

Monthly Update: Global Companies Fund

Simple ideas, simple businesses

Building long term wealth by finding and exploiting investment anomalies around the world

Global 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	10-1998	5.5480	0.7%	7.9%	13.5%	19.5%	13.4%	14.8%	15.9%	10.0%
MSCI World Net Total Return Index (AUD)			2.0%	-0.6%	-0.3%	8.3%	10.0%	11.2%	13.4%	5.6%

Growth of AUD \$100,000

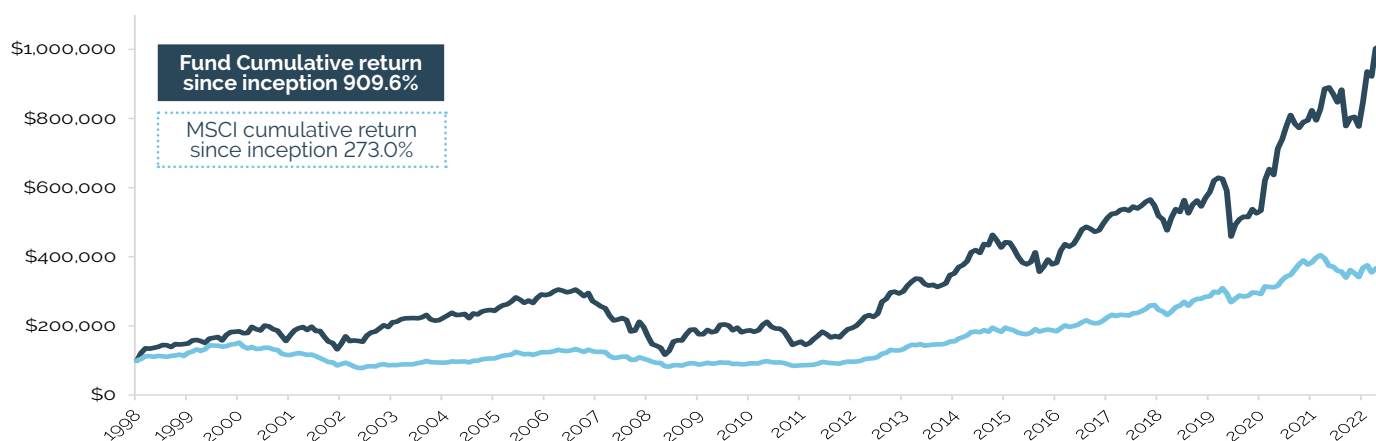
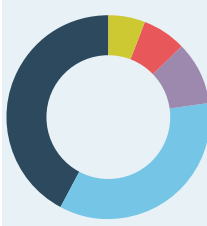
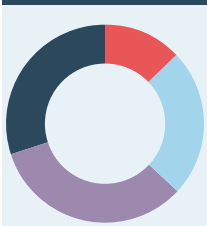


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 28 October 1998. These figures represent past performance only. No guarantees exist of future returns above or 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	Domicile of listing [^]
Domestic Banking - Europe	26%	ING Groep	 <ul style="list-style-type: none"> Europe 42% North America 35% United Kingdom 10% Asia (Ex-Japan) 7% Australia 6%
Commodities - Energy	14%	Shell	
Domestic Banking - USA	13%	Bank of America	
Gaming	12%	Wynn Resorts	
Commodities - Industrial metals	12%	Freeport-McMoRan Copper	
Industrials	10%	Siemens	
Alternative Investment Managers	7%	Apollo Global Management	
Housing Ireland & Spain	5%	Cairn Homes	
Other	6%		
Long Equity Position	105%		
Direct Short Position	-3%		 <ul style="list-style-type: none"> Mega (>\$100bn) 30% Large (<\$100bn) 33% Medium (<\$30bn) 24% Small (<\$5bn) 13%
Index Short Position	-4%		
Net invested equities	98%		
Total holdings	41		
		Currency exposure** 100%	
		AUD 80%	
		USD 5%	
		GBP 8%	
		EUR 3%	
		Other 4%	

[^] 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office.

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

** Stated at effective value.

Fund commentary

Teck Resources proposes transaction to split into two companies

In late February diversified miner Teck Resources announced a transaction to spin-off its steelmaking coal assets into a separately listed company, leaving the core copper and zinc business in the to-be-renamed Teck Metals. Rumours circulated in the media the week before and the stock appreciated as much as 10 percent on the news. When the details were ultimately announced, the stock gave up all those gains and more. We agree with the concept of separating the assets but, like the market, not the details – for the next decade or so the newly created steelmaking coal entity will remit most of its free cash flow back to the base metals

company via a complex royalty and preferred equity structure. In our view the transaction is a separation in name but not substance, and we have spoken to Teck's management team on the issue. The transaction goes to a shareholder vote in April.

We maintain our holding in Teck Resources as its assets & earnings are strong, and its valuation remains compelling. We are conscious however that should the transaction go ahead it will be more difficult for Teck stock to achieve a full & fair valuation in the next three to five years.

Top 10 stocks

Stock name	Sector
Apollo Global Management	Alternative Investment Managers
Caixa Bank	Banks
CNOOC	Energy
Freeport-McMoRan	Metals & Mining
ING Groep	Banks
Shell	Energy
Siemens	Industrial
Teck Resources	Metals & Mining
Wells Fargo & Company	Banks
Wynn Resorts	Consumer Services

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.

Further Information

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Key Fund Details

Fund category

Global equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

28 October 1998

Fund size

\$684.6 Million

Strategy size

\$1,743.1 Million

Number of stocks

As a guide, 25-45 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 MSCI World Net Return Index (AUD).

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 Global Companies Fund (ARSN 092 434 618, 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 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. The Index is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the Index. Address: Level 11, 68 York Street, Sydney, NSW 2000