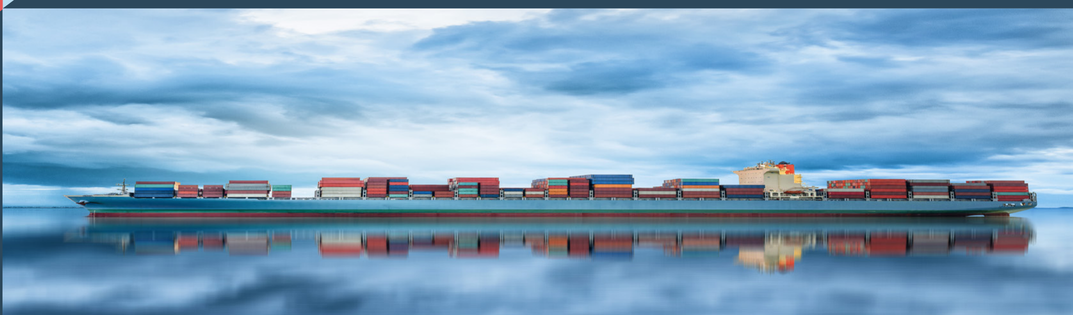
Building wealth in FY22 and beyond

Key themes in global, Australian and Asian equities, and credit markets, for the New Financial Year



JUNE 2021

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PM Capital

Important information

This document is issued by PM Capital Limited

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PM Capital Global Companies Fund ARSN 092 434 618	PM Capital Asian Companies Fund ARSN 130 588 439	PM Capital Australian Companies Fund ARSN 092 434 467	PM Capital Enhanced Yield Fund ARSN 099 581 558

the 'Fund', or collectively the 'Funds' as the context requires.

The document contains summary information only to provide an insight into how and why we make our investment decisions. This information is subject to change without notice, and does not constitute advice or a recommendation (including on any specific security or other investment position mentioned herein).

This report does not take into account the objectives, financial situation or needs of any investor which should be considered before investing. Investors should consider a copy of the current Product Disclosure Statement ('PDS') which is available from us, and seek their own financial advice prior to making a decision to invest. The PDS explains how the Funds' Net Asset Value is calculated. Returns are calculated from exit price to exit price (inclusive of the reinvestment of distributions) for the period from inception to 31 May 2021 and represent the combined income and capital return. The investment objective is expressed after the deduction of fees and before taxation. The objective is not a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns may not be achieved and are not guaranteed. 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 factors, including market forces.

The Index for the PM Capital Global Companies Fund is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. The Index for the PM Capital Asian Companies Fund is the MSCI AC Asia ex Japan Net Total Return Index in Australian dollars, net dividends reinvested. See www. msci.com for further information on the MSCI indices. The Index for the PM Capital Australian Companies Fund is the S&P/ASX 200 Accumulation Index. See www.asx.com.au for further information. The Index for the PM Capital Enhanced Yield Fund is RBA Cash Rate. See www.rba.gov.au for further information.

Fund return rankings in the Morningstar peer group are sourced from Morningstar Direct. As at 31/5/2021. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf . You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information.

1.. The PM Capital Enhanced Yield Fund was named Money Magazine's 2020 Winner for Best Income Fund – High Yield and Credit.

2. Pro forma Fund performance 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.

Paul Moore's FY22 Investment Letter

As the end of FY'21 approaches we provide an overview of the events and decisions that drove portfolio positioning and returns over the year, then provide our insights as to building wealth in FY'22. Following the close of FY'21, we'll provide further insights in our quarterly report and video update to be released mid July.

Key points

- The global equities recovery in value sectors of the market is just beginning and has much further to run this decade, albeit with corrections and periods of consolidation to be expected along the way.
- There has never been more opportunity for active fund managers to generate 'alpha' (a return above the market return) than what we expect in the next few years.
- The rotation out of growth stocks into value stocks will likely continue in FY22 as out-of-favour regions and sectors catch up.
- Investors risk making the same mistakes as in other market sector rotations, that is, taking profits too early; believing most gains have been made; or that it is too late to invest.

The foundations of PM Capital's investment approach – selectively buy bottom-quartile and sell top-quartile, through a patient, disciplined approach – came to the fore during Covid.

In late 2019, our team identified record valuation dispersion between growth and value stocks. Investors were crowding into growth companies that benefitted from near-zero interest rates and had strong share-price momentum. And were ignoring value.

We used this opportunity to exit long-held positions in global oligopolies, such as Google, and alternative investment managers. Each position was built at bottom-quartile valuations and exited at top-quartile valuations.

That reduced our funds' invested position and built up cash to redeploy into existing and new investment themes. When Covid erupted in early 2020, PM Capital was able to capitalise on one of the best buying opportunities in decades.

In equities, we believed some of the world's great cyclical businesses traded at record relative valuation lows after global equities markets fell in March 2020. We saw the same investment mistakes made in the lead-up to Covid and during it, as in other crises.

There were parallels with the 1987 sharemarket crash, 1997 Asian Financial Crisis, the 2000 internet mania and the 2008 Global Financial Crisis. On each occasion, investors panicked, selling high-quality companies that were liquid. Their investment discipline failed.

PM Capital initially added to its position in commodity producers, principally in copper, which is one of our largest themes. Later, we added to or built new positions in out-of-favour sectors at the time: Australian and European banks, and Irish and Spanish home builders, for example.

We used the firm's same playbook after other sharemarket crises: buy high-quality companies in the worst-affected sectors when nobody wants to own them.

In 2011, PM Capital bought Las Vegas casino stocks at the epicentre of the GFC fallout. A decade later, we were buying commodity producers, principally in the copper sector, such as Freeport- McMoRan, at multi-year lows. With Europe gripped by Covid, we added to our European banking and home-builder stocks at multi-year lows.

Similarly, the PM Capital Enhanced Yield Fund was particularly well placed, having been around 50% invested in cash and cash equivalents in the lead-up to Covid. Amid the volatility, the Fund bought corporate bonds that were (in our view) being sold at distressed prices. Many have since contributed to the Fund's considerable return above cash.

To be clear, while PM Capital is not a contrarian investor per se, our approach of finding quality assets trading at bottom-quartile valuations often takes us to deeply out-of-favour sectors and themes – and requires high conviction and patience.

Our investment style is as unfashionable today as it was in 1998 when PM Capital began. We continue to believe investment themes take up to 7-10 years to play out, rewarding investors who stay the journey and ignore short-term market and economic 'noise'.

FUND OUTPERFORMANCE

I am pleased to report this strategy has delivered significant outperformance across the PM Capital suite of funds over the financial year thus far to end-May 2021.* Over this period:

- The flagship PM Global Companies Fund returned 57.0% compared to a 21.9% return for the MSCI World Net Total Return Index (AUD) benchmark;
- The PM Australian Companies Fund returned 37.3% compared to a 25.0% return for the S&P/ASX 200 Accumulation Index benchmark;
- The award-winning PM Capital Enhanced Yield Fund[1] returned 4.2% compared to a 0.1% RBA Cash Rate benchmark; and
- The PM Capital Asian Companies Fund returned 30.3% compared to a 24.4% return for the MSCI AC Asia Index (AUD) benchmark. (Our full performance tables are on page 18 of this report.)

Although the fund returns are generally pleasing, PM Capital's focus is always to build long-term wealth for our clients through investment cycles.

I am as interested in our funds' 10- and 20-year returns as I am in their 1-year performance. For long-term investors, such as Self-Managed Superannuation Fund (SMSF) trustees and other wealth accumulators, multi-decade performance matters.

Yet rarely do investment experts and industry 'gatekeepers' compare funds on 10- and 20-year performance. Our industry's recurring focus on short-term results often hurts investors.

Over 10 years to end-May 2021, the return of the PM Capital Global Companies strategies ranked 1st, 2nd and 7th in their Morningstar category out of 145 funds. Over 20 years, the return of the PM Capital Global Companies Fund ranked fifth out of 41 funds.

The PM Capital Australian Companies Fund ranked in the top decile of returns in its Morningstar category out of 244 funds over 10

* Past performance is not an indicator of future performance

years to end-May 2021. Adjusted for the current fee structure, since inception, its return would have ranked first out of 67 funds over 20 years[2].

FY22 OUTLOOK

PM Capital's other great learning from sharemarket crises is that investors often sell too early after recoveries in deeply discounted businesses. Some take profits, believing most gains have been made. Others do not invest because they think it's too late. They don't understand how long recoveries can last.

In football parlance, this recovery in value sectors of the market is in the first or second quarter. Granted, the valuation dispersion between growth and value stocks is not as attractive today as it was in early 2020, given the rotation into value stocks this calendar year. But the themes embedded in PM Capital portfolios potentially still have a long way to run.

In my experience, recoveries can take up to a decade to play out. This one might take half that time because Covid has compressed investment cycles. But we are much closer to the start of the recovery than the end.

For example, our copper theme has performed well over 12 months, but we remain positive on copper's outlook due to delays in new supply. We see opportunities emerging in Europe in FY22 as economic growth there starts to catch up to the United States.

Overall, we expect FY22 will be a year of consolidation for global equities markets. For investors, this coming financial year will look vastly different to FY21. But within that will be opportunities for attractive absolute and relative returns as sectors that have so far lagged the recovery – such as European banks and global casino stocks – catch up.

I continue to believe there has never been more opportunity for active fund managers to generate 'alpha' (a return above the market return) than in the next few years.

OUR NEW REPORT

I hope you find this report useful and would be delighted if you share it with your friends, family or colleagues who might benefit from this information.

This report provides a snapshot of key themes PM Capital favours in FY22. The list is far from exhaustive, but showcases where we will see value in the New Financial Year.

As always, talk to your financial adviser and read the PDS before acting on themes in this report, or do further research to determine if a PM Capital fund suits your needs. You can contact PM Capital directly through the details on our website (www.pmcapital.com.au).

We look forward to helping you achieve your long-term investment goals.

Good investing,

Paul Moore

Founder and Chief Investment Officer

PM Capital

Summary: Key takeouts from FY21

1. The valuation dispersion between growth and value stocks narrowed as investors retreated from expensive momentum-based growth stocks.

2. Loss-making companies that benefit from near-zero interest rates lost favour.

3. Rising inflation and interest-rate expectations created opportunities in sectors, such as banking, and reduced the appeal of growth stocks with long-duration earnings prospects.

4. As the global economy recovered, investors weren't prepared to pay the same valuation multiples for companies promising high growth occurring a long way into the future. That favoured value companies that had lagged the global equities rally.

5. Commodity producers outperformed due to production supply bottlenecks and expectations of rising demand. The big story in commodities was delays in new supply coming on stream.

6. Australian banks rallied due to a strong recovery in the domestic economy.

7. The Australian sharemarket became even narrower as the resource and banking sectors rallied. The high concentration of both sectors strengthened the case to invest overseas, where similar companies often trade on lower multiples compared to their Australian peers.

8. Europe emerged as one of the best places to invest in FY21, on valuation grounds.

9. Geopolitical tensions weighed on some large-cap, state-owned Chinese companies.

10. Index funds created larger distortions in asset valuations. This was particularly so as small- and mid-cap companies that are not in major indices got ignored.

11. Central banks became afflicted with a severe case of group think and are thus a dangerous tool for investors to rely on.

Summary: Key takeouts for FY22

1. European bank stocks are undervalued.
2. Irish and Spanish home builders will benefit from a construction recovery in those markets.
3. The copper outlook remains positive, principally due to expected delays in new supply.
4. European industrial companies, such as Siemens AG, are misunderstood by markets.
5. Some large-cap, state-owned Chinese banks and telcos are attractive.
6. Asian tourism-related stocks will benefit as economies in the region 'reopen' after Covid.
7. Vietnam's beer market has strong growth prospects.
8. Australian mining services stocks will be the next beneficiaries of the mining boom.
9. Australian banks mostly offer reasonable long-term value.
10. Large-cap Australian internet-related companies are overvalued.
11. Floating-rate securities are preferred due to expectations of higher interest rates.
12. Trans-Tasman airport debt continues to appeal.
13. Australian bank subordinated debt remains attractive.
14. Debt issued by Spanish property companies is an emerging opportunity.

GLOBAL COMPANIES FUND: FY22 VIEWS

Key points

- European banking stocks will benefit from European economic recovery
- Irish and Spanish home builders will benefit from a construction recovery
- Attractive value remains in select commodity producers

European banks

PM Capital took advantage of market volatility during the early stages of the Covid crisis to add to its position in European banks.

We believe European banks are attractively priced compared to US and Australian banks. Slower economic growth in Europe has led to slower credit growth, but we expect an 'inflexion point' for European banks in FY22 as the continent bounces back from Covid restrictions. In addition, higher long-dated bond yields will aid bank net interest margins and earnings in FY22. We also see potential for higher dividend yields and share buybacks from European banks, and a reduction in provisions for impaired loans as the European economy recovers.

Irish and Spanish home builders

Our positive view on European economic recovery in FY22 underpins our investments in Irish and Spanish home-building companies. Europe has lagged the recovery in US house prices, and housing construction in Europe is at historically low levels. In Ireland and Spain, for example, new home sales remain around 70% of peak 2007 levels. This chronic undersupply of new housing in Europe could provide a long runway of growth for select home builders.

The Fund also increased its position in Siemens AG, a leading European industrial company, during the Covid-related sell-off. We have a positive view on Siemens in FY22 and beyond, based on its market-leading position in factory automation, healthcare and mobility. Siemens' potential in the digital age continues to be misunderstood by markets.

Commodity producers

Commodity producers remain a key theme for the Fund in FY22. Our initial thesis in late 2018 – that copper stocks had never been cheaper relative to global equity markets – has been proved since then. The Fund used Covid-related market volatility to add to its copper-sector exposure.

Our positive view on copper in FY22 is primarily based on supply constraints in the presence of robust global demand. Although the rising copper price is expected to incentivise producers to invest in new supply, copper projects remain difficult to get to market quickly and new high-quality copper reserves are becoming harder to find and mine. Inelasticity of new copper supply, particularly in the short term, should support the copper price in FY22.

AUSTRALIAN COMPANIES FUND: FY22 VIEWS

Key points

- Commodity producers and mining services companies are core themes for FY22
- Australian banks remain a preferred sector exposure
- Minimal exposure to internet/technology-related companies

Commodities/mining services

Our positive view on copper (outlined earlier) is reflected in the PM Australian Companies Fund's 30.3% weighting in Australian and international resource stocks at end-May 2021. Copper-gold producers represent the largest component of resource exposure with Oz Minerals a core holding, as is mining services play, Imdex.

We expect high commodity prices will continue to drive robust capital-raising activity from the junior gold and copper sector in FY22. That, in turn, will drive higher exploration and development activity, aiding select mining services companies that will be 'second-derivative' beneficiaries of the mining boom. We continue to believe the Australian resource sector is in the early stages of a new exploration cycle. Mining-technology company Imdex, held in the Fund, is leveraged to this trend.

Australian Banks

The Fund had a 33.2% weighting in domestic (22.9%) and international (10.3%) banks at end-May 2021. We increased the Fund's weighting in Australian bank stocks in the first quarter of FY21, believing the worst for the sector had passed and that the banks were attractively priced.

After rallying in calendar-year 2021, Australian bank stocks collectively are fairly valued. Longer term, we have a positive view on Australian banks as rising long-dated bond yields expand bank net interest margins and support their earnings growth. Australia's buoyant economy should drive higher credit growth and rising house prices should reduce the risk of loan impairments. We see divergent value within the sector heading into FY22; banks, such as ANZ, offer value, but the Commonwealth Bank was fully valued at the end of FY21.

Internet/technology companies

Fund had an 8.9% weighting in internet-related stocks at end-May 2021 centred around two holdings: Frontier Digital Ventures and iCar Asia. Both companies have recovered strongly from Covid and are well position for growth in their core verticals (property and automotive classifieds). Their valuations remain attractive and we see stock specific catalysts emerging over the 12 months. Conversely, the broader universe of technology companies have extended to record levels, thanks in part to record low interest rates. We expect downward pressure on tech valuations in FY22. PM Capital's view that the rotation from growth to value companies will continue in FY22 is a headwind for technology stocks.

We believe key internet companies, such as those providing online marketplaces for property, car and job ads, are expensive. Australian leaders in these sectors are strong companies, but we see better value in similar businesses overseas, particularly in Asia.

ASIAN COMPANIES FUND: FY22 VIEWS

Key points

- Some Chinese banks and telecommunications companies have re-rating potential
- Asian-based tourism stocks will benefit as economies in the region recover
- Vietnam's beer market offers opportunity in FY22 and beyond

Large cap Chinese 'value' companies

Despite China being at the centre of the global economic recovery, large-cap state-owned companies in China (telcos, banks and insurance) is one segment of the market that has lagged over the past 12 months. The drivers of this underperformance have been well documented: emergence of trade tensions between the US and China, US trade sanctions on some Chinese companies, and investor penchant for high-growth technology stocks. In addition, some companies have had significant downward price pressure in the past 12 months after being removed from major sharemarket indices.

Increasingly, we see emerging opportunity in Chinese 'value' stocks for FY22 and beyond. PM Capital established a position in China Construction Bank – one of China's largest banks – in May 2021. China Construction Bank trades at a substantially lower valuation multiple than United States, Australian and European banks, and has an attractive dividend yield. Like other global banks, Chinese banks should benefit from expanding net interest margins in FY22, as inflation and interest-rate expectations rise. PM Capital last year added to its position in China Mobile, the country's largest telecommunications company.

Asian travel-related stocks

New waves of Covid across Asia, most notably in India, have dampened interest in companies that benefit from border re-openings and lockdown easings. China's zero-tolerance approach to Covid has affected casino and companies in the region due to personal-movement restrictions.

However, China's success in controlling Covid in 2021 bodes well for travel-related stocks in Asia for FY22 and beyond. Macau, known as the 'Las Vegas' of Asia, has had negligible local transmission of the virus but relies heavily on Chinese visitation and a normalisation of cross border travel. We expect Chinese casinos will benefit from strong pent-up demand for gaming as lockdowns in the region ease in FY22. There is potential for higher casino profit margins due to their intense focus on cost cutting during the pandemic.

Another beneficiary of travel reopening is Travelsky Technologies, which is at the centre of the commercial aviation ecosystem in China. Travelsky's systems link airlines to travel agents, hotels and airports and allow them to manage passenger inventory. A large portion of its revenue is based on per-passenger movement. TravelSky has a virtual monopoly on domestic air travel in China through it long-term partnerships with the domestic airlines.

Vietnamese beer producers

Two favourable dynamics will support Vietnam's beer producers in FY22 and beyond. The first is short term: as a large tourism market, Vietnamese beer consumption will benefit as Asian borders reopen and lockdowns ease. Consumers are expected to adjust to Vietnamese government reforms of drunk-driving laws, which initially hurt alcohol sales in the beer-loving nation. Longer term, Vietnam has a growing, young population with increasing disposable income. That means a large number of new beer consumers each year and favourable industry dynamics for beer companies. PM Capital has a position in Sabeco, Vietnam's largest beer producer. The Vietnamese government last year announced it will sell its remaining 36% stake in Sabeco. With multinational brewers showing greater interest in Vietnam's beer market, Sabeco could be an attractive acquisition for a larger foreign beer company.

ENHANCED YIELD FUND: FY22 VIEWS

Key points

- Near-zero interest-rate duration – invest in long-dated interest rates at your peril!
- Airport and air services bonds taking off
- Bank subordinated debt a core theme for FY22
- Opportunities emerging in Spanish property debt

Interest-rate duration

The Fund anticipated rising inflation and interest-rate expectations – a position that contributed to its outperformance in FY21. The Fund's holding of Australian government inflation-linked bonds performed well as markets became more concerned about the prospect of higher inflation due to Covid-related stimulus and bottlenecks in production supply and labour markets.

We retain that view moving into FY22, believing inflation and interest-rate expectations will surprise on the upside due to strength in consumer and business demand, and extraordinary government stimulus worldwide, which historically is inflationary in the medium term.

The Fund effectively has zero interest-rate duration heading into FY22, meaning it is positioned for higher interest rates over the next few years that will incrementally add to floating-rate yields. Not holding fixed-rate bonds means the Fund has less exposure to the potential for capital losses on fixed-rate securities if rates move higher.

In FY22, floating-rate corporate bonds can continue to provide attractive returns, but greater selectivity will be required, given gains in the past 12 months.

Trans-Tasman airports

After Covid struck in early 2020, the Fund bought bonds issued by Melbourne Airport, Brisbane Airport and Auckland Airport. We also bought bonds issued by Airservices Australia, a Federal-government-owned, triple-A-rated corporate entity that provides air-traffic-control and other aviation services.

These investments generated attractive returns for the Fund, from monopoly-like assets. Although we expect lower returns from airport bonds in FY22, we retain a positive view on Trans-Tasman airports due to the quality of their operations and their leverage to a travel recovery as borders reopen. A travel bubble between Australia and New Zealand – and the recovery in domestic travel (which benefits Brisbane Airport in particular) – should support returns in FY22.

Australian bank subordinated debt

The Fund benefitted in FY21 from outperformance in major Australian bank subordinated debt. This form of debt sits below 'senior debt' or traditional bonds in the capital structure, but takes priority over shares in the event of insolvency. We believed bank subordinated debt had been overlooked during the Covid crisis, as investors favoured bank senior debt, and that the spread between bank subordinated debt and bank senior debt had become too large.

At one point during Covid, bank subordinated debt traded at a multiple of about 7 times bank senior debt spreads, when it historically trades at a 1-2 multiple. The multiple compressed in May 2021 to 3-4 times, but we still see opportunity in bank subordinated debt in FY22. The fund has key holdings across the 4 major Australian banks.

Spanish property company debt

PM Capital's favourable view on Europe as a recovery play in FY22 is reflected in the Fund. In May 2021, the Fund made new investments in the senior secured bonds of a number of Spanish property companies. The bonds were purchased at an average yield of around 5%.

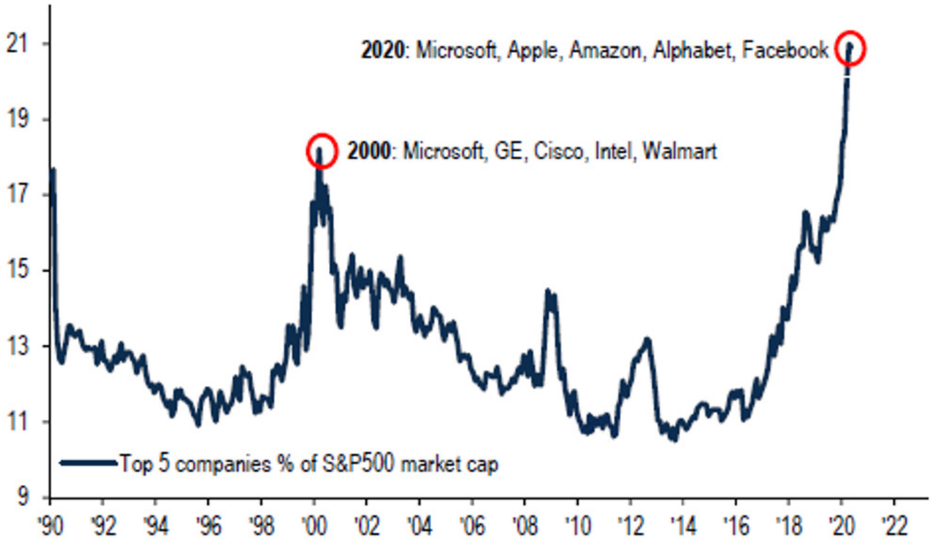
We believe these investments will benefit from Spain's recovering housing market. Each has substantial land assets that reduce their risk profile. Housing construction in Spain has been depressed during Covid and is at historically low levels. As Europe emerges from Covid in FY22 and lockdowns ease, we expect housing construction in Spain will recover. In our view, this thematic reduces risk in Spanish property-company debt.

6 Charts that informed PM Capital's strategy in FY21 – and shape its thinking for FY22

Was COVID-19's effect on markets as 'uncharted' as commentators suggested? History shows trends during the pandemic were repeated in previous market crises. The charts below also show how far prices can fall during crises – and how far they can recover.

1 Markets were as "crowded" in early 2020 as they have ever been, as investors bought the same small group of companies

S&P500 5 largest stocks as % of market cap



Source: BofA Global Investment strategy, Bloomberg

2

The gap between growth and value stocks at record extremes

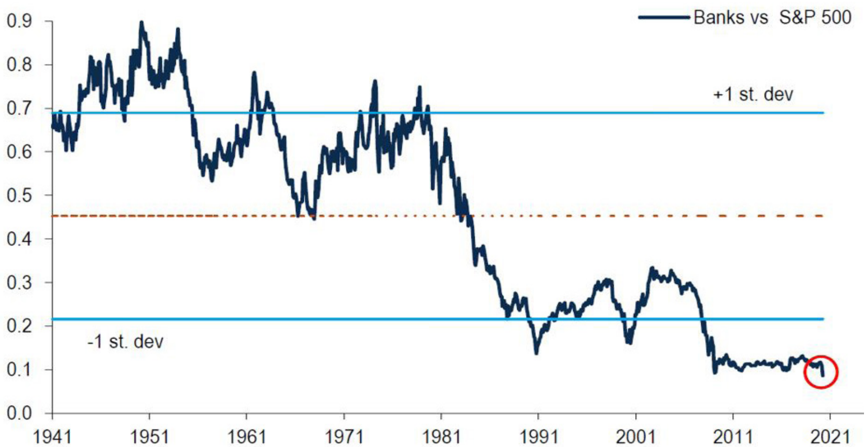
The worst returns to value stocks

Source: BofA Research Investment Commmittee, Fama & French

3

Global banks traded at multi-decade lows during the 2020 sell-off

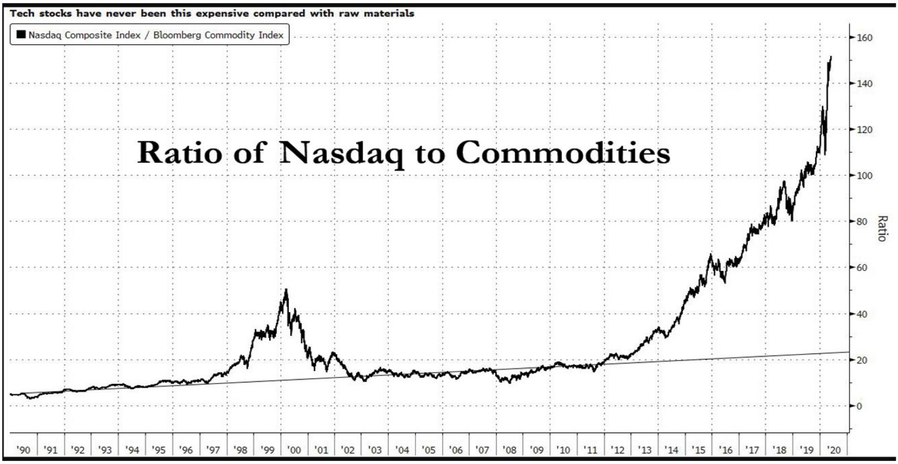
Banks versus S&P 500, relative performance (USD)



Source: BofA Merill Lynch GLobal Investment Stratgy, Bloomberg, Datastream, Ibboston, Global Financial Data Chart show market cap of MSCI equity indices vs. US stocks in US $ (as of 4/4/2019)

4

Commodities had never been more oversold as investors drove overvalued technology stocks to dizzying heights

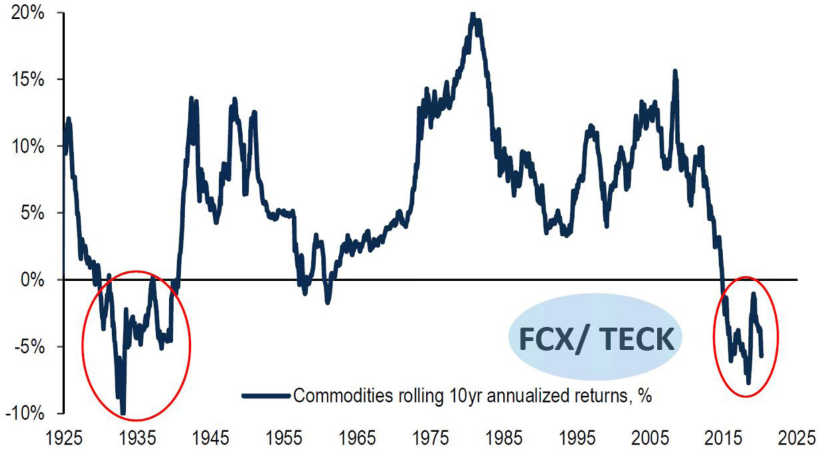


Source: Bloomberg

5

10-year commodity price returns were near a 100-year low

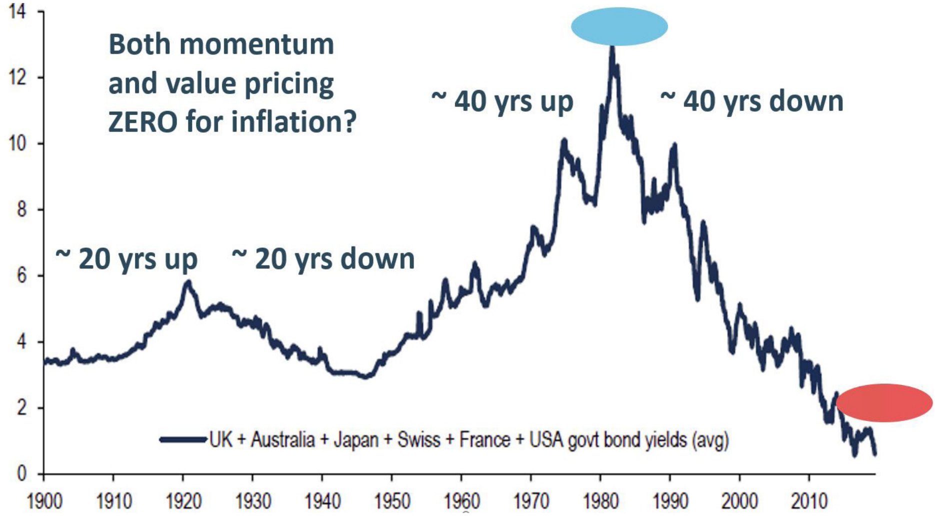
Rolling 10 yr annualised price returns since 1924, commodities



Source: BofA Merill Lynch GLobal Investment Stratgy, Bloomberg, Datastream, Ibboston, Global Financial Data Chart show market cap of MSCI equity indices vs. US stocks in US $ (as of 4/4/2019)

6 With interest rates at historical lows, global inflation was supposedly dead

Global government bond yields at record lows



Oct 1979: Volcker declares war on inflation (running at 13% pa). ***"Containment of inflation is fundamental to a restoration of sound economic growth."***

Dec 2019: Powell declares war on deflation; *"I would want to see...a significant move up in inflation that's also persistent...That's my view."*

Source: BofA Merrill Lynch Global Investment Strategy, Bloomberg, Global Financial Data.
Chart shows simple average 10-year yield

Portfolio-construction considerations for FY22 and beyond

LOOK FOR FUND MANAGERS THAT HAVE STOOD THE TEST OF TIME

In a market fixated with short-term performance, look for reputable managers that have had sustained success over multiple investment cycles.

COMPARE FUNDS ON MULTI-DECADE PERFORMANCE

Some investors focus too much on one- and three-year returns, and not enough on annualised 10- and 20-year returns. Wealth accumulators who have a multi-decade horizon, such as Self-Managed Superannuation Fund (SMSF) trustees, should choose funds that deliver attractive multi-decade returns.

ACTIVE VERSUS PASSIVE MANAGEMENT

Investing in an index fund, such as an Exchange Traded Fund, means putting your money into a fund that buys and sells shares regardless of asset valuations. Active managed funds that assess company valuations are the key to building sustainable long-term wealth.

EMBRACE TRUE 'LONG-TERM' INVESTING

Too many investment experts regard long-term investing as "3-5 years", sometimes less. It can take up to a decade for an investment theme to play out, and for companies within that theme to move from bottom-quartile valuations to top-quartile. Patience is a trait of successful investors.

BE SCEPTICAL OF THE 'CONSENSUS' VIEW

Sustained wealth creation requires independent thinking, not the consensus view. Basing investment decisions primarily on 'top-down' views of industry or economic matters – such as central bank comments on inflation and interest rates – can destroy wealth.

GO GLOBAL

It makes no sense that Australian investors allocate, say, 30% of their portfolio to domestic stocks when the Australian sharemarket comprises 2% of global equity markets. Do not ignore better-value opportunities that might be found overseas.

AVOID SHORT-TERM NOISE

Avoid kneejerk reactions to your investment strategy based on short-term market noise. Remain focused on long-term valuations.

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Performance Tables (as at 31 May 2021)

Global Companies Fund

Global Companies Fund	Inception Date	Exit Price ($.cum)	1 Month	3 Months	6 Months	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**	**4.4507**	**4.3%**	**13.6%**	**30.4%**	**59.3%**	**14.8%**	**15.5%**	**15.9%**	**17.8%**	**11.7%**
Fund performance (net of actual fees)			**4.3%**	**13.6%**	**30.4%**	**59.3%**	**14.5%**	**14.4%**	**14.2%**	**15.5%**	**9.7%**
MSCI World Net Total Return Index (AUD)			1.2%	9.7%	10.5%	20.6%	13.5%	12.7%	13.1%	13.9%	5.7%
Outperformance (net of pro forma fees)[1]			**3.1%**	**3.9%**	**19.9%**	**38.7%**	**1.3%**	**2.8%**	**2.8%**	**3.9%**	**6.0%**

1. Fund performance and outperformance (net of pro forma fees) has been calculated based on the new fee structure (implemented 1 Dec 2018), assuming it had been applied from the Fund's inception. These returns do not represent the actual net Fund performance and are included for illustrative purposes only.

Australian Companies Fund

Fund performance[1] (net of fees)	Inception Date	Exit Price ($, cum)	1 Month	3 Months	6 Months	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]	**01-2000**	**2.7992**	**2.6%**	**6.3%**	**17.5%**	**35.5%**	**15.2%**	**12.8%**	**11.9%**	**12.1%**	**12.8%**
Fund performance (net of actual fees)			**2.6%**	**6.3%**	**17.5%**	**35.5%**	**15.2%**	**12.1%**	**10.9%**	**10.8%**	**10.9%**
S&P/ASX 200 Accumulation Index			2.3%	8.5%	11.7%	28.2%	9.9%	10.1%	8.2%	8.8%	8.4%
Outperformance (net of pro forma fees)[1]			**0.3%**	**-2.2%**	**5.8%**	**7.3%**	**5.3%**	**2.7%**	**3.7%**	**3.3%**	**4.4%**

1. Fund performance and outperformance (net of pro forma fees) has been calculated based on the new fee structure (implemented 1 Dec 2018), assuming it had been applied from the Fund's inception. These returns do not represent the actual net Fund performance and are included for illustrative purposes only.

Enahnced Yield Fund

Fund performance (net of fees)	Inception Date	Exit Price ($.cum)	1 Month	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	7 Years pa	10 Years pa	Since Inception pa
Enhanced Yield Fund*	**02-2002**	**1.1322**	**0.11%**	**0.77%**	**1.38%**	**4.1%**	**2.3%**	**3.4%**	**3.0%**	**3.7%**	**5.4%**
RBA cash rate			0.01%	0.03%	0.05%	0.2%	0.8%	1.1%	1.4%	2.0%	3.6%
Excess			**0.10%**	**0.74%**	**1.33%**	**3.9%**	**1.5%**	**2.3%**	**1.6%**	**1.7%**	**1.8%**
Enhanced Yield Fund (Class B units)**	**05-2017**	**1.1600**	**0.13%**	**0.96%**	**1.73%**	**4.8%**	**2.6%**				**3.0%**
RBA cash rate			0.01%	0.03%	0.05%	0.2%	0.8%				1.0%
Excess			**0.12%**	**0.93%**	**1.68%**	**4.6%**	**1.8%**				**2.0%**

* Performance fee option: Mgmt fee: 0.55%, performance fee: 25% of net excess above RBA Cash Rate (subject to a high watermark).
** Management fee options - Class B units: Mgmt fee:0.79%.

Asian Companies Fund

Fund performance (net of fees)	Inception Date	Exit Price ($.cum)	1 Month	3 Months	6 Months	1 Year	3 Years pa	5 Years pa	7 Years pa	10 Years pa	Since Inception pa
Asian Companies Fund	**07-2008**	**1.7826**	**-0.7%**	**-1.1%**	**8.2%**	**27.8%**	**1.2%**	**6.7%**	**6.9%**	**8.5%**	**12.3%**
MSCI AC Asia ex Japan Net Total Return Index			1.0%	1.1%	8.3%	29.9%	9.6%	13.6%	12.0%	10.3%	9.1%
Outperformance by the Fund			-1.7%	-2.2%	-0.1%	-2.1%	-8.4%	-6.9%	-5.1%	-1.8%	3.2%

Contact

REPRESENTATIVE CONTACTS

John Palmer
Client Relationship Manager

M 0447 471 042
E jpalmer@pmcapital.com.au

Nicholas Healey
Client Relationship Manager

M 0447 814 784
E nhealey@pmcapital.com.au

RESPONSIBLE ENTITY

PM Capital Limited
ABN 69 083 644 731
AFSL 230222

Level 11, 68 York Street
Sydney NSW 2000

P +61 2 8243 0888

F +61 2 8243 0880

E pmcapital@pmcapital.com.au

www.pmcapital.com.au

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PM Capital