

# Monthly Update: Australian Companies Fund

## Applying global insights to profit from anomalies in the Australian market

Australian Companies Fund	Inception Date	Exit Price (\$ cum)	1 Month	3 Months	1 Year	3 Years pa	5 Years pa	7 Years pa	10 Years pa	Since Inception pa
<b>Fund performance</b>	<b>01-2000</b>	<b>3.0868</b>	<b>4.1%</b>	<b>-6.2%</b>	<b>13.3%</b>	<b>17.4%</b>	<b>11.1%</b>	<b>9.9%</b>	<b>12.7%</b>	<b>10.9%</b>
S&P/ASX 200 Accumulation Index			<b>5.7%</b>	<b>-6.0%</b>	<b>-2.2%</b>	<b>4.3%</b>	<b>8.0%</b>	<b>7.1%</b>	<b>9.4%</b>	<b>8.0%</b>

### Growth of AUD \$100,000

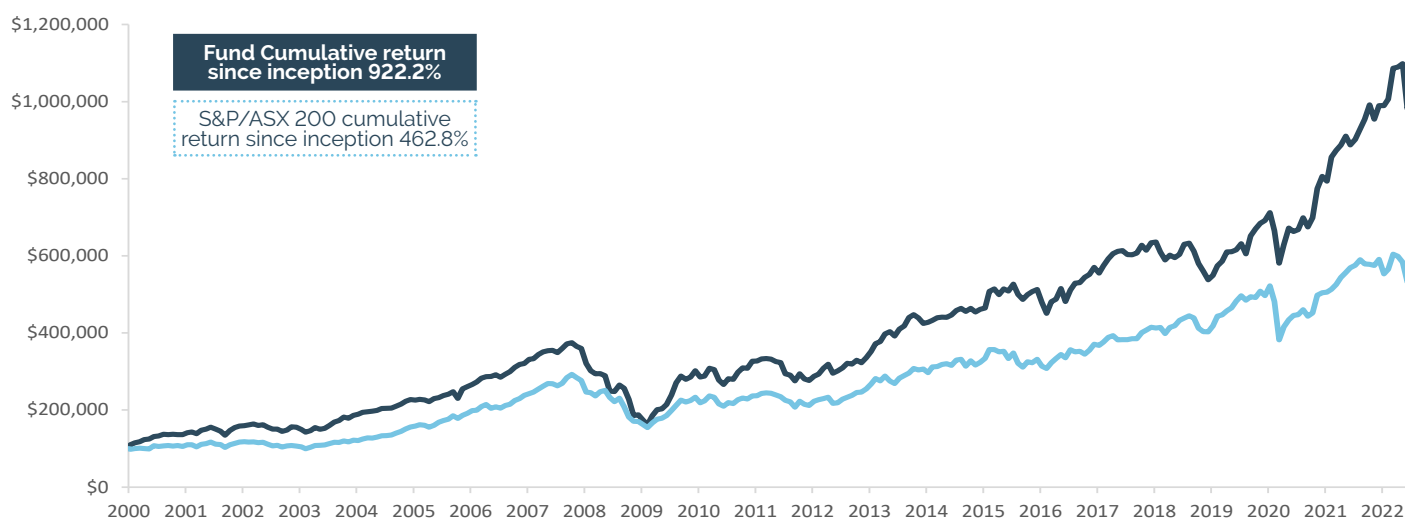
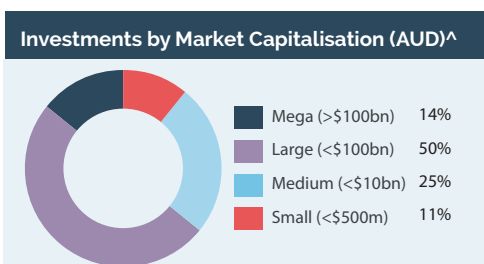


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or below these figures. Past performance is no indication of future performance. Neither PM Capital Limited nor any other person makes any representation as to the future performance or success of, the rate of income or capital return from, recovery of money invested in, or income tax or other taxation consequences of, any investment in the Fund.

Portfolio investments	Weighting
Banking	25%
Commodities - Energy	18%
Commodities - Industrial Metals	10%
Gaming	5%
Alternative Investment Managers	5%
Online Classifieds & Internet	5%
Consumer	3%
Other	5%
<b>Long Equities Position</b>	<b>76%</b>
Short Equities Position	-1%
<b>Net Invested Equities</b>	<b>75%</b>
Debt	20%
<b>Net Invested</b>	<b>95%</b>
<b>Total holdings</b>	<b>19</b>

Current stock example	Currency exposure*	100%
ANZ	AUD	101%
Woodside Energy	EUR	-1%
OZ Minerals		
The Star Entertainment		
Apollo Global Management		
Frontier Digital Ventures		
Lark Distillery		

\*Stated at effective value.



^Breakdown of portfolio's long equity holdings into market cap. bands.

## Fund commentary

The anticipation of tempering inflation and interest rate expectations saw the portfolio, along with markets broadly, advance in July. Positive contributors included Fronter Digital Ventures, Star Entertainment and our domestic banking positions.

Frontier Digital Ventures released an encouraging Appendix 4C with growth continuing across its core markets despite the tougher macroeconomic environment and the business also achieving EBITDA breakeven. The result underscored the progress the company has made in its pursuit of their 'Classified 2.0 Strategy' which aims to embed the business at the centre of property and automotive transactions. We believe the economics of this model will be superior to the legacy classifieds business of collecting fees for providing a passive listing service.

The Fund participated in the ANZ capital raising announced in conjunction with its acquisition of Suncorp Bank for \$4.9b. We view the downside in the Australian

banks is relatively well protected at current levels. We expect ANZ to achieve mid-single digit earnings growth overtime and we are happy to collect the healthy fully franked dividend.

Coronado released a softer than expected quarterly trading update for June with production at Curragh in Queensland disrupted by heavy rains in April and May. While these issues look to be temporary, (production recovered in June and management continues to guide for a strong second half) there are heightened risks to full year guidance. The added downside to lower production is the inability for the company to fully capitalise on the higher spot prices experienced during the period.

## Key Fund Details

### Fund category

Australian equities

### Investment style

Fundamental, bottom-up research intensive approach

### Inception date

20 January 2000

### Fund size

\$46.0 Million

### Strategy size

\$46.0 Million

### Number of stocks

As a guide, 15-25 stocks

### Minimum direct investment

\$20,000

### Recommended investment time

Seven years plus

### Fees (pa)

Mgmt fee: 1.09% Perf. fee: 20% (subject to a high water mark) of the excess above the greater of the RBA cash rate and the S&P/ASX 200 Accumulation Index

### Buy / sell spread

0.5% (Round trip)

### Investor profile

The Fund may be appropriate for investors seeking capital appreciation over a seven plus year investment horizon

## Important Notice

This Report is issued by PM Capital Limited ABN 69 083 644 731 AFSL 230222 as responsible entity for the PM Capital Australian Companies Fund (ARSN 092 434 467, the 'Fund'). It contains summary information only to provide an insight into how we make our investment decisions. This information does not constitute advice or recommendations, and is subject to change without notice. It does not take into account the objectives, financial situation or needs of any investor which should be considered before investing. Investors should consider the Target Market Determinations and the current Product Disclosure Statement (which are available from us), and obtain their own financial advice prior to making an investment decision. The PDS explains how the Fund's Net Asset Value is calculated. Past performance is not a reliable guide to future performance and the capital and income of any investment may go down as well as up due to various market forces. The investment objective is not a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term.

1. Returns are calculated from exit price to exit price assuming the reinvestment of distributions for the period as stated and represent the combined income and capital return. The Index is the S&P / ASX 200 Accumulation Index. See [www.asx.com.au](http://www.asx.com.au) for further information on the Index.

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Top 10 stocks	
Stock name	Sector
Apollo Global Management	Diversified Financials
ANZ	Banks
BHP	Materials
ING Groep	Banks
NAB	Banks
Siemens	Industrials
Stanmore Resources	Energy
The Star Entertainment	Consumer Services
Westpac	Banks
Woodside Energy	Energy

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

## Further Information

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