

# Monthly Update: Global Companies Fund

## Simple ideas, simple businesses

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

PM Capital is delighted to be the Zenith Fund Awards 2021 Winner for International Equities - Alternative Strategies



Global Companies Fund	Inception Date	Exit Price (\$ cum)	1 Month	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>10-1998</b>	<b>4.8893</b>	<b>0.4%</b>	<b>24.8%</b>	<b>18.3%</b>	<b>16.2%</b>	<b>12.5%</b>	<b>20.2%</b>	<b>11.8%</b>
<b>Fund performance (net of actual fees)</b>			<b>0.4%</b>	<b>24.8%</b>	<b>18.3%</b>	<b>15.3%</b>	<b>11.6%</b>	<b>17.9%</b>	<b>9.8%</b>
MSCI World Net Total Return Index (AUD)			-5.4%	18.2%	13.7%	13.4%	10.8%	15.2%	5.8%

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.

### Growth of AUD \$100,000

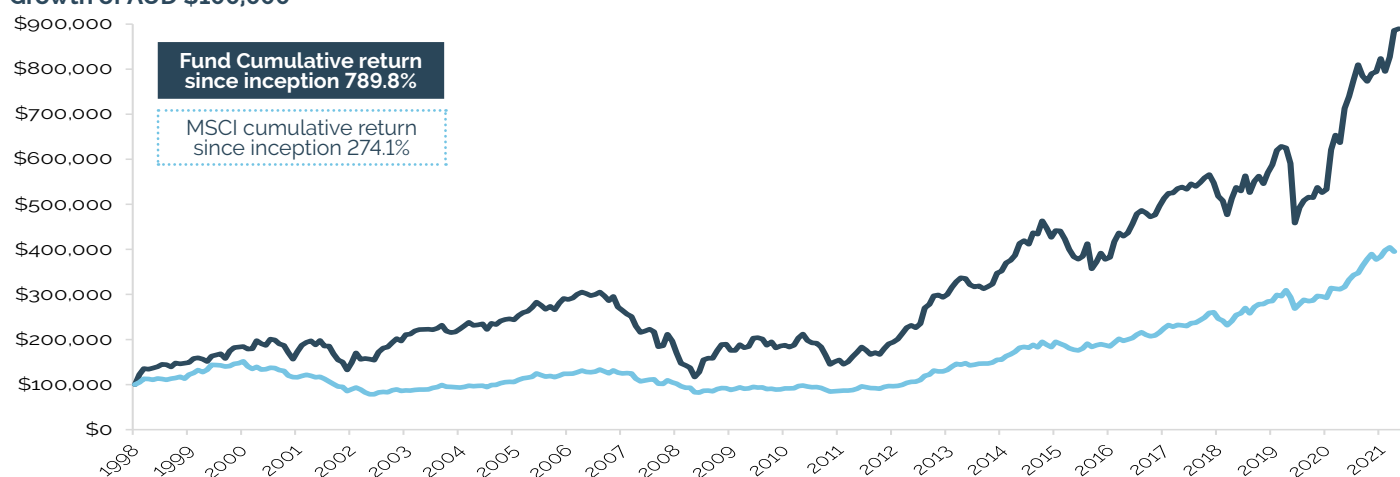
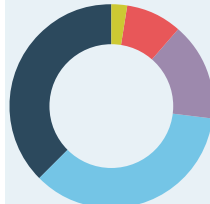
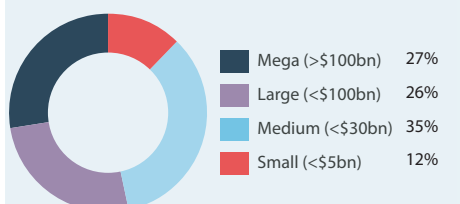


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 28 October 1998. These figures represent past performance only. No guarantees exist of future returns above or 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 investments	Weighting	Current stock example	Domicile of listing <sup>^</sup>
Domestic Banking - Europe	18%	ING Groep	 <ul style="list-style-type: none"> <li>Europe 38%</li> <li>North America 35%</li> <li>United Kingdom 15%</li> <li>Asia (Ex-Japan) 9%</li> <li>Australia 3%</li> </ul>
Industrial commodities	17%	Freeport-McMoRan Copper	
Domestic Banking - USA	14%	Bank of America	
Energy	13%	Shell	
Housing Ireland & Spain	9%	Cairn Homes	
Quality Industrial Franchises	8%	Siemens	
Gaming	8%	Wynn Resorts	
Alternative Investment Managers	7%	Apollo Global Management	
Other	11%		
<b>Long Equity Position</b>	<b>104%</b>	<b>Currency exposure**</b>	
Direct Short Position	-3%	AUD	45%
Index Short Position	-16%	USD	31%
Net invested equities	84%	EUR	10%
		GBP	9%
Total holdings	44	CAD	5%

### Investments by Market Capitalisation (USD)<sup>\*</sup>



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

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

<sup>\*\*</sup> Stated at effective value.

## Fund commentary

- Strong performance from our mineral resource investments
- Sold our holding in Barrick Gold; added to our holding in Siemens AG

The portfolio ended February up 0.4% versus the 5.4% decline in the MSCI benchmark. Among the strongest performers were commodity holdings Freeport McMoran and Woodside Petroleum; among the weakest performers were bank ING Groep and Siemens AG. The stronger Australian dollar was a net detractor.

ING was down sharply late in the month as war broke out in Ukraine. The market correctly recognised ING has a small exposure to Russia, less than one percent of assets (albeit a greater share of equity capital), but the stock traded down disproportionately. We maintain our position in ING. Siemens has negligible exposure to Russia and longer term such geopolitical events

only highlight the tailwinds for its factory automation business, which provides hardware & software that make onshoring manufacturing more cost competitive. We added to our Siemens holding just after the month end.

Mid-month we sold our position in miner Barrick Gold as the stock spiked following an announced shareholder returns plan. Barrick was one of our smaller mineral resources holdings and traded at a valuation beyond that of base metal and diversified mining peers. Given current geopolitical events the stock may move higher, although as it stood when we sold in mid-February, we believed the valuation and risk-reward were no longer compelling.

### Top 10 stocks

Stock name	Sector
Apollo Global Management	Alternative Investment Managers
Bank of America	Banks
First Quantum Minerals	Metals & Mining
Freeport-McMoRan	Metals & Mining
Howard Hughes	Real Estate
ING Groep	Banks
Shell	Energy
Teck Resources	Metals & Mining
Wells Fargo & Company	Banks
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

[www.pmcapital.com.au](http://www.pmcapital.com.au) T: +612 8243 0888 E: [pmcapital@pmcapital.com.au](mailto:pmcapital@pmcapital.com.au)

## Representative contacts - Client Relationship Managers

**John Palmer** T: +61 447 471 042 E: [jpalmer@pmcapital.com.au](mailto:jpalmer@pmcapital.com.au)

**Nicholas Healey** T: +61 447 814 784 E: [nhealey@pmcapital.com.au](mailto:nhealey@pmcapital.com.au)

The Zenith Fund Awards were issued on 15 October 2021 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. The Fund Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. To the extent that the Fund Awards constitutes advice, it is General Advice for Wholesale clients only without taking into consideration the objectives, financial situation or needs of any specific person. Investors should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice. Investors should obtain a copy of and consider any relevant PDS or offer document before making any investment decisions. Past performance is not an indication of future performance. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

## Key Fund Details

### Fund category

Global equities

### Investment style

Fundamental, bottom-up research intensive approach

### Inception date

28 October 1998

### Fund size

\$526.0 Million

### Strategy size

\$1,470.0 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

This Report is issued by PM Capital Limited ABN 69 083 644 731 AFSL 230222 as responsible entity for the PM Capital Global Companies Fund (ARSN 092 434 618, 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 and the current Product Disclosure Statement (which available from us), 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.

The Index is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. See [www.msci.com](http://www.msci.com) for further information on the Index.

Address: Level 11, 68 York Street, Sydney, NSW 2000