

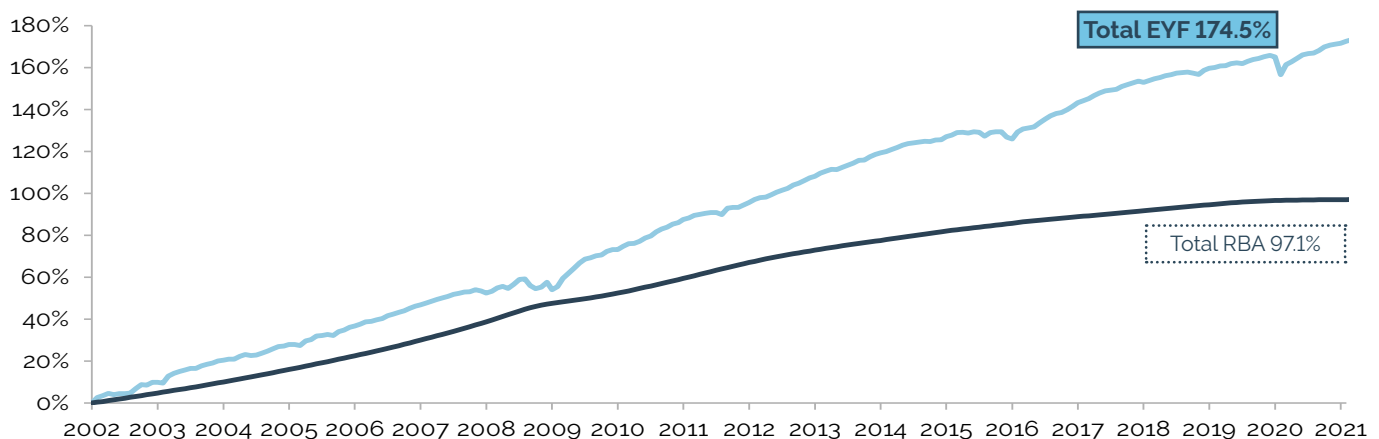
# Monthly Update: Enhanced Yield Fund



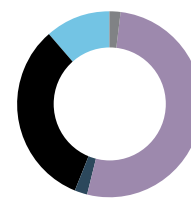
## Regular income, low volatility

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>Enhanced Yield Fund*</b>	<b>02-2002</b>	<b>1.1309</b>	<b>0.15%</b>	<b>0.44%</b>	<b>1.21%</b>	<b>3.2%</b>	<b>2.3%</b>	<b>3.3%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>5.3%</b>
RBA cash rate			0.01%	0.03%	0.05%	0.1%	0.7%	10%	14%	19%	3.6%
<b>Excess</b>			<b>0.14%</b>	<b>0.41%</b>	<b>1.16%</b>	<b>3.1%</b>	<b>1.6%</b>	<b>2.3%</b>	<b>1.6%</b>	<b>1.8%</b>	<b>1.7%</b>
<b>Enhanced Yield Fund (Class B units)**</b>	<b>05-2017</b>	<b>1.1596</b>	<b>0.17%</b>	<b>0.53%</b>	<b>1.49%</b>	<b>4.0%</b>	<b>2.6%</b>				<b>2.9%</b>
RBA cash rate			0.01%	0.03%	0.05%	0.1%	0.7%				0.9%
<b>Excess</b>			<b>0.16%</b>	<b>0.50%</b>	<b>1.44%</b>	<b>3.9%</b>	<b>1.9%</b>				<b>2.0%</b>

### Enhanced Yield Fund: Total return since inception



Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 1 March 2002\*. 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.

Yield security maturity profile	Portfolio investments	Current stock example	Actual exposure	
0-1 Year	Domestic Banking	ANZ	 <ul style="list-style-type: none"> <li>Cash/Cash Equivalents 11.3%</li> <li>Senior investment grade (&lt;12mths)* 32.5%</li> <li>Government Bonds 2.1%</li> <li>Core Corporate Bonds 51.9%</li> <li>Equity Income Strategies 2.2%</li> </ul>	
1-2 Years	Global Industrial	SPIE		
2-3 Years	Global Property	Lar Espana		
3-4 Years	Global Retail	Tesco		
4 Years +	Domestic Infrastructure	Melbourne Airport		
	Domestic Industrial Services	Qube Holdings		
	Global Banking	Wells Fargo		
<b>Regional allocation</b>	<b>100%</b>			
Australia				
North America				
Europe				
Asia				
Other				
Cash/Cash Equivalents				
	<b>Risk/return</b>		<b>Duration<sup>^</sup></b>	
	Standard deviation (1 year)	0.57%	Interest rate	0.09
	Maximum drawdown	3.26%	Average term to maturity	2.49
	Percentage of positive months	86.7%		

\* Senior investment grade securities with maturities of 12 months or less

<sup>^</sup> Estimates and should be used as a guide only.

## Fund commentary

- Delta puts credit markets on the back foot
- Spanish property running hot
- Plenty of upside to be realised from the current portfolio

Credit markets weakened during the month, as the world continues to grapple with the new "Delta" variant of the Covid-19 virus. The Fund however performed soundly and comfortably preserved investor capital.

Portfolio returns were largely dominated by our Spanish holdings.

Major shopping centre owner Lar Espana announced a tender offer for its senior secured bonds in July. While we decided against participating, the tender offer valued the bonds at a significant premium to where they were previously trading.

Additionally, our holdings in Spanish residential property companies Aedas and Neinor also performed well.

With demand for housing in Spain's major cities now higher than where it was prior to the Covid-19 pandemic, house prices are rising significantly. These two businesses are in a strong position to capitalise on this favourable market dynamic.

Keen observers of the Fund will notice that we have increased our holdings in cash and short dated bond investments in recent months. This has been done primarily with the objective of being in a position to take advantage of any near-term market volatility that comes along. In the meantime, we believe there is still significant value to be realised from the Fund's current investments.

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**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.  
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### Enhanced Yield Fund\*: Monthly Return Series Since Inception

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CYTD
2021	0.2%	0.1%	0.4%	0.3%	0.1%	0.2%	0.2%						15%
2020	0.2%	-0.3%	-3.2%	1.8%	0.5%	0.6%	0.6%	0.2%	0.1%	0.4%	0.7%	0.3%	1.9%
2019	0.7%	0.4%	0.2%	0.3%	0.1%	0.4%	0.2%	-0.1%	0.4%	0.3%	0.2%	0.3%	3.4%
2018	0.3%	-0.2%	0.3%	0.4%	0.2%	0.3%	0.2%	0.3%	0.1%	0.1%	-0.2%	-0.2%	1.6%
2017	0.7%	0.7%	0.4%	0.4%	0.6%	0.5%	0.4%	0.2%	0.2%	0.5%	0.3%	0.3%	5.3%
2016	-1.1%	-0.3%	1.5%	0.6%	0.3%	0.2%	0.8%	0.7%	0.7%	0.5%	0.2%	0.6%	4.7%
2015	0.0%	0.7%	0.3%	0.5%	0.1%	-0.2%	0.3%	-0.1%	-0.8%	0.8%	0.2%	0.0%	1.7%
2014	0.5%	0.3%	0.3%	0.5%	0.4%	0.5%	0.3%	0.2%	0.2%	0.1%	0.0%	0.3%	3.7%
2013	0.7%	0.4%	0.7%	0.5%	0.5%	-0.1%	0.6%	0.4%	0.5%	0.6%	0.1%	0.7%	5.6%
2012	0.7%	0.6%	0.7%	0.4%	0.1%	0.5%	0.7%	0.5%	0.5%	0.7%	0.4%	0.6%	6.6%
2011	0.4%	0.8%	0.4%	0.6%	0.3%	0.2%	0.1%	0.0%	-0.5%	1.6%	0.2%	0.0%	4.3%
2010	0.5%	0.0%	0.9%	0.8%	0.0%	0.6%	0.9%	0.5%	1.1%	0.7%	0.5%	0.8%	7.5%
2009	1.5%	-2.3%	1.0%	2.5%	1.5%	1.4%	1.6%	1.1%	0.3%	0.6%	0.2%	1.0%	11.0%
2008	-0.4%	-0.6%	0.6%	1.0%	0.5%	-0.7%	1.3%	1.4%	0.2%	-1.9%	-1.0%	0.5%	0.8%
2007	0.6%	0.5%	0.5%	0.6%	0.6%	0.4%	0.5%	0.6%	0.4%	0.4%	0.1%	0.6%	6.0%
2006	1.0%	0.4%	0.6%	0.8%	0.2%	0.5%	0.5%	0.9%	0.5%	0.6%	0.6%	0.8%	7.8%
2005	0.3%	0.6%	-0.1%	-0.4%	1.7%	0.5%	1.3%	0.2%	0.4%	-0.3%	1.3%	0.6%	6.2%
2004	0.8%	0.4%	0.3%	0.1%	1.1%	0.7%	-0.4%	0.2%	0.7%	0.8%	0.9%	0.8%	6.5%
2003	1.2%	0.0%	-0.4%	3.1%	1.2%	0.7%	0.6%	0.7%	0.0%	1.1%	0.6%	0.6%	9.4%
2002			2.6%	0.9%	1.0%	-0.5%	0.4%	0.0%	0.2%	2.2%	1.7%	-0.2%	8.3%

## Further Information

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## Key Fund Details

### Fund category

Fixed income

### Investment style

Fundamental, bottom-up-research intensive approach

### Inception date

1 March 2002

### Fund size

\$518.3million

### Strategy size

\$740.9 million

### Minimum direct investment

\$20,000

### Recommended investment time

Two years plus

### Fees (p.a.)

\*Performance Fee Option:

Management fee: 0.55%.

Performance fee: 25% of net excess above RBA Cash Rate (subject to a high watermark).

\*\*Management Fee Option - Class B units:

Management Fee: 0.79%.

### Buy / sell spread

+/- 0.15%

### Investor profile

The Fund may be appropriate for investors seeking capital preservation and potential return in excess of the Reserve Bank of Australia's (RBA) cash rate with a low degree of volatility.

## Important Notice

This Report is issued by PM Capital Limited ABN 69 083 644 731 AFSL 230222 as responsible entity for the PM Capital Enhanced Yield Fund (ARSN 099 581 558, 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 a recommendation, 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 a copy of the 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. 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 RBA Cash Rate. See [www.rba.gov.au](http://www.rba.gov.au) for further information.

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