

# Monthly Update: Global Companies Fund

## Simple ideas, simple businesses

Building long term wealth by finding and exploiting investment anomalies around the world

Global 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
<b>Fund performance</b>	<b>10-1998</b>	<b>5.7133</b>	<b>-2.0%</b>	<b>7.4%</b>	<b>29.2%</b>	<b>24.6%</b>	<b>12.9%</b>	<b>15.0%</b>	<b>13.3%</b>	<b>9.9%</b>
MSCI World Net Total Return Index (AUD)			1.6%	6.9%	22.4%	13.3%	10.7%	12.5%	12.8%	6.1%

### Growth of AUD \$100,000

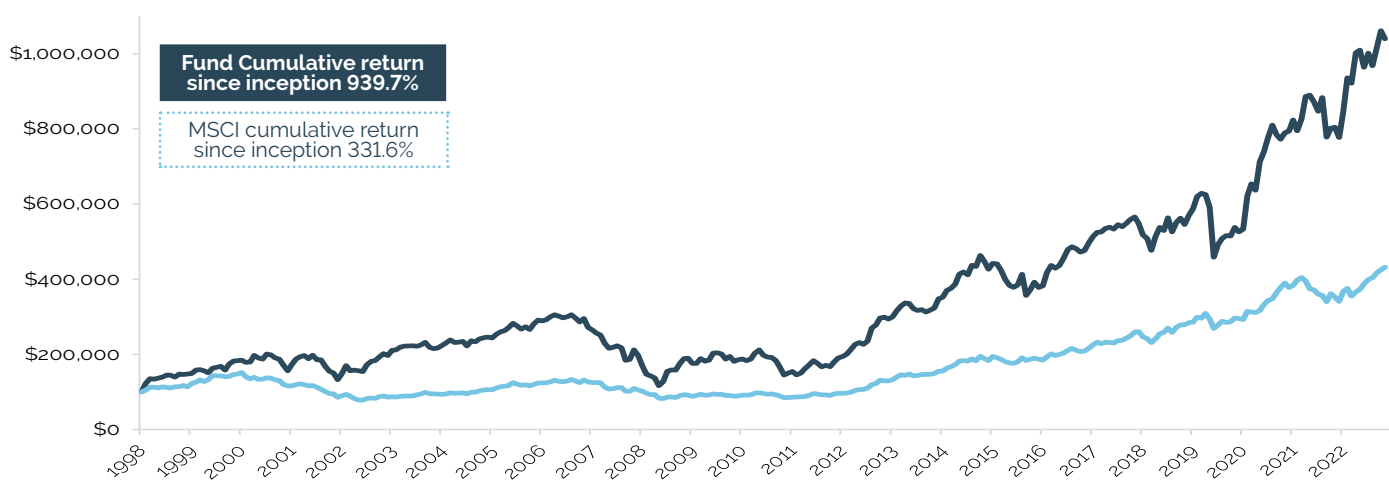
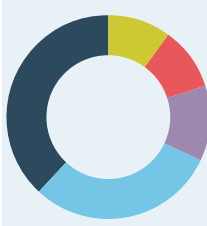
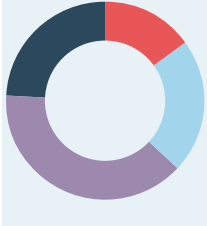


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 28 October 1998. These figures represent past performance only. No guarantees exist of future returns above or 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	Domicile of listing <sup>^</sup>
Domestic Banking - Europe	25%	ING Groep	 <ul style="list-style-type: none"> <li>Europe 38%</li> <li>North America 30%</li> <li>United Kingdom 12%</li> <li>Australia 10%</li> <li>Asia (Ex-Japan) 10%</li> </ul>
Commodities - Energy	17%	Shell	
Domestic Banking - USA	14%	Bank of America	
Commodities - Industrial metals	12%	Freeport-McMoRan Copper	
Gaming	12%	Wynn Resorts	
Industrials	11%	Siemens	
Alternative Investment Managers	7%	Apollo Global Management	
Housing Ireland & Spain	5%	Cairn Homes	
Other	3%		<b>Investments by Market Capitalisation (USD)*</b>  <ul style="list-style-type: none"> <li>Mega (&gt;\$100bn) 24%</li> <li>Large (&lt;\$100bn) 39%</li> <li>Medium (&lt;\$30bn) 22%</li> <li>Small (&lt;\$5bn) 15%</li> </ul>
<b>Long Equity Position</b>	<b>106%</b>		
Direct Short Position	-4%		
Index Short Position	-8%		
<b>Net invested equities</b>	<b>94%</b>		
<b>Total holdings</b>	<b>42</b>		
		<b>Currency exposure**</b>	
		AUD	83%
		GBP	8%
		HKD	6%
		EUR	1%
		Other	2%

\*\*Stated at effective value.

<sup>^</sup> 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office.

\* Breakdown of portfolio's long equity holdings into market cap. bands.

## Fund commentary

- Positive contributors to performance for the month of August included Apollo Global Management, CNOOC, Shell plc, ING Group and Arch Resources.
- Detractors to monthly performance included Bank of America, Siemens AG, Wells Fargo, Freeport McMoRan and Sands China.
- Currency positioning also had a negative impact on performance relative to the MSCI Global (AUD). The Fund's currency positioning is actively managed and at the end of August the three largest currency exposures were Australian Dollar (83%), British Pound (8%) and Hong Kong Dollar (6%). In August the Australian Dollar declined ~4% against the US Dollar which accounts for almost 70% of the MSCI World Index.
- No new positions were initiated during August, however additional purchases were made in Heineken Holdings as well as recently initiated Grupo Mexico.
- No positions were exited during the period however out of the money call options were sold on Apollo Asset Management reducing our effective position and providing an exit point in the event of a further increase in the share price.
- The gross invested position at month's end closed at 106%, with a net equity position of 94%.

### Top 10 stocks

Stock name	GICS Sector
Allied Irish Bank	Banks
Apollo Global Management	Alternative Investment Managers
Bank of America	Banks
Caixa Bank	Banks
CNOOC	Energy
ING Groep	Banks
Shell	Energy
Siemens	Industrial
Teck Resources	Metals & Mining
Wynn Resorts	Consumer Services

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.

## Further Information

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## Key Fund Details

### Fund category

Global equities

### Investment style

Fundamental, bottom-up research intensive approach

### Inception date

28 October 1998

### Fund size

\$666.0 Million

### Strategy size

\$1,808.8 Million

### Number of stocks

As a guide, 25-45 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 MSCI World Net Return Index (AUD).

### 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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