

Monthly update

Australian Companies Fund

Applying global insights to profit from anomalies in the Australian market

Australian 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 ¹	01-2000	3.2371	-1.8%	-2.6%	-3.5%	3.9%	11.2%	9.2%	8.3%	10.1%
S&P/ASX 200 Accumulation Index			-3.8%	-2.6%	9.9%	9.2%	8.9%	8.6%	7.5%	8.3%

Growth of AUD \$100,000

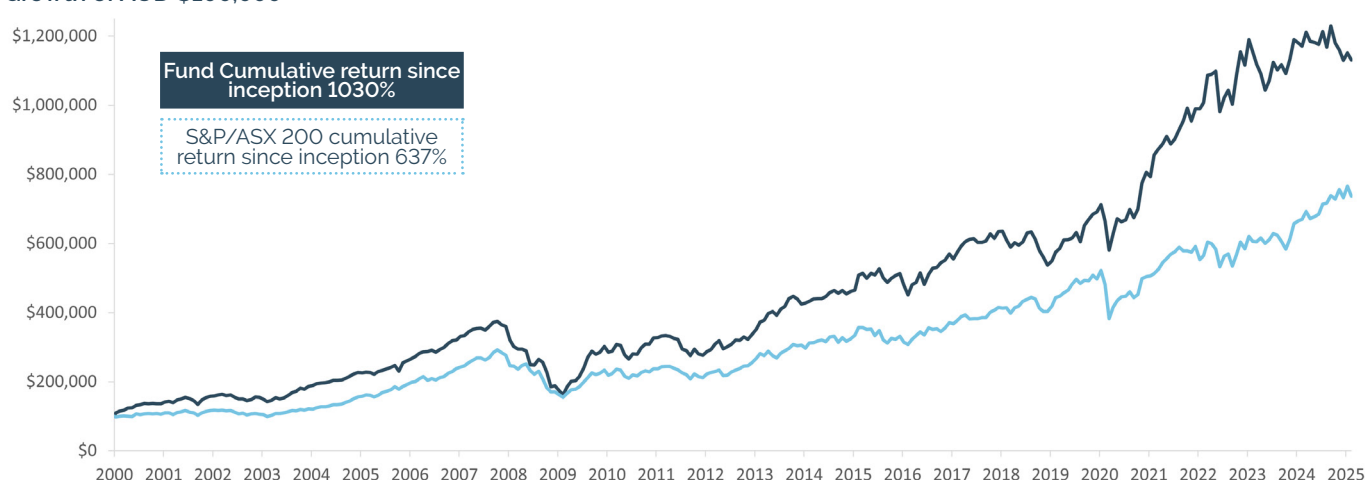
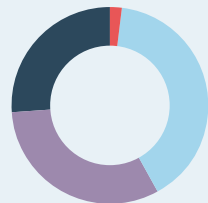


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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 investment theme	Weighting	Current stock example	Investments by Market Capitalisation (AUD)^
Commodities - Industrial Metals	26%	BHP	 <ul style="list-style-type: none">Mega (>\$100bn) 26%Large (<\$100bn) 32%Medium (<\$10bn) 40%Small (<\$500m) 2%
Commodities - Energy	12%	Woodside Energy	
Real Estate	11%	Centuria	
Industrials	7%	Siemens AG	
Diversified Financials	7%	Challenger	
Banking	5%	ING Groep	
Leisure & Entertainment	3%	Sands China	
Online Classifieds & Internet	1%	Frontier Digital Ventures	
Other	5%		
Long Equities Position	77%		
Short Equities Position	-2%		
Net Invested Equities	75%		
Corporate Debt & Bonds	17%		
Net Invested	92%		
Total holdings	20		

Currency exposure*	100%
AUD	99%
USD	1%

*Stated at effective value.

Fund commentary

The domestic market struggled in February, weighed down by global trade tensions affecting the materials sector and disappointing bank earnings impacting financials.

Key Detractors

Mineral Resources was a key detractor, despite delivering a solid December-quarter earnings result. The Market focus instead shifted to concerns over the iron ore haul road connecting the new Onslow iron ore mine to the port, which requires repairs and upgrades despite only recently beginning operations. The combination of higher capital expenditure, production delays, and peak net debt has fueled concerns of a highly dilutive and costly capital raise. However, at current commodity prices, we view this remains unlikely and have maintained our position.

Coronado stock declined 15% in February. While the company has shown improved operational efficiency, it continues to face challenging commodity prices. At current steelmaking coal prices, the broader industry is under pressure—even the lowest-cost producers are operating on thin margins, while higher-cost producers are incurring losses. Notably, several small U.S. producers have begun idling production, signalling the early stages of a supply response.

Although current prices are unsustainable, they could persist longer than expected, and Coronado is not profitable at today's prices, and while the stock remains highly attractive on a long-term basis at normalized prices, the market will likely wait for a meaningful coal price recovery before reassessing its valuation. We maintain our position.

Key Contributors

Index Limited rose 15%, on the back of a solid results announcement that once again demonstrated its outperformance relative to the broader drilling market (primarily gold and copper exploration). The result was particularly noteworthy for its strong EBITDA performance and cash flow conversion, both of which exceeded expectations. However, management commentary did not suggest an imminent inflection in core end markets, and with the current valuation now reflecting this at today's share price, we reduced our position over the month.

Rural Funds Group (RFF) also contributed positively, with the stock rallying 10% in February. The company posted a solid December-quarter result, with supportive commodity prices and productivity improvements, which helped alleviate concerns about elevated balance sheet leverage.

Top 10 stocks

Stock name	Sector
BHP	Materials
Centuria Industrial REIT	Real Estate
Challenger	Diversified Financials
ING Groep	Banks
Newmont Corporation	Materials
Royalty Pharma	Healthcare
Rural Funds Group	Real Estate
Siemens AG	Industrial
Stanmore Resources	Energy
Woodside Energy	Energy

Further information

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Key Fund Details

Fund category

Australian equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

20 January 2000

Fund size

\$126.9 million

Strategy size

\$126.9 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

+/- 0.25%

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 Determination and the current Product Disclosure Statement (which are available on the PM Capital website), 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.

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.

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