

# Monthly Update: Australian Companies Fund

## Applying global insights to profit from anomalies in the Australian market

Fund performance <sup>+</sup> (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
<b>Fund performance (net of pro forma fees)<sup>1</sup></b>	<b>01-2000</b>	<b>2.9132</b>	<b>-3.7%</b>	<b>2.7%</b>	<b>4.9%</b>	<b>23.2%</b>	<b>19.5%</b>	<b>12.2%</b>	<b>12.1%</b>	<b>14.3%</b>	<b>12.7%</b>
<b>Fund performance (net of actual fees)</b>			<b>-3.7%</b>	<b>2.7%</b>	<b>4.9%</b>	<b>23.2%</b>	<b>19.5%</b>	<b>11.6%</b>	<b>11.2%</b>	<b>13.0%</b>	<b>10.9%</b>
S&P/ASX 200 Accumulation Index			<b>-0.5%</b>	<b>-2.5%</b>	<b>3.3%</b>	<b>15.5%</b>	<b>12.6%</b>	<b>10.1%</b>	<b>8.9%</b>	<b>10.4%</b>	<b>8.3%</b>

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

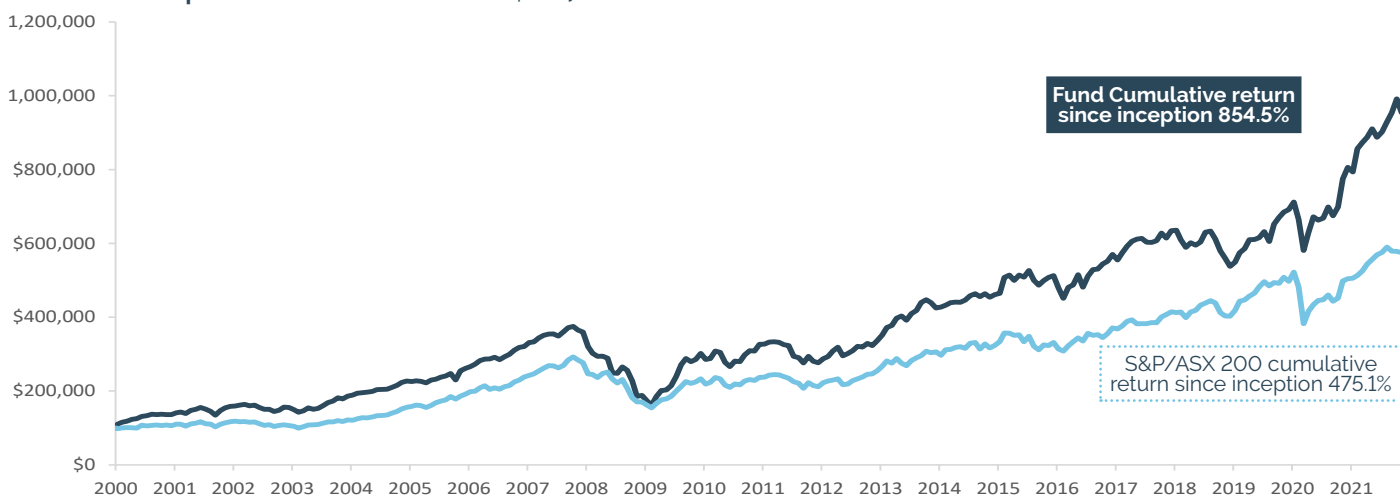
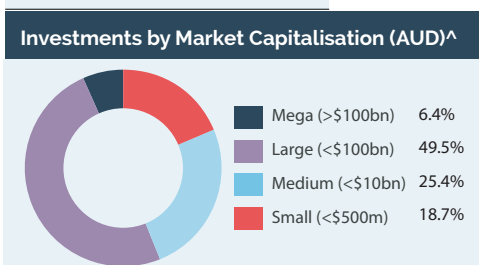


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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 trusts shown on this site.

Portfolio investments	Weighting
Resources	23.6%
Domestic Banks	18.2%
International Banks	7.2%
Non Bank Financials	6.4%
Internet	12.2%
Other	12.3%
<b>Long Equities Position</b>	<b>79.9%</b>
Short Equities Position	-1.8%
<b>Net Invested Equities</b>	<b>78.1%</b>
<b>Total holdings</b>	<b>22</b>

Current stock example	Currency exposure*	100%
OZ Minerals	AUD	101.3%
ANZ	CAD	2.3%
ING Groep	EUR	-0.4%
Apollo Global Management	USD	-3.2%
iCar		

\*Stated at effective value.



<sup>^</sup>Breakdown of portfolio's long equity holdings into market cap. bands.

## Fund commentary

- Crown receives an improved takeover proposal
- Commodities sell off on the emergence of the Omicron Covid-19 variant

Crown received an improved takeover proposal from Blackstone, this time at \$12.50 per share, a slight premium to its previous offers of \$11.85 and \$12.35. Blackstone's continued interest in Crown despite the ongoing regulatory overhang highlights the value of the underlying property assets, something which has been central to our investment thesis. While Crown reacted positively, the offer remains conditional at this stage and would require the support from the Crown's board. As a result the share price continues to trade at a discount to the proposed takeover price.

Commodities sold off into month end as investors reacted to the emergence of the Omicron Covid-19 variant. Most impacted amongst our holdings were Beach Energy

and Woodside Petroleum with both reacting to the sharp selloff in the oil price as market participants positioned for softer demand in the short term. We continue to maintain our favourable medium to long term view on the oil and gas sector, where valuations remain depressed and the risk of a structural supply/demand imbalance remains elevated.

Westpac Bank detracted from performance after full year results disappointed versus market expectations. Net interest margins fell short of expectations while the outlook for management's cost cutting initiatives disappointed. While Westpac remains attractively valued compared peers, in light of the recent results we are reviewing our investment thesis.

Top 10 stocks	
Stock name	Sector
Alumina Limited	Materials
Apollo Global Management	Diversified Financials
ANZ	Banks
Beach Energy Ltd	Energy
BHP	Materials
Crown	Consumer Services
Icar Asia	Media
ING Groep	Banks
NAB	Banks
Westpac Banking Corporation	Banks

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

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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

\$37.5 Million

### Strategy size

\$37.5 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

0.5% (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](http://www.asx.com.au) for further information on the Index.

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