

Monthly Update: Australian Companies Fund

Applying global insights to profit from anomalies in the Australian market

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
Fund performance (net of pro forma fees)¹	01-2000	3.0207	3.7%	3.7%	11.5%	22.8%	22.5%	12.1%	12.5%	14.9%	12.8%
Fund performance (net of actual fees)			3.7%	3.7%	11.5%	22.8%	22.5%	11.7%	11.5%	13.6%	11.0%
S&P/ASX 200 Accumulation Index			2.7%	2.1%	3.8%	17.2%	13.6%	9.8%	9.0%	10.8%	8.4%

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.

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

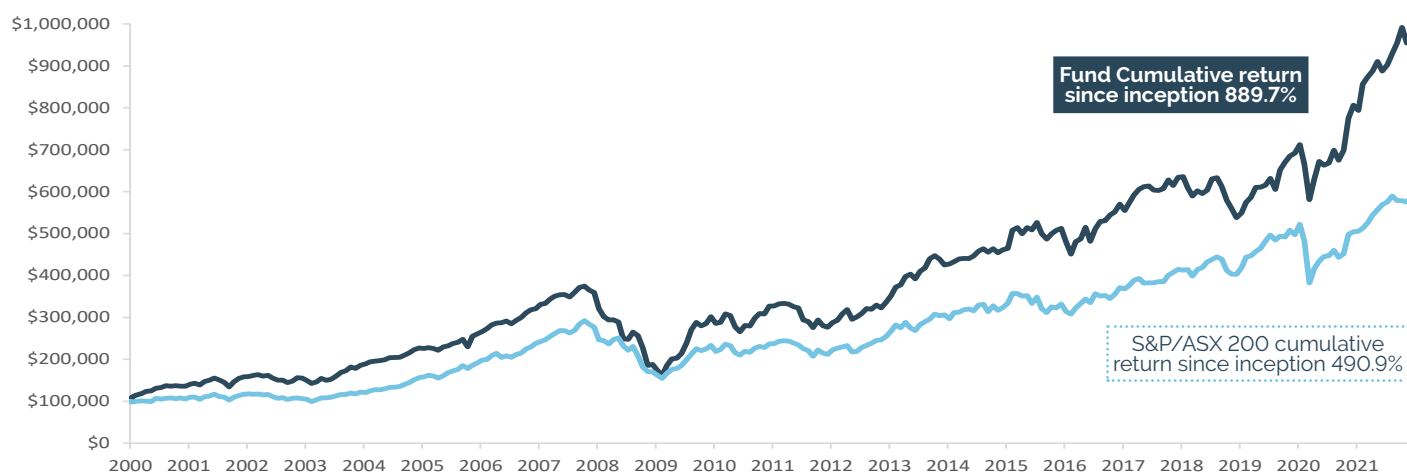
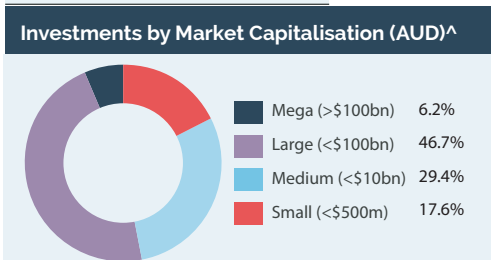


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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
Resources	26.4%
Domestic Banks	17.9%
International Banks	6.8%
Non Bank Financials	6.0%
Internet	12.9%
Other	12.3%
Long Equities Position	82.3%
Short Equities Position	-1.7%
Net Invested Equities	80.6%
Total holdings	20

Current stock example	Currency exposure [*]	100%
OZ Minerals	AUD	100.4%
ANZ	CAD	2.4%
ING Groep	EUR	-0.3%
Apollo Global Management	USD	-2.5%
iCar		

^{*}Stated at effective value.



[^]Breakdown of portfolio's long equity holdings into market cap. bands.

Fund commentary

- A focus on inflation and supply disruptions supported the portfolio's copper holdings
- Crown remains subject to M&A speculation

The portfolio's copper holdings contributed positively to performance with several factors helping drive producers over the month. Supply disruptions have again come into focus with MMG's Las Bambas mine forced to cease production given community protests along its primary transportation routes. Las Bambas contributes between 1-2% to annual copper supply when fully operational and material supply disruptions of this nature are of heightened importance given the physical copper market remains tight, with inventories at historically low levels. An increased focus on inflation and inflation beneficiaries also buoyed copper/ gold producers over the month.

Crown Resorts continued to be supported by M&A news flow after

the receipt of a revised takeover offer from Blackstone. Media reports continue to speculate on additional interest in the Crown business with Star Entertainment, Las Vegas Sands and Wynn Resorts all flagged as potential suitors. While these reports remain unconfirmed, we believe the current bid from Blackstone undervalues the business leaving room for superior offers.

The Fund increased its position in Frontier Digital Ventures participating in its recently completed institutional placement. Frontier raised A\$35m through its institutional placement and targets another A\$5m through a share purchase plan, with the proceeds used to acquire minority investors within its Latin American classified portfolio.

Top 10 stocks	
Stock name	Sector
Alumina Limited	Materials
Apollo Global Management	Diversified Financials
ANZ	Banks
Beach Energy Ltd	Energy
BHP	Materials
Coronado Global Resource	Energy
Crown	Consumer Services
First Quantum Minerals	Materials
Freeport-McMoRan Copper	Materials
Frontier Digital Ventures	Software & 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.

***Note:** Effective 1 December 2018 the payment of a performance fee was changed, becoming subject to the outperformance of both the RBA cash rate and the S&P/ASX 200 Accumulation Index.

Further Information

www.pmcapital.com.au T: +612 8243 0888 E: pmcapital@pmcapital.com.au

Representative contacts - Client Relationship Managers

John Palmer T: +61 447 471 042 E: jpalm@pmcapital.com.au
Nicholas Healey T: +61 447 814 784 E: nhealey@pmcapital.com.au

Key Fund Details

Fund category

Australian equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

20 January 2000

Fund size

\$39.8 Million

Strategy size

\$39.8 Million

Number of stocks

As a guide, 15-25 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 the S&P/ASX 200 Accumulation Index

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 Australian Companies Fund (ARSN 092 434 467, 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, a copy of the current Product Disclosure Statement which available from us, and seek their own financial advice prior to investing. 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.

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 S&P / ASX 200 Accumulation Index. See www.asx.com.au for further information on the Index.

Address: Level 11, 68 York Street, Sydney, NSW 2000