

Monthly Update: Asian Companies Fund



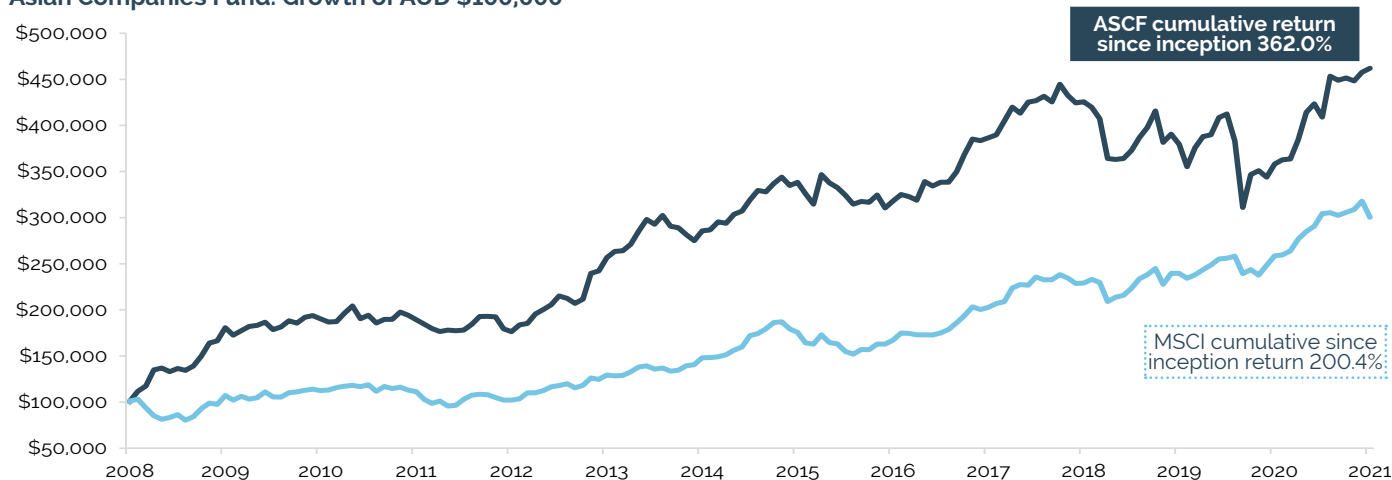
PM Capital

31 JULY 2021

Profiting from hand-picked businesses operating in the world's growth engine

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
Asian Companies Fund	07-2008	1,7493	0.9%	2.3%	12.9%	29.0%	2.8%	7.8%	7.1%	9.3%	12.4%
MSCI AC Asia ex Japan Net Total Return Index			-5.5%	-1.7%	-1.3%	16.2%	9.5%	12.4%	10.6%	10.4%	8.8%
Outperformance by the Fund			6.4%	4.0%	14.2%	12.8%	-6.7%	-4.6%	-3.5%	-1.1%	3.6%

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



Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 1 July 2008. 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 trusts shown on this site.

Portfolio investments	Weighting	Current stock example	Domicile of listing [^]
Online Classifieds & Ecommerce	18.7%	iCar Asia	<ul style="list-style-type: none"> Hong Kong 45.1% Australia 21.0% North America 19.8% Vietnam 6.6% Korea 4.6% India 2.9%
Gaming	13.5%	MGM China Holdings Ltd	
Materials (Copper)	12.58%	Freeport-McMoRan Copper	
Infrastructure	11.7%	Sinopec Kantons	
Financials	11.7%	Shinhan Financial	
Consumer	9.5%	SABECO	
Technology	5.9%	Travelsky	
Energy	5.7%	CNOOC	
Other	3.9%	China Mobile	
Long Equities Position	93.1%		
Net invested position	93.1%		
Total holdings	22		
		Currency exposure [*]	Investments by Market Capitalisation (USD) ^{**}
		USD 60.4%	<ul style="list-style-type: none"> Mega (>\$100bn) 9.2% Large (<\$100bn) 13.2% Medium (<\$30bn) 24.5% Small (<\$5bn) 53.1%
		AUD 23.1%	
		KRW 8.8%	
		INR 2.7%	
		Other 5.0%	
		Total exposure 100.0%	

^{*} Stated at effective value.

[^] '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.

Fund commentary

- iCar Asia jumps sharply after receiving a second takeover offer
- Frontier Digital Ventures revenue and earnings momentum continues as its core holdings capitalise on their dominant market positions
- Regulator uncertainty impacts Chinese equities

iCar Asia received a takeover offer from Singapore based Carsome Group which values the company at A\$243 million (\$0.55 per share), superior to the previous non-binding offer from Autohome Inc. While the offer is currently non-binding, we believe the likelihood of a formal deal being reached is highly probable given the proposal is effectively a joint bid with iCar Asia's largest shareholder, Catcha Group.

Strong earnings announcements from Frontier Digital Ventures and MMG Limited acted as a positive share price catalyst for both companies. Frontier Digital Ventures, which owns a portfolio of online classified business in emerging markets, continues to show

material progress in monetising its customer base which has driven strong revenue momentum despite COVID-19 pressures. MMG Limited preannounced a record first half earnings supported by elevated metal prices.

Chinese equities sold off sharply after several announcements from the government prompted investors to reassess the regulatory risks associated with ownership of Chinese companies. While the portfolio does not hold any positions in sectors directly impacted by recent regulatory announcements (i.e. private education, internet services), the market as a whole was negatively impacted.

Top 10 stocks

Stock name	Sector
China Construction Bank	Banks
CNOOC	Energy
Freeport-McMoran Copper	Materials
Frontier Digital Ventures	Online Classifieds & Ecommerce
Icar Asia	Online Classifieds & Ecommerce
Kunlun Energy	Infrastructure
Shinhan Financial	Financials
Sinopec Kantons	Infrastructure
Travelsky Technology	Technology
Turquoise Hill Resources	Materials

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

Asian equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

1 July 2008

Fund size

\$17.9 Million

Strategy size

\$83.5 Million

Number of stocks

As a guide, 15-35 stocks

Minimum direct investment

\$20,000

Recommended investment time

Seven years plus

Fees (pa)

Management fee: 1.40%

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 through a concentrated portfolio of Asian Equities (ex- Japan).

Important Notice

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1. Returns are calculated from exit price to exit price assuming the reinvestment of distributions for the period as stated and represent the combined income and capital return. The Index is the MSCI All Country Asia ex Japan Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the Index.

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