

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	4.6466	8.8%	5.5%	2.7%	12.9%	10.5%	9.7%	15.9%	9.3%
MSCI World Net Total Return Index (AUD)			7.8%	1.7%	-4.2%	8.8%	10.3%	9.5%	14.3%	5.6%

Growth of AUD \$100,000

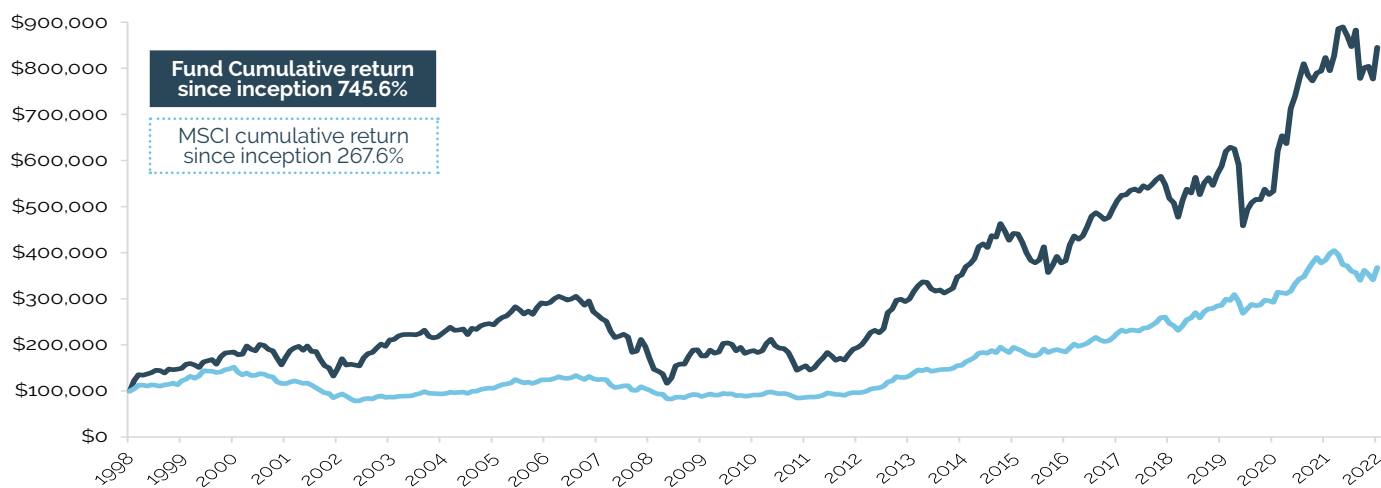
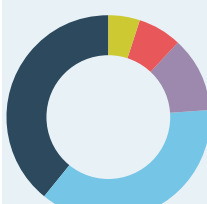
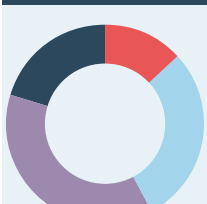


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 28 October 1998. These figures represent past performance only. No guarantees exist of future returns above or 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	20%	ING Groep	 <ul style="list-style-type: none"> Europe 39% North America 37% United Kingdom 12% Australia 7% Asia (Ex-Japan) 5%
Industrial commodities	15%	Freeport-McMoRan Copper	
Domestic Banking - USA	14%	Bank of America	
Energy	13%	Shell	
Gaming	11%	Wynn Resorts	
Quality Industrial Franchises	10%	Siemens	
Alternative Investment Managers	8%	Apollo Global Management	
Housing Ireland & Spain	6%	Cairn Homes	
Other	8%		
Long Equity Position	105%		
Direct Short Position	-5%		 <ul style="list-style-type: none"> Mega (>\$100bn) 20% Large (<\$100bn) 37% Medium (<\$30bn) 29% Small (<\$5bn) 14%
Index Short Position	-6%		
Net invested equities	94%		
Total holdings	46		
		Currency exposure** 100%	
		AUD 74%	
		GBP 10%	
		USD 10%	
		EUR 3%	
		Other 3%	

[^] '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

- US banks report strong earnings on the back of higher rates
- Airbus entering multi-year sweet spot

The portfolio had a strong month up 8.8%.

Our United States bank holdings reported good third-quarter results as higher interest rates are quickly flowing through to the bottom line. Bank of America's results were particularly strong – its capital ratio is up, expenses are flat despite the inflationary environment, and the franchise attracted the highest number of new retail checking accounts in over 15 years. Across the industry, provisions for customer defaults are still benign and while we expect them to shift higher in the coming year, they remain well below historical levels. Valuations are attractive and unlike many sectors of the market, the banks are upgrading forward earnings estimates.

Airbus was particularly strong over the month with its share price rising ~23%. While management reiterated guidance for operating earnings and increased its free-cash flow generation guidance for 2022, the most pleasing aspect of the update was on deliveries. Despite on-going supply chain challenges, management reiterated its aim to deliver 65 and 75 planes per month of the A320 family by 2024 and 2025 respectively. We believe Airbus is in a multi-year sweet spot driven by rising production of its very popular A320, tailwinds from a strong US dollar and the absence of any new major development programs which will drive strong free-cash flow generation.

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

\$548.7Million

Strategy size

\$1,451.5Million

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