

Monthly Update

Fund commentary

- Banks pull back as rates recede from recent highs
- Market begins to acknowledge Apollo's undervaluation

The month of June saw many holdings recede slightly, following strong gains in prior months. Our copper mining holdings followed the copper price as it pulled back from record highs, while domestic banking stocks followed the United States ten- and thirty-year government bond yields as they retracted after comments from the Federal Reserve. Macroeconomic factors may drive much of the short term price action but fundamentals for our banking holdings are strong. Late in the month the Federal Reserve released stress test results and, having comfortably passed, all our US bank holdings swiftly announced dividend increases. Additional share buybacks are also probable.

As we discussed in previous reports, we have been increasing our position in Apollo as we believed the share price weakness post the merger announcement with Athene was overdone. Apollo paid circa 7x earnings for a business generating a mid-teen return on equity and double-digit earnings growth. The all-stock merger will result in Apollo's share count rising ~30% while adding ~70% to earnings. While Apollo's share price appreciated 8.5% over the month and 33.4% over the quarter, we believe it continues to trade cheap on ~12x expected 2022 earnings given both its growth profile and the likelihood of S&P 500 inclusion next year.

Global Companies Fund	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	10-1998	4.3123	-3.1%	6.1%	20.1%	52.1%	12.9%	18.1%	15.7%	17.9%	11.5%
Fund performance (net of actual fees)			-3.1%	6.1%	20.1%	52.1%	12.7%	17.1%	14.1%	15.6%	9.5%
MSCI World Net Total Return Index (AUD)			4.6%	9.3%	16.2%	27.5%	14.4%	14.6%	13.8%	14.6%	5.9%
Outperformance (net of pro forma fees)¹			-7.7%	-3.2%	3.9%	24.6%	-1.5%	3.5%	1.9%	3.3%	5.6%

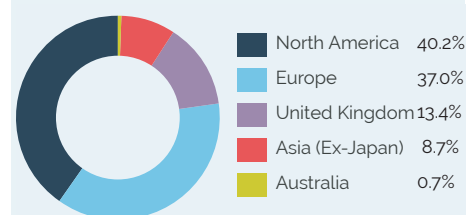
1. Fund performance and Outperformance (net of pro forma fees) has been calculated based on the new fee structure (implemented 1 December 2018), assuming it had applied from the Fund's inception. These returns do not represent the actual net Fund performance and are included for illustrative purposes only.

Portfolio investments	Weighting	Current stock example
Housing - Ireland and Spain	9.0%	Cairn Homes
Global Domestic Banking	36.0%	Bank of America
Global Oligopolies	1.2%	Deutsche Boerse
Gaming - Macau	9.1%	MGM China holdings
Alternative Investment Managers	8.6%	Apollo Global Management
Industrial - Europe	6.5%	Siemens
Materials	21.3%	Freeport-McMoRan Copper
Energy	7.8%	Royal Dutch Shell
Other	13.5%	
Long Equity Position	113.0%	
Short Equity Position	-24.6%	
Net invested equities	88.4%	
Total holdings	45	

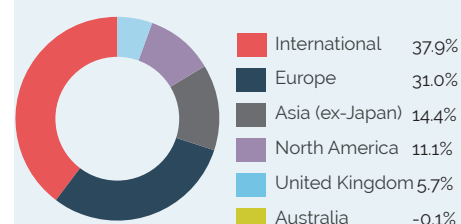
Currency exposure*	100%
USD	35.0%
AUD	31.8%
EUR	20.0%
GBP	5.8%
CAD	3.4%
Other	4.0%

*Stated at effective value.

Domicile of listing[^]



Domicile of business[^]



[^] 'Domicile of Listing' represents the location of stock exchange listing of each entities' head office, whereas 'Domicile of Business' represents the location of the predominant business of those entities.

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.

Investment philosophy

We aim to build long term wealth together with our co-investors by finding and exploiting investment anomalies. Using a focused, patient and considered approach to finding simple investment ideas produces the best environment for creating that long term wealth.

Our experience has shown us that while the market is largely efficient, it can, and regularly does, misprice a small proportion of companies. This mispricing can arise as a result of any number of reasons, but is most often associated with disruptive or cyclical change, new information which is misunderstood by the market as having a permanent impact when it is in fact transitory, or just because they are operating in a sector out of favour with investors.

Our unique process is based on scanning the world for those companies (hence the radar in our logo), discovering the associated valuation anomalies and extracting value from them. We buy good businesses at a good price; businesses that we believe are being valued differently to their long term intrinsic value, but will return to their correct value over time.

Who manages the investment?

The Portfolio Manager for the Fund and CIO is Paul Moore. Paul is supported by a team of experienced investment analysts.

Further Information

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We believe in being a patient investor, one that has conviction, one that finds opportunities where others can only see risk. We only invest in what we know, deeply, via our fundamental research.

Why the Global Companies Fund?

Established: The Fund's process has been shown to be effective, based on a philosophy developed by Paul Moore, over 35 years. This has produced attractive long term capital growth.

Unrestricted: We have an authentic investment process where our exposure to industry sectors, geographic regions or market capitalisation is determined solely by our conviction in the risk/reward opportunities that we identify within portfolio guidelines. No conviction = no investment.

Opportunistic and focused: The Fund is not built around a general market benchmark or index - it is highly focused based on our fundamental, bottom-up investment process. As a guide, the Fund holds around 25 - 45 deeply researched stocks that we believe give the best opportunity to produce strong long term returns.

Co-investment: Our co-investors receive access to a unique subset of opportunities to which they would otherwise find difficult to access. The management team have significant investments in the Fund - they invest for and with you.

Outperformance: The Fund *has outperformed the relevant market index by 421% since inception.*¹ The Fund is managed from an Australian investor's perspective with consideration for tax and currency outcomes.

Key Fund Details

Fund category

Global equities

Investment style

Fundamental, bottom-up research intensive approach

Inception date

28 October 1998

Fund size

\$457.1 Million

Strategy size

\$1,281.3 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 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 MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the Index. Address: Level 11, 68 York Street, Sydney, NSW 2000