

# 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	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>4.7862</b>	<b>-2.1%</b>	<b>5.3%</b>	<b>17.8%</b>	<b>18.0%</b>	<b>13.8%</b>	<b>11.0%</b>	<b>16.9%</b>	<b>9.7%</b>
MSCI World Net Total Return Index (AUD)			-0.7%	-8.2%	11.7%	12.9%	12.8%	10.6%	14.5%	5.8%

### Growth of AUD \$100,000

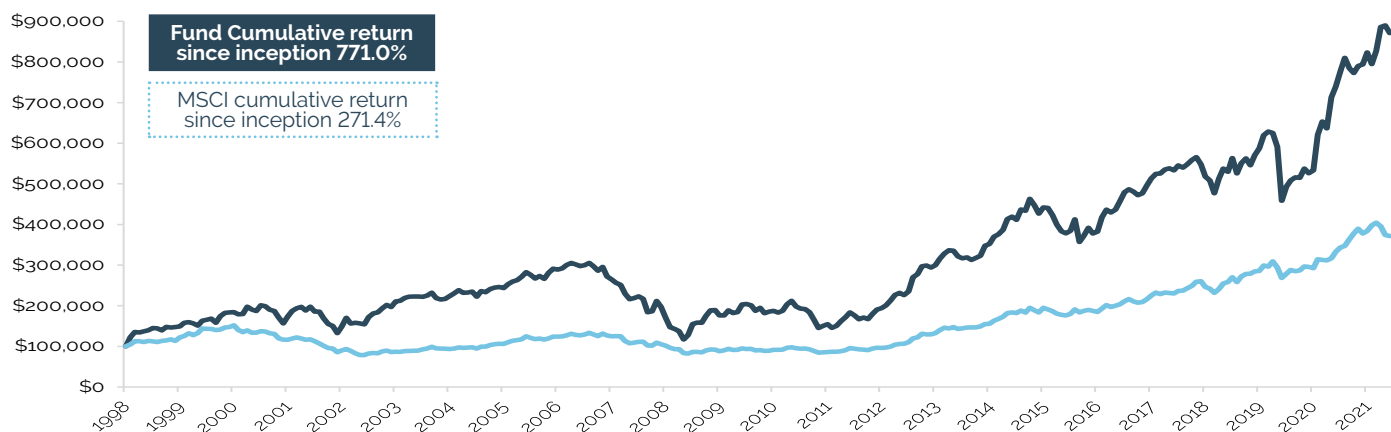
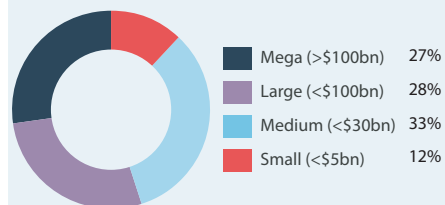


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 28 October 1998. These figures represent past performance only. No guarantees exist of future returns above or 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	17%	ING Groep	<ul style="list-style-type: none"> <li>Europe 39%</li> <li>North America 33%</li> <li>United Kingdom 16%</li> <li>Asia (Ex-Japan) 9%</li> <li>Australia 3%</li> </ul>
Industrial commodities	14%	Freeport-McMoRan Copper	
Domestic Banking - USA	14%	Bank of America	
Energy	14%	Shell	
Quality Industrial Franchises	10%	Siemens	
Gaming	9%	Wynn Resorts	
Housing Ireland & Spain	8%	Cairn Homes	
Alternative Investment Managers	7%	Apollo Global Management	
Other	9%		
<b>Long Equity Position</b>	<b>103%</b>	<b>Currency exposure**</b>	
Direct Short Position	-3%	AUD	52%
Index Short Position	-17%	USD	25%
<b>Net invested equities</b>	<b>83%</b>	GBP	11%
		EUR	9%
<b>Total holdings</b>	<b>44</b>	CAD	3%

### Investments by Market Capitalisation (USD)\*



<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.

\*\* Stated at effective value.

## Fund commentary

- Top contributors were our mineral resource and energy holdings, top detractors were our banking holdings
- The Australian dollar rises on commodity strength

Our mineral resource and energy holdings fared well in a month in which security of supply became a prominent market concern. Top performers include First Quantum, Teck Resources, and Woodside Petroleum, each up over 10%. Woodside is particularly well-placed longer term as it sells into an increasingly tight global liquid natural gas (LNG) market. To highlight just how tight the market is, consider that the LNG benchmark price, currently in excess of US \$30 per MMBtu, is on an energy-equivalent basis akin to a Brent Crude price beyond US \$200 per barrel.

The weakest performers were our European bank holdings as the market began to become increasingly concerned by a slowdown in

European activity due to the evolving energy crisis. Barclays was down particularly hard with Reuters reporting that Barclays faces an estimated £450m loss and regulatory scrutiny for exceeding a US limit on sales of structured products which were linked to crude oil and market volatility. Barclays have decided to delay their £1 billion share buyback.

Amidst the volatility we added to certain industrial names Siemens AG, Airbus, and Applus Services, which we believe sold off disproportionately early in the month. We reduced our holdings in copper mines Freeport McMoran and First Quantum as they now trade at valuation multiples which incorporate reasonably strong long-term copper price assumptions.

Top 10 stocks	
Stock name	Sector
Apollo Global Management	Alternative Investment Managers
Bank of America	Banks
Freeport-McMoRan	Metals & Mining
Howard Hughes	Real Estate
ING Groep	Banks
Shell	Energy
Siemens	Industrial
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

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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

\$518.6 Million

### Strategy size

\$1,449.5 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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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