

Monthly Update: Australian Companies Fund

Applying global insights to profit from anomalies in the Australian market

| Fund performance ⁺ (net of fees) | Inception Date | Exit Price (\$ cum) | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa | 7 Years pa | 10 Years pa | Since Inception pa |
|---|----------------|------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Fund performance (net of pro forma fees)¹ | 01-2000 | 2.9120 | 2.7% | 7.5% | 9.2% | 41.4% | 15.9% | 13.1% | 12.1% | 14.5% | 12.8% |
| Fund performance (net of actual fees) | | | 2.7% | 7.5% | 9.2% | 41.4% | 15.9% | 12.5% | 11.1% | 13.2% | 11.0% |
| S&P/ASX 200 Accumulation Index | | | -1.9% | 1.7% | 10.1% | 30.6% | 9.7% | 10.4% | 9.1% | 10.8% | 8.4% |

1. Fund performance (net of pro forma fees) has been calculated based on the new fee structure (implemented 1 December 2018), assuming it had applied from the Fund's inception. These returns do not represent the actual net Fund performance and are included for illustrative purposes only.

Australian Companies Fund: Growth of AUD \$100,000

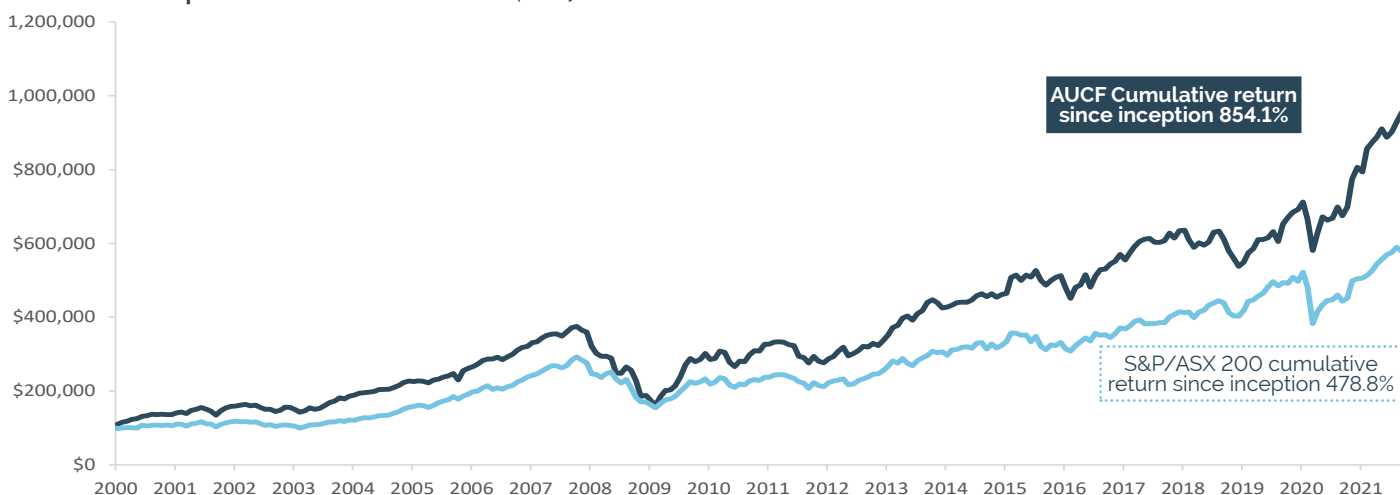
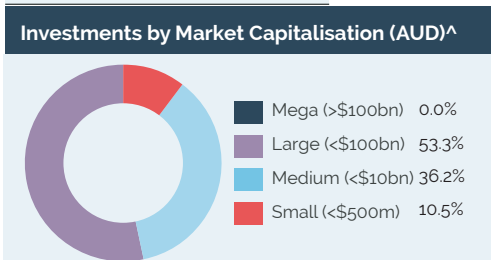


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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 trusts shown on this site.

| Portfolio investments | Weighting |
|-------------------------------|--------------|
| Resources | 27.9% |
| Domestic Banks | 21.6% |
| International Banks | 8.1% |
| Non Bank Financials | 5.8% |
| Internet | 12.3% |
| Other | 5.5% |
| Long Equities Position | 81.2% |
| Short Equities Position | -1.8% |
| Net Invested Equities | 79.4% |
| Total holdings | 18 |

| Current stock example | Currency exposure* | 100% |
|--------------------------|--------------------|-------|
| OZ Minerals | AUD | 98.5% |
| ANZ | CAD | 2.1% |
| ING Groep | EUR | 1.6% |
| Apollo Global Management | USD | -2.2% |
| iCar | | |

*Stated at effective value.



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

Fund commentary

- A backdrop of higher oil and gas prices coupled with positive commentary during its investor day promotes strong performance from Beach Energy
- Alumina Limited benefits from recent spike in Alumina prices

Beach Energy outperformed its oil and gas peer group after commentary at its September investor day was well received by investors. Management's revised production targets were particularly well received considering the issues the company has recently experienced at its Western Flank asset. The oil and gas sector more broadly continues to be supported by recent strength in oil and gas prices heading into the European winter.

Industrial metals were weaker over the month as a looming debt default at property developer Evergrande and a mounting electricity supply crisis in China led to increased fears of a slowdown in China's economic growth. Most notably were the

declines in iron ore which is most closely tied to the Chinese property sector, however copper was also down over the month which flowed through to our holdings including OZ Minerals.

Aluminum and Alumina was a bright spot amongst industrial metals which saw Alumina Limited outperform. Having lagged this recovery, alumina prices experienced a recent rally helped by supply constraints within the industry.

Two new positions were initiated during the month, one in Woodside Petroleum and the other in the subordinated notes of logistics company Qube Holdings.

| Top 10 stocks | |
|-----------------------------|------------------------|
| Stock name | Sector |
| Apollo Global Management | Diversified Financials |
| ANZ | Banks |
| Beach Energy Ltd | Energy |
| Crown | Consumer Services |
| Icar Asia | Media |
| Imdex | Materials |
| ING Groep | Banks |
| NAB | Banks |
| Oz Minerals | Materials |
| Westpac Banking Corporation | Banks |

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 global markets with patience and conviction.

***Note:** Effective 1 December 2018 the payment of a performance fee was changed, becoming subject to the outperformance of both the RBA cash rate and the S&P/ASX 200 Accumulation Index.

Further Information

www.pmcapital.com.au T: +612 8243 0888 E: pmcapital@pmcapital.com.au

Representative contacts - Client Relationship Managers

John Palmer T: +61 447 471 042 E: jpalmer@pmcapital.com.au

Nicholas Healey T: +61 447 814 784 E: nhealey@pmcapital.com.au

Key Fund Details

Fund category

Australian equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

20 January 2000

Fund size

\$35.1 Million

Strategy size

\$35.1 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, a copy of the current Product Disclosure Statement which available from us, and seek their own financial advice prior to investing. 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 for further information on the Index.

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