

# 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>3.4850</b>	<b>6.4%</b>	<b>10.7%</b>	<b>20.9%</b>	<b>19.0%</b>	<b>13.4%</b>	<b>12.5%</b>	<b>13.6%</b>	<b>11.3%</b>
S&P/ASX 200 Accumulation Index			6.6%	6.0%	5.0%	5.9%	8.2%	9.4%	9.4%	8.2%

### Growth of AUD \$100,000

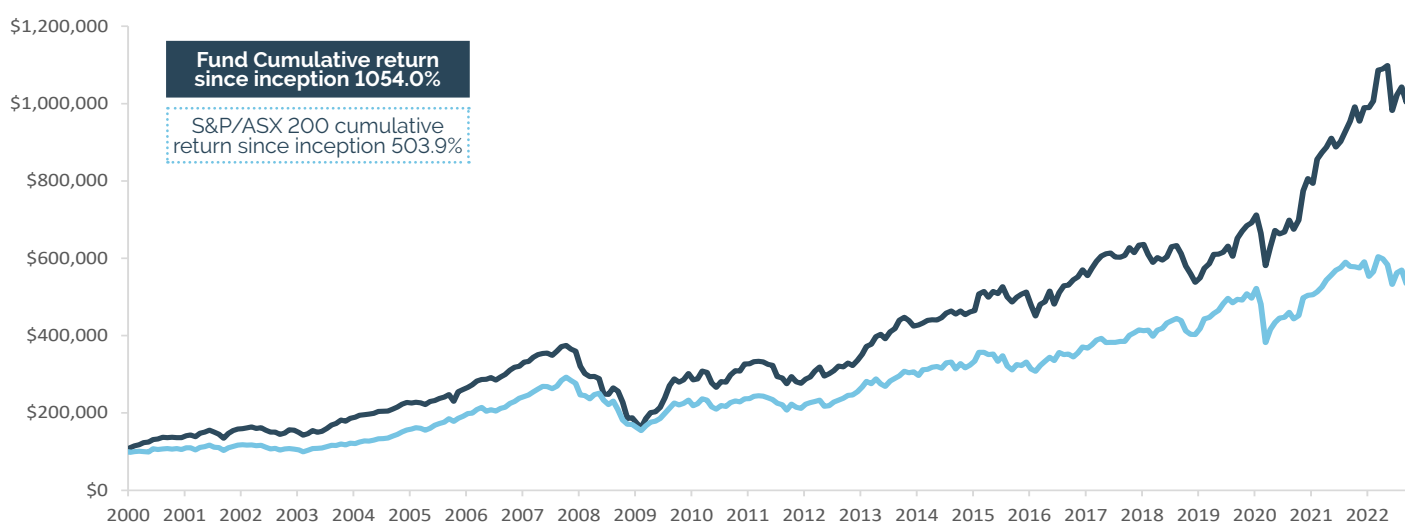
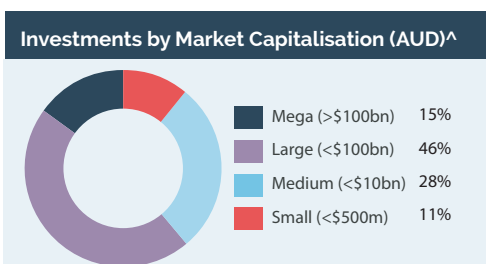


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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
Commodities - Energy	19%
Banking	18%
Commodities - Industrial Metals	11%
Gaming	4%
Alternative Investment Managers	5%
Online Classifieds & Internet	4%
Consumer	4%
Other	6%
<b>Long Equities Position</b>	<b>71%</b>
Short Equities Position	-1%
<b>Net Invested Equities</b>	<b>70%</b>
Corporate Debt & Bonds	17%
<b>Net Invested</b>	<b>87%</b>
<b>Total holdings</b>	<b>19</b>

Current stock example	Currency exposure*	100%
Woodside Energy	AUD	99%
ANZ	Other	1%
BHP	*Stated at effective value.	
The Star Entertainment		
Apollo Global Management		
Frontier Digital Ventures		
Lark Distillery		



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

## Fund commentary

- **Coronado Resources discontinues talks with Peabody**
- **Potential corporate activity and appointment of new CEO boosts Lark Distillery**
- **Higher gold price lifts Northern Star Resources**

Metallurgical coal miner Coronado Resources was a strong performer over the month. Management discontinued transaction discussions with Peabody, a positive from our perspective, and paid a roughly 10% quarterly dividend. Peer Stanmore Resources had a weaker month and we used this as an opportunity to incrementally add to our position.

Lark Distillery rose after reports of merger talks with rival Tasmanian distillery, Sullivan's Cove. During the month the company also announced the appointment of a new CEO, Satya Sharma, who will come across from William Grant & Sons. Sharma brings a

strong pedigree in Asia which is an important market for Lark as it embarks on its international expansion.

Northern Star contributed positively to performance with the gold sector benefitting from a weakening US Dollar on the prospect of slower rate hikes by the US Federal Reserve, pushing the physical gold price up ~8% over the month. Northern Star remains attractively priced in our opinion considering the production runway across tier-1 jurisdictions and low-cost expansion projects, supported by strong free cash flow generation which should lead to higher shareholder returns.

## Key Fund Details

### Fund category

Australian equities

### Investment style

Fundamental, bottom-up research intensive approach

### Inception date

20 January 2000

### Fund size

\$62.4 Million

### Strategy size

\$62.4 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.

Address: Level 11, 68 York Street, Sydney, NSW 2000

Top 10 stocks	
Stock name	Sector
Apollo Global Management	Diversified Financials
ANZ	Banks
BHP	Materials
Coronado Global Resources	Energy
ING Groep	Banks
NAB	Banks
Siemens	Industrials
Stanmore Resources	Energy
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

[www.pmcapital.com.au](http://www.pmcapital.com.au) T: +612 8243 0888 E: [pmcapital@pmcapital.com.au](mailto:pmcapital@pmcapital.com.au)

## Representative contacts - Business Development Managers

**John Palmer** T: +61 447 471 042 E: [jpalm@pmcapital.com.au](mailto:jpalm@pmcapital.com.au)

**Nicholas Healey** T: +61 447 814 784 E: [nhealey@pmcapital.com.au](mailto:nhealey@pmcapital.com.au)