not be segregated from the custodian's own assets and may not be well protected. Please refer to the 'Morgan Stanley' sub-section on page 41 and the risks section on page 21 - 23.

Counterparty risk - Is the risk of loss due to counterparty or issuer defaulting. Counterparties include stockbrokers, clearing brokers and counterparties to derivative contracts.

Key Services Providers:

The Responsible Entity regularly monitors the performance of its service providers against the documented service level agreements.

Morgan Stanley is the Prime Broker and custodian (refer to pages 41- 43).

HLB Mann Judd (NSW Partnership) is the auditor of the Fund and has been engaged as the independent auditor of the Fund's compliance plan and financial reports. Please refer to the 'Compliance' sub-section on page 43 and 'Managed investments regulation' sub-section on page 44 for further information.

DLA Piper Australia is our appointed legal adviser; refer to page 56 for further information.

Valuation, Location and Custody Assets

Assets of the Fund (E.G. securities, fixed interest instruments) are generally bought on market through a broker with valuations independent of the Responsible Entity. For a complete list of the asset types, allocation and location please refer to Table 1 on page 12.

The assets and liabilities of the Fund are valued daily at market value in accordance with PM CAPITAL's valuation methodology for the Fund. For further information on PM CAPITAL's valuation methodology, please refer to the 'Unit pricing' sub-section on page 33.

The Fund is able to purchase assets globally. The assets of the Fund, except for certain cash equivalents and short-term deposits, are held by a third party custodian. PM CAPITAL has appointed Morgan Stanley & Co. International plc as the custodian of the Fund.

Any cash equivalents and short-term deposits not held by the Fund's custodian will be directly held by PM CAPITAL.

PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

The Fund has material assets (greater than 10% of the Fund's net asset value) in the Asia ex-Japan Region, Australia and the USA*.

*Some currencies within the Asia ex-Japan region are pegged to the USD.

Liquidity

The majority of asset classes invested in by the Fund are listed assets on major global or Australian exchanges (EG NYSE, HKEX, ASX).

The Responsible Entity estimates that under normal market conditions at least 80% of the Fund's assets are able to be liquidated within 10 business days.

The Fund is therefore considered liquid.

Leverage

The Fund does not use leverage.

Derivatives

Derivatives may be used for risk management purposes or to create new positions.

- Derivatives available for use include interest rate derivatives, credit derivatives, equity derivatives and currency derivatives.
- Derivatives may be both OTC and exchanged traded.
- We use multiple derivative counterparties and all counterparties must be of investment grade at the time of trading.
- All derivatives are backed by either cash or other assets of the Fund. The collateral for exchange traded derivatives is held by a third party central clearing facility. However, collateral for OTC derivatives positions is held directly by the derivatives counterparty and is not segregated from the derivative counterparty's own assets. As such, in the event of a derivative counterparty's insolvency, the Fund may not be able to recover its collateral in full. Please refer to the 'Risks of investing in managed investment schemes' sub-section on page 44 and the 'Morgan Stanley & Co. International plc' sub-section on page 41 for further details on these risks.

Short Selling

The Fund does not short sell.

Withdrawals

Withdrawal requests are processed on each Business Day.

If we receive your fully completed withdrawal request in our office by 3pm (AEST) on a Business Day, we will process your withdrawal using the exit price calculated, based on market valuations, at the close of business that day.

Payments are normally processed within five Business Days of receipt of the request, although the Fund Constitution allows for payment up to 60 days.

As outlined in Section D, the Funds' Constitutions provides for the Responsible Entity to suspend redemptions under certain extenuating circumstances. If the Fund is illiquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act (please refer to the 'How do I make a withdrawal?' sub-section on page 51 for further information).

Any changes affecting the Fund are notified through our website, which details the Fund's ongoing disclosures.

Diagram I
Emerging Asia Fund - Fund Investment Structure

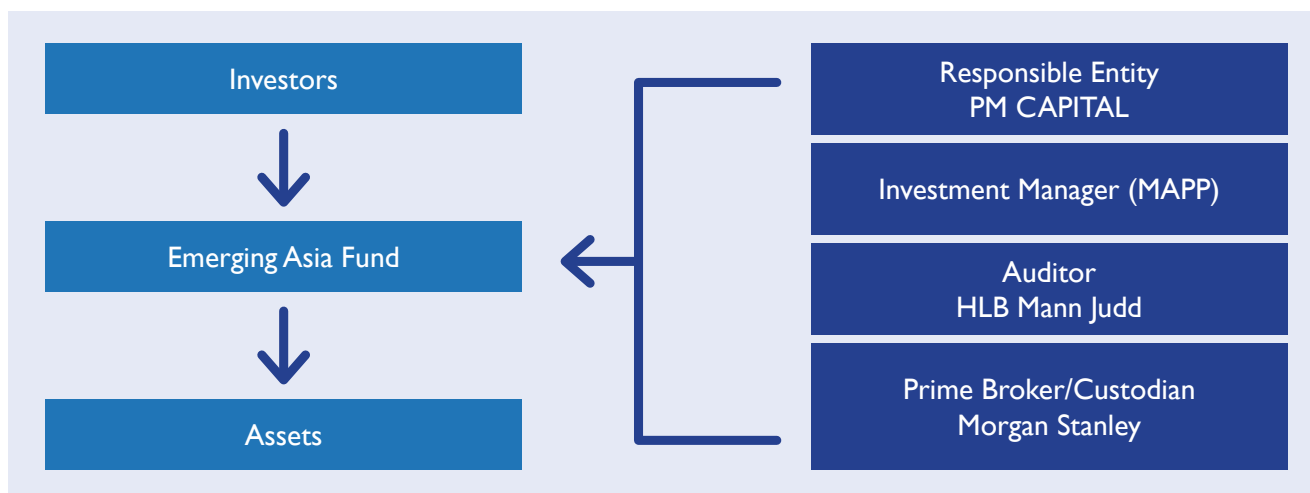


Table I
Emerging Asia Fund – Asset type, allocation and likely geographic location

Asset Type and valuation	Allocation Range	Location and valuation
International Listed Equities including Australian Listed Equities On market	0 to 100%	Asia ex-Japan Region and Australia
International Government Bonds including Australian Government Bonds Valued by Custodian or third party pricing provider	0 to 30%	Asia ex-Japan Region and Australia
International Corporate Bonds including Australian Corporate Bonds Valued by Custodian or third party pricing provider	0 to 30%	Asia ex-Japan Region and Australia
Exchange-traded derivatives; On market	Create underlying position only. When required.	Asia ex-Japan Region and Australia
Over-the-counter (OTC) derivatives; Valued by Custodian or third party pricing provider	Hedging	Asia ex-Japan Region and Australia
Other securities MIS and Unit Trusts	0 to 10%	Asia ex-Japan Region and Australia
Cash and cash equivalent investments; (See Term deposits) As held by custodian	0 to 100%	Asia ex-Japan Region and Australia
#Term deposits As held by PM CAPITAL	As required	Australia

*Term deposits may be held directly by PM CAPITAL. PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

PM CAPITAL Australian Opportunities Fund

Fund Category:

Australian Equities (long/short)

Australian Registered Scheme Number:

092 434 467

APIR Code:

PMC010IAU

Investor profile:

The Australian Opportunities Fund is appropriate for investors seeking an Australian equity Fund focused on long term absolute returns while accepting that short term volatility may be experienced due to financial market movements.

The Fund is suitable for investors with a seven year plus investment horizon.

Disclosure Principles: Investment Personnel

Portfolio Manager - Thomas Rice – refer to page 3 of this PDS.

The Fund's investment personnel spend as much time as is required to affect the investment strategy of the Fund.

Investment Objective

The objective of the Australian Opportunities Fund is to provide positive long term capital growth over a seven year plus investment horizon by primarily investing in a concentrated portfolio of Australian securities listed on the Australian securities exchange or Australian companies on overseas securities exchanges.

The goal of the Fund is not to replicate the standard industry benchmarks such as the ASX 200, and it is likely that the Fund will have varied outcomes from that of a traditional index benchmarked Fund.

The Fund is managed from an Australian investor's perspective. Tax and currency exposures are important considerations in the daily management of the Fund.

The level of hedging back to the Australian dollar will depend on PM CAPITAL's expectation of future currency exchange rate movements.

Currency exposures within the Fund are actively managed with the objective of delivering positive Australian dollar absolute returns.

Investment Strategy

The investment process is built around the simple principle that the best way to preserve and enhance your wealth over the longer term is to "buy a good business at a good price".

The Australian Opportunities Fund is a focused portfolio, with approximately 15 to 25 securities diversified across the Australian equity market.

The investment process is bottom up and research intensive. It is the same process that identifies both risk and opportunity.

The Fund has a wide investment universe and will seek to invest capital wherever the greatest risk reward opportunities exist. The Fund primarily invests in listed Australian companies. The Fund may also invest in interest bearing debt securities, unlisted securities, registered managed investment schemes, derivatives (both exchange traded and over the counter (OTC)), deposit products and cash.

PM CAPITAL uses derivatives for risk management and to create new positions and may also short sell securities we think have material downside potential or to reduce risk on securities we feel are overvalued.

Leverage may be used to enhance returns for example, where corporate bond yields exceed borrowing costs.

It is not expected that the investment strategy of the Fund will change. If we were to alter the Fund's investment strategy, please refer to the 'Updated information' sub-section on page 21 for information on how we would effect this change.

Investment risk is the chance that the investment's actual return will differ from that expected including the possibility of losing some or all of the original investment.

Please refer to the risk section on pages 21 - 23 for a full description of each risk associated with this Fund.

The amount of distributions paid from the Fund (if any) to unitholders may fluctuate, as may the Fund's unit price.

The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request being made and the time the redemption unit price is calculated.

Investment Guidelines

- As a guide, typically the Fund will hold 15 to 25 Australian listed securities.
- Individual securities positions will be reduced if they exceed 10% of the portfolio's market value.
- The Fund may hold up to 30% of net market value in interest bearing debt securities and, if appropriate, may hold up to 100% in *cash.
- Industry sector equity exposures will be reduced if they exceed the net market value of the Fund by the greater of 35% or three times the corresponding ASX 200 Index weight.
- Individual direct short positions may be sold up to a limit of 2% at market value, and will be reduced if the position exceeds 3%. The Fund may have a maximum total of 30% in direct shorts. 'Direct shorts' are defined as shorts that are not paired with a long position, such as a spread trade.
- Derivatives may be used for hedging purposes or to replicate underlying positions.
- Option strategies may be employed to reduce market risk or to enhance yield.
- The maximum net equity exposure is 110%; defined as long equity minus short equity, and is calculated on a net effective, option adjusted basis.

- The maximum allowable net invested total position is
- The Fund may purchase up to 10% of the net market value in unlisted securities and Australian registered managed investment schemes (MIS). These other MIS may be operated by PM CAPITAL or a third party responsible entity or Fund manager. The investments made by any such MIS will be consistent with the investment objective of the Fund however these investment guidelines do not apply in respect of such investments.

*Cash is defined as deposits and senior debt (i.e. borrowed money that has priority for repayment over other forms of debt) with less than 12 months to maturity and term deposits.

**130% is the maximum exposure. For example if the net equity position were 110% then total debt securities would be limited to 20%.

Investment Manager

MAPP Pty Ltd is the investment manager for the Fund and is a related party of PM CAPITAL Limited.

MAPP has an agreement with PM CAPITAL to ensure that it complies with the requirements of the policies of PM CAPITAL.

Fund Structure

The Fund accepts money from investors and directly invests this money in accordance with its investment strategy rather than investing in underlying Funds that give effect to the Fund's investment strategy. However, the Fund may also invest up to 30% [net market value] in interest bearing debt securities and 10% [net market value] in unlisted securities and Australian registered managed investment schemes.

Should the Fund invest in another one of the PM CAPITAL Funds the management costs for the other Fund will be rebated.

Please refer to Diagram 1 on page 16 for details on the Fund's investment structure.

Specific risks within the structure:

Custody risk – A portion of the Fund's underlying investments may be domiciled overseas, the Fund's custodian may hold these investment securities in their local jurisdiction. Assets held in their local jurisdiction may be registered in the name of the custodian, due to the nature of law or market practice in the relevant jurisdiction, if it is in the best interests of the Fund or not feasible to do otherwise. These assets and any cash held by the custodian will not be segregated from the custodian's own assets and may not be well protected. the Morgan Stanley sub-section on page 41 and the risk section on pages 21 -23.

Counterparty risk - Is the risk of loss due to a counterparty or issuer defaulting. Counterparties include prime brokers, stock brokers, clearing brokers and counterparties to derivative contracts.

Key Services Providers:

The Responsible Entity regularly monitors the performance of its service providers against the documented service level agreements.

UBS Nominees is the Prime Broker and Custodian (refer to page 42).

HLB Mann Judd (NSW Partnership) is the auditor of the Fund and has been engaged as the independent auditor of the Fund's compliance plan and financial reports. Please refer to the 'Compliance' sub-section on page 43 and 'Managed investments regulation' sub-section on page 44 for further information.

DLA Piper Australia is our appointed legal adviser refer to page 56 for further information.

Valuation, Location and Custody Assets

Assets of the Fund (E.G. securities, fixed interest instruments, derivatives) are generally bought on market through a broker with valuations independent of the Responsible Entity. For a complete list of the asset types, allocation and location please refer to Table 1 on page 16.

The assets and liabilities of the Fund are valued daily at market value in accordance with PM CAPITAL's valuation methodology for the Fund. For further information on PM CAPITAL's valuation methodology, please refer to the 'Unit pricing' sub-section on page 33.

The Fund is invested in Australian companies. Some of these companies (E.G. BHP) are listed on foreign exchanges and PM CAPITAL may invest in these companies on these offshore exchanges.

The assets of the Fund, except for certain cash equivalents and short-term deposits, are held by a third party custodian. PM CAPITAL has appointed UBS Nominees Pty Ltd as the custodian of the Fund.

Any cash equivalents and short-term deposits not held by the Fund's custodian will be directly held by PM CAPITAL.

PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

The Fund has material assets (greater than 10% of the Fund's net asset value) in Australia, the US and the UK.

However, the Fund may hold material assets in any market where Australian companies are listed around the world.

Liquidity

The majority of asset classes invested in by the Fund are listed assets on major global or Australian exchanges (EG NYSE, LSE, ASX).

The Responsible Entity estimates that under normal market conditions at least 80% of the Fund's assets are able to be liquidated within 10 business days.

The Fund is therefore considered liquid.

Leverage

Leverage is utilised to enhance the Fund's returns, for example, where corporate bond yields exceed borrowing costs.

The maximum allowable net invested total position is 130%.

The net equity limit is adjusted for option positions which are calculated by including the effective value of bought and written put options that are within 5% of their strike prices.

For example, if the Fund owns an index put covering 5% of the portfolio, this would reduce the net equity position by 5% for the purposes of our risk limits.

Leverage is acquired through the use of derivatives, short selling and a leverage facility with the Fund's prime broker,

UBS Nominees Pty Ltd. In order to secure the obligations to its prime broker, the Fund is required to provide collateral and charge the assets held in custody by the prime broker in favour of the prime broker.

Any collateral held by the prime broker will not be segregated from its own assets. This lack of segregation for assets held by the prime broker and the prime broker's right to rehypothecate the Fund's assets are additional risks for the Fund.

Please refer to the 'UBS Nominees Pty Ltd' sub-section on page 42 for further details on these risks.

The maximum allowed leverage position of the Fund is 130% of the Fund's net asset value. For every \$1 of the net asset value, the Fund is able to leverage by a further \$0.30c.

As a working example, if the Fund were to utilise \$1,000,000 of its cash to purchase \$1,000,000 worth of investments it is not using leverage and its net and gross position are equal.

If the Fund borrows \$300,000 and invests this with the original \$1,000,000 it is now using leverage and has a gross invested position of \$1,300,000.

If the assets increase in value by 25%, the **gross** value would be \$1,625,000. The gain of \$325,000 represents a net return of 32.5% on the \$1,000,000 invested in the Fund and results in a **net** value of \$1,325,000.

Conversely, if the value of the assets decrease by 25%, the **gross** value would be \$975,000. This \$325,000 loss represents a 32.5% net loss on the \$1,000,000 invested in the Fund resulting in a **net** value of \$675,000.

As demonstrated, the use of leverage can increase the size of any potential gains or losses of the Fund.

Derivatives

Derivatives may be used for risk management or to create new positions.

- Derivatives available for use include interest rate derivatives, credit derivatives, equity derivatives and currency derivatives.
- Derivatives may be both OTC and exchanged traded.
- We use multiple derivative counterparties and all counterparties must be of investment grade at the time of trading.
- All derivatives are backed by either cash or other assets of the Fund. The collateral for exchange traded derivatives is held by a third party central clearing facility. However, collateral for OTC derivatives positions is held directly by the derivatives counterparty and is not segregated from the derivatives counterparty's own assets. As such, in the event of the derivatives counterparty's insolvency, the Fund may not be able to recover its collateral in full. Please refer to the 'Risks of investing in managed investment schemes' sub-section on page 44 and the 'UBS Nominees' sub-section on page 42 for further details on these risks.

Short Selling

The Fund will opportunistically use short selling to short securities we think have material downside potential or to reduce risk.

The Fund's net short position will change over time depending on the number of opportunities we are seeing. That is, when we believe markets are cheap and we're finding a lot of opportunities on the long side, it is likely the Fund's short positions will be minimal.

The level of short selling or 'shorts' will not be in excess of 30% of the Fund's net portfolio with individual positions not exceeding 3%.

Short selling risks - The maximum profit from a short position is equal to the value of the asset sold 'short' minus any lending fees incurred in borrowing the asset.

In the extreme event of the market price of the short sold asset falling to zero, the short position can theoretically be covered at zero cost, resulting in a profit equal to the initial proceeds from the sale of the asset - minus the lending fees. However, in theory the potential loss on a short position can be infinite where the market price of the asset sold short rises. The costs of covering the short position can rise without limit. In practice the position would generally be closed out at a predetermined price to cap the level of potential loss.

The risk of loss from short selling is greater than holding a long position.

Withdrawals

Withdrawal requests are processed on each Business Day.

If we receive your fully completed withdrawal request in our office by 3pm (AEST) on a Business Day, we will process your withdrawal using the exit price calculated, based on market valuations, at the close of business that day.

Payments are normally processed within five Business Days of receipt of the request, although the Fund Constitution allows for payment up to 30 days.

As outlined in Section D, the Funds' Constitutions provides for the Responsible Entity to suspend redemptions under certain extenuating circumstances. If the Fund is illiquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act (please refer to the 'How do I make a withdrawal?' sub-section on page 51 for further information).

Any changes affecting the Fund are notified through our website which details the Fund's ongoing disclosures.

Diagram I
Australian Opportunities Fund – Fund Investment Structure

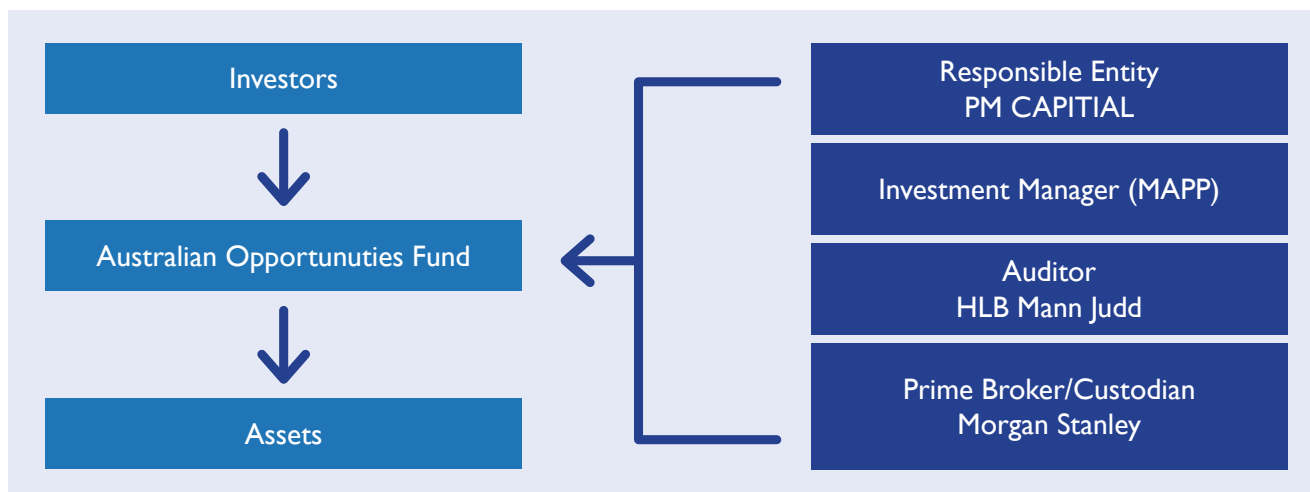


Table I
Australian Opportunities Fund – Asset type, allocation and likely geographic location

Asset Type and valuation	Allocation Range	Location and valuation
Australian Listed Equities with some International Listed Equities. On market	0 to 110%	Australia and global
Australian Corporate Bonds with some International Corporate Bonds Valued by Custodian/Broker	0 to 30%	Australia and global
Exchange-traded derivatives; On market	Create underlying position only. When required.	Australia and global
Over-the-counter (OTC) derivatives; Valued by Prime Broker and Counterparties	Hedging	Australia and global
Other securities MIS and unlisted securities	0 to 10%	Australia and global
Cash and cash equivalent investments; (See Term deposits) As held by custodian	0 to 100%	Australia and global
#Term deposits As held by PM CAPITAL	As required	Australia

[#]Term deposits may be held directly by PM CAPITAL. PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

PM CAPITAL Enhanced Yield Fund

Fund Category:

Enhanced Yield (Diversified Credit)

Australian Registered Scheme Number:

099 581 558

APIR Code:

PMCO103AU

Investor profile:

The PM CAPITAL Enhanced Yield Fund is appropriate for investors seeking a potential return in excess of the Reserve Bank of Australia's (RBA) cash rate with a low degree of volatility. The Fund is suited to low risk investors seeking distributable income and modest capital growth.

Disclosure Principles:

Investment Personnel

Jarod Dawson – refer to page 3 of this PDS.

The Fund's investment personnel spend as much time as is required to affect the investment strategy of the Fund.

Investment Objective

The Fund targets a return to investors in excess of the Reserve Bank of Australia's (RBA) cash rate. The Fund aims to outperform the RBA cash rate with a low degree of volatility and minimal risk of capital loss.

The Fund is managed from an Australian investor's perspective. Absolute and after tax returns are important considerations in the daily management of the Fund.

Investment Strategy

The investment process is built around the simple principle that the best way to preserve and enhance your wealth over the longer term is to buy yield securities in a "good business at a good price".

PM CAPITAL's research intensive investment philosophy and process is applied to invest tactically in a combination of cash, yield securities and to a much lesser extent, low volatility equity strategies. The Fund will aim to invest the majority of its assets in cash and interest bearing securities, including securities that pay franked dividends.

PM CAPITAL uses derivatives for risk management and to create new positions.

The investment process is bottom up and research intensive. It is the same process that identifies both risk and opportunity.

It is not expected that the investment strategy of the Fund will change. If we were to alter the Fund's investment strategy, please refer to the 'Updated information' sub-section on page 21 for information on how we would effect this change.

Investment risk is the chance that the investment's actual return will differ from that expected. Risk includes the possibility of losing some or all of the original investment.

Please refer to the risk section on pages 21 - 23 for a full description of each risk associated with this Fund.

The amounts of distributions (if any) to unitholders may fluctuate, as may the Fund's unit price.

The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request being made and the time the redemption unit price is calculated.

Investment Guidelines

- The Fund will be predominantly invested in cash and yield securities.
- The Fund will aim to hold a minimum cash weighting of 20% of the Fund's net asset value. If the Fund cannot find suitable investments, it may be up to 100% invested in cash.
- A net limit of 5% exposure at acquisition to any single yield security issuer (excluding cash & cash equivalents);
- Maximum exposure to BBB+ and below rated securities (including unrated securities) is 50%;
- Maximum exposure to unrated securities is 30%.
- The Fund has an historical average over the last 5 years of approximately 1.5% exposure to low volatility equity strategies. The maximum allowable is 5% net exposure to low volatility equity strategies.
- A net limit of 1% exposure at acquisition to any individual equity position.
- The Fund may purchase up to 10% of the net market value in Australian registered managed investment schemes (MIS). These other MIS may be operated by PM CAPITAL or a third party responsible entity or Fund manager. The investments made by any such MIS will be consistent with the investment objective of the Fund, however these investment guidelines do not apply in respect of such investments.
- Any offshore currency will be hedged back to Australian Dollars.

*Cash is defined as physical cash held on account and/or short dated securities with maturities of less than 12 months. Specific short dated securities include Bank Bills, Negotiable Certificate of Deposits (NCDs), corporate promissory notes, investment grade senior corporate debt, financial deposits (all with maturities of less than 12 months).

Investment Manager

MAPP Pty Ltd is the investment manager for the Fund and is a related party of PM CAPITAL Limited.

MAPP has an agreement with PM CAPITAL to ensure that it complies with the requirements of the policies of PM CAPITAL.

Fund Structure

The Fund accepts money from investors and directly invests this money in accordance with its investment strategy rather than investing in underlying Funds that give effect to the Fund's investment strategy. However, the Fund may also invest 10% [of its portfolio's net market value] in Australian registered managed investment schemes.

Should the Fund invest in another one of the PM CAPITAL Funds the management costs for the other Fund will be rebated.

Please refer to Diagram 1 on page 19 which details the Fund's investment structure.

Specific risks within the structure:

Custody risk – Since the Fund invests in global investment securities, the Fund's custodian may hold these investment securities in their local jurisdiction. Assets held in their local jurisdiction may be registered in the name of the custodian, due to the nature of law or market practice in the relevant jurisdiction, if it is in the best interests of the Fund or not feasible to do otherwise. These assets and any cash held by the custodian will not be segregated from the custodian's own assets and may not be well protected. Please refer to UBS Nominees Pty Ltd on page 41 and the risk section on page 21 - 23.

Counterparty risk - Is the risk of loss due to a counterparty defaulting. Counterparties include Prime Brokers, stockbrokers, clearing brokers and counterparties to derivative contracts.

Key Services Providers:

The Responsible Entity regularly monitors the performance of its service providers against the documented service level agreements.

UBS is the Prime Broker and Custodian (refer to pages 42 - 43).

HLB Mann Judd (NSW Partnership) is the auditor of the Fund and has been engaged as the independent auditor of the Fund's compliance plan and financial reports. Please refer to the 'Compliance' sub-section on page 43 and 'Managed investments regulation' sub-section on page 44 for further information.'

DLA Piper Australia is our appointed legal adviser refer to page 56 for further information.

Valuation, Location and Custody Assets

Assets of the Fund are generally bought on market through a broker with valuations independent of the Responsible Entity. For a complete list of the asset types, allocation and location please refer to Table 1 on page 19.

The assets and liabilities of the Fund are valued daily in accordance with PM CAPITAL's valuation methodology for the Fund. For further information on PM CAPITAL's valuation methodology, please refer to the 'Unit pricing' sub-section on page 33.

The Fund is able to purchase assets globally. The assets of the Fund, except for certain cash equivalents and short-term deposits, are held by a third party custodian. PM CAPITAL has appointed UBS Nominees Pty Ltd as the custodian of the Fund.

Any cash equivalents and short-term deposits not held by the Fund's custodian will be directly held by PM CAPITAL.

PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian and currently holds on deposit approximately 10% of the Fund's net asset value. The Fund has material assets (greater than 10% of the Fund's net asset value) in Australia.

However, the Fund may hold material assets in any market around the world, including emerging markets.

Liquidity

The Responsible Entity estimates that under normal market conditions at least 80% of the Fund's assets are able to be liquidated within 10 business days.

The Fund is therefore considered liquid.

Leverage

The Fund does not employ leverage.

Derivatives

Derivatives may be used for risk management or to create new positions.

- Derivatives available for use include interest rate derivatives, credit derivatives, equity derivatives and currency derivatives.
- Derivatives may be both OTC and exchanged traded.
- We use multiple derivative counterparties and all counterparties must be of investment grade at the time of trading.
- All derivatives are backed by either cash or other assets of the Fund. The collateral for exchange traded derivatives is held by a third party central clearing facility. However, collateral for OTC derivatives positions is held directly by the derivatives counterparty and is not segregated from the derivatives counterparty's own assets. As such, in the event of the derivatives counterparty's insolvency, the Fund may not be able to recover its collateral in full. Please refer to the 'Risks of investing in managed investment schemes' sub-section on page 44 and the 'UBS Nominees Pty Ltd' sub-section on page 42 - 43 for further details on these risks.'

Short Selling

The Fund does not short sell.

Withdrawals

Withdrawal requests are processed on each Business Day.

If we receive your fully completed withdrawal request in our office by 3pm (AEST) on a Business Day, we will process your withdrawal using the exit price calculated, based on market valuations, at the close of business that day.

Payments are normally processed within five Business Days of receipt of the request, although the Fund Constitution allows for payment up to 30 days.

As outlined in Section D, the Funds' Constitutions provides for the Responsible Entity to suspend redemptions under certain extenuating circumstances. If the Fund is illiquid, withdrawals from the Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act (please refer to the 'How do I make a withdrawal?' sub-section on page 51 for further information).

Any changes affecting the Fund are notified through our website which details the Fund's ongoing disclosures.

Diagram I
Enhanced Yield Fund – Fund Investment Structure

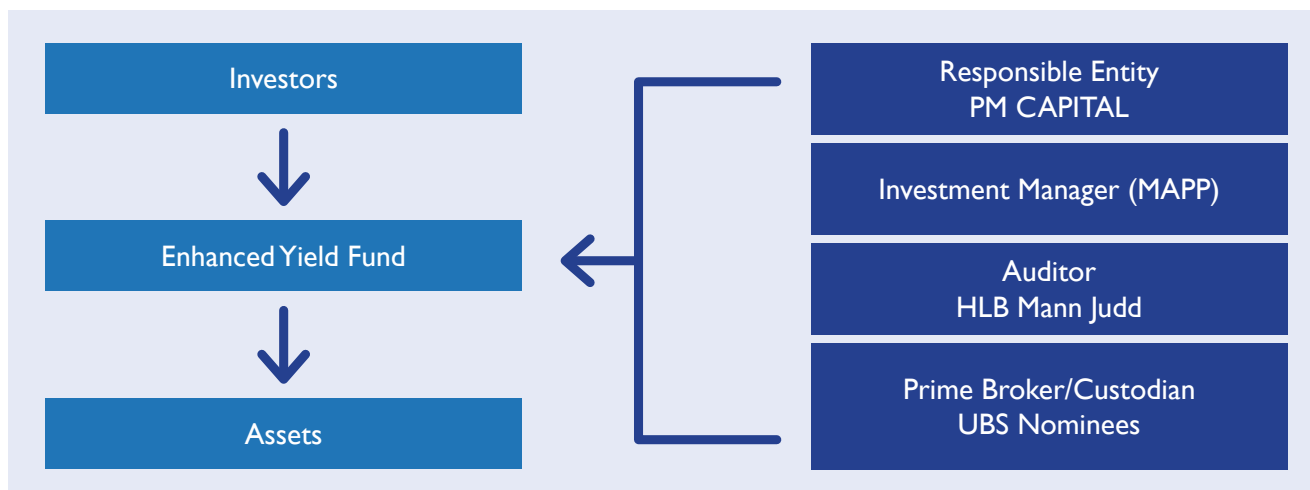


Table I
Enhanced Yield Fund – Asset type, allocation and likely geographic location

Asset Type and valuation	Allocation Range	Location and valuation
Cash and cash equivalent investments; (See Term deposits) As held by custodian	0 to 100%	Global (including Australia)
International Government Bonds including Australian Government Bonds. Valued by Custodian or third party pricing provider	0 to 100%	Global (including Australia)
International Corporate Bonds including Australian Corporate Bonds Valued by Custodian or third party pricing provider.	0 to 100%	Global (including Australia)
International Hybrid Securities (Listed) including Australia On market	0 to 80%	Global (including Australia)
International Hybrid Securities (unlisted) including Australia Valued by Custodian or third party pricing provider.	0 to 80%	Global (including Australia)
International Listed Equities including Australian Listed Equities. On market	0 to 5%	Global (including Australia)
Other securities MIS	0 to 10%	Global (including Australia)
Exchange-traded derivatives; On market	0 – 100%	Global (including Australia)
Over-the-counter (OTC) derivatives; Valued by Custodian or third party pricing provider.	0 – 100%	Global (including Australia)
#Term deposits As held by PM CAPITAL	As required	Australia

Term deposits may be held directly by PM CAPITAL. PM CAPITAL has net tangible assets exceeding the amount required to hold scheme assets as a custodian.

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Understanding investment risks and returns

Updated information

The performance information and features of a Fund may change in the future. We reserve the right to change the terms and features of a Fund in accordance with the Constitution of the relevant Fund and other relevant law.

For further information please contact PM CAPITAL investor relations on (+612) 8243 0888, or visit our website for current information at www.pmcapital.com.au.

PM CAPITAL has made available ongoing disclosure information for each of its Funds through its public website.

Certain updated information affecting the PDS that is not materially adverse may be updated without the issue of a supplementary PDS. Such updated information may be obtained:

- on our website www.pmcapital.com.au;
- from your financial adviser; or
- by calling our investor relations on (+612) 8243 0888.

In addition to the information detailed above, copies of the following documents are available in either paper or electronic form from PM CAPITAL, the Responsible Entity, on request and free of charge:

- The most recent financial statements of the Funds;
- PM CAPITAL's documented policy on the exercise of unit pricing discretions; and
- The Constitution.

Share investing can be rewarding

Historically, shares have provided higher average returns over the long term than money market or fixed interest investments. Share investing suits long-term investors who are willing to endure periods of volatility, and even prolonged periods of low or negative returns, to achieve their overall investment goals.

You should not invest in the Funds if:

- You are seeking a short-term investment.
- You are unwilling to accept significant fluctuations in unit prices.
- You are unable to accept the loss of your investment capital.

Risks of investing in managed investment schemes

All investments carry risks.

Different investment strategies may carry different levels of risks depending on the assets that make up that strategy.

Assets with the highest long-term returns may have the highest level of short to medium-term risks associated with them.

You need to discuss with your financial adviser your tolerance for risk and ensure that you understand and are comfortable with those associated risks.

Your financial adviser should also take into account factors such as your age, investment time frame, and other assets and investments that you may have.

Some of the key risks that may impact the value of your investment in our Funds are outlined below.

Market risk

Over short periods, the returns from shares can fluctuate significantly. These fluctuations can be caused by market volatility, interest rates, economic cycles, political events and levels of economic growth, both global and domestic. PM CAPITAL Funds do not seek to replicate the standard industry benchmarks. As the Funds' portfolios are constructed on the merits of individual stock picking it is likely that the Funds will have varied return characteristics from the relevant benchmark and traditional index hugging Funds.

Macro-economic risks

Although PM CAPITAL is a high conviction manager seeking to invest in high quality companies, the risk of monetary and fiscal policy changes can be detrimental to the implementation of each of PM CAPITAL Fund's investment strategy.

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the factors which may influence the progress of financial markets and individual companies.

Systematic (share market) risk

Systematic risk is the risk of the share market falling as was the case in 1987 and the global financial crisis in 2007-08. Although PM CAPITAL uses various hedging strategies to contemplate and to some extent mitigate major falls in the stock market no one can fully predict as to when, and to what extent, the market may fall.

Security specific risk

There is always a risk that an investment made by the Funds could perform poorly. Share prices are dependent upon the financial circumstances of the companies in which the shares are purchased, their profits, earnings and cash-flow. The return on a share investment may also be affected by the quality of company management, the general health of the sector in which it operates and government policy.

Derivative risk

Derivative transactions include instruments such as futures, options on futures, over the counter options (a transacted agreement directly between the parties that does not take place on a recognised exchange), exchange-traded options, swaps and forward contracts.

All derivatives, including futures and options are financial instruments whose values are 'derived' from underlying physical assets, such as company shares, commodities and bonds.

Futures and options can also be utilised by the Funds:

- to offset the risk of price variations of securities;
- as an alternative to purchasing the physical security;
- to seek to take advantage of any opportunities for profit which may exist in the market from time to time; and
- in the management of currency and interest rate risk.

The use of derivatives may have a negative impact on the Fund where there is an adverse movement in the underlying asset on which a derivative is based or where a derivative position is difficult or costly to reverse or maintain.

Investment in derivatives is primarily undertaken for the purpose of managing risk as well as to achieve the desired investment exposure to assets or securities, without buying or selling the underlying assets or the actual securities.

In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

The risk of loss associated with the use of derivative contracts can be substantial due to the leverage associated with these low margin deposits. These leveraged positions within the Funds, allows exposures to be obtained that are greater than the value of the actual assets required to support them.

The use of derivatives may also expose the Fund to risks including counterparty, legal and documentation risks.

As the market value of derivatives positions are variable, gains or losses can be incurred, and can be greater than unleveraged underlying positions.

Each Fund's portfolio may contain all of the derivatives previously mentioned which may have a significant effect on the performance of the Funds.

Interest rate risk

Changes in official interest rates can directly and indirectly impact (negatively or positively) on investment returns. This relates to the possibility of a reduction in the value of a security, especially a long bond position, resulting from a rise in interest rates. Similarly short bond positions can experience a reduction in value from a drop in interest rates.

Currency risk

Where a PM CAPITAL Fund invests in overseas shares or carries foreign currency cash balances and overdrafts, foreign currency fluctuations will affect the value of the Funds' investments. PM CAPITAL may choose to hedge any foreign currency exposure.

Manager risk

PM CAPITAL will endeavour to meet the investment objectives of each Fund. However, the Funds may fail to meet their objectives as a result of PM CAPITAL's selection of securities.

Borrowing/Leverage or gearing risk

The Constitutions for the Absolute Performance Fund and Australian Opportunities Fund allow borrowing and the level of borrowing in each Fund is different. The Responsible Entity may seek to borrow from its prime brokers, currently Morgan Stanley & Co. International plc for the Absolute Performance Fund and UBS AG, Australia Branch for the Australian Opportunities Fund, to take account of opportunities that may exist in the market.

Borrowing also requires the use of the Funds' assets being placed with the Prime Brokers which exposes the assets to Counterparty risk.

The Constitution for the Emerging Asia Fund and Enhanced Yield Fund allows borrowing but it is not PM CAPITAL's intention that these Funds will borrow in any instance.

You should read the risk section of the Absolute Performance Fund and Australian Opportunities Fund which describes this risk in detail.

Short selling risk

In creating a short position the Funds will borrow a security from a securities lender and sell it with the intention of repurchasing the security when the price of the security falls. If the price of the security rises, a loss is incurred which can be much greater than the purchased value of the security. There is also the risk the securities lender may recall a security that a Fund has borrowed at any time which means that Fund may have to buy the security at an unfavourable price to meet its obligations.

In the extreme event of the market price of the short sold asset falling to zero, the short position can theoretically be covered at zero cost, resulting in a profit equal to the initial proceeds from the sale of the asset - minus the lending fees.

However, in theory, the potential loss on a short position can be infinite where the market price of the asset sold short rises. The costs of covering the short position can rise without limit. In practice the position would generally be closed out at a predetermined price to cap the level of potential loss.

Counterparty and credit risk

Counterparty risk is the risk of a counterparty not being able to meet its obligation under a contract.

To the extent that the Funds invest in derivative instruments, they may take a credit risk with regard to parties with whom they trade and may also bear the risk of settlement default. This risk is reduced for exchange-traded transactions due to certain protections, such as by being backed by a clearing organisation guarantee, daily marking-to-market and settlement, segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This could expose the Funds to the risk that counterparty will not settle a transaction in accordance with

its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem, thus causing the Funds to suffer a loss.

In addition, in a case of a default, the Funds could become subject to adverse market movements while replacement transactions are executed. Risk from the Funds' prime brokers may arise because the prime brokers do not guarantee the return of collateral and can rehypothecate (i.e. use any assets provided as collateral) a Fund's assets. The Funds will rank as an unsecured creditor in relation to the assets used by the prime brokers and may not be able to recover such assets in full.

The ability of the Funds to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

You should read the 'Prime Broker service' sub-section on page 41 on the risks associated with the use of our counterparties and prime brokers.

International investing risk

The Absolute Performance Fund will primarily hold investments in global securities and the Emerging Asia Fund will primarily hold investments in securities within the Emerging Asia region. Certain countries may impose restrictions on the ability of locally domiciled companies to make payments of principal, dividends or interest to investors located outside the country, due to blockage of foreign currency exchanges, changes to tax laws, changes to local regulations or otherwise. Generally, there may be less publicly available information about foreign companies due to less rigorous disclosure or accounting standards and regulatory practices. In addition, the Fund could be subject to risks associated with adverse political and economic developments in certain countries, which could cause the Fund to lose money on these investments.

Liquidity risk

This is the risk that investments, such as some over-the-counter derivatives or unlisted investments, cannot be readily converted into cash.

Regulatory risk

All investments carry the risk that their value may be affected by changes in laws including taxation laws.

The prices of instruments in which the Funds may have exposure to are subject to certain risks arising from government regulation of or intervention in the relevant capital markets. These include the regulation of their local markets, restrictions on investments by foreigners or limits on investment Fund flows, or risk of government expropriation of the assets of the companies in which the Funds have exposure to. Such regulation or intervention could adversely affect the Funds' performance.

Concentration risk

The Funds typical portfolio holdings of stocks represent high investment concentrations. The lower the number of stocks, the higher the concentration and, in turn, the higher the potential volatility due to a lack of diversity within the stock selection.

Performance risk

Similar to Manager risk, this is a risk that the Fund may not achieve its investment performance objectives.

Compensation fee structure risk

PM CAPITAL receives compensation based on the performance of the investments of the Funds through the performance fees of the Absolute Performance Fund, Australian Opportunities Fund and the Enhanced Yield Fund. These arrangements may create an incentive for PM CAPITAL to make more speculative or higher risk investments than might otherwise be the case.

What should my investment timeframe be?

Selecting the investments that best match your investment needs and timeframe is crucial in managing investment risk. We have suggested minimum investment periods based on our own research. Our minimum suggested timeframe should not be considered personal advice.

You should regularly review your investment decision with your financial adviser. Your investment needs and market conditions may change over time.

Distribution reinvestment plan

The Funds offer a distribution reinvestment plan. You can participate in this plan by indicating your intention on the application form accompanying this PDS. If you elect to have your distributions reinvested, they will be reinvested into additional units in the relevant Fund using the net asset value unit price that applies immediately following the distribution. You may withdraw from the plan at any time.

Units in the Funds allotted as a result of a distribution reinvestment plan will be allotted in accordance with the PDS and the Constitution of the respective Fund.

Within 30 days of the day on which the units in a Fund are allotted to you under the plan, you will be sent a statement of the amount of the distribution and the number of units in the Fund that have been allotted to you.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (that is a reduction from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs were applicable. Please speak to your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.smartmoney.gov.au) has a managed investment fee calculator to help you check out different fee options.

The table following outlines the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Funds' assets as a whole.

Taxes are set out in another part of this PDS. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment.	Nil.	No fee is charged.
Contribution fee The fee on each amount contributed to your investment.	Nil.	No fee is charged.
Withdrawal fee The fee on each amount you take out of your investment.	Nil.	No fee is charged.
Termination fee¹ The fee to close your investment.	Nil.	No fee is charged.
Management costs² The fees and costs for managing your investment ³		
Absolute Performance Fund	Management fee: 1.09% p.a. of the net asset value of the Fund Performance fee: 20% p.a. of any investment return in excess of the RBA's cash rate, subject to a high water mark	<p>The management fee is a per annum fee calculated and accrued daily and charged against the net asset value (before fees) of each Fund at the end of the month. It is reflected in the daily unit price. All fees and expenses of each Fund (excluding transaction costs, performance fees and abnormal expenses) are paid from this amount.</p> <p>The performance fee is calculated and accrued daily and paid monthly from each Fund (if applicable) and is reflected in the daily unit price. Further information on the calculation of the performance fees can be found in the 'Performance fee' sub-section on pages 29 - 32.</p>
Australian Opportunities Fund	Management fee: 1.09% p.a. of the net asset value of the Fund Performance fee: 20% p.a. of any investment return in excess of the RBA's cash rate, subject to a high water mark	
Emerging Asia Fund	Management fee: 1.40% p.a. of the net asset value of the Fund No performance fee	
Enhanced Yield Fund	Management fee: 0.55% p.a. of the net asset value of the Fund Performance fee: 25% p.a. of any investment return in excess of the RBA's cash rate, subject to a high water mark	
Service fees⁴		
Investment switching fee The fee for changing investment options.	Nil.	No fee is payable to switch from one Fund to the other; However, the sell and buy spread in respect of each Fund will apply.

¹ Please refer to the heading 'Exit fees for the Fund' for further information.

² All amounts disclosed are net of the effect of GST and reduced input tax credits (RITC).

³ Please refer to the section 'Additional explanation of fees and costs'. This fee may in some cases be negotiated with certain investors. For more information please refer to the explanation of 'Differential fees' under the heading 'Additional explanation of fees and costs'.

⁴ See 'Buy/sell spread and transaction costs' and 'Adviser remuneration' under the heading 'Additional explanation of fees and costs'.

Example of annual fees and costs for the Funds

The following tables give examples of how the fees and costs in the Absolute Performance Fund, Emerging Asia Fund, Australian Opportunities Fund, and Enhanced Yield Fund can affect your investment over a 1 year period. You should use these tables to compare these Funds with other managed investment products.

EXAMPLE: The Absolute Performance Fund		
BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR		
Contribution fees	0%	For every additional \$5,000 you contribute, you will be charged \$0
PLUS Management costs* (excludes Performance fee)	1.09% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$545 each year.
EQUAL Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$545** What it costs you will depend on the fees you negotiate with your financial adviser.

EXAMPLE: The Emerging Asia Fund		
BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR		
Contribution fees	0%	For every additional \$5,000 you contribute, you will be charged \$0
PLUS Management costs* (excludes Performance fee)	1.40% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$700 each year.
EQUAL Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$700** What it costs you will depend on the fees you negotiate with your financial adviser.

EXAMPLE: The Australian Opportunities Fund		
BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR		
Contribution fees	0%	For every additional \$5,000 you contribute, you will be charged \$0
PLUS Management costs* (excludes Performance Fee)	1.09% p.a.	And for every \$50,000 you have in the Fund you will be charged \$545 each year.
EQUAL Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$545** What it costs you will depend on the fees you negotiate with your financial adviser.

EXAMPLE: The Enhanced Yield Fund		
BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR		
Contribution fees	0%	For every additional \$5,000 you contribute, you will be charged \$0
PLUS Management costs* (excludes Performance Fee)	0.55% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$275 each year.
EQUAL Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$275** What it costs you will depend on the fees you negotiate with your financial adviser.

PM CAPITAL believes that Australian tax paying clients should compare managed Funds on an after-tax net return basis. The above tables and other references to fees in this document do not take into account any adjustment for tax and how it affects 'what ends up in your pocket'. At PM CAPITAL we focus on tax management for Australian based investors.

**This example assumes that management costs (excluding performance fees) were calculated on a balance of \$50,000. It does not take account management costs that would be charged on the additional \$5,000 contributed during the year.

It should not be taken as a prediction or forecast of the Funds' performance. There is no guarantee that the Funds will have any particular rate of return. There is no performance fees payable for the Emerging Asia Fund.

*Additional fees may apply. See 'Buy/sell spread and transaction costs' and 'Performance fees' under the heading 'Additional explanation of fees and costs'. Please refer to 'Performance fees' under the heading 'Additional explanation of fees and costs' for dollar fee examples of performance fees.

Additional explanation of fees and costs

Increases or alterations to the fees

The Responsible Entity may vary the fees specified on page 25 at any time, at its absolute discretion within the limits prescribed in each Fund's Constitution and without the consent of investors. If the variation is an increase in a fee, you will be advised with 30 days advance notice. The Constitution for the Absolute Performance Fund, Australian Opportunities Fund and the Enhanced Yield Fund provides for maximum management fees (exclusive of GST) of 2.00% p.a. of the Fund's net asset value (i.e. the value immediately prior to the calculation of the said management fee and performance fees). The Constitution for Emerging Asia Fund provides for maximum management fees (exclusive of GST) of 3.00% p.a. of the Fund's net asset value (i.e. the value immediately prior to the calculation of the said management fee).

Performance fees for the Emerging Asia Fund

The Constitution for the Emerging Asia Fund provides for PM CAPITAL to charge a performance fee to investors.

However, PM CAPITAL will not charge a performance fee during the life of this PDS.

Exit fees for the Funds

The Constitution for the Absolute Performance Fund, Emerging Asia Fund, Australian Opportunities Fund, and the Enhanced Yield Fund allows for a maximum exit fee of 5% of the proceeds of withdrawal of units if withdrawn within 12 months of purchase. However, for the life of this PDS PM CAPITAL Limited will waive this fee.

Buy/Sell spread and transaction costs

There is a difference between the application and the redemption unit price which is a result of transaction costs. The buy/sell spread is applied because an application or redemption may necessitate the purchase or sale of Fund assets, incurring transaction costs such as brokerage, government duties and taxes.

So that existing investors do not continually bear the transaction costs resulting from new investments or withdrawals that are made, each investor pays an estimated spread of 0.25% when they transact in the Absolute Performance Fund and Australian Opportunities Fund, 0.20% when they transact in the Emerging Asia Fund, and 0.10% when they transact in the Enhanced Yield Fund. The dollar value of these costs based on an application or redemption of \$50,000 is \$125 for the Absolute Performance Fund and Australian Opportunities Fund, \$100 for the Emerging Asia Fund, and \$50 for the Enhanced Yield Fund, for each individual transaction. The additional cost to the investor is paid to the relevant Fund. No benefit is derived by PM CAPITAL. The spread of an individual Fund may be reviewed by the Responsible Entity and altered from time to time. There is no buy/sell spread on distribution reinvestments.

The Responsible Entity may also in its absolute discretion waive the buy/sell spread where requested by an investor where the Responsible Entity is satisfied that waiving of the spread will not be to the detriment of existing investors. This would be the case only if no underlying costs were incurred as a result of the spread being waived. For example, where an application from one investor coincides with a redemption from an existing unitholder in the same Fund i.e. a 'crossing'.

In the event that a withdrawal is affected by way of a repurchase (as opposed to a redemption), stamp duty of \$0.60 per \$100 or part thereof with a minimum rate of duty of \$10 to a maximum of \$50 will be incurred. The withdrawal proceeds an investor receives where a repurchase is effected will be net of such stamp duty costs. The stamp duty amount is an additional cost which is paid to the New South Wales Office of State Revenue.

Differential fees

The Responsible Entity may from time to time enter into special arrangements regarding differential fees in relation to investments made by wholesale and retail investors. Such negotiations would be subject to compliance with legal requirements and any applicable Australian Securities and Investments Commission (ASIC) relief.

PM CAPITAL may rebate a significant portion of the management costs, or charge lower management costs, in respect of investments made by its employees and those of any new investment manager of the Funds, or associated parties of either and may accept investments lower than the minimum contribution limit. These investors will hold a separate class of units. Any differential fee arrangements will not adversely impact upon the fees that are paid by other investors as set out in the previous fee table.

The fees offered in this PDS are for a specific class of units in the Funds. As noted above, we may issue other classes of units in the Funds which may have different rights and obligations.

Management fee rebates

The Responsible Entity may, where permitted under the law, charge fees on a different basis to certain parties in the Funds. Dealer groups, wholesale and certain sophisticated and professional investors may receive rebates from the Responsible Entity. If these payments are made, they are paid by the Responsible Entity and are not an extra amount paid from the Funds, nor are they an amount you pay. Any management fee rebates are entirely at the Responsible Entity's discretion.

Soft dollar commission payments

Some of our brokers may have their commission soft dollared. This means that part of the brokerage fee is credited to an account in trust for PM CAPITAL. PM CAPITAL can utilise these Funds to pay for research costs, such as, payment of Bloomberg / IRESS / Factset subscription fees that are directly linked to trading activity.

PM CAPITAL may enter into other soft dollar arrangements and/or relinquish current arrangements without prior notification. However, at all times PM CAPITAL's soft dollar arrangements will be disclosed in PM CAPITAL's policy on Soft Commissions, Cash rebates and Disclosures which is available free of charge by contacting us on (+61 2) 8243 0888.

Note: PM CAPITAL's policy is compliant with the industry standard, Financial Services Council (*formerly IFSA*) Guidance Note 10: Brokerage Arrangements (1 July 2007). PM CAPITAL Ltd is not a member of the Financial Services Council.

See also section 'Product access payments and fund manager payments.'

Goods and Services Tax (GST)

Please refer to the section 'Taxation in Australia'. Unless otherwise stated, all fees are inclusive of GST, after allowing for an estimate for reduced input tax credits ('RITCs').

Each Fund has been registered for GST. The issue and redemption of units in the Funds and the resulting income distributions will be GST free. Custodian fees, management fees, performance fees and brokerage within Australia are subject to GST, but each Fund is able to claim a reduced input tax credit equal to 75% of the GST paid.

Bank charges

All fees and charges in respect of dishonoured Funds (cheque or electronic) will be borne by the investor, as too will the cost of returning Funds to investors who have decided not to proceed with an investment for any reason.

Adviser remuneration

I Ongoing adviser service fee

You can also agree with your financial adviser to have an ongoing adviser service fee paid from your investment. This is the fee for advice from your adviser and will be paid to your adviser. This fee can be negotiated with your Adviser but the fees quoted are the maximum allowable which is 0.50% p.a. for the Absolute Performance Fund, Emerging Asia Fund, Australian Opportunities Fund, and 0.25% p.a. for the Enhanced Yield Fund. The dollar value of these fees based on an investment of \$50,000 for an entire year is \$250 for the Absolute Performance Fund, Australian Opportunities Fund, Emerging Asia Fund and \$125 for the Enhanced Yield Fund. If the adviser and their details appear on the Application Form accompanying this PDS, and the appropriate box is marked, PM CAPITAL may pay an ongoing fee from your account at each distribution period, or upon full redemption. Should there be insufficient income distributions to cover fees, PM CAPITAL will redeem enough units from your account as necessary to effect payment. PM CAPITAL will also supply your adviser with information about your account unless you instruct us in writing not to do so.

The calculation of the ongoing fee is done by taking the net asset value of your investment as at the last business day of each month and multiplying it by the relevant annual percentage fee divided by twelve. The sum of these monthly calculations is then deducted from your income distribution or redemption proceeds. No fee is incurred with respect to part of a month. For example, a full redemption on 20 January would have ongoing fees calculated up to and including the previous month end (31 December).

Should you dispose of your investment by way of a transfer of units to another party, PM CAPITAL is unable to facilitate payment of the ongoing fee. You will need to discuss this payment directly with your financial adviser.

2 Use of service providers

The Responsible Entity and the Investment Manager appointed by the Responsible Entity may employ the services of other parties, including non-associated parties, to assist the Responsible Entity and / or Investment Manager in meeting its obligations. Any arrangement will be under arm's length commercial terms. Any dealings between the Responsible Entity and the Investment Manager is subject to take place on an arm's length basis. The Funds may be required to pay administration or management fees directly to third parties who have an agreement/contract with the Responsible Entity and / or Investment Manager; but the quantum of fees and charges outlined in this PDS will not change as a result of any agreement entered into by the Responsible Entity and / or Investment Manager. Such fees will be part of (and not in addition to) the fees outlined in this PDS.

3 Product access payments and Fund manager payments

The Responsible Entity may pay each master trust or wrap account through which the Funds are made available an annual amount of up to \$100,000. These amounts are paid by the Responsible Entity and are not charged to investors.

In addition, PM CAPITAL may provide other types of remuneration to Dealer Groups and to Advisers such as 'soft dollar' benefits.

For example we may pay the expenses for Professional Development Days.

Any payment of benefits made will be made in compliance with the law and regulations and guidance provided by ASIC and the IFSA code of practice on Alternative Forms of Remuneration.

Management Costs

I Management fee

A management fee is paid to the Investment Manager for managing each of the Fund's investments and to the Responsible Entity for the services that it provides to each of the Funds, including unit registry and administration services. The total management fee is capped at 1.09% p.a. for the Absolute Performance Fund and the Australian Opportunities Fund, 1.4% for the Emerging Asia Fund and 0.55% p.a. for the Enhanced Yield Fund. This is the maximum that PM CAPITAL will charge for the duration of this PDS. The quoted management fees do not include transaction costs, performance fees and abnormal expenses.

2 Performance fee

A performance fee is payable to the Investment Manager for investment managing the Absolute Performance Fund, Australian Opportunities Fund and the Enhanced Yield Fund and to the Responsible Entity for the investment management services that it provides to each of these Funds. PM CAPITAL believes that performance fees better align PM CAPITAL's interest with the goal of producing the best possible investment performance within the Funds. The performance fee is calculated on a unit-by-unit basis, and is incurred by the relevant Fund as a whole at the end of each month² if the Fund meets certain performance objectives.

The performance fee is calculated and accrued daily and is taken into account in published application and redemption prices.

Absolute Performance Fund and Australian Opportunities Fund

The performance fee for the Funds is equal to 20% p.a. (including GST net of reduced input tax credits) of any investment return in excess of the RBA cash rate³, subject to a high water mark. The RBA cash rate is the Funds' hurdle rate ('Hurdle Rate'). The Hurdle Rate is incorporated into the high water mark.

For a performance fee to be payable in respect of these Funds, the 'gross asset value' of a unit must exceed its 'high water mark' where;

The gross asset value ('GAV') of a unit includes total net income, realised and unrealised gains/losses and all expenses of the Fund (including management fees, but excluding the performance fee which is the subject of the calculation) on a per unit basis.

The high water mark ('HWM') of each unit is equal to the greater of:

- the issue price of the unit, which is the price at which the holder originally acquired their unit grossed up by the applicable RBA cash rate (and adjusted for all subsequent distributions made in respect of the unit⁴), or
- the highest net asset value of the unit at the end of a period where a performance fee was last paid grossed up by the applicable RBA cash rate (and adjusted for all subsequent distributions made in respect of the unit⁷).

In order to calculate the performance fee, the gross asset value of the Fund is divided by the number of issued units to determine the GAV per unit. When the GAV of a unit (gross of any distribution subsequent to the period in respect of which a performance fee was last paid) exceeds its HWM, a performance fee is payable equal to 20% of the amount by which the GAV of the unit exceeds its HWM. If the GAV of a unit is lower than the HWM, no performance fee is payable. The HWM ensures that any negative performance must be recovered before performance fees are incurred by that unit.

Enhanced Yield Fund

The objective of the Enhanced Yield Fund is to provide investment returns above the RBA cash rate. As such, the RBA cash rate is used as a benchmark for this Fund⁵. For a performance fee to be payable, the gross asset value of a unit must exceed its 'high water mark', where;

The gross asset value ('GAV') of a unit includes total net income, realised and unrealised gains/losses and all expenses of the Fund (including management fees, but excluding the performance fee which is the subject of the calculation) on a per unit basis.

The high water mark ('HWM') of each unit is equal to the greater of:

- the issue price of the unit, which is the price at which the holder originally acquired their units grossed up by the applicable RBA cash rate (and adjusted for all subsequent distributions made in respect of the unit⁶), or
- the highest net asset value of the unit at the end of a period where a performance fee was last paid grossed up by the applicable RBA cash rate (and adjusted for all subsequent distributions made in respect of the unit¹⁰).

In other words, the Enhanced Yield Fund charges a performance fee based on the outperformance of its investment return relative to the RBA cash rate, which is incorporated into the HWM. The performance fee payable is equal to 25% of the amount by which the GAV of the unit (gross of any distribution subsequent to the period in respect of which a performance fee was last paid) exceeds its HWM. If the GAV of a unit is lower than the HWM, no performance fee is payable. The HWM ensures that any negative performance must be recovered before performance fees are incurred by that unit.

Dollar fee examples of performance fees

The below examples for the Absolute Performance Fund, Australian Opportunities Fund and Enhanced Yield Fund assume a \$50,000 balance is maintained throughout the year with no contributions or withdrawals made during the year.

² The Responsible Entity has the discretion to vary the period.

³ The RBA cash rate used is the rate that prevails at the commencement of a performance fee period (currently the beginning of the month).

⁴ Subsequent income distributions are subtracted from the HWM issue price of a unit and do not include distributions accrued but not yet distributed.

⁵ The RBA cash rate used is the rate that prevails at the commencement of a performance fee period (currently the beginning of the month).

⁶ Subsequent income distributions are subtracted from the HWM issue price of a unit and do not include distributions accrued but not yet distributed.

PM CAPITAL Absolute Performance Fund

Performance fee	Calculation	Amount	How and when paid
<p>For the Month 1 performance fee period, assuming:</p> <ul style="list-style-type: none"> GAV per unit is \$1.01 HWM per unit is \$1.00 Hurdle Rate is 3.5% p.a. (assume 0.3% per month) when the HWM is grossed up for the Hurdle Rate per month, the adjusted HWM per unit is \$1.003 	<p>The GAV per unit is above the adjusted HWM per unit for the period by 0.7% (i.e. $[1.01/1.003 - 1] \times 100$)</p> <p>The performance fee is $\\$50,000 \times 20\% \times 0.7\%$</p>	\$70.00	The performance fee is accrued daily and payable in arrears at the end of the month.
<p>For the Month 2 performance fee period, assuming:</p> <ul style="list-style-type: none"> GAV per unit is \$1.00 HWM per unit is \$1.01 Hurdle Rate is 3.5% p.a. (assume 0.3% per month) when the HWM is grossed up for the Hurdle Rate per month, the adjusted HWM per unit is \$1.013 	<p>The GAV per unit is below the adjusted HWM per unit for the period by -1.3% (i.e. $[1.00/1.013 - 1] \times 100$)</p> <p>The performance fee is $\\$50,000 \times 20\% \times -1.3\%$</p>	\$0.00	A performance fee will not be charged.

PM CAPITAL Australian Opportunities Fund

Performance fee	Calculation	Amount	How and when paid
<p>For the Month 1 performance fee period, assuming:</p> <ul style="list-style-type: none"> GAV per unit is \$1.01 HWM per unit is \$1.00 Hurdle Rate is 3.5% p.a. (assume 0.3% per month) when the HWM is grossed up for the Hurdle Rate per month, the adjusted HWM per unit is \$1.003 	<p>The GAV per unit is above the adjusted HWM per unit for the period by 0.7% (i.e. $[1.01/1.003 - 1] \times 100$)</p> <p>The performance fee is $\\$50,000 \times 20\% \times 0.7\%$</p>	\$70.00	The performance fee is accrued daily and payable in arrears at the end of the month.
<p>For the Month 2 performance fee period, assuming:</p> <ul style="list-style-type: none"> GAV per unit is \$1.00 HWM per unit is \$1.01 Hurdle Rate is 3.5% p.a. (assume 0.3% per month) when the HWM is grossed up for the Hurdle Rate per month, the adjusted HWM per unit is \$1.013 	<p>The GAV per unit is below the adjusted HWM per unit for the period by -1.3% (i.e. $[1.00/1.013 - 1] \times 100$)</p> <p>The performance fee is $\\$50,000 \times 20\% \times -1.3\%$</p>	\$0.00	A performance fee will not be charged.

PM CAPITAL Enhanced Yield Fund

Performance fee	Calculation	Amount	How and when paid
<p>For the Month 1 performance fee period, assuming:</p> <ul style="list-style-type: none"> GAV per unit is \$1.01 HWM per unit is \$1.00 Hurdle Rate is 3.5% p.a. (assume 0.3% per month) when the HWM is grossed up for the Hurdle Rate per month, the adjusted HWM per unit is \$1.003 	<p>The GAV per unit is above the adjusted HWM per unit for the period by 0.7% (i.e. $[1.01/1.003 - 1] \times 100$)</p> <p>The performance fee is $\\$50,000 \times 25\% \times 0.7\%$</p>	\$87.50	The performance fee is accrued daily and payable in arrears at the end of the month.
<p>For the Month 2 performance fee period, assuming:</p> <ul style="list-style-type: none"> GAV per unit is \$1.00 HWM per unit is \$1.01 Hurdle Rate is 3.5% p.a. (assume 0.3% per month) when the HWM is grossed up for the Hurdle Rate per month, the adjusted HWM per unit is \$1.013 	<p>The GAV per unit is below the adjusted HWM per unit for the period by -1.3% (i.e. $[1.00/1.013 - 1] \times 100$)</p> <p>The performance fee is $\\$50,000 \times 25\% \times -1.3\%$</p>	\$0.00	A performance fee will not be charged.

These examples are illustrative only and do not represent any actual, past or future performance of the Funds. They are not a forecast of the expected investment return for the Funds and do not include any tax payable on the investment return. The actual performance fee will vary, depending on each Fund's actual return. PM CAPITAL does not provide any assurance that the Funds will achieve the performance used in the examples and investors should not rely on this in deciding whether to invest in the Funds.

Redemption of Units

When units are redeemed, any performance fee accrued on these units is immediately recognised as a liability of the Fund and is paid to PM CAPITAL at the end of the performance period.

Where an investor makes a partial redemption and has units with varying high water marks, PM CAPITAL uses a 'first-in-first-out' methodology to determine which units are redeemed. In other words, when a redemption is made, the oldest units (and their corresponding high water marks) for that particular investor are taken as the ones being redeemed. For investments made through an IDPS, for whom PM CAPITAL does not hold information regarding the underlying clients, units are also redeemed on a 'first-in-first-out' basis.

Other ongoing operating expenses

The Constitution for each Fund allows for other ongoing operating expenses, (for example audit, taxation advice and offer documents) to be paid directly from a Fund. The Constitution does not place any limit on the amount of ongoing operating expenses that can be paid from each Fund. However, until further notice PM CAPITAL or its appointed representative will pay such amounts on behalf of each Fund and will not seek reimbursement.

Abnormal costs (such as costs of unitholder meetings, changes to the Constitution and defending legal proceedings) are paid out of the relevant Fund. These costs are incurred infrequently. Borrowing or investment related costs such as interest on borrowings and other related costs are payable by the relevant Fund.

Upon termination of a Fund or removal/retirement of PM CAPITAL all fees are payable up to the date of termination, retirement or removal.

The Responsible Entity is also entitled to an additional termination fee of 5.0% (exclusive of GST) of the net asset value of the Enhanced Yield Fund if removed as Responsible Entity of the Enhanced Yield Fund.

Unit pricing

When you invest in a Fund in this PDS, you are allocated a number of units in the Fund you have selected. Each of these units represents an equal part of the market value of the portfolio of investments that the Fund holds. As a result, each unit has a dollar value or 'unit price'. The unit price is calculated by dividing the total net asset value of the Fund by the total number of units held by investors that day. All unit prices are calculated and published to four decimal places. The number of units issued are calculated and allocated to two decimal places. The unit prices are calculated each Business Day.

Methodology used to value the Funds

PM CAPITAL undertakes the unit pricing function in-house. PM CAPITAL has adopted the forward pricing method to calculate unit prices. Unit prices are based on the net value of each Fund's assets, generally as next calculated by us after each cut-off time, thereby eliminating the possibility of arbitrage.

PM CAPITAL may outsource this function to a third party at some point in the future with continued oversight from PM CAPITAL.

Controls over the selection of valuation inputs, sources and methodologies

Determining an appropriate valuation of assets is essential to the calculation of the unit price. Asset values are usually based on closing market value of the Funds' assets. PM CAPITAL uses Bloomberg as its pricing source for listed securities. Foreign exchange cross rates are obtained from Bloomberg, and/or our custodians, Morgan Stanley and UBS. For any non-listed investments in the Funds such as OTC options and other derivatives, PM CAPITAL obtains valuations from Bloomberg and other external third parties such as our brokers or custodians.

The Responsible Entity may determine that any exit price shall include an income component, which will be deemed to be distributed upon withdrawal. If this occurs, we will advise within 60 days after the end of the financial year in which the withdrawal occurs, the amount of the exit price that constitutes a distribution of income.

Net Asset Value

The net asset value of each Fund includes the value of income accumulated since the previous distribution date. Unit prices for the Funds include an accrual for management fees and performance fees (if applicable).

Buy and sell spread

There is a difference between the application and the redemption unit price which is a result of transaction costs. The buy/sell spread is applied because an application or redemption may necessitate the purchase or sale of Fund assets, incurring transaction costs such as brokerage, government duties and taxes.

The spread does not apply to the allocation of units in respect of distribution reinvestment. Additional units allocated to a unitholder in respect of a distribution shall have those units allocated at the net asset value (NAV) unit price immediately after the distribution.

The Responsible Entity may in its absolute discretion waive the buy/sell spread provided that there are no underlying transaction costs to be recovered.

Communication

We encourage investors to supply us with their email addresses so that we can communicate efficiently and effectively.

Email is the preferred delivery method for all our communications and will be utilised wherever possible.

PM CAPITAL will keep you informed about your investment by sending you via email or post, depending on your chosen method of delivery:

- A letter confirming each investment, switch or withdrawal.
- An income and distribution statement at each distribution.
- A tax statement containing a summary of the distribution and tax components for the year ended 30 June to assist the unitholder prepare a tax return.
- Annual information statement.
- An annual financial report detailing the annual financial position and performance of the Fund over the last financial year.

By law, we are required to provide you with the annual financial report unless you advise us that you do not wish to receive a copy. The report will be sent to you via email or post (depending on your chosen method of delivery). If sent by email, the email you receive will provide you with access to the report via a link to our website at www.pmcapital.com.au.

This option will enable investors to view the annual financial report at their chosen time rather than receive a large email attachment to their inbox or large package in their post box. Please note that by nominating to receive annual financial reports via a link to our website, this will meet all our notification obligations to you. Please inform PM CAPITAL by ticking the relevant box on the Application Form accompanying this PDS if you do not wish to receive the annual financial report.

Communications via email only

The following communications will be sent to investors and financial advisers who provide PM CAPITAL with an email address:

- Monthly Fund updates (sent to financial advisers only); and
- A Quarterly Report.

Product Disclosure Statement

You should keep this, and any supplementary Product Disclosure Statement, for your records. A copy of the current Product Disclosure Statement is available at any time (free of charge) upon request, or may be obtained from our website at www.pmcapital.com.au.

www.pmcapital.com.au & PM CAPITAL Online Services

Our website provides investors with recent information on daily unit pricing, Fund sizes (updated quarterly) and Fund performance (updated monthly).

Our secure website, PM CAPITAL Online Services, allows you to access your personal account information such as your account balance, transaction history, distribution details and tax statement. You may also be able to access Fund information such as quarterly reports, due diligence documentation, ad hoc Fund updates and presentations. Over time, we may enhance the functionality of PM CAPITAL Online Services to enable you to transact on your account. The terms of use on page 52 are intended to cover the terms of such use should this occur in future. When you invest we will issue you with a login and a Personal Identification Number (PIN) by email if you elect this option.

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The Constitution

The Constitution of each Fund articulates the rights of the investor in those Funds.

Copies of the Constitutions for the Funds are available, free of charge, on request, during the life of this PDS. To obtain a copy simply telephone us on (+612) 8243 0888. The Constitutions are governed by the Corporations Act, exemptions and declarations issued by the Australian Securities and Investments Commission (ASIC) and the general law relating to trusts. The Constitutions provide for the appointment of PM CAPITAL as the Responsible Entity of the Funds. The custodians hold the assets of the Funds. PM CAPITAL or its agents decides which investments are bought and sold (within the limits set by the Constitution and PDS).

The following brief summary does not refer to every provision of the Constitutions, and should be read in conjunction with other references to the Constitutions contained in this PDS. In summary, the Constitution for a Fund:

- Requires PM CAPITAL to keep a register of unitholders.
- Empowers PM CAPITAL to create various classes of units under the Constitution. Identical rights and entitlements attach to all units within a class. However the rights and obligations attached to different classes of units may vary.
- Prescribes the circumstances allowing PM CAPITAL, or you, to call meetings of unitholders, and how meetings will be run.
- Provides for when PM CAPITAL can retire or be replaced as the Responsible Entity of the Funds.
- Allows for the replacement of the Responsible Entity through an extraordinary resolution of unitholders, holding between them not less than 50% of the units, made at a duly convened meeting of unitholders.
- Permits disputes to be referred to mediation or arbitration if necessary.
- Allows PM CAPITAL to vary the Constitution if it reasonably considers that the change will not adversely affect unitholders' rights. Otherwise unitholders' approval by a special resolution is required.
- Allows PM CAPITAL to appoint a custodian and other agents or delegates.

- Indemnifies PM CAPITAL, subject to the Corporations Act, for all liabilities incurred in the proper performance of its powers or duties.
- Allows PM CAPITAL to receive fees and pay certain expenses from a Fund.
- Specifies the powers and duties of the Responsible Entity in relation to the unit issue and redemption mechanisms, and in relation to investment borrowing and valuation. The Constitution incorporates a provision providing the Responsible Entity with the ability to suspend redemptions under certain circumstances. The Responsible Entity may suspend, for up to 12 months, the redemption of units where it is impracticable for the Responsible Entity to calculate the net asset value because of closure of, or trading restrictions on, stock or securities exchanges, any emergency or other state of affairs, or on declaration of a moratorium in a country where the Fund invests, or under the Corporations Act.
- The Constitution of each Fund permits the relevant Fund to invest the trust money in any form of investment unless expressly forbidden by the trust deed.

In accordance with ASIC's requirements, PM CAPITAL has documented its policy in respect of the exercise of discretions to:

- decide a matter that affects the value of a factor included in the formula for determining the unit prices; and
- decide a matter that is an aspect of the method for determining the unit prices.

A copy of PM CAPITAL's description of the formula and method for determining unit prices, the discretions exercised in respect of determining unit prices and its documented policy in respect of such discretions is available free of charge by contacting us on (+612) 8243 0888.

Taxation in Australia

The summary of taxation issues affecting the Funds and unitholders is only intended as an outline of the general tax position. Given the complex nature of the Australian taxation system, and the fact that different taxation circumstances apply to different unitholders, we strongly recommend that you seek the advice of a professional tax adviser. The content of this summary does not apply to unitholders who hold units in the Fund(s) on revenue account or trading stock. The tax information is based upon current laws and their interpretation at the date of this PDS.

Taxation position of the Funds

PM CAPITAL intends that the Funds will distribute all net taxable income (including net capital gains) that the Funds derive. Therefore, under current Australian tax legislation, the Funds should not be liable to pay any Australian income tax except for non-resident withholding tax which is payable on behalf of non-residents.

Managed Investment Trusts (MITs): Capital Treatment

Generally the eligible⁷ Funds have considered the recent MIT Capital Election provisions, which are effective from 1 July 2008. Any Fund that made the capital election will treat its investments as being held on capital account for income tax purposes. Therefore, any profit on the disposal of the Fund(s) underlying investments will be deemed to be subject to Capital Gains Tax ("CGT") which may also be eligible for the CGT discounts at 50% for individuals or 33% for superannuation Funds. These capital gains will be treated as capital gains distributions to the Fund(s) unitholders.

The PM CAPITAL Emerging Asia Fund was not eligible to make the MIT Capital Election. However, under the general tax principles, the Emerging Asia Fund will hold its investments on capital account for income tax purposes. Therefore, any profit on the disposal of the Emerging Asia Fund's underlying investments will also be on capital account and subject to CGT, which will also be treated as capital.

Taxation position of Australian resident investors

Investors will be subject to Australian income tax at the investor's marginal tax rate on their proportion of the net taxable income of the Fund. This will be the case even if distributions are reinvested and the investor receives additional units in the Fund.

Applications and redemptions

The application and redemption prices for units in each Fund are calculated by reference to the net asset value of that Fund, which, includes the value of income accumulated since the preceding distribution entitlement date.

If units are acquired part way through a distribution period, the amount of accumulated income which is included in the application price will be distributed to the unitholder as income on the next distribution entitlement date. The whole amount of the annual net taxable income distributed will be included in the unitholder's assessable income. The additional amount paid to acquire the units to cover the accumulated income will be included in the cost base of the units, resulting in a higher CGT cost base and therefore a potentially lower capital gain or higher capital loss realised by the unitholder upon the eventual disposal of their units. Generally capital losses can only be offset against capital gains.

If units are redeemed part way through a distribution period, the value of accumulated income will be included in the redemption price. The Responsible Entity may determine that part of the proceeds on redemption reflect the unitholder's share in the net income of the Fund that they have invested in and will therefore be assessable as a distribution of the net income of that Fund. The balance will reflect the capital proceeds on disposal and may, depending on the unitholder's tax circumstances, be subject to the CGT provisions.

Investors will be issued with a transaction statement whenever they transact in one of the Funds. It is the Investor's responsibility to ensure that all details set out on the transaction statement are consistent with the investor's investment decision. Investors must contact PM CAPITAL within one month of receiving their transaction statement should the details be incorrect. After the period of one month has expired, PM CAPITAL is not obliged to change a transaction.

⁷ At the time this PDS was issued the PM CAPITAL Emerging Asia Fund was not eligible to elect a MIT Capital election provision as it does not meet the accounting definition of a 'managed investment trust'. This may change in the future as funds under management increase.

Distributions

Australian unitholders should include the amount shown as 'net taxable income distributed' (including capital gains) on their annual distribution statement from the Fund(s) in their tax return.

To assist you with your taxation requirements, you will receive a statement summarising the amount of net taxable income, foreign income tax offsets ("FITOs"), franking credits and Tax File Number ("TFN") withholding credits that you have received for the year ending 30 June.

It will also set out the tax-exempted, tax-free and tax-deferred components (if any) of income distributions paid, the amount of any net capital gains arising from the dealings in the Funds' portfolio of investments and any additional units acquired by the unitholders by reinvesting distributions from the investment in the Fund(s).

The distributions from each Fund may comprise the following items:

- Australian sourced interest and dividends (franked and unfranked) and franking credits;
- Other Australian sourced income;
- Capital gains (discounted and non-discounted, TARP or NTARP);
- CGT concession amount; and
- Assessable foreign sourced income and FITOs.

An investor may be entitled to franking credits which arise from franked dividends received for a Fund(s) investment in Australian shares. Subject to various anti-avoidance rules, including the 45 day holding period rule, an investor may be able to utilise any franking credits to reduce their income tax liability on their distributions or other assessable income. In order to claim any franking credits, the amount of the franking credit must also be included as assessable income in the investor's tax return.

Where foreign tax has been paid by the Fund in respect of overseas investments, the Fund will generally pass on to unitholders the corresponding proportion of foreign tax paid for as FITOs which may be applied against the Australian tax payable on the other components of their assessable foreign distributions. Should the Fund not make a net taxable distribution, then the FITOs within the Fund will be lost as they cannot be carried forward to future income years.

There is a limit on the maximum amount a unitholder may claim as a FITOs. The limit is the greater of \$1,000 or the offset capped amount.

If the unitholder's entitlement to the Fund(s) foreign income tax paid is less than or equal to \$1,000, the unitholder is not required to calculate the FITO cap and the unitholder's tax offset equates to the unitholder's foreign income tax paid.

If the total foreign income tax paid is greater than \$1,000, the unitholder has two options. They may elect to offset only \$1,000 or the actual amount of foreign income tax paid, subject to the FITO cap. If the unitholder chooses to only apply \$1,000 of FITOs then they are not required to calculate the FITO cap, but any foreign income tax paid in excess of the \$1,000 cap is wasted. Alternatively, the unitholder may calculate the FITO cap, which is basically the difference between the unitholder's tax liability on their taxable income and their tax liability if certain foreign-taxed and foreign-sourced income and related deductions were disregarded.

At the unitholder level, any excess FITO over the cap will be lost and unlike the previous foreign tax credit provisions, the excess cannot be carried forward to a later income year. We suggest that you seek assistance from your tax adviser with respect to the operation of these provisions.

Unitholders must include any realised capital gain, or loss, on disposal of their units (together with any capital gain distributed to them by the Funds) in the calculation of their net capital gain or loss. A net capital gain will be included in the unitholder's assessable income. A net capital loss may be carried forward and be used to offset capital gains in subsequent years but may not be offset against other assessable income. Please note that capital gains or losses realised on disposal by a unitholder of their units are not calculated by PM CAPITAL on behalf of the unitholder. PM CAPITAL only calculates the capital gains or losses made by each PM CAPITAL Fund on its underlying securities when determining distributable taxable income.

In calculating the taxable amount of a capital gain, the CGT discount of 50% for individuals (and certain eligible trusts), or 33% for complying superannuation entities, may be allowed where units have been held continuously for 12 months or more. Companies are not eligible for the CGT discount and are therefore taxable on the full amount of the net capital gain.

Where units are held by the unitholder as part of a business of investing or for the purpose of profit making by sale, any gains realised may constitute ordinary income and will not be eligible for the CGT discount.

Unitholders should also be aware that some of the income distributed may be tax deferred or in limited circumstances, tax free. Whilst this income is generally not taxable in the year it is received, it may reduce the CGT cost base of the investors units held in the Fund, which will result in an increase in the capital gain or reduction in the capital loss upon the eventual disposal of an investor's units.

Controlled Foreign Companies (CFC)

Foreign investments held by the Fund may be interests in a CFC for the purposes of Australian income tax law. This may result in taxable income arising in the Fund on an accruals basis in relation to certain CFCs regardless of when the income is actually received or gains realised by the CFC. However, PM CAPITAL will endeavor to manage the Fund's investments so that the CFC provisions do not apply to the Fund. Note that on 16 July 2010, a discussion paper was released by the Assistant Treasurer regarding the proposed reform of the CFC provisions.

Previously, foreign investments held by the Fund may have also included interests in a Foreign Investment Fund (FIF). However, the FIF provisions no longer apply as they were repealed with effect from the start of the 2010/11 income year (generally 1 July 2010 for most taxpayers).

Non-Australian resident investors

Unitholders will be provided with an annual distribution statement detailing Australian tax information. Non-resident unitholders should account for the distribution in their taxation returns if required by the Australian Tax Office ("ATO") in Australia and any relevant taxation authority in their country of tax residence. Regarding non-Australian resident investors, non-Australian sourced income that is included in a distribution to a non-resident is generally not subject to Australian taxation.

Appropriate statutory deductions of Australian tax will be made from distributions to non-resident investors. The rate of tax that applies to distributions depends upon the type of income and/or capital gain that is being distributed, whether the unitholder is an individual, a company or an intermediary and which country the unitholder resides in.

Non-resident investors may also be subject to tax on distributions in the country in which they reside, but may be entitled to foreign tax credits.

Non-resident investors which hold their units on capital account will generally not be subject to Australian tax on capital gains arising on the withdrawal or transfer of units in the Fund, provided they hold less than 10% of all units in the Fund. If the non-resident investor holds 10% or more of all units in the Fund, Australian capital gains should generally not be payable as the Fund is not expected to invest (directly or indirectly), principally (more than 50% of its assets) in Australian real property.

Non-resident investors which dispose of their units and the units were held on revenue account, may be subject to Australian tax as ordinary income, subject to any available double tax treaty relief available from their country of tax residence.

Professional tax advice should be obtained by any non-resident that holds 10% or more of the units in a particular Fund as the distribution of any capital gains may be taxable in limited circumstances (such as if the Fund directly or indirectly holds taxable Australian real property).

Taxable Australian property is defined to include:

1. A direct interest in Australian real property; or
2. An indirect interest in Australian real property, namely where the Funds own 10% or more of the units in a fixed trust and the fixed trust invests (directly or indirectly) principally (more than 50% of its assets) in Australian real property; or
3. An asset used by the Funds at any time to carry on a business through a permanent establishment.
4. Options or rights over the above items (1 – 3) assets are taxable Australian property; or
5. An asset that a non-resident has elected to be taxable Australian property when the non-resident changed residency status from a resident to a non-resident.

However, as the Funds are unlikely to directly or indirectly hold taxable Australian real property, any capital gains distributed to a non-resident investor should not be subject to Australian tax. Note that Funds will advise the non-resident investor if there are any capital gains distributed which are taxable in Australia.

Given the complex nature of the Australian taxation system, and the fact that different taxation circumstances apply to different unitholders, we strongly recommend that non-residents seek the advice of a professional tax adviser. Taxation matters specific to New Zealand investors are further outlined on page 47.

What happens if I don't advise my Australian Tax File Number (TFN) or Australian Business Number (ABN)?

Australian residents only

You are not required to give us your TFN, ABN or appropriate TFN exemption information. However, if you don't, we are required to withhold tax (at the highest marginal tax rate plus Medicare levy) from any distributions paid to you by the Funds. An ABN may be used as an alternative to a TFN if the investments are undertaken in the course of carrying out an enterprise. Indirect investors who wish to provide their TFN exemption or ABN should contact their IDPS account operator.

Goods and Services Tax (GST)

The Funds have been registered for GST. The issue and redemption of units in the Funds and the resulting income distributions will not be subject to GST. Custodian fees, management fees, performance fees and brokerage within Australia are subject to GST. However, the Funds are able to claim a reduced input tax credit from the Taxation Office equal to either 75% or 55% of the GST paid, depending upon the type of services acquired.

Additional information

Transfer of units

You may transfer your unitholding by returning a standard transfer form, which has been stamped for duty by the NSW Office of State Revenue, together with an Application Form accompanying the current PDS, completed by the new owner. Transferring units may have taxation implications and you should consult your financial or taxation adviser before you arrange any transfer of units.

Any instruction received from a unitholder where the ownership is affected, and where a stamped transfer form has been provided, will be deemed to be an instruction for PM CAPITAL to change the ownership by way of a transfer of units. In such instances, no buy/sell spread will be applied to this transaction. A transfer form may indicate the value and date at which the buyer and seller have agreed to transfer units. For the purposes of the transaction and registry records maintained by PM CAPITAL, and the calculation of any fees crystallised upon transfer, PM CAPITAL will note the unit price that prevails at the date it is first notified of the transaction. This will not necessarily represent the unit price as at the date indicated on the transfer form.

Indirect investors

Clients of an IDPS account do not become direct unitholders in the Funds and, as such, do not acquire the rights of an investor. The operator of the IDPS account acquires those rights, and can exercise them, or decline to exercise them, on behalf of indirect investors. Where you invest through an IDPS account you may be subject to different conditions from those referred to in the PDS, particularly in regard to:

- Fees and expenses (additional fees and expenses may be charged by the operator or custodian of the IDPS account);
- Prices received and cut-off times;
- Distribution calculations and timings; and
- Cooling off rights.

The operator or custodian of the IDPS account will be recorded in the register as the investor and will, as a result, be the person who exercises the rights and receives the benefits of an investor. Fund reports and other documentation from us will be sent directly to the operator or custodian of the IDPS account. Investors in the IDPS account should contact their adviser or operator for investor queries. Indirect investors do not receive income or reports from us and do not directly participate in investor meetings. Indirect investors must complete the Application Form obtained from the IDPS account operator. Applications and redemptions, including minimum amounts, are governed by the rules of the IDPS account operator. PM CAPITAL is not responsible for the operation of any IDPS account through which you invest.

Are labour standards or environmental, social or ethical considerations taken into account?

PM CAPITAL considers environmental, social and corporate governance factors in its investment analysis and decision making process. PM CAPITAL seeks to be a responsible investor ("RI"). PM CAPITAL defines RI as follows:

"Responsible investment is an investment process that considers the governance, social and environmental consequences of investments, both positive and negative, within the context of rigorous financial analysis".

A copy of PM CAPITAL's Responsible Investment Policy is available on our website at www.pmcapital.com.au and a hard copy is available free of charge by contacting us on (+612) 8243 0888.

When is the income paid?

The net income received by the Funds for distribution to investors will be determined as at 30 June each year. The Enhanced Yield Fund intends to make a nominal distribution of income at the end of the September, December and March quarters, with the balance of net taxable income to be made at the end of the June quarter. PM CAPITAL has discretion under the Constitutions to make additional interim distributions in respect of the Funds. Any distribution is reinvested unless the direct investor has requested otherwise. This reinvestment will be at the post distribution net asset value unit price.

Where an investor has chosen to have their income distribution paid out, there will be a timing difference between the date of determining the income and its subsequent payment. This is generally a period of up to three weeks but may be longer. Individual unitholders do not accrue interest on their distribution entitlement while they are awaiting payment. Any income that may be derived by the Funds while awaiting payment to individual investors will be returned by the Fund to the benefit of all unitholders. PM CAPITAL will not be responsible for any delays with the payment of income distributions. Non-resident investors bear all currency risk.

Retirement, removal or replacement of the Responsible Entity

The Responsible Entity may retire, or be removed, in the manner provided in Part 5C of the Corporations Act. Broadly, this section provides that the Responsible Entity may retire by calling a meeting of unitholders to explain its reasons for wanting to retire. The unitholders must then vote on the issue and appoint another Responsible Entity on an extraordinary resolution. Unitholders may also remove a Responsible Entity by calling a meeting to vote on an extraordinary resolution to remove the Responsible Entity.

A retiring or removed Responsible Entity is released from its obligations as at the date of removal or retirement, and is entitled to be reimbursed all fees owing to it out of the relevant Fund assets.

Register of unitholders

The Responsible Entity maintains a register of unitholders at its principal place of business and may contract the services of a Fund administrator to assist with the unit registry function.

Amendment of the Constitution

The Constitution for each Fund may be modified, repealed or replaced with a new Constitution by a special resolution of unitholders, or by the Responsible Entity, if the Responsible Entity reasonably considers the change will not adversely affect unitholders' rights.

Custodians

PM CAPITAL has appointed Morgan Stanley & Co. International plc as custodian of the Absolute Performance Fund and Emerging Asia Fund and UBS Nominees Pty Ltd as custodian of the Australian Opportunities and Enhanced Yield Funds (together, the 'custodians'). The custodians agree to hold the relevant Fund assets as custodians for PM CAPITAL. The custodians are authorised to act on any written instruction received from PM CAPITAL or its authorised representatives. The complete terms of the custody arrangements are set out in separate documents. The Responsible Entity is entitled to change custodians at any time if, in its opinion, the change will benefit the operation and management of the Funds and provided the change complies with the appropriate regulatory requirements.

The agreements entered into limit each custodian's liability to the extent of assets vested in it except in respect of any neglect, default or breach of duty.

The Responsible Entity will maintain application cash holdings of the Funds may hold some term deposits in relation to the Funds' cash holdings.

In this regard and for these assets PM CAPITAL Limited acts as custodian.

Prime Broker service

PM CAPITAL has appointed Morgan Stanley & Co. International plc as prime broker for the Absolute Performance Fund, and Emerging Asia Fund. UBS AG, Australia Branch has been appointed as prime broker for the Australian Opportunities and Enhanced Yield Funds (together, the 'Prime Brokers'). PM CAPITAL may appoint new Prime Brokers, provided any appointment complies with the appropriate regulatory requirements.

The services provided by the Prime Brokers may include the provision to the Responsible Entity or its authorised representatives of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities.

Morgan Stanley & Co. International plc

Morgan Stanley & Co. International plc (the "Prime Broker"), a member of the Morgan Stanley Group of companies, based in London, will provide prime brokerage services to the Fund under the terms of the International Prime Brokerage Agreement (the "Agreement") entered into between the Fund and the Prime Broker for itself and as agent for certain other members of the Morgan Stanley Group of companies (the "Morgan Stanley Companies"). These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilise Morgan Stanley & Co. International plc., other members of the Morgan Stanley Group of companies and other brokers and dealers for the purposes of executing transactions for the Fund.

The Prime Broker will also provide a custody service for all the Fund's investments, including documents of title or certificates evidencing title to investments, held on the books of the Prime Broker as part of its prime brokerage function in accordance with the terms of the Agreement and the rules of the Financial Services Authority ("FSA") of the United Kingdom by which it is regulated in the conduct of its investment business. The Prime Broker may appoint sub-custodians, including the Morgan Stanley Companies, of such investments.

In accordance with FSA rules, the Prime Broker will identify, record and hold the Fund's investments held by it as custodian in such a manner that the identity and location of the investments can be identified at any time and that such investments are readily identifiable as belonging to a customer of the Prime Broker and are separately identifiable from the Prime Broker's own investments. Investments which constitute collateral for the purposes of the FSA rules, as described below, may not be segregated from the Prime Broker's own investments and may be available to creditors of the Prime Broker or the Morgan Stanley Companies. Furthermore, in the event that any of the Fund's investments are registered in the name of the Prime Broker where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Fund's best interests to do so or it is not feasible to do otherwise, such investments will not be segregated from the Prime Broker's own investments and in the event of the Prime Broker's default may not be as well protected.

Any cash which the Prime Broker holds or receives on the Fund's behalf will not be treated by the Prime Broker as client money and will not be subject to the client money protections conferred by the FSA's Client Money Rules. As a consequence, the Fund's cash will not be segregated from the Prime Broker's own cash and will be used by the Prime Broker in the course of its investment business, and the Fund will therefore rank as one of the Prime Broker's general creditors in relation thereto.

As security for the payment and discharge of all liabilities of the Fund to the Prime Broker and the Morgan Stanley Companies, the investments and cash held by the Prime Broker and each such Morgan Stanley Company will be charged by the Fund in their favour and will therefore constitute collateral for the purposes of the FSA rules. Investments and cash may also be deposited by the Fund with the Prime Broker and other members of the Morgan Stanley Group of companies as margin and will also constitute collateral for the purposes of the FSA rules.

The Fund's investments may be borrowed, lent or otherwise used by the Prime Broker and the Morgan Stanley Companies for its or their own purposes, whereupon such investments will become the property of the Prime Broker or the relevant Morgan Stanley Company and the Fund will have a right against the Prime Broker or the relevant Morgan Stanley Company for the return of equivalent assets. The Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of the Prime Broker or the relevant Morgan Stanley Company, the Fund may not be able to recover such equivalent assets in full.

Neither the Prime Broker nor any Morgan Stanley Company will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Agreement unless such loss results directly from the negligence, wilful default or fraud of the Prime Broker or any Morgan Stanley Company. The Prime Broker will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Prime Broker and the Morgan Stanley Companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Fund has agreed to indemnify the Prime Broker and the Morgan Stanley Companies against any loss suffered by, and any claims made against, them arising out of the Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The Prime Broker will not participate in the investment decision-making process.

UBS AG

The Fund has appointed UBS AG, Australia Branch to be Prime Broker and UBS Nominees Pty Limited as Custodian for the Fund. Both are members of the UBS Group of companies. The appointments were made pursuant to the prime brokerage customer documents (the "Customer Documents") entered into between the [Trustee/ Responsible Entity for the] Fund and the Prime Broker (for itself and as agent for certain other members of the UBS Group of companies (the "UBS Companies")) and the Custodian. These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilise the Prime Broker, other members of the UBS Group of companies and other brokers and dealers for the purposes of executing transactions for the Fund.

The fees of the Prime Broker and the Custodian are payable by the Fund. The Prime Broker has no decision making discretion relating to the investment of the Assets of the Fund and makes no representation in respect of the Fund or the investment of the Assets.

Certain Assets of the Fund will, subject to the following paragraph, be held by the Custodian in segregated accounts together with assets deposited by it on behalf of other customers of the Custodian or the Prime Broker:

Such Assets will not be mixed with the property of the Custodian or the Prime Broker and should not be available to third party creditors of the Custodian or the Prime Broker in the event of insolvency of the Custodian or the Prime Broker (as the case may be). However, the Assets of the Fund held by a Custodian will be subject to a charge to secure the Fund's obligations to the Prime Broker.

The obligations of the Fund to the Prime Broker in respect of any transactions will be secured by transferring to the Prime Broker by way of security title to certain investments, cash or other Assets of the Fund (together referred to as "Collateral"). The Prime Broker is entitled to sell, lend or otherwise use any Collateral for their own purposes, subject to an obligation to return equivalent securities or cash value. Such Collateral is not segregated from the Prime Broker's own property and may be available to third party creditors of the Prime Broker in the event of the insolvency of the Prime Broker.

Under the Customer Documents, the Prime Broker is not responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of the executing broker, its employees or agents, non-compliance with any regulatory requirements to report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction (except where the Prime Broker performs such functions in its own capacity).

Where the Fund intends to short-sell securities it is anticipated that the securities will be borrowed from or by the Prime Broker under the Customer Documents. Under the terms of the Customer Documents, the Fund may seek to borrow the securities with a borrowing request. If the Prime Broker accepts the Fund's borrowing request, the Prime Broker will deliver the securities borrowed to the Fund or as the Fund directs.

The Fund will have an obligation to redeliver the securities borrowed or equivalent securities on an agreed date or otherwise the Prime Broker may call for the redelivery at any time by giving notice on any Business Day of not less than the standard settlement time for such equivalent securities. The Fund must provide Collateral to secure its obligations under the relevant Customer Documents. The amount of Collateral is the value of the securities borrowed plus a margin. In the event that the value of the securities borrowed plus a margin exceeds the Collateral provided, further Collateral will need to be delivered so that the Collateral equals the value of securities borrowed plus the margin.

UBS Nominees Pty Limited will provide custody services for the Assets of the Fund (but not those Assets which the Cash Custodian may hold from time to time) including documents of title or certificates evidencing title to investments, held on the books of the Prime Broker as part of its brokerage function in accordance with the terms of the Customer Documents. The Custodian may appoint sub-custodians, including a member of the UBS Group, for such investments.

The Fund may remove UBS AG, Australia Branch as the Prime Broker and UBS Nominees Pty Limited as the Custodian and appoint another prime broker and custodian in their respective place at any time without notice to investors.

Neither the Prime Broker, the Custodian nor any UBS Company will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Customer Documents unless such loss results directly from the gross negligence, wilful default breach of contract or fraud of the indemnified person.

The Prime Broker and the Custodian are providers to the Fund and are not responsible for the preparation of this or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. Neither the Prime Broker nor the Custodian will participate in the investment decision-making process for the Fund.

UBS has financial resources in excess of US\$200 million.

Compliance

Each Fund has a Compliance Plan, which sets out measures to ensure compliance with its Constitution and the Corporations Act.

The Responsible Entity has appointed an independent Compliance Committee, with a majority of external members, to monitor the extent to which the Responsible Entity complies with the Compliance Plans, and to report on its findings. The Compliance Committee may also report any breaches of a Compliance Plan to ASIC and may make recommendations of changes to the Compliance Plans.

An external auditor has also been appointed by the Responsible Entity to audit the compliance plans and their underlying control sets on an annual basis. The auditor provides this report to both the Compliance Committee and to the Board.

Complaints procedures

If you have a complaint, please contact PM CAPITAL on (+612) 8243 0888. We will acknowledge and investigate your complaint and respond to you within 30 days. PM CAPITAL is a member of the Financial Ombudsman Service Limited (FOS), an approved independent complaints resolution service. You can pursue your complaint through this service if you are not satisfied with our decision. FOS has been approved by the Australian Securities and Investments Commission ('ASIC') to assist investors in resolving complaints. You can contact FOS at www.fos.org.au or by calling 1 300 78 08 08 for the cost of a local call.

Financial history

The most recent audited financial statements of the PM CAPITAL Funds are available free of charge, by contacting PM CAPITAL on (+612) 8243 0888.

Litigation

The Directors are not aware of any litigation of a material nature in progress, pending or threatened, which may significantly affect the market price of the units or the financial position of the Funds, or against the Responsible Entity.

Jurisdiction of the offer

The Funds are open for investment to persons receiving the PDS in Australia, as well as New Zealand. The distribution of this PDS in jurisdictions outside Australia and New Zealand may be restricted by law, and therefore persons who come into possession of this PDS should seek advice on, and observe, those restrictions.

This PDS does not constitute an offer in any jurisdiction where, or to any person to whom, it would be unlawful to issue the PDS or make the offer. This PDS is not for distribution outside of Australia and New Zealand. It is the responsibility of any applicant outside of Australia and New Zealand to ensure compliance with the offer.

Documents available for inspection

Copies of the following documents are available for inspection during normal office hours at the office of PM CAPITAL at Level 24, 400 George Street, Sydney NSW 2000:

- the Fund Constitutions.
- the Compliance Plans for the Funds.
- the Funds' Financial Statements.
- PM CAPITAL's documented policy on the exercise of unit pricing discretions.

The Absolute Performance Fund, Australian Opportunities Fund and Enhanced Yield Fund are disclosing entities under the Corporations Act and are subject to regular reporting and continuous disclosure obligations. PM CAPITAL will follow ASIC's good practice guidance for website disclosure of material information as set out in Regulatory Guide 198 and comply with its continuous disclosure obligations by placing any material information in relation to the Fund in a single place on its website www.pmcapital.com.au.

You also have a right to request a copy of the following documents from PM CAPITAL when they become available:

- The annual financial report for each Fund most recently lodged with ASIC.
- Any half-year financial report for each Fund lodged with ASIC after the lodgement of the annual financial report for each Fund and before the date of this PDS.
- Any continuous disclosure notice given for each Fund after the lodgement of the annual financial report for each Fund and before the date of this PDS.

PM CAPITAL must send you a copy of these documents (free of charge) as soon as practicable, and in any event within five days of the request. Your request will be fulfilled in the way you choose – by email, fax or post, or you can collect it from our offices.

As at the date of this PDS, the Emerging Asia Fund is not a disclosing entity. In the event that this Fund becomes a disclosing entity, PM CAPITAL will follow ASIC's good practice guidance for website disclosure of material information as set out in Regulatory Guide 198 and comply with its continuous disclosure obligations by placing any material information in relation to the Fund in a single place on its website www.pmcapital.com.au.

Managed investments regulation

The Funds are registered managed investment schemes for the purposes of Chapter 5C of the Corporations Act and as such are regulated by the Australian Securities & Investments Commission. The Funds are established pursuant to a Constitution and operate under provisions of its relevant Constitution and the Corporations Act.

PM CAPITAL is the responsible entity of each Fund and is responsible for ensuring each Fund's operations comply with the legislation.

To protect the interests of unitholders and in compliance with the provisions of the Corporations Act, PM CAPITAL has adopted the following compliance procedures in respect of each Fund:

- a comprehensive Compliance Plan has been prepared, which incorporates detailed procedures on the investment and valuation of scheme assets;
- a Compliance Committee has been established, comprising a majority of external members with relevant experience;
- the Compliance Committee will meet on at least a quarterly basis to monitor PM CAPITAL's compliance with the Constitution of the Funds and the Compliance Plan;
- this Compliance Committee will review compliance procedures and ensure that steps are taken to comply with the provisions of the Corporations Act; and
- PM CAPITAL is a member of an external dispute resolution scheme: Financial Ombudsman Service Limited.
- PM CAPITAL has appointed separate independent auditors from HLB Mann Judd (NSW Partnership) for the Compliance Plans and the financial reports of the Funds.

Anti-Money Laundering

In order to comply with regulations aimed at the prevention of money laundering and counter terrorism financing, including but not limited to the laws and regulations of Australia in force from time to time ('AML/CTF law'), appropriate detailed identification and verification about an applicant will be required, which may include identification of underlying beneficial owner(s). We may delay or refuse to accept an application (and return any Funds received with the application without interest) where there is a delay or failure to produce any information requested for identification and/or verification purposes, or if we are concerned that the application may breach any obligation of, or cause us to commit or participate in an offence under the AML/CTF law, and we will incur no liability to you if we do so.

Your application will not be accepted or processed until all required information has been received to our satisfaction (including any additional information that may be requested), and we are satisfied all client identification procedures have been completed and any other obligations under the AML/CTF law have been complied with.

By applying to invest in one of the Funds, you warrant that:

- you are not aware and have no reason to suspect that:
 - the monies used to Fund your investment in a Fund have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement ('illegal activity'); or
 - the proceeds of your investment in a Fund will be used to finance any illegal activities.
- you, your agent, or your nominated representative will provide us with all additional information and assistance that may be requested in order to comply with our obligations under any AML/CTF law.
- you are not a 'politically exposed' person or organisation for the purposes of any AML/CTF law.

Privacy of your personal information

The privacy of your personal information is important to us. We will only collect your personal information where it is necessary to do so to provide and administer your investments, or where we are required to do so by law.

When you complete an application for new investments, make additional investments or make withdrawals from your investments you need to provide us with some information. The information we may collect and store about you includes:

- name, address and contact telephone number;
- tax file number;
- date of birth;
- details of correspondence, such as letters, which are also kept on file; and
- documentation to verify your identification e.g. A copy of your driver's licence that contains a photograph of the driver.

To assist us in providing a complete administration service for your investments, we may at times disclose your personal information to other organisations. Our agreements with third parties seek to ensure your details remain confidential and are not used for marketing or other purposes. We may also disclose personal information when required by law. Your personal information will not be disclosed to third parties except where mentioned above or where authorised by you.

We may also use and disclose the personal information you provide us for the purposes of complying with our obligations under the AML/CTF law.

If you notify us that you have a financial adviser, details of your investments will be supplied to your adviser or staff of the adviser unless you instruct us otherwise.

Your personal information is available only to staff or appointed representatives of PM CAPITAL who require the information to provide and maintain your investment.

In order to provide you with the best service, we endeavour to ensure that all personal details are up to date and accurate. To do this, we ask that you advise us of any changes to your personal details.

If you have any concerns about the information we hold about you, or would like to access or change this information, simply contact us on (+612) 8243 0888 or email pmcapital@pmcapital.com.au.

You will be taken to agree to the collection, use and disclosure of your personal information as set out above when you make an investment in a Fund.

Cooling off period

The Corporations Act provides that retail investors be given a 14 day 'cooling off' period to withdraw their investments in certain circumstances commencing from the earlier of:

- the time we confirm your interest in the Fund; or
- the end of the fifth day after the interest in the Fund is issued to you.

The amount to be repaid on the exercise of cooling off is the application price, reduced or increased, to allow for market movements, as well as transaction costs and taxes. Your right to be repaid during the cooling off period does not apply in certain circumstances such as where:

- you are switching between Funds;
- you are investing in the Fund via an IDPS account, nominee or custody service.

Facsimile instructions and scanned documents

By using a facsimile or scanned document for instructions, a unitholder releases the Responsible Entity from, and indemnifies the Responsible Entity against, all losses and liabilities arising from any payment or action the Responsible Entity takes based on the facsimile or scanned instruction that the Responsible Entity receives bearing the unitholder's account name and/or account number; a signature apparently that of the unitholder's or that of an authorised signatory(ies) on the account.

Processing errors

Investors will receive communication from PM CAPITAL with respect to every transaction (refer to 'Communication' on page 34). Investors are encouraged to check all communication. Should you believe a transaction has not been processed as instructed, you are required to notify PM CAPITAL within one month of receipt of the trade confirmation. Thereafter, PM CAPITAL has the right to refuse to process any amendment to the transaction irrespective of who is responsible for the error.

Warning Statement for New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. Information on the Australian and New Zealand taxation implications of investing in the Funds is detailed on pages 37 - 39.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the Funds credited to a bank account in New Zealand in New Zealand dollars.

New Zealand taxation

Information describing how New Zealand taxation rules are likely to affect returns to investors who are New Zealand tax residents (NZ Investors) is set out below. It is based on the law and its interpretation in New Zealand as at 22 April 2013. It is neither an exhaustive nor a definitive summary. The level and basis of taxation changes frequently. The individual circumstances of an investor will impact on the New Zealand tax treatment, such that investments in a Fund may be taxed differently as between investors.

NZ Investors should seek professional advice about the tax implications of investing in the Fund that is specific to that investor's circumstances. **PM CAPITAL does not take responsibility for an investor's personal tax treatment.**

The Funds fall within the definition of a 'unit trust' and consequently are deemed to be companies for New Zealand tax purposes. NZ Investors in a Fund are deemed to be shareholders of the deemed company.

The following comments assume that the Funds will not be a controlled foreign company (CFC) and also assume that the NZ Investor holds less than 10% of the units in any one Fund. The following comments relate only to direct investment in a Fund. Investors who invest indirectly (e.g. through a wrap account) will need to consider the nature of the facility through which they invest.

NZ Investors need to determine whether their units in a Fund are attributing interests in a foreign investment Fund (FIF) and give rise to FIF income. It is anticipated that the units will be an attributing interest - it is not anticipated that the Fund will come within the exemption that can apply to certain Australian unit trusts (because PM CAPITAL will not be establishing an 'RWT proxy' and the Fund may not meet the minimum turnover or distribution requirements in any given year).

NZ Investors will be required to calculate FIF income from their attributing interests unless the 'de minimis' exclusion can be relied on. This exclusion is available only where:

- The NZ Investor is either a natural person who does not hold the investment as a trustee, or, is the trustee of a limited range of trusts; and
- That total cost of all that NZ Investor's attributing interests in FIFs (i.e. their units in a Fund and any other attributing interests they hold) does not exceed NZ\$50,000.

If not required to calculate FIF income

If not required to calculate FIF income, the NZ Investor will be taxable in New Zealand on their investment in a Fund as follows:

Income distributions: Income distributions from any of the Funds (including those that are reinvested) generally will be taxable as dividends in the NZ Investor's hands. A tax credit generally will be available for any Australian withholding tax deducted from the distribution, up to the lesser of the New Zealand income tax on the distribution (net of any expenses) and the actual Australian tax withheld. No tax credit will be available for any withholding tax deducted from income sourced outside Australia. NZ Investors are unable to utilise Australian anti-avoidance against their NZ tax liability and franking credits are not required to be included in their taxable income. It is unlikely that the Funds will attach any NZ imputation credits to distributions paid to NZ Investors as it is unlikely that the Funds will pay any NZ income tax.

Withdrawals: the tax position will vary according to the manner of withdrawal and the NZ Investor's circumstances:

- **Repurchase:** gains or losses from the repurchase of the NZ Investor's units in a particular Fund by PM CAPITAL generally should not be taxable or deductible unless the NZ Investor invested in that Fund for the purpose of sale or carries on a business of dealing in shares or similar property, or the sale of the investment is an act done in the carrying on of a business of investment.
- **Redemption:** at least part of the amount received on redemption of the NZ Investor's units may constitute a dividend (for both revenue and capital account investors).

If required to calculate FIF income

If required to calculate FIF income, the NZ Investor must consider which of the prescribed calculation methods will apply. The most likely method to apply is the 'Fair Dividend Rate' (FDR) method. Under the FDR method, FIF income is calculated as 5% of the opening market value (for that income year or valuation period) of an investor's portfolio of relevant offshore investments (including investments in a Fund), plus any adjustment for 'quick sales' (which captures income from interests acquired and disposed of within the period and that is the lesser of two amounts calculated under prescribed formulas).

Where an investment that is subject to the FDR is acquired part way through an income year, no income arises on that investment for that income year as long as an investment of that type is not sold at any time during the same year. Under FDR, income distributions from a Fund are not taxed separately. Under FDR no tax losses can arise from the units.

If the NZ Investor is a natural person (or the trustee of certain family trusts) and can demonstrate that their 'actual return' from their pool of relevant offshore investments in an income year (including unrealised gains or losses and distributions received) is less than the amount calculated under FDR, that person may choose to pay tax on their actual return only (calculated under the 'Comparative Value' method). If the actual return is a loss, any such loss will not be deductible.

No ruling has been sought from the New Zealand Inland Revenue as to which method(s) may be used by NZ Investors in relation to their units. NZ Investors must satisfy themselves as to the appropriate method to adopt.

A tax credit generally will be available for any Australian withholding tax deducted from the distribution, where income is calculated under either the FDR or Comparative Value methods, up to the lesser of the amount of New Zealand income tax on that liability (net of any expenses) and the actual Australian tax withheld. No tax credit will be available for any withholding tax deducted from income sourced outside Australia.

NZ Investors are unable to utilise Australian franking credits against their New Zealand income tax liability and franking credits are not required to be included in their taxable income.

Other points to note

In the event that a withdrawal is affected by way of a repurchase (as opposed to a redemption), NSW stamp duty is payable at \$0.60 per \$100 or part thereof with a minimum rate of duty of \$50. The withdrawal proceeds an investor receives where a repurchase is effected will be net of such stamp duty costs. The stamp duty amount is an additional cost which is paid to the New South Wales Office of State Revenue.

E How do I make an investment?

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Initial applications

Initial applications for units can be made only on the Application Form accompanying this PDS. The minimum initial investment for direct investors is \$20,000.

Your completed Application Form, cheque and required client identification and verification information should be forwarded to:

PM CAPITAL Limited
GPO Box 3965
Sydney NSW 2001

PM CAPITAL may, under certain circumstances, accept a faxed or scanned copy of the completed Application Form. For further information please contact PM CAPITAL investor relations on (+612) 8243 0888, or visit our website at www.pmcapital.com.au.

If you prefer, you can deliver your application to our office at Level 24, 400 George St, Sydney NSW 2000 or lodge it with your financial adviser.

Completed applications received and accepted by the Responsible Entity by the cut off time of 3pm AEST on a Business Day ('Business Day' being a day other than a Saturday, Sunday or public holiday when banks are open in Sydney) will be accepted on that day. Applications received after the cut off time will be deemed to have been received on the next Business Day.

Units will be issued using the next available application price following acceptance of the application.

All applications must be accompanied by payment in accordance with the payment methods listed below.

The Responsible Entity has absolute discretion to reject an application for units in whole or in part.

Any net interest received, after deducting any taxes and bank charges, accruing on the trust account for application monies prior to being invested is credited to the account of the relevant Fund.

Additional investments

Indirect investors can arrange to make additional investments in the Funds in accordance with their arrangement with the operator of the IDPS account.

Existing unitholders in the Funds may make additional investments at any time provided your details have not changed. There is no need to complete another Application Form. You can simply forward a cheque or electronically transfer Funds (refer to 'payment methods'), together with written details of your investor number and the Fund name which you would like to invest in, to our office. Written details may be sent by fax or letter. PM CAPITAL may also accept instructions for additional investments from your appointed financial adviser or via email provided the email instruction is sent from the current email address we have noted on your investor record. We recommend that you keep a copy of our PDS. You may also provide PM CAPITAL with an adviser authority to allow your adviser to make additional investments on your behalf. Copies of any replacement or updated PDS will be available on our website.

Alternatively, you may complete another Application Form.

Payment methods

Acceptable methods of payment are:

- By cheque made payable to 'PM CAPITAL Limited – Trust Account' accompanied with the completed Application Form.
- Electronic Funds transfer into the Responsible Entity's trust account.

This cannot be processed until a completed Application Form is received by PM CAPITAL. The bank account details are set out below:

Bank	Westpac Bank
Account Name	PM CAPITAL Limited – Trust Account
BSB	032-102
Account Number	25-2547

If Funds are not received, as advised, the relevant Fund may incur an overdraft. Any costs incurred will be charged to the account of the applicant.

Please note application monies must be in Australian dollars. PM CAPITAL will not process your application until your monies are identified by us in the relevant Fund's Australian bank account.

Dishonoured or returned Funds

All fees and charges in respect of dishonoured Funds (cheque or electronic) will be borne by the investor and any units that may have been issued will be deemed to have not been issued. Any Funds returned to an investor, due to either an investor request or an application failing to meet the requirements of the PDS, will incur fees and charges which will be borne by the investor. Any fee borne by the investor is not a fee levied by PM CAPITAL. The fees represent third party charges (primarily bank fees).

How do I make a withdrawal?

If we receive your fully completed withdrawal request in our office by 3pm (AEST) on a Business Day, we will process your withdrawal using the exit price calculated, based on market valuations, at the close of business that day. The request must be signed by the account holder/s. Payments are normally processed within five Business Days of receipt of the request, although the Funds' Constitutions allow for generally up to 30 days. As outlined in Section D, the Funds' Constitutions provide for the Responsible Entity to suspend redemptions under certain extenuating circumstances.

Investor withdrawals will only be made payable to the unitholder or to the bank account in the name of the unitholder. **PM CAPITAL will not make third party payments of redemption proceeds.**

However, for joint investments, PM CAPITAL will make a payment to the bank account of any one of the joint account holders upon receipt of a specific instruction to do so that has been signed by all parties to the joint account.

If your request for redemption would result in the current value of your remaining unitholding in any one of the Funds to be less than \$10,000, then we may treat the request as being for all of your units in that Fund. The minimum redemption amount is one unit. A withdrawal from a Fund can be processed as either a repurchase or redemption of units in accordance with the instructions that are received from the investor.

If a Fund is illiquid (as defined in the Corporations Act), withdrawals from that Fund will only be possible if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such an offer. However, if a withdrawal offer is made, you are only able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, the requests will be satisfied proportionately amongst those investors wishing to withdraw from the Fund. Under the Corporations Act, a fund is illiquid if it has less than 80% liquid assets (generally cash and marketable securities)

For New Zealand tax resident investors, the New Zealand tax consequences differ between a repurchase and a redemption. Refer to pages 47 - 48 for further information on the New Zealand tax consequences of a withdrawal. New South Wales stamp duty is payable on a repurchase (refer to page 48). There is no New South Wales stamp duty payable on the redemption of units.

Given the differing tax consequences of a repurchase versus a redemption to New Zealand investors, withdrawal instructions must clearly indicate which method is to be adopted. If in any doubt, PM CAPITAL will process the request as a repurchase.

PM CAPITAL can only pay withdrawal proceeds in Australian dollars by way of cheque or direct deposit to an Australian domiciled bank account. PM CAPITAL will not be responsible for any delays connected with the payment of withdrawal proceeds. Any non-Australian resident unitholder also bears all currency risk.

How do I switch between PM CAPITAL Funds?

You may switch all or part of your investment to another Fund of which PM CAPITAL is the Responsible Entity. You can switch between the Funds by issuing us with written instructions authorising the switch. A buy/sell spread will apply for the redemption and application components of each switch.

If we receive your fully completed switch request in our office by 3pm (AEST) on a Business Day we will process your withdrawal using the exit unit price and the new units will be invested at the entry unit price. The two transactions are completed on the same Business Day. The request must be signed by the account holder/s.

The Responsible Entity will accept notification of a switch by facsimile. When switching you must ensure you have a copy of the current PDS, which you should retain for future reference.

If an investor wishes to switch to a Fund in which he/she is not an existing investor, the investor is considered a new first time investor in that Fund and must complete an Application Form accompanying the current PDS. A copy of the current Product Disclosure Statement is available at any time (free of charge) upon request, or may be obtained from our website at www.pmcapital.com.au.

How do I transfer units?

Please refer to page 40 for details on how to transfer units.

Transaction Confirmation

Investors will be issued with a transaction statement whenever they transact in one of the Funds. It is the Investor's responsibility to ensure all details set out on your transaction statement agree with your investment decision. Investors will need to contact PM CAPITAL within one month of receiving their transaction statement should the details be incorrect. After this time, PM CAPITAL is not obliged to change a transaction.

PM CAPITAL Online Services Terms & Conditions

By first accessing PM CAPITAL Online Services, you are taken to agree that:

- Subject to the paragraph below, we will not be liable in any way (including for negligence) for any loss suffered by you (however caused) in connection with this service, or any information supplied through the service.
- All representations and warranties relating to this service are excluded but if the law implies a term into these terms and conditions and prohibits provisions excluding or modifying liability under that term, then that term will be included in these terms and conditions. However, our liability for breach of that term is limited to the supply of the service again or paying the cost of having the service supplied again.
- You will use PM CAPITAL Online Services only in accordance with these terms and conditions and your other legal obligations. We are not liable for, and you indemnify us for any claims, losses or costs arising from the use of PM CAPITAL Online Services by you or by any person using your login number or Personal Identification Number (PIN) otherwise than in accordance with these terms and conditions.
- You will keep your login or PIN confidential and not to disclose them to anyone or record them in a manner in which their confidentiality could be compromised.
- You will use PM CAPITAL Online Services only to access information you are properly authorised to access and to use information that you obtain only for lawful purposes.
- If you delegate access to PM CAPITAL Online Services to another person, you will be fully responsible for all the consequences of that delegation.

- You will notify us immediately if you believe that the security of your login or PIN has been compromised or if PM CAPITAL Online Services has been accessed by an unauthorised person using your login or PIN.
- Where there are joint signatories on an account and one of you registers for PM CAPITAL Online Services with transaction access (if available in the future), you will both be taken to consent to an action each time one of you acts on your account(s) through PM CAPITAL Online Services.
- We will only act on completed communications which we receive in full and without apparent error. The display of a transaction reference number on-screen is evidence that your communication has been completed. We will not be liable for any loss or delay resulting from the non-receipt of any transmission.
- Anyone may use PM CAPITAL Online Services (including accessing account information and making transactions) provided they use a valid login or PIN, whether such use was authorised by you or not.
- PM CAPITAL is not responsible to you for acting on any instructions received through PM CAPITAL Online Services which use your login or PIN whether or not those instructions are authorised by you and that we will not compensate you for any losses you may suffer as a result.
- We may amend these terms and conditions at any time by posting the amended terms and conditions on our website.
- We may require you to read and accept any amended terms and conditions in order to continue to use PM CAPITAL Online Services but, unless the law requires otherwise, those amended terms and conditions are binding on you from the time they are posted on our website whether or not you have read them or accepted them. You should check for changes to the terms and conditions from time to time. These terms and conditions include any instructions for using PM CAPITAL Online Services provided to you or posted on our website from time to time.
- We may withdraw or restrict your PM CAPITAL Online Services access at any time for any reason.
- We will take all reasonable steps to ensure that the information which you access by using PM CAPITAL Online Services is accurate and up-to-date.
- We make no warranty that the use or operation of PM CAPITAL Online Services will be uninterrupted or error-free or that PM CAPITAL Online Services is suitable for any particular purpose or has any performance, functionality or security features except as we are required to provide by law.
- We may debit from your account any government fees or charges incurred by us in connection with your use of PM CAPITAL Online Services.
- You must advise us in writing if you wish to discontinue using PM CAPITAL Online Services. The facilities will remain in place until the second business day after the day on which we receive your notice in writing. Unless and until the facilities are terminated in accordance with this clause, these terms and conditions will apply to you and to your account.
- Advisers on your Application Form or those subsequently appointed by you will be granted access to your account as too will relevant PM CAPITAL staff. For our New Zealand investors, our New Zealand representative (Bradfield International Limited) will also be granted access to your accounts to aid in their Investor Relations Services.

Consent and disclaimers

Morgan Stanley & Co. International plc as custodian and prime broker of the of the Absolute Performance Fund and Emerging Asia Fund has given its written consent to all statements by it or said to be based on statements by it in the form and context in which they are included, and has not withdrawn this consent as at the date this disclosure document is lodged with ASIC. The statements are on pages 42 - 43. They have not authorised or caused the issue of this PDS and take no responsibility for any part of this PDS other than the reference to their name.

UBS AG, Australia Branch, as prime broker of the Australian Opportunities Fund and Enhanced Yield Fund and UBS Nominees Pty Ltd as custodian of the Australian Opportunities Fund and Enhanced Yield Fund has given its written consent to all statements by it or said to be based on statements by it in the form and context in which they are included, and has not withdrawn this consent as at the date this disclosure document is lodged with ASIC. The statements are on pages 41 - 42. They have not authorised, or caused the issue of this PDS and take no responsibility for any part of this PDS other than the references to their name.

Application form checklist

For your convenience, we have included a checklist to assist you in completing the Application Form accompanying this PDS.

Section 1 - Investor Type

If you are an existing investor, please complete Sections 1, 3 and 4. If your details have changed, please complete all parts of the Application Form.

Section 2 - Applicant Details

Investor Type	Go to	Page
Individual/ Joint/ Sole Trader	Section 2A	1
Company	Section 2B	2
Trust/ Superannuation fund with Individual Trustee	Sections 2A and 2C	1 and 3
Trust/ Superannuation fund with Corporate Trustee	Sections 2B and 2C	2 and 3
Partnership	Section 2A and 2D	1 and 4
Agent of Customers	Section 2F	5

If you are investing in the Fund through a Financial Adviser, your **Financial Adviser** must also complete **Section 2E**.

If you do not fall into any of the above categories, please complete Sections 1, 3 and 4 of this Application Form and visit our website at www.pmcapital.com.au to download the relevant Section 2 that is applicable to you.

Section 3 – General Details

Please provide your contact details (3A), your investment details (3B), your bank account details (3C), Online Services election (3D) and Annual Financial Report election (3E).

Section 4 – Declarations and Signatures

Please sign the declaration.

Section 5 - Identification Documents

To comply with our obligations under anti-money laundering and counter-terrorism financing legislation, we must collect certain information, supported by original or certified copies of relevant documents, about each investor:

Investor Type	Go to	Page
Individual/Joint/Sole Trader	Section 5A	8
Company	Section 5B	8
Trust/Superannuation fund	Section 5C	9
Partnership	Section 5D	9
Agent of Customer	Section 5E	9

Tax File Numbers – Australian Residents only

Please provide us with your Tax File Number ('TFN') or Australian Business Number ('ABN'). It is not compulsory to do so, however if you do not supply your TFN or ABN, tax may be required to be deducted from any distributions or other income payable to you at the highest marginal tax rate (plus Medicare levy) and forwarded to the Australian Taxation Office. An ABN may be used as an alternative to a TFN if the investments are undertaken in the course of carrying out an enterprise. If you are exempt from quoting a TFN or ABN, please state the reason for the exemption or your exemption number.

Country of residence for tax purposes

Unless you indicate otherwise, you will be considered an Australian resident for tax purposes and will be subject to the Tax File Number requirements outlined above. We are unable to assume that you are a non-resident of Australia on the basis of your investor contact details being an overseas address.

Investment election

You must select either one Fund or a combination of Funds in Section 3. You may use one Application Form for investing in a combination of the Funds.

Distributions

You can elect to receive your distributions in the form of additional units in the Fund/s or by direct deposit into your nominated bank account. Your bank account must be domiciled in Australia and denominated in Australian dollars. Should you wish to receive your distributions directly into your bank account, please provide the full details in Section 3. If you do not make an election, your distribution will be automatically reinvested in additional units in the relevant Fund/s. PM CAPITAL will not make third party payments of income distributions.

Adviser service fee

You can agree with your financial adviser to have an ongoing advice fee for advice paid from your investment. The adviser section, Section 2E of the Application Form, is to be completed if the Adviser is to receive a set advice Fee or not to receive an advice Fee.

The completed Application Form must be signed and dated.

Please forward to:

PM CAPITAL Ltd
GPO Box 3965
Sydney NSW 2001

If you have any questions, please call (+612) 8243 0888.

Contact Us

Responsible Entity

PM CAPITAL Limited

Level 24, 400 George Street
Sydney NSW 2000
AFS Licence No 230222

Phone (+612) 8243 0888

Fax (+612) 8243 0880

Email pmcapital@pmcapital.com.au

Web www.pmcapital.com.au

NZ Investor Relations

PM CAPITAL Limited
(NZ) 0800 222 143

Custodians

UBS Nominees Pty Ltd

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Phone (+612) 9324 2888

Fax (+612) 9324 2899

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf London

Phone (+44) 207 4 25 8465

Fax (+44) 207 4 25 8469

Auditor of the Funds and of the Compliance Plans

HLB Mann Judd (NSW Partnership)

Level 19, 207 Kent Street
Sydney NSW 2000

Phone (+612) 9020 4000

Fax (+612) 9020 4190

Taxation Advisers

HLB Mann Judd (NSW) Pty Limited

Level 19, 207 Kent Street
Sydney NSW 2000

Phone (+612) 9020 4000

Fax (+612) 9020 4190

Legal Advisers

Australia
DLA Piper Australia

New Zealand
DLA Phillips Fox



Funds Application Form

(AFS Licence No 230222)

Please send your completed application forms to:

PM CAPITAL Limited
GPO Box 3965
Sydney NSW 2001

You can contact us on:

Phone (+612) 8243 0888
Fax (+612) 8243 0880
Email pmcapital@pmcapital.com.au
Web www.pmcapital.com.au

Product Disclosure Statement

This application form accompanies the product disclosure statement dated 25th June 2013 (including any supplementary product disclosure statement (if relevant), amendments or updates). You must read the **PDS**, including any supplementary product disclosure statement (if relevant), for the relevant Fund that you are applying to invest in before completing this Application Form. Please complete ALL Sections (Sections 1 to 6) of this Application Form.

Section 1 Investor Type

Are you an existing investor with PM CAPITAL?

Yes, my investor number is

Please complete sections 2, 4 and 5.

No

If you are not an existing investor and/or if your details have changed, please complete all sections of the Application Form.

Section 2 Investment Amount

Fund	Application Amount
PM CAPITAL Absolute Performance Fund	\$
PM CAPITAL Emerging Asia Fund	\$
PM CAPITAL Australian Opportunities Fund	\$
PM CAPITAL Enhanced Yield Fund	\$

Please note that funds must be received by **3pm AEST** on a Business Day to be processed on that day. Funds received after the cut-off times for any particular Subscription Day may be processed at the next relevant Subscription Day.

Please indicate how payment will be made:

By cheque made payable to
'PM CAPITAL Limited – Trust Account' accompanied with the completed application form.

Electronic Funds Transfer
*P.M. Capital Limited – Trust Account
BSB: 032-102 Number: 25-2547*

Section 3 Applicant Details

Please indicate who is making the investment by ticking the appropriate box.

Investor Type	Go to	Page
<input type="checkbox"/> Individual/Joint/Sole Trader/ Individual Trustee	Section 3A	Page 2
<input type="checkbox"/> Company/Corporate Trustee	Section 3B	Page 2
<input type="checkbox"/> Trust/Superannuation fund with Individual Trustee	Sections 3A and 3C	Page 2 and Page 3
<input type="checkbox"/> Trust/Superannuation fund with Corporate Trustee	Sections 3B and 3C	Page 2 and Page 3
<input type="checkbox"/> Partnership	Sections 3A and 3D	Page 2 and Page 4
<input type="checkbox"/> Agent of Customers	Section 3F	Page 5

If you are investing in the Fund through a **Financial Adviser**, your Financial Adviser must also complete **Section 3E**.

If you are:

- an Investor appointing an Agent to act on your behalf in relation to your investment in the Fund, you must complete the relevant Section 3 that is applicable to you and also Section 3F - Agent of Customers; or
- an Agent of an Investor making an initial investment on behalf of that Investor and also acting on behalf of that Investor in relation to their investment in the Fund, please complete the relevant Section 3 for the Investor and also Section 3F - Agent of Customers.'

The relevant sections will ask you to provide your Tax File Number, Australian Business Number etc (**TFN, ABN**). You are not obliged by law to provide your TFN, ABN or exemption. However, if you do not, you will be taxed at the highest marginal tax rate plus Medicare levy. If provided, your TFN or ABN will apply to any future investment in the Fund.

If you do not fall into any of the above categories, please complete Sections 1, 2, 4 and 5 of this Application Form and contact PM CAPITAL on (+612) 8243 0888 to find out which relevant Section 3 to download from our website www.pmcapital.com.au.

Section 3 Applicant Details (continued)

SECTION 3A INDIVIDUAL/JOINT INVESTORS/SOLE TRADER/INDIVIDUAL TRUSTEE

INVESTOR A	
TITLE (Mr/Mrs/Miss/Ms)	
FULL NAME	
	DATE OF BIRTH / /
TAX FILE NUMBER OR EXEMPTION CODE (not required for Individual Trustee or Partner)	
COUNTRY OF RESIDENCE FOR TAX PURPOSES (not required for Individual Trustee or Partner)	
FULL BUSINESS NAME (if sole trader)	
ABN	
Residential address (not PO Box)	
ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY
Principal place of business (if sole trader)	
ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY
INVESTOR B	
TITLE (Mr/Mrs/Miss/Ms)	
FULL NAME	
	DATE OF BIRTH / /
TAX FILE NUMBER OR EXEMPTION CODE (not required for Individual Trustee or Partner)	
COUNTRY OF RESIDENCE FOR TAX PURPOSES (not required for Individual Trustee or Partner)	
FULL BUSINESS NAME (if sole trader)	
ABN	
Residential address (not PO Box)	
ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY
Principal place of business (if sole trader)	
ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY

SECTION 3B COMPANY/CORPORATE TRUSTEE

FULL COMPANY NAME	
ACN OR ARBN (if any)	
TFN, ABN OR EXEMPTION CODE (if any)	
COUNTRY OF RESIDENCE FOR TAX PURPOSES	
COUNTRY OF FORMATION, INCORPORATION OR REGISTRATION	
NAME OF REGULATOR (if licensed by an Australian Commonwealth, State or Territory statutory regulator)	
LICENCE DETAILS	
Name of two directors and date of birth:	
DIRECTOR 1:	
	DATE OF BIRTH / /
DIRECTOR 2:	
	DATE OF BIRTH / /
Registered business address in Australia or country of formation	
ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY
Principal place of business (if a local agent is used, please also provide the name of the local agent)	
ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY
If an Australian company, registration status with ASIC:	
<input type="checkbox"/> PROPRIETARY COMPANY	<input type="checkbox"/> PUBLIC COMPANY
If a Foreign company, registration status with the relevant foreign registration body:	
<input type="checkbox"/> PRIVATE/PROPRIETARY COMPANY	<input type="checkbox"/> PUBLIC COMPANY
<input type="checkbox"/> OTHER (PLEASE SPECIFY)	
NAME OF THE RELEVANT FOREIGN REGISTRATION BODY	
FOREIGN COMPANY IDENTIFICATION NUMBER	
Is the Company listed?	
<input type="checkbox"/> YES – NAME OF MARKET/EXCHANGE	
<input type="checkbox"/> NO	
Is the Company a Majority-owned subsidiary of an Australian listed company?	
<input type="checkbox"/> YES – NAME OF AUSTRALIAN LISTED COMPANY	
<input type="checkbox"/> NO – NAME OF MARKET/EXCHANGE	

Section 3 Applicant Details (continued)

If the Company is registered as a proprietary company by ASIC or a private company by a foreign registration body, please list the name of each director of the company:

DIRECTOR 1:
DIRECTOR 2:
DIRECTOR 3:
DIRECTOR 4:

If there are more than 4 directors, please write their full names on a separate page and attach to this Application Form.

If the Company is an Australian proprietary company or a foreign private company which is not regulated, please provide details below for each individual who owns through one or more shareholdings of more than 25% of the Company's issued capital:

SHAREHOLDER 1	
FULL NAME	
	DATE OF BIRTH / /
RESIDENTIAL ADDRESS (not PO Box):	
SUBURB	STATE
POSTCODE	COUNTRY
SHAREHOLDER 2	
FULL NAME	
	DATE OF BIRTH / /
RESIDENTIAL ADDRESS (not PO Box):	
SUBURB	STATE
POSTCODE	COUNTRY
SHAREHOLDER 3	
FULL NAME	
	DATE OF BIRTH / /
RESIDENTIAL ADDRESS (not PO Box):	
SUBURB	STATE
POSTCODE	COUNTRY

If there are more shareholders, please write their full names and residential addresses on a separate page and attach to this Application Form.

SECTION 3C TRUST/SUPERANNUATION FUND

Trust details
FULL NAME OF TRUST/SUPERANNUATION FUND
FULL BUSINESS NAME OF TRUSTEE (if any)
COUNTRY IN WHICH THE TRUST/SUPERANNUATION FUND WAS ESTABLISHED
TFN, ABN OR EXEMPTION CODE
COUNTRY OF RESIDENCE FOR TAX PURPOSES
Type of Trust
<input type="checkbox"/> CATEGORY A: REGISTERED MANAGED INVESTMENT SCHEME
ARSN
<input type="checkbox"/> CATEGORY B: FOREIGN SUPERANNUATION FUND
<input type="checkbox"/> CATEGORY C: REGULATED TRUST (eg self-managed superannuation fund)
NAME OF REGULATOR (EG ASIC, APRA, ATO)
ABN
REGISTRATION/LICENSING DETAILS
<input type="checkbox"/> CATEGORY D: GOVERNMENT SUPERANNUATION FUND
NAME OF THE LEGISLATION ESTABLISHING THE FUND
<input type="checkbox"/> CATEGORY E: OTHER TRUST TYPE
TRUST DESCRIPTION (eg family, unit, charitable)
COMPLETE IF THE TRUST FALLS UNDER CATEGORIES B OR E: Do the terms of the trust identify the beneficiaries by reference to membership of a class?
<input type="checkbox"/> YES – PLEASE PROVIDE DETAILS OF MEMBERSHIP CLASS(ES) (eg unit holders, family members of named person, charitable purposes)
<input type="checkbox"/> NO – (please provide full names of all company and individual beneficiaries below)
BENEFICIARY 1
BENEFICIARY 2
BENEFICIARY 3
BENEFICIARY 4

If there are more beneficiaries, please write their full names on a separate page and attach to this Application Form.

Trustee Details (All Investors)
If Individual Trustees, please complete Section 3A in respect of one of the Individual Trustees.
If Corporate Trustees, please complete Section 3B in respect of one of the Corporate Trustees.

Section 3 Applicant Details (continued)

SECTION 3D PARTNERSHIP

Partnership Details	
FULL NAME OF PARTNERSHIP	
REGISTERED BUSINESS NAME OF PARTNERSHIP (if any)	
COUNTRY IN WHICH THE PARTNERSHIP WAS ESTABLISHED	
TFN, ABN OR EXEMPTION CODE	
COUNTRY OF RESIDENCE FOR TAX PURPOSES	
Type of Partnership	
Is the partnership regulated by a professional association?	
<input type="checkbox"/> YES – NAME OF ASSOCIATION	
MEMBERSHIP DETAILS	
<input type="checkbox"/> NO – PLEASE PROVIDE DETAILS BELOW	
Number of partners	
PARTNER 1	
FULL NAME	
	DATE OF BIRTH / /
RESIDENTIAL ADDRESS (not PO Box):	
SUBURB	STATE
POSTCODE	COUNTRY
PARTNER 2	
FULL NAME	
	DATE OF BIRTH / /
RESIDENTIAL ADDRESS (not PO Box):	
SUBURB	STATE
POSTCODE	COUNTRY
PARTNER 3	
FULL NAME	
	DATE OF BIRTH / /
RESIDENTIAL ADDRESS (not PO Box):	
SUBURB	STATE
POSTCODE	COUNTRY

If there are more partners, please write their full names and residential addresses on a separate page and attach to this Application Form

Partner Details (All Investors)

Please complete Section 3A in respect of one of the Partners.

SECTION 3E FINANCIAL ADVISERS

If you use a Financial Adviser, please have your Financial Adviser complete and sign this section.

FINANCIAL ADVISER'S FULL NAME	
FINANCIAL ADVISER'S CODE	
FINANCIAL ADVISER'S COMPANY NAME	
DEALER GROUP	
LICENCE NUMBER OR AUTHORISED REPRESENTATIVE NUMBER	
Financial Adviser's Contact details:	
PHONE	FACSIMILE
FINANCIAL ADVISER'S EMAIL	
InvestSMART Financial Services Pty Ltd	
ADMIN:	Phone: 1300 880 160
	Fax: 1300 880 260
	Email: admin@investsmart.com.au
	Address: GPO BOX 4477, Sydney, NSW 2001
POSTAL:	
SUBURB	STATE
POSTCODE	COUNTRY

* Please list email address to which client investment confirmations, distribution statements and tax statements are to be sent if different to Financial Adviser's email address.

Adviser Service Fee Election ¹	
Only licensed financial advisers may receive Adviser Service Fees	Ongoing Service Fee² Please tick only if you wish us to pay an ongoing adviser service fee
PM CAPITAL Absolute Performance Fund	<input type="checkbox"/> 0.50% service fee
PM CAPITAL Emerging Asia Fund	<input type="checkbox"/> 0.50% service fee
PM CAPITAL Australian Opportunities Fund	<input type="checkbox"/> 0.50% service fee
PM CAPITAL Enhanced Yield Fund	<input type="checkbox"/> 0.25% service fee

¹ Please refer to the section on Fees and other costs in the PDS.

² The nominated Adviser Service Fees are GST inclusive amounts. GST remittance and reporting requirements with respect to the Adviser Service Fee will be met by the Adviser.

Section 3 Applicant Details (continued)

AML/CTF Financial Adviser Certification

I confirm I have completed AML/CTF identification and verification requirements for this investor/ joint investors as required by the AML/CTF Act. **(please check box to confirm)**

ADVISER'S SIGNATURE

ADVISER STAMP

InvestSMART Financial Services Pty Ltd

ABN 700 890 385 31
License# 226435

Entry Fee Rebate 100%
www.investsmart.com.au

SECTION 3F AGENT OF CUSTOMERS

'Please complete this section 3F if you are an Investor appointing an Agent to act on your behalf in relation to your investment in the Fund or if you are an Agent making an initial investment on behalf of an Investor and also acting on behalf of that Investor in relation to their investment in the Fund.

If the Agent is acting for an individual Investor, please complete Part I. Where an Agent is not an individual (i.e. a company), the non-individual Agent will be acting for the Investor through an individual person (i.e. an employee or director) and Part I should be completed for this individual person.

If the Agent is acting for a non-individual Investor, please complete Part I (as outlined above). Alternatively, if a verifying officer has been appointed by the non-individual Investor to identify the non-individual Investor's Agent, please complete Part II. For more information on verifying officers, please refer to Part II.'

Part I – Individual Authorised Agent appointed

I/We have appointed the person(s) named below as my/our Authorised Representatives. I/We confirm that the Authorised Representatives are required to authorise instructions.

FULL NAME OF AGENT	
AGENT'S COMPANY NAME (if any)	
LICENCE NUMBER OR AUTHORISED REPRESENTATIVE NUMBER (if any)	
Contact Details of Agent:	
PHONE	FACSIMILE
EMAIL	
POSTAL ADDRESS	
SUBURB	STATE
POSTCODE	COUNTRY

'If there are two or more Agents, you may attach a schedule of Agents. Please specify whether these Agents can act individually or jointly:

Individually Jointly

If you do not indicate, then two will be required.

Part II – Verifying Officer appointed

A non-individual Investor can appoint a verifying officer to identify its Agent and, under the AML/CTF Law, the PM CAPITAL is required to identify the verifying officer (not the Agent). A verifying officer can be an employee, agent or contractor of the non-individual investor.

Declaration by verifying officer:

I agree to:

- identify the Agent of the Investor in accordance with the AML/CTF Law;
- collect the following: full name of the Agent; position title or role held by the Agent in relation to the Investor; a copy of the Agent's signature; and evidence that the Agent is authorised to act for the Investor;
- make a record of the above information; and
- provide PM CAPITAL with the full name of the Agent and a copy of the Agent's signature.

I also agree to inform the Investor that they must retain the records made by me, the verifying officer.

FULL NAME OF VERIFYING OFFICER	
SIGNATURE OF VERIFYING OFFICER	DATE

Section 4 General Details

SECTION 4A INVESTOR CONTACT DETAILS

Adviser details not accepted. Joint applicants will be assumed to be joint tenants unless otherwise specified.

NAME	
POSTAL ADDRESS (c/- if applicable)	
SUBURB	STATE
POSTCODE	COUNTRY
PHONE (H)	PHONE (W)
MOBILE	FACSIMILE
EMAIL*	

Please indicate how you would prefer to receive all communications from PM CAPITAL (please tick one)

- Post
- Email
- All communication to financial adviser (indicated in Section 3E)

If you select the Email option, you agree that we may use this address to provide you with information about your investment (such as investment confirmations, audited financial statements, tax statements, distribution statements and other material).

* We encourage you to provide your e-mail address even if your preferred method of communication is post so that you can receive a copy of the Quarterly report which is sent via e-mail only.

Section 4 General Details (continued)

SECTION 4B INCOME DISTRIBUTIONS

Distributions will be reinvested unless otherwise stated.

- Reinvest
 Pay to my/our bank account

SECTION 4C BANK ACCOUNT DETAILS

The account must be held in the same name as the account holder supplied in Section 3. Redemption and distribution (if applicable) payments are required to be paid into this bank account. The bank accounts must be domiciled in Australia and denominated in Australian dollars.

BANK NAME/INSTITUTION:
BRANCH NAME AND ADDRESS:
BSB: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
ACCOUNT NUMBER: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
ACCOUNT NAME:

If there are two or more authorised representatives, you may attach a schedule of representatives. Please specify whether an authorised representative can act individually or jointly:

SECTION 4D ONLINE SERVICES

Please note that you will be automatically granted access to your personal account information over the internet through PM CAPITAL Online. Access is provided under the terms and conditions on page 52 of the Product Disclosure Statement.

- Please tick this box if you **do not** wish to have online access to your investment.

SECTION 4E ANNUAL FINANCIAL REPORT

We will automatically provide this report to you via email or post (depending on your chosen delivery method indicated in Section 4A), **unless** you indicate otherwise:

- Please tick this box if you **do not** wish to receive a copy of the Fund's annual financial reports.

Section 5 – Declaration & Signatures

I /We agree to be bound by the provision of the PDS (including any supplementary product disclosure statement (if relevant), amendments or updates) and the terms of the Constitution for the relevant Fund that I /we are applying to invest in, and this completed form.

I /We acknowledge that investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income or principal invested. I /We further acknowledge that PM CAPITAL, its related entities, directors or officers do not guarantee the performance of the Fund nor do they guarantee the repayment of capital from the Fund.

I /We have read and understood the current PDS for the Fund that I /We are applying to invest in. I /We agree that the terms defined for the purpose of the PDS and the Fund forms have their defined meaning in this document.

I /We also authorise you to forward information regarding my accounts to my financial adviser, details of whom are set out in Section 3E above.

I /We also authorise you to forward information regarding my representative /agent, details of whom are set out in Section 3F above.

I /We declare that all the details in this application are true and correct. I /We agree that PM CAPITAL and /or the Administrator may deliver and make reports, statements and other communications available in electronic form, such as e-mail or by posting on a web site instead of by physical delivery.

I /We authorise PM CAPITAL to apply the TFN or ABN provided in this form and authorise it to be applied to all future applications and redemptions for units, including reinvestments, unless I /We otherwise advise PM CAPITAL.

I /We acknowledge that due to anti-money laundering requirements, PM CAPITAL, the Administrator, the Custodian may require proof of identity before the application can be processed and PM CAPITAL, the Administrator, the Custodian and each of their respective subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents, permitted delegates and sub-delegates be held harmless and indemnified against any loss ensuing due to the failure to process this application, if such information required by the parties hereto has not been provided by me /us.

I /We acknowledge that the Administrator and /or PM CAPITAL may disclose to each other, to any other service provider to the Fund(s) or to any regulatory body in any applicable jurisdiction copies of the investor's Application Form and any information concerning the investor provided by the investor to the Administrator and /or PM CAPITAL and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise.

I /We have read the information on privacy and personal information contained in the Product Disclosure Statement and consent to my personal information being used and disclosed as set out in the Product Disclosure Statement.

I /We agree that if I /We are executing this Application Form as a record holder in my/our capacity as agent, representative or nominee on behalf of one or more investors (the Underlying Investors),

I /We further agree and confirm that the representations, warranties, and covenants made in this Application Form are made by me /us on behalf of myself/ourselves and the Underlying Investors. I /We have all requisite power and authority from the Underlying Investors to execute and perform the obligations under the Application Form and will provide PM CAPITAL and /or the Administrator any information reasonably requested by either or both of them or required by any applicable law or regulations with respect to the Underlying Investors.

I /We hereby agree not to hold PM CAPITAL or its employees liable for any inaccurate information on its website and agree to the terms and conditions as set out on the website.

If this is a joint application, each of us agrees, unless otherwise indicated on this application, our investment is as joint tenants.

I /We received and accepted this offer in Australia.

Signature*
Name
Date
<input type="checkbox"/> Director <input type="checkbox"/> Secretary <input type="checkbox"/> Sole Director
Signature*
Name
Date
<input type="checkbox"/> Director <input type="checkbox"/> Secretary <input type="checkbox"/> Sole Director

* Joint applicants must both sign. Company applications must be signed by two Directors, a Director and Secretary or the Sole Director of the company details of which appear in Section 3B. Applications under Power of Attorney must be accompanied by a certified copy of the Power of Attorney.

Section 6 Identification Documents

To comply with our obligations under anti-money laundering and counter-terrorism financing (referred to as “AML”) legislation, we must collect certain information, supported by original or certified copies* of relevant documents**, about each investor. Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.

If you are an existing investor with PM CAPITAL, you are not required to provide us with the information below. If you are a new investor with PM CAPITAL, please complete the section relevant to you as indicated by the table below.

Investor Type	Go to	Page
Individual/Joint/Sole Trader/ Individual Trustee	Section 6A	Page 7
Company/Corporate Trustee	Section 6B	Page 7
Trust/Superannuation fund	Section 6C	Page 7
Partnership	Section 6D	Page 8
Agent of Customer	Section 6E	Page 8

* Please refer to Notes on page viii for details about obtaining certified copies.

** Any original or certified documents submitted to PM CAPITAL will not be returned.

SECTION 6A INDIVIDUAL/JOINT INVESTORS/SOLE TRADER/ INDIVIDUAL TRUSTEE*/AGENT OF CUSTOMERS

Please provide us with an original or certified copy of a document from Part I, or if you do not own a document from Part I, original or certified copies of documents from either Part II or III.

* You only need to provide the relevant documents set out in this Section 6A if you are required to complete Section 3A.

PART I

Tick	Provide ONE document from this section
<input type="checkbox"/>	Current Australian driver's licence containing your photograph and date of birth
<input type="checkbox"/>	Australian passport (a passport that has expired within the past 2 years is acceptable)
<input type="checkbox"/>	Foreign passport or similar travel document containing your photograph and signature
<input type="checkbox"/>	Current Card issued by an Australian State or Territory for the purpose of proving your age containing your photograph and date of birth

PART II (should only be provided if you do not own a document from Part I)

Tick	Provide ONE document from this section
<input type="checkbox"/>	Australian birth certificate
<input type="checkbox"/>	Australian citizenship certificate
<input type="checkbox"/>	Pension card issued by Centrelink
<input type="checkbox"/>	Health card issued by Centrelink
Tick	AND ONE document from this section
<input type="checkbox"/>	An original or certified copy of a notice, showing your name and residential address, issued by the Commonwealth or a State or Territory within the past 12 months that records the provision of financial benefits to you
<input type="checkbox"/>	An original or certified copy of a notice, showing your name and residential address, issued by the Australian Taxation Office within the past 12 months that records a debt payable by you.

<input type="checkbox"/>	An original or certified copy of a notice, showing your name and residential address, issued by a local government body or utilities provider (eg rates notice or electricity bill) within the past 3 months which records the provision of services to you
<input type="checkbox"/>	If you are under 18: a notice, showing your name and residential address, issued by a school principal within the past 3 months which records the period of time that you attended at that school

PART III (should only be provided if you do not own a document from Part I)

Tick	Provide BOTH documents from this section
<input type="checkbox"/>	Foreign driver's licence containing your photograph and date of birth
<input type="checkbox"/>	National ID card issued by a foreign government containing your photograph and signature

SECTION 6B COMPANY/CORPORATE TRUSTEE*

Please provide us with an original or certified copy of a document from the following:

* You only need to provide the relevant documents set out in this Section 6B if you are required to complete Section 6B.

Tick	Provide ONE document from this section
<input type="checkbox"/>	Certificate of registration or incorporation issued by ASIC.
<input type="checkbox"/>	Certificate of registration or incorporation issued by the relevant foreign registration body.
Tick	AND (if applicable) documents from this section
<input type="checkbox"/>	If a listed company: a search of the relevant financial market.
<input type="checkbox"/>	If a regulated company: a search of the licence or other records of the relevant Commonwealth, State or Territory statutory regulator.

SECTION 6C TRUST/SUPERANNUATION FUND

Registered Management Investment Scheme/ Self Managed Super Fund/Regulated Trust/ Government Superannuation Fund

Tick	Provide ONE document from this section
<input type="checkbox"/>	Screen print from the relevant regulator's website showing the full name of the Trust, and that the trust is a registered scheme, self managed super fund, regulated trust or government superannuation fund.

Foreign Superannuation Fund/Other Trusts

Tick	Provide ONE document from this section
<input type="checkbox"/>	An original or certified copy or certified extract of the Trust Deed
<input type="checkbox"/>	A notice issued to the Trust by the Australian Taxation Office within the past 12 months
<input type="checkbox"/>	Letter from a solicitor or qualified accountant verifying the name of the Trust
Tick	AND BOTH documents from this section
<input type="checkbox"/>	Full name and residential/ registered office address of all Individual and Corporate Trustees.
<input type="checkbox"/>	The relevant documents set out in Section 6A or 6B for the Individual or Corporate Trustee who has completed Section 3A or 3B respectively.

Section 6 Identification Documents (continued)

SECTION 6D PARTNERSHIP

Tick	Provide ONE document from this section
<input type="checkbox"/>	An original or certified copy or certified extract of the partnership agreement
<input type="checkbox"/>	A certified copy or certified extract of minutes of a partnership meeting
<input type="checkbox"/>	An original current membership certificate (or equivalent) of a professional association
<input type="checkbox"/>	Membership details independently sourced from the relevant professional association
<input type="checkbox"/>	A notice issued to the Partnership by the Australian Taxation Office within the past 12 months
<input type="checkbox"/>	An original or certified copy of a certificate of registration of business name issued by a government or government agency in Australia
Tick	AND documents from this section
<input type="checkbox"/>	The relevant documents set out in Section 6A for the Partner who has completed Section 3A.
Tick	AND (if regulated by a professional membership) ONE document from this section
<input type="checkbox"/>	An original current membership certificate (or equivalent) of a professional association
<input type="checkbox"/>	Membership details independently sourced from the relevant professional association

SECTION 6E AGENT OF CUSTOMERS

Agent appointed by an individual or non-individual Investor
(Part I in Section 3F)

Tick	Provide BOTH documents from this section
<input type="checkbox"/>	Evidence of the Agent's authority to act on behalf of the Investor (eg signed letter, power of attorney)
<input type="checkbox"/>	The relevant documents set out in Section 6A in respect of the individual Agent or the individual person that the non-individual Agent will be acting through

Verifying officer appointed by non-individual Investors
(Part II in Section 3F)

Tick	Provide ALL documents from this section
<input type="checkbox"/>	The relevant documents set out in Section 6A in respect of the verifying officer
<input type="checkbox"/>	Written evidence of the Investor's authorisation of the verifying officer to act as a verifying officer
<input type="checkbox"/>	Document signed by the verifying officer containing the full name and signature of each Agent

Notes:

Certified copy means a document that has been certified as a true copy of an original document.

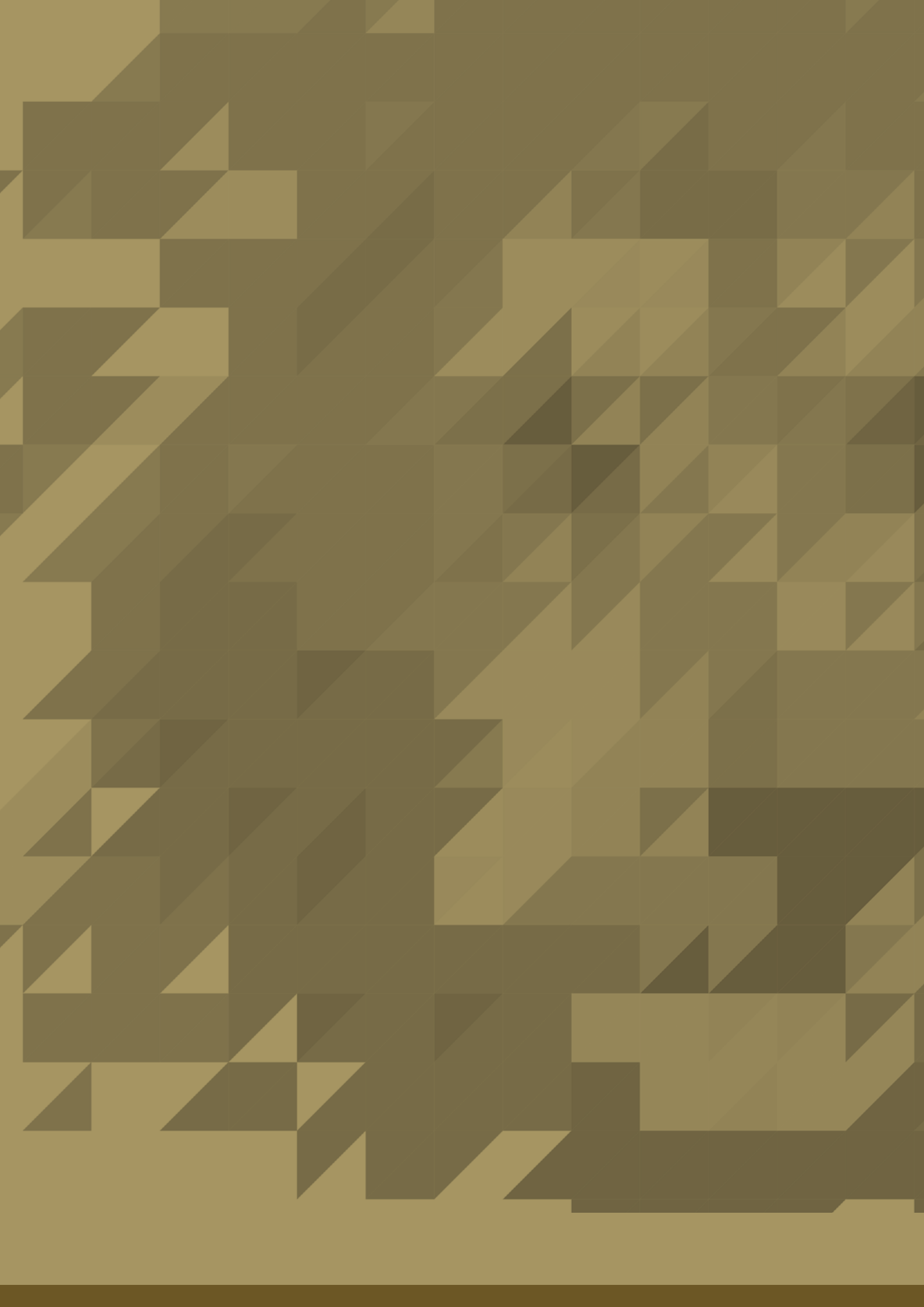
Certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in the subparagraphs below.

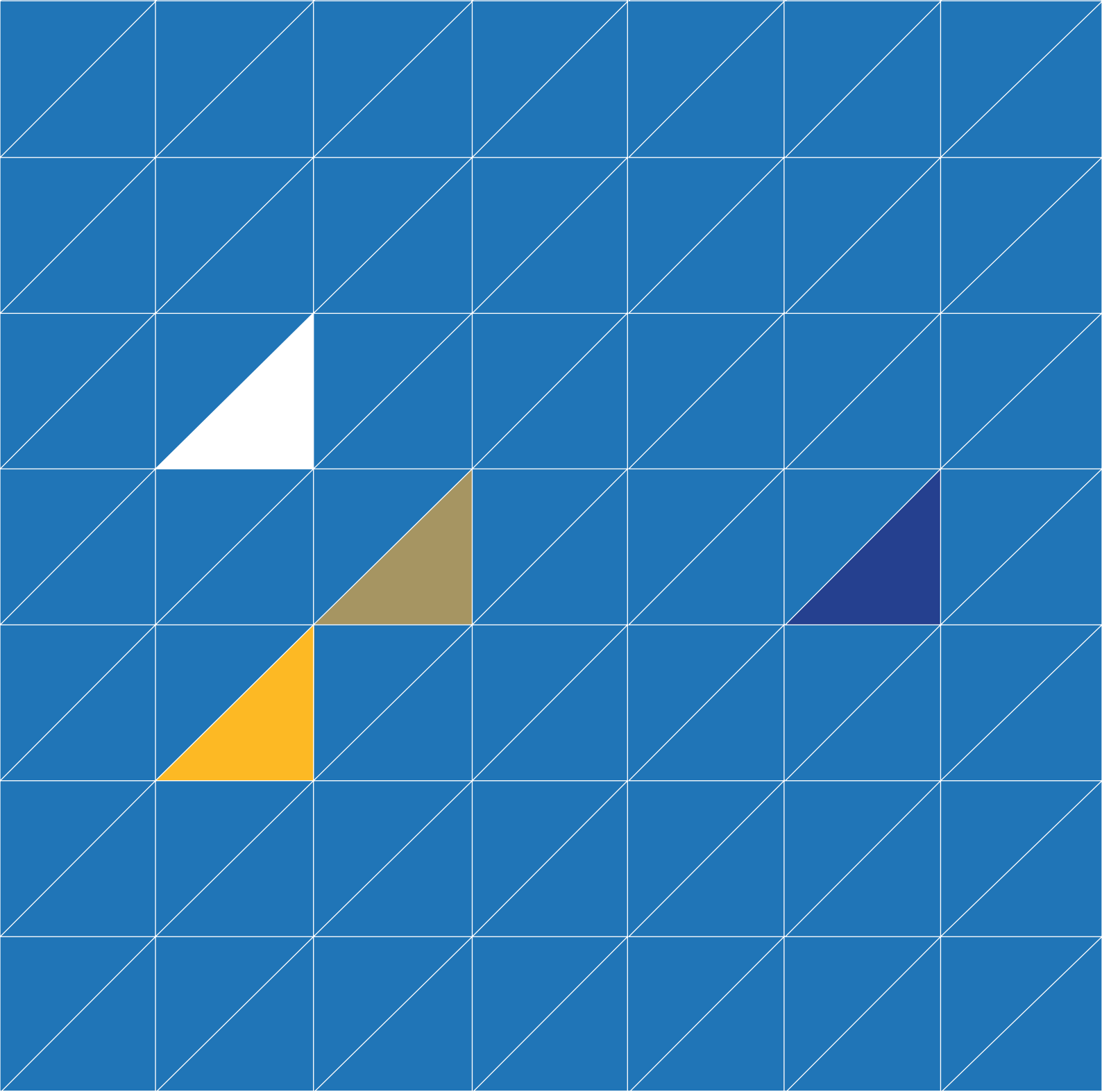
People who can certify documents or extracts are:

- A **person** who, under a law in force in a State or Territory, is currently licensed or registered to practice the following occupations:
 - Chiropractor;
 - Dentist;
 - Legal practitioner;
 - Medical practitioner;
 - Nurse;
 - Optometrist;
 - Patent/Trademarks attorney;
 - Pharmacist;
 - Physiotherapist;
 - Psychologist; and
 - Veterinary surgeon,
- a **lawyer** – a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
- a **person** listed in Part 2 of Schedule 2 of the Statutory Declarations Regulations 1993, which includes but not limited to:
 - a **judge** of a court;
 - a **magistrate**;
 - a **chief executive officer** of a Commonwealth court;
 - a **registrar** or **deputy registrar** of a court;
 - a **Justice of Peace**;
 - a **notary public** (for the purposes of the Statutory Declaration Regulations 1993);
 - a **police officer**;
- a **postal agent** – an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- the **post office** – a **permanent employee** of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
- an **Australian consular officer** or an **Australian diplomatic officer** (within the meaning of the Consular Fees Act 1955);
- an **officer** at a bank, building society, credit union or finance company with 2 or more continuous years of service with one or more **financial institutions** (for the purposes of the Statutory Declaration Regulations 1993);
- a **member** of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants;
- a **teacher** employed on a full-time basis at a school or tertiary education institution, and
- an **officer** with, or **authorised representative** of, a **holder of an Australian financial services licence**, having 2 or more continuous years of service with one or more licensees.



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