

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	3.0264	3.9%	9.9%	11.7%	41.9%	19.6%	13.4%	12.4%	14.2%	13.0%
Fund performance (net of actual fees)			3.9%	9.9%	11.7%	41.9%	19.6%	12.8%	11.5%	12.9%	11.1%
S&P/ASX 200 Accumulation Index			-0.1%	0.5%	6.3%	28.0%	11.9%	10.9%	8.5%	10.0%	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

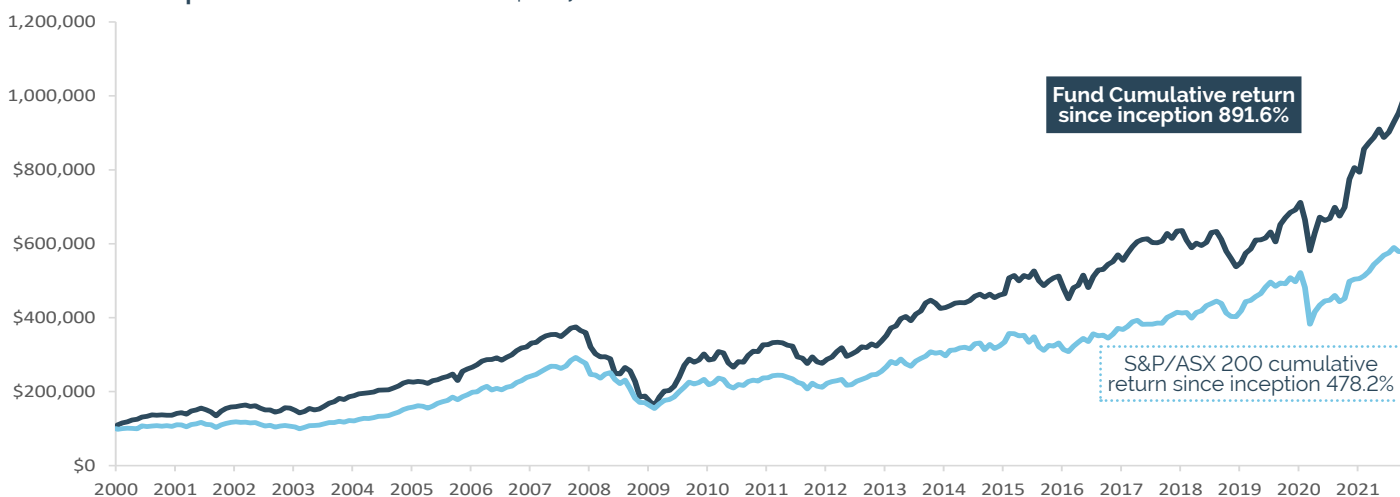
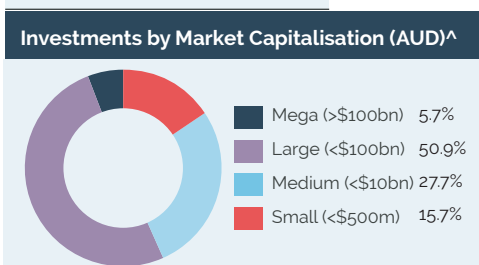


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or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

Portfolio investments	Weighting
Resources	25.9%
Domestic Banks	20.0%
International Banks	7.4%
Non Bank Financials	6.4%
Internet	12.5%
Other	9.7%
Long Equities Position	81.9%
Short Equities Position	-1.7%
Net Invested Equities	80.2%
Total holdings	21

Current stock example	Currency exposure*	100%
OZ Minerals	AUD	98.7%
ANZ	CAD	2.4%
ING Groep	EUR	1.3%
Apollo Global Management	USD	-2.4%
iCar		

*Stated at effective value.



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

Fund commentary

- Earnings releases and/or trading updates act as positive catalysts for several portfolio holdings in October
- IMDEX Limited exited after strong operational performance saw position reach internal valuation targets

A rebound in industrial commodity prices, including copper which advanced 7%, provided a positive backdrop for the portfolio's copper holdings, OZ Minerals being the largest. Earnings announcements from all three of our copper holdings were well received by investors and continue to underscore the positive operating leverage these companies have in the current commodity price environment.

IMDEX provided a robust trading update at its AGM. Record revenues in the September quarter were comfortably above consensus estimates, triggering another round of earnings upgrades from analysts. While IMDEX is well positioned to benefit from increased exploration and development expenditure in the copper and gold sectors moving

forward, after more than doubling since our initial purchase we now consider the current earnings expectations to be fully reflecting the current positive environment and valuation to be full.

Frontier Digital Ventures reacted positively to the release of its Appendix 4C quarterly filing which again emphasized the strong recovery experienced by its classified portfolio. Property classified businesses Zameen and Infocasas were again standouts as transaction linked revenues continue to drive rapid revenue growth. The consolidated business is also at cash flow breakeven and, if not for assets acquired over the last year, would be comfortably profitable.

Top 10 stocks	
Stock name	Sector
Apollo Global Management	Diversified Financials
ANZ	Banks
Beach Energy Ltd	Energy
BHP	Materials
Crown	Consumer Services
Icar Asia	Media
ING Groep	Banks
NAB	Banks
Oz Minerals	Materials
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

\$38.1 Million

Strategy size

\$38.1 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

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

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