

Monthly Update: Global Companies Fund

Simple ideas, simple businesses

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

We are delighted to be the Zenith Fund Awards 2021 Winner for International Equities - Alternative Strategies



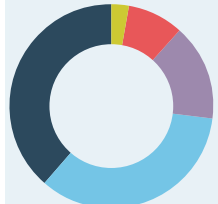
Global Companies Fund	Inception Date	Exit Price (\$ cum)	1 Month	1 Year	3 Years pa	5 Years pa	7 Years pa	10 Years pa	Since Inception pa
Fund performance (net of pro forma fees)¹	10-1998	4.8687	7.1%	39.2%	20.0%	16.5%	13.7%	20.9%	11.8%
Fund performance (net of actual fees)			7.1%	39.2%	20.0%	15.6%	12.6%	18.5%	9.8%
MSCI World Net Total Return Index (AUD)			-2.3%	26.9%	17.9%	14.9%	12.6%	16.2%	6.1%

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.

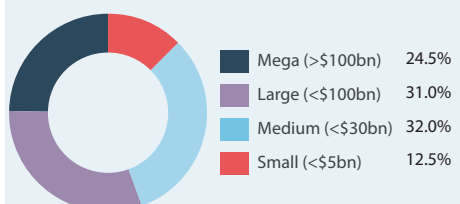
Global Companies Fund: Growth of AUD \$100,000



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 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 [^]	
Housing - Ireland and Spain	8.9%	Cairn Homes	 <ul style="list-style-type: none"> Europe 38.5% North America 34.5% United Kingdom 15.3% Asia (Ex-Japan) 8.7% Australia 3.0% 	
Global Domestic Banking	34.3%	Bank of America		
Gaming - Macau	7.9%	MGM China holdings		
Alternative Investment Managers	7.1%	Apollo Global Management		
Industrial - Europe	8.8%	Siemens		
Materials	16.4%	Freeport-McMoRan Copper		
Energy	12.9%	Shell		
Other	11.8%			
Long Equity Position	108.1%	Currency exposure^{**}		100%
Direct short position	-3.6%	AUD		42.2%
Index short position	-17.6%	USD	32.9%	
Net invested equities	86.9%	EUR	10.9%	
		GBP	9.0%	
		CAD	4.8%	
		Other	0.2%	
Total holdings	43			

Investments by Market Capitalisation (USD)^{*}



[^] '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

- January was a strong month for the portfolio despite the broader market selloff
- Energy stocks performed strongly, and we initiated a new position in Woodside Petroleum
- European banks indicated they will follow the US lead and return excess capital to shareholders

January performance was driven by our exposure to both banking and commodity positions.

Standout performers include energy giant Shell (previously known as Royal Dutch Shell), up 15% over the month as the Brent oil price approached \$90 per barrel. We entered a new position in Woodside Petroleum, the Australian liquid natural gas (LNG) producer, which trades on a mid-single digit earnings multiple and will benefit from any structural shortage in LNG supply longer term.

European banks were also key contributors to the portfolio over the month. The driving factors behind the move higher was rising interest rates in Europe, coupled with various banks, including our portfolio holding Caixabank (up 22%), announcing they will return all excess capital to shareholders. Taking Caixabank as an example, this could result in up to a 15% implied yield over 2022 through dividends and buybacks.

Top 10 stocks

Stock name	Sector
Apollo Global Management	Alternative Investment Managers
Bank of America	Banks
First Quantum Minerals	Metals & Mining
Freeport-McMoRan Copper	Metals & Mining
Howard Hughes	Real Estate
ING Groep	Banks
Shell	Energy
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

\$524.7 Million

Strategy size

\$1,484.9 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

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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.

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