

# 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 <sup>1</sup>	01-2000	3.2223	-0.5%	-0.4%	-7.1%	1.2%	14.1%	9.7%	8.1%	10.1%
S&P/ASX 200 Accumulation Index			-3.4%	-2.8%	2.8%	5.6%	13.2%	8.6%	7.1%	8.1%

#### Growth of AUD \$100,000

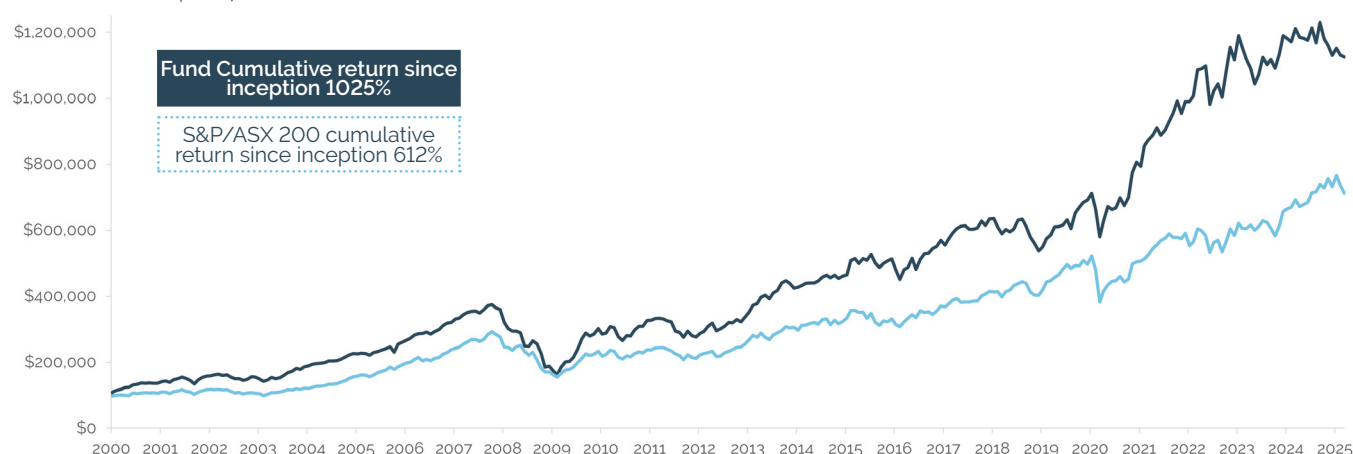
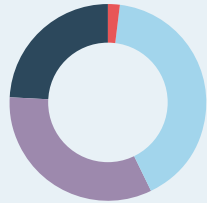


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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) <sup>^</sup>	
Commodities - Industrial Metals	27%	BHP	 <ul style="list-style-type: none"> <li>Mega (&gt;\$100bn) 24%</li> <li>Large (&lt;\$100bn) 33%</li> <li>Medium (&lt;\$10bn) 41%</li> <li>Small (&lt;\$500m) 2%</li> </ul>	
Commodities - Energy	11%	Woodside Energy		
Real Estate	11%	Centuria		
Diversified Financials	8%	Challenger		
Industrials	6%	Siemens AG	<sup>^</sup> Breakdown of portfolio's long equity holdings into market cap. bands.	
Banking	5%	ING Groep		
Leisure & Entertainment	2%	Sands China		
Online Classifieds & Internet	1%	Frontier Digital Ventures		
Other	5%			
<b>Long Equities Position</b>	<b>76%</b>			
Short Equities Position	-2%			
<b>Net Invested Equities</b>	<b>74%</b>			
Corporate Debt & Bonds	17%			
<b>Net Invested</b>	<b>91%</b>			
<b>Total long positions</b>	<b>19</b>			

\*Stated at effective value.

## Fund commentary

Newmont again made a meaningful contribution to performance, rallying a further 16% during March as the gold price continued to reach all-time highs, closing the month above US\$3,100/ounce.

As highlighted in recent reports, there remains a clear bifurcation in the gold market, with gold equities not reflecting the significant move in the underlying commodity. For context, Newmont's stock price is still trading at the same level it was in August 2024, when physical gold was priced at US\$2,400/ounce. While Newmont's March performance was a positive, the stock still trades 40% below its all-time high.

The Fund's steelmaking coal miners, Stanmore and Coronado, continued to weigh on performance. Stanmore declined 8%, while Coronado fell 41% over the month. As previously noted, operational efficiency at Coronado is improving, but the company faces a difficult commodity pricing environment, with benchmark steelmaking coal prices declining a further 7–10%, pressuring even the lowest-cost producers. We view current prices as unsustainable, with many competitors now operating at a loss. Anecdotally, major coal miners have begun to reduce production.

At current stock prices, neither Stanmore nor Coronado are priced to reflect any expected recovery in coal prices. We maintain both positions, with both companies potentially facing positive catalysts over the next 12 to 24 months.

### Top 10 stocks

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

\$124.5 million

### Strategy size

\$124.5 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](http://www.asx.com.au) for further information on the Index.

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