

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
Fund performance	01-2000	3.0298	-3.8%	2.2%	5.2%	15.5%	10.6%	10.9%	12.1%	10.7%
S&P/ASX 200 Accumulation Index			-6.2%	0.4%	-7.7%	2.7%	6.8%	8.0%	8.4%	7.7%

Growth of AUD \$100,000

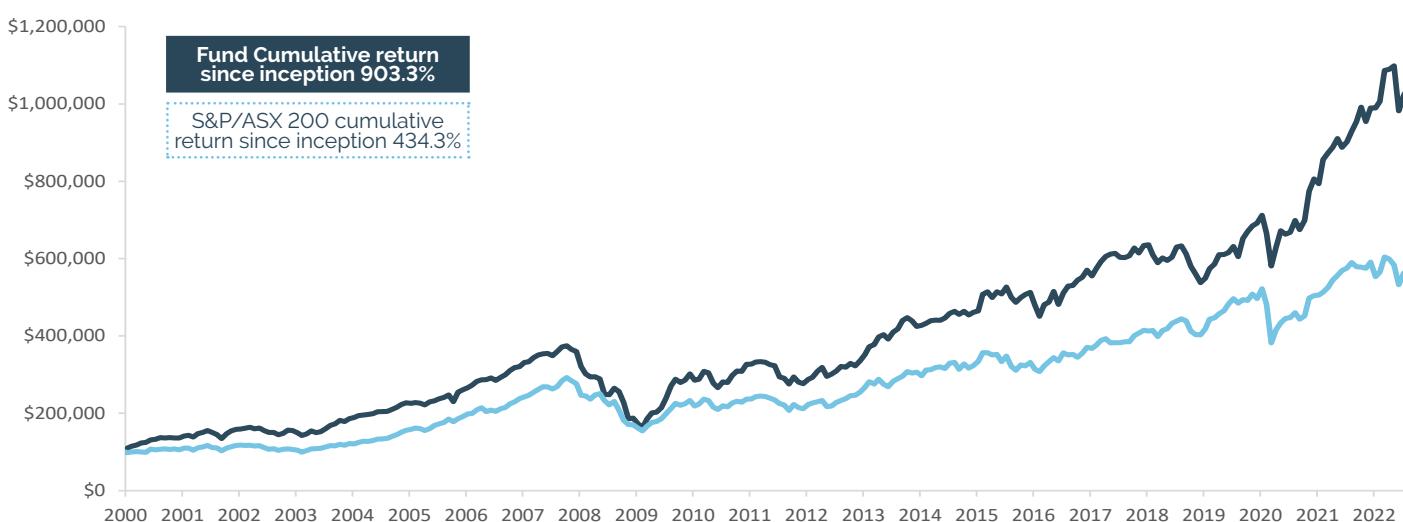
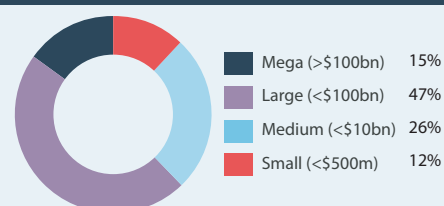


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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	Current stock example	Currency exposure*	100%
Banking	22%	ANZ	AUD	101%
Commodities - Energy	18%	Woodside Energy	USD	-1%
Commodities - Industrial Metals	8%	BHP	*Stated at effective value.	
Gaming	5%	The Star Entertainment		
Alternative Investment Managers	4%	Apollo Global Management		
Consumer	4%	Lark Distillery		
Online Classifieds & Internet	4%	Frontier Digital Ventures		
Other	5%			
Long Equities Position	70%			
Short Equities Position	-1%			
Net Invested Equities	69%			
Debt	22%			
Net Invested	91%			
Total holdings	19			

Investments by Market Capitalisation (AUD)^



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

Fund commentary

ASX 200 retested it's CY-2022 lows as local equities echoed the weakness in offshore markets. Bond yields continue to rise, negatively affecting equity markets, as central banks reinforce their ambition to quell inflation through higher interest rates.

The New South Wales Independent Casino Commission released the final report in connection with Adam Bell SC's review of The Star Sydney which found Star Entertainment presently unsuitable to operate a casino within the state. Given the failures disclosed during the review process this outcome was largely expected – Star's share price has fallen 45% from its October 2021 high – and the Company has been working to remedy areas deemed deficient. Star Entertainment is a recent addition to the portfolio – we believe cancelling of the company's license would be an unlikely and highly disruptive outcome. We also view there to be value in the company's property assets protecting against material downside.

Frontier Digital Ventures and Lark Distillery detracted from

performance over the month. While there were no material announcements made by either company over the period, both are ex-ASX 300 companies with lower liquidity hence share price moves can be magnified during periods of heightened volatility.

A sharp rise in interest rate expectations and heightened recessionary fears acted as a headwind for Apollo Global Management. While company fundamentals remain resilient, given the company's exposure to credit markets investors have become increasingly cautious. Apollo is now trading at less than 8x 2023 earnings estimate, which we do not believe is reflective of the company's change in business mix or growth outlook.

Key Fund Details

Fund category

Australian equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

20 January 2000

Fund size

\$51.5 Million

Strategy size

\$51.5 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 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
Coronado Global Resource	Energy
ING Groep	Banks
NAB	Banks
Siemens	Industrials
Stanmore Resources	Energy
The Star Entertainment	Consumer Services
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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