

# 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
<b>Fund performance</b>	<b>10-1998</b>	<b>5.1415</b>	<b>10.7%</b>	<b>16.3%</b>	<b>17.7%</b>	<b>14.7%</b>	<b>12.3%</b>	<b>11.3%</b>	<b>16.6%</b>	<b>9.7%</b>
MSCI World Net Total Return Index (AUD)			2.1%	6.4%	-5.6%	7.9%	10.1%	10.2%	14.5%	5.6%

### Growth of AUD \$100,000

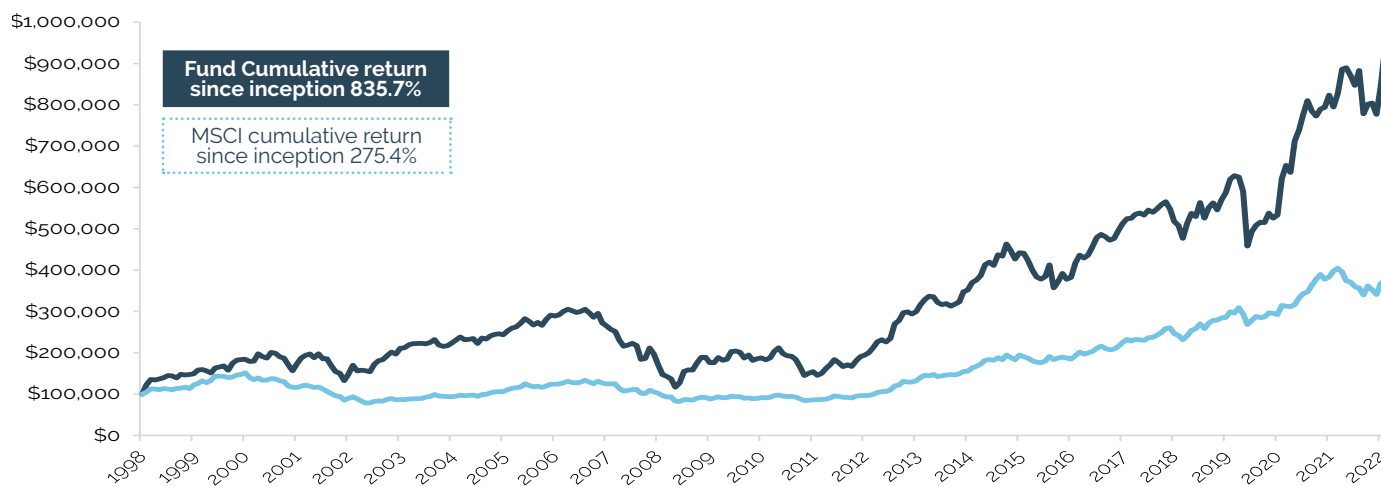
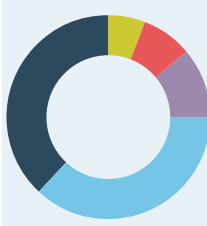
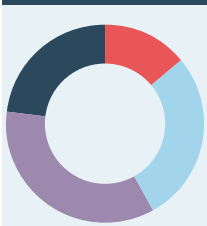


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 28 October 1998. These figures represent past performance only. No guarantees exist of future returns above or 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 <sup>^</sup>
Domestic Banking - Europe	20%	ING Groep	 <ul style="list-style-type: none"> <li>Europe 38%</li> <li>North America 37%</li> <li>United Kingdom 11%</li> <li>Australia 8%</li> <li>Asia (Ex-Japan) 6%</li> </ul>
Commodities - Industrial metals	14%	Freeport-McMoRan Copper	
Domestic Banking - USA	14%	Bank of America	
Commodities - Energy	14%	Shell	
Gaming	11%	Wynn Resorts	
Quality Industrial Franchises	10%	Siemens	
Alternative Investment Managers	8%	Apollo Global Management	
Housing Ireland & Spain	5%	Cairn Homes	
Other	8%		
<b>Long Equity Position</b>	<b>104%</b>		
Direct Short Position	-4%		 <ul style="list-style-type: none"> <li>Mega (&gt;\$100bn) 23%</li> <li>Large (&lt;\$100bn) 35%</li> <li>Medium (&lt;\$30bn) 28%</li> <li>Small (&lt;\$5bn) 14%</li> </ul>
Index Short Position	-5%		
<b>Net invested equities</b>	<b>95%</b>		
<b>Total holdings</b>	<b>46</b>		

Currency exposure**		100%
AUD		80%
USD		8%
GBP		7%
EUR		2%
Other		3%

<sup>^</sup> '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

- Siemens growth being driven by automation, digitisation and sustainability megatrends
- Macau casinos licence risk nullified
- Fox – Flutter arbitration a home run for Flutter

Industrial Siemens AG reported excellent results despite the perceived economic slowdown. The primary driver is the factory automation business, which grew revenue by 13% this financial year and has guided to grow at a similar rate in the coming year. Increasing labour costs, escalating geopolitical sensitivity around global manufacturing chains, and the re-arranging of automotive factories to produce electric vehicles are long-term trends that benefit Siemens and are increasingly showing up in their order books.

Macau casino holdings advanced after two important catalysts emerged in November, namely the potential relaxation of China's COVID-

zero policy and Macau's government announcing all six existing operators were receiving new concessions.

Global sports betting and gaming operator, Flutter received a positive outcome from its long-standing arbitration with FOX Corp. regarding the latter's option to acquire a minority interest in FanDuel. In a major win for Flutter the arbitrator set FanDuel's valuation at \$20b, compounding at 5% pa, well above the \$11.2b FOX Corp. had argued.

Regarding our currency positioning, we took advantage of a sell-off in the Australian dollar in early November to increase our exposure to 80% from 74%. The Australian dollar rose strongly over the month.

Top 10 stocks	
Stock name	Sector
Apollo Global Management	Alternative Investment Managers
Bank of America	Banks
Caixa Bank	Banks
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

\$613.7 Million

### Strategy size

\$1,607.2 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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