# PM Capital

# Quarterly report

June 2024

PM Capital Global Companies Fund
ARSN 092 434 618
APIR Code PMC0100AU

PM Capital Enhanced Yield Fund
ARSN 099 581 558
APIR Code: PMC0103AU
APIR Code: PMC4700AU (Class B)

PM Capital Australian Companies Fund
ARSN 092 434 467
APIR Code PMC0101AU

## CONTENTS

# Quarterly video updates

## Global Companies Fund update

**Kevin Bertoli - Co-Portfolio Manager**
**John Whelan - Co-Portfolio Manager**

This video includes:

- The state of play in global markets and the implications for valuations
- Insights from recent research trips to the US, Europe, Hong Kong and Macau
- Drivers behind the performance, and core themes in the portfolio

Watch the video **here**.

## Enhanced Yield Fund update

**Jarod Dawson - Portfolio Manager**

This video includes:

- Reflections on the past year, covering interest rate markets and credit markets
- Volatility and opportunities for investment
- Drivers behind the performance, and core themes in the portfolio

Watch the video **here**.

# Total returns since inception[1]

| Fund | | Benchmark | |
|---|---|---|---|
| PM Capital Global Companies Fund | 1160.8% | MSCI World Net Total Return Index (AUD) | 398.6% |
| PM Capital Australian Companies Fund | 1075.3% | S&P / ASX 200 Accum. Index | 584.8% |
| PM Capital Enhanced Yield Fund* | 201.9% | RBA Cash Rate | 112.0% |

[1]Past performance is not a reliable indicator of future performance. See page 7 for Important Information. As at 30 June 2024. Net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax.
*Enhanced Yield Fund (Performance Fee Option).

# 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) | 3 Months | 1 Year | 3 Years pa | 5 Years pa | 7 Years pa | 10 Years pa | Since Inception pa |
|---|---|---|---|---|---|---|---|---|---|
| **Fund performance** (net of fees)^ | **10-1998** | **6.9283** | **1.3%** | **24.4%** | **17.1%** | **18.0%** | **14.8%** | **15.0%** | **10.4%** |
| MSCI World Net Total Return Index (AUD) | | | 0.3% | 19.8% | 11.1% | 12.9% | 13.1% | 13.0% | 6.5% |

## KEY POINTS

- Applus Services takeover concludes
- CNOOC discount narrowing
- KKR enters the S&P500 – will Apollo Global Management be next?

## PERFORMANCE

The portfolio performed strongly over the quarter rising 1.3% over the quarter and 24.4% over the financial year with inflation expectations and interest rates stabilising after a volatile 12 months.

Our European banking positions contributed significantly to performance over the quarter. Our largest holding ING Groep, which rose just shy of 10%, held its capital markets day in June, raising its earnings and return on equity targets. We maintained our position as they still generate a mid-teen total shareholder return roughly split 50/50 between a cash dividend and buybacks.

Regarding our Spanish positions, our Spanish homebuilders had a solid quarter rising over 20%. The housing market in Spain has shown resilience to higher interest rates supported by several factors, including a strengthened job market, positive migration flows and a continuation of the demand/supply imbalance. We believe they will maintain their growth trajectory, increasing their output, albeit in a more capital-efficient fashion through land joint-ventures. We believe this capital-light strategy should result in the continuation of mid-teen dividend yields.

Spanish listed testing and inspection company, Applus Services, was acquired during the quarter by a private equity consortium comprised of TDR Capital and I-Squared. The process has been lengthy, with initial media reports outlining private equity interest back in April 2023 when the stock was trading around €7.50. Fast forward just over 12 months and two rounds of bidding, and the result is a final bid of €12.78 being accepted by a majority of shareholders. We too accepted the offer, and received the full proceeds late June allowing us to deploy the capital into some of our newer positions.

Our position in Airbus had a poor quarter falling by roughly 22%, which at first glance looks out of sync with rising demand for air travel and Boeing's ongoing issues. However, the issue with Airbus is not demand. There is huge demand for Airbus aircraft, especially its most popular A320 and soon to be launched A321 XLR. The issue lies with the supply chain. Airbus relies on a huge number of suppliers (roughly 12,000) who contribute to around 80% of every aircraft produced. The number one challenge for Airbus today is solving these supply chain issues, using a combination of strategies including bringing some work in-house as well as expanding its management resources in that field. We have been increasing our position in Airbus as we believe these issues can be resolved with time. It is currently trading on a normalised earnings multiple of 13 times. We believe this is too low for the number one franchise and market share leader in the world's largest duopoly in a structurally growing market.

## PORTFOLIO ACTIVITY & OUTLOOK

CNOOC continued its impressive share price performance again outperforming the wider universe of oil and gas exploration and production companies. Despite having one of the highest quality businesses in the sector – tier one assets with unit operating costs in the bottom quartile globally coupled with production growth targets in the top quartile versus large cap peers – CNOOC has been one of the most undervalued oil and gas companies since the Trump administration banned US investors from owning the company in late 2020. Slowly but surely this discount is being removed as the company continues to execute operationally and new shareholders enter the register, mostly from Asia. This was again highlighted by their strong first quarter update which exhibited production growth ahead of management's guidance and unit operating costs below consensus expectations. Growing investor attention on the company's Guyana investment has also supported the share price. The final piece of the CNOOC puzzle remains capital returns. While the company has paid us healthy dividends since our initial investment in February 2021 – HK$4.43 in dividends versus initial entry price of HK$8.52 – it still has a net cash position of over US$12 billion sitting on its balance sheet. Overtime we are optimistic payouts will improve.

Macau gaming positions detracted from performance despite a continuation of the post COVID earnings recovery in the Macau market. This led to better than expected first quarter earnings results being announced in May from two of our three holdings, MGM China and Wynn Resorts. We attribute this weakness to investor nervousness around the magnitude of the economic slowdown in China and its impact on domestic consumption activity.

Share prices of Chinese consumer companies more broadly were down over the quarter, and we have seen the softening economy manifest in disappointing results amongst several China exposed companies (such as Starbucks and Nike). In May 2024, we travelled to Macau and Hong Kong to meet with our casino holdings. This included visiting all the major casinos to gauge patronage, and explore the recent upgrades and additions made to properties post COVID-19. Our anecdotal observations confirmed positive industry trends continue despite a softer Chinese economy. The trip also reconfirmed our long-term thesis with Macau's status as a regional gaming destination intact and a favourable market structure which ensures the six existing concessionaries are ideally placed to capture the long-term upside. Recently announced regulatory changes are also positive for the gaming sector and highlight ongoing support for the industry from both the government in Macau and Beijing. We believe current market valuations for MGM China, Wynn Resorts and Sands China continue to underestimate the recovery underway in Macau and their long-term growth prospects.

Newmont rallied during the quarter, outpacing the quarterly gain for the underlying gold price and reversing some of the recent disconnect between the all-time high gold price and the discounted valuations across the gold sector. We expect a further positive re-rating across the sector as the strong free cash flow generation of the higher quality assets becomes evident.

Lastly, a quick update on our position in the US alternative asset manager, Apollo Global Management. The sector received another boost with KKR's admission to the S&P 500 index in June (KKR's stock rose 11% on the day of the announcement), following in the footsteps of Blackstone last year. Apollo now meets all the criteria for admission and thus we would expect them to follow KKR into the index in either September or December this year. The importance of index inclusion is based on the S&P 500 being the most replicated index in the world. The ETFs and index funds benchmarked to the S&P 500 currently own 17% of the float of its constituent companies on average with their ownership continuing to increase and thus their importance.

| Portfolio investments | Weighting | Current stock example |
|---|---|---|
| Domestic Banking - Europe | 22% | ING Groep |
| Commodities - Energy | 15% | Shell |
| Commodities - Industrial metals | 14% | Freeport-McMoRan |
| Domestic Banking - USA | 11% | Bank of America |
| Industrials | 9% | Siemens AG |
| Gaming | 9% | Wynn Resorts |
| Housing Ireland & Spain | 5% | Cairn Homes |
| Alternative Investment Managers | 5% | Apollo Global Management |
| Other | 7% | |
| **Long Equity Position** | **97%** | |
| Direct Short Position | -3% | |
| Index Short Position | -5% | |
| Net invested equities | 89% | |
| Total holdings | 43 | |

| Currency exposure* | 100% |
|---|---|
| AUD | 78% |
| HKD | 6% |
| EUR | 4% |
| GBP | 4% |
| Other | 8% |

* Stated at effective value.

**The Fund** aims to create long-term wealth through a hand-picked, concentrated portfolio of generally 25-45 global companies trading at prices we consider, after extensive research, different to their intrinsic values and have the potential to provide attractive future returns.

**The Fund's investment objective** is to provide long-term capital growth and outperform the greater of the MSCI World Net Total Return Index (AUD) or RBA cash rate over rolling seven year periods. The Fund is not intended to replicate the index.

**Fund category:** Global equities **Minimum investment:** $20,000 **Suggested investment time:** 7 years+

**Paul Moore** - Chief Investment Officer **Kevin Bertoli** - Co-Portfolio Manager **John Whelan** - Co-Portfolio Manager

# Australian Companies Fund

## Applying global insights to profit from anomalies in the Australian market

| Australian Companies Fund | Inception Date | Exit Price ($, cum) | 3 Months | 1 Year | 3 Years pa | 5 Years pa | 7 Years pa | 10 Years pa | Since Inception pa |
|---|---|---|---|---|---|---|---|---|---|
| **Fund performance** (net of fees)^ | **01-2000** | **3.4852** | **-2.9%** | **9.7%** | **9.8%** | **13.8%** | **9.7%** | **10.2%** | **10.6%** |
| S&P/ASX 200 Accumulation Index | | | -1.1% | 12.1% | 6.4% | 7.3% | 8.7% | 8.1% | 8.2% |

## KEY POINTS

- Newmont playing catch-up with the underlying gold price
- Weakness in the lithium market provides an opportunity
- Changing dynamics in the Australian banking market

## PERFORMANCE

The portfolio fell 2.9% over the quarter but finished the financial year up 9.7%. Over the quarter the primary contributors to positive performance were positions in Newmont and Stanmore Resources, while detractors included Flectcher Building, Frontier Digital ventures and Centuria Industrial REIT.

Our steelmaking-coal miners Stanmore Resources and Coronado Resources ended the quarter strong. The rally continued into early July on news that Anglo American's Queensland coal mine Grosvenor had a fire which may see the mine out-of-action for many months or possibly years. Across the industry, supply is constrained. The issue at Grosvenor removes a not immaterial amount of the highest grade coal from the market. Over the past two years we have consistently held a larger position in Stanmore than Coronado. Earlier in the quarter we substantially increased our position in Coronado Resources, and the two positions are now more equally sized. Coronado was trading poorly as its economics are inferior to those of other miners at low coal prices, largely due to a private royalty and coal supply obligation which adds to their costs. From early 2027 onwards, the obligation reduces and Coronado will see a significant step-change upwards in earnings. We believe the market is not properly valuing this step-change.

Newmont, a recent addition to the portfolio, saw its share price outpacing gains seen for the underlying gold price, reversing some of the recent disconnect between the all-time high gold price and the discounted valuations across the gold sector. We expect a further positive re-rating across the sector as the strong free cash flow generation of the higher quality assets becomes evident.

Our position in building products conglomerate Fletcher Building performed poorly during the quarter. In mid-May Fletcher downgraded earnings guidance as the residential building cycle in both New Zealand and Australia has taken a further step down. Combined with management and Board member exits, an ongoing dispute around leaky pipes in Western Australia, and an overstretched balance sheet, the investment case is complicated. We are actively considering our investment. The underlying business is well-positioned but Fletcher needs better organisation to take advantage of that.

Centuria Industrial REIT stock price pulled back over the quarter as interest rates rose with the market moving from pricing in interest rate cuts to a chance of a rate rise by the end of June. While interest rate volatility will move the stock price on a short-term basis, the medium to long-term fundamentals of the business remain solid with the portfolio materially under-rented, over 97% occupied and trading at a 6.5% net initial yield. The weakness at the end of June allowed us to increase our position. Similar price action and underlying fundamentals in Rural Funds Group facilitated us increasing our position in it too.

Frontier Digital Ventures detracted from performance with the share price retracing gains seen in the preceding six months. There was little in the way of specific news to justify the recent performance, rather a lack of visible short-term catalysts seems to be weighing on the share price. While Frontier's current valuation remains attractive and we can see the large addressable opportunity which the business is well placed to capture overtime, frustratingly near-term results have been rather pedestrian. Frontier's operations are geographically diverse and getting these businesses all performing well at the same time has proved difficult. The Q124 trading update in April was a good example of this.

## PORTFOLIO ACTIVITY & OUTLOOK

During the quarter we sold our positions in ANZ, Westpac and National Australia Bank, leaving the Fund with no long exposure to the big four banks. We maintain a small short position in Commonwealth Bank which to-date has gone against us.

The Fund's investment in the banks dates back roughly four years to the immediate aftermath of the pandemic. The big four Australian banks have relatively steady earnings and do not see the same swings in net interest income and credit loss provisions that European and American banks see respectively. The pandemic years were no exception to this rule and therefore the sharp market selloff and low valuations provided the Fund an opportune entry point into relatively low risk businesses. Four years later and the situation is at the opposite end of the spectrum. Commonwealth Bank is by far the most expensive large bank in the developed world, and across the sector valuations are firmly in the top quartile on a multi-decade time horizon. The businesses, however, face encroaching competition. Most prominently, Macquarie Bank is capturing market share in simple deposits and mortgages, and private credit is taking market share in commercial lending markets. The banks' primary product, residential mortgages, is increasingly distributed via brokers instead of direct to the client, which commoditises the product. We expect these issues to prove a slight but ongoing earnings headwind over the medium to longer term. Combined with high valuations, the risk-reward proposition is no longer appealing.

The Fund took advantage of the underlying weakness in the lithium market during the quarter by taking an equity position in Mineral Resources. The Fund has followed the company for some time, having already taken a position in MIN's US bond offering in 2023 at an attractive yield of 9.25%. We view Mineral Resources as being ideally positioned to benefit from any improvement in the underlying lithium market, while also benefiting from the current ramp-up of their low-cost iron ore project in Western Australia. Having spent time touring Chinese lithium mines and refineries during the quarter, we view current depressed lithium prices as unsustainably low, with significantly higher prices required to incentivise enough supply to meet expected demand growth.

Within our international sleeve we acquired an initial position in Sands China during the quarter. Share prices of Macau's gaming concessionaries have come under pressure in recent months despite a continuation of the post COVID earnings recovery. We attribute this weakness to investor nervousness around the magnitude of the economic slowdown in China and its impact on domestic consumption activity. Hong Kong listed Sands China operates five casino properties in Macau where it is the largest of the six concessionaries licensed in the market holding a 28% share of gaming tables and 45% of the room inventory. In May 2024, we travelled to Macau visiting all the major casinos to gauge patronage, and explore the recent upgrades and additions made to properties post COVID-19. Our anecdotal observations confirmed positive industry trends continue despite a softer Chinese economy. The trip also reconfirmed our long-term thesis with Macau's status as a regional gaming destination intact and a favourable market structure ensures the six existing concessionaries are ideally placed to capture the long-term upside.

| Portfolio investments | Weighting |
|---|---|
| Commodities - Industrial Metals | 26% |
| Commodities - Energy | 18% |
| Diversified Financials | 9% |
| Real Estate | 7% |
| Industrials | 6% |
| Banking | 5% |
| Gaming | 2% |
| Online Classifieds & Internet | 2% |
| Other | 3% |
| **Long Equities Position** | **78%** |
| Short Equities Position | -2% |
| Net Invested Equities | 76% |
| Corporate Debt & Bonds | 16% |
| Net Invested | 92% |
| Total holdings | 22 |

| Current stock example |
|---|
| BHP |
| Woodside Energy |
| Apollo Global Management |
| Centuria |
| Siemens AG |
| ING Groep |
| Sands China |
| Frontier Digital Ventures |

| Currency exposure* | 100% |
|---|---|
| AUD | 101% |
| Other | -1% |

*Stated at effective value.

**The Fund** aims to create long-term wealth through a hand-picked portfolio of 15-25 predominantly Australian companies that we believe are trading at prices different to their intrinsic values.

**The Fund's investment objective** is to provide long-term capital growth and outperform the greater of the S&P/ASX 200 Accumulation Index or the RBA cash rate over rolling seven year periods. The Fund is not intended to replicate the index.

**Fund category:** Australian equities **Minimum investment:** $20,000 **Suggested investment time:** 7 years+

**Paul Moore -** Chief Investment Officer **Kevin Bertoli -** Co-Portfolio Manager **John Whelan** - Co-Portfolio Manager

# Enhanced Yield Fund

## Regular income, low volatility

| **Fund performance** (net of fees)^ | Inception Date | Exit Price ($cum) | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa | 7 Years pa | 10 Years pa | Since Inception pa |
|---|---|---|---|---|---|---|---|---|---|---|
| **Enhanced Yield Fund*** | **02-2002** | **1.1449** | **1.3%** | **2.9%** | **6.1%** | **3.3%** | **2.9%** | **2.9%** | **3.1%** | **5.1%** |
| RBA cash rate | | | 1.1% | 2.2% | 4.4% | 2.5% | 1.7% | 1.6% | 1.7% | 3.4% |
| Excess | | | **0.2%** | **0.7%** | **1.7%** | **0.8%** | **1.2%** | **1.3%** | **1.4%** | **1.7%** |
| **Enhanced Yield Fund (Class B units)**** | **05-2017** | **1.1807** | **1.4%** | **3.0%** | **6.4%** | **3.3%** | **3.1%** | **3.1%** | | **3.1%** |
| RBA cash rate | | | 1.1% | 2.2% | 4.4% | 2.5% | 1.7% | 1.6% | | 1.6% |
| Excess | | | **0.3%** | **0.8%** | **2.0%** | **0.8%** | **1.4%** | **1.5%** | | **1.5%** |

*Enhanced Yield Fund (Performance Fee Option). **Enhanced Yield Fund - Class B units (Management Fee Option).

### KEY POINTS

- Fund return comfortably above 6% for the year, achieved with low volatility.
- Inflation concerns are troubling the RBA – potentially at the peril of consumers.
- Plenty of opportunities to invest capital of late, and more to come.

### PERFORMANCE

June rounded out a strong year for the Enhanced Yield Fund, despite considerable volatility across interest rate markets.

The return on the Fund was comfortably above 6% for the year, including an income distribution of over 4%. This was achieved with a standard deviation for the year of just 0.66%.

We were also pleased to see the Fund nominated in the 2024 Money Management and Lonsec Awards as one of the global fixed income funds of the year.

### PORTFOLIO ACTIVITY

One of the keys to the Fund's performance over the year was its interest rate positioning at various points, taking advantage of periods where we felt interest rate expectations were excessive in both directions.

As previously communicated, our view on interest rates over the course of the year was that an RBA cash rate of 4%-4.5% was about right in terms of where interest rates needed to be set. Thus, when interest rate markets started pricing in a cash rate 25-50bp above this, we added interest rate duration to the Fund. When there was 25-50bp of rate cuts priced in, we took our duration off the table. This strategy added meaningfully to performance over the course of the year.

On the corporate bond side, markets were generally firmer over the course of the year, and with a meaningful exposure to corporate assets in the Fund, this also added to performance. There were no material detractors to performance over the year.

In terms of activity over the most recent quarter, our holdings in European property performed well, with our investments in Spanish property companies Aedas and Neinor, as well as Irish property firm Glenveagh all performing well post another set of good results – including strong guidance for the next 12 months. These businesses continue to benefit from a significant deficit in the supply of new homes, as well as a trend towards regulators allowing borrowers to borrow at increasing multiples of their annual income.

In terms of new investments over the quarter, we waded further into the Australian utilities space, with investments in the senior bonds of monopoly rail freight operator Pacific National, as well as monopoly gas pipeline operator Australian Gas Networks at yields of ~5.5% to ~6.5%.

Additionally, we increased our positions in global banking giants HSBC at ~6.5% and ING at ~5.25%. We also increased our position in electricity and gas transmission and distribution business Ausnet at ~6.5%.

### OUTLOOK

Interest rate markets are now firmly focused on the possibility of higher-for-longer interest rates due to recent firm inflation data. However, this data tends to lag significantly – it is quite old once released – and thus can be somewhat unreliable. Our observation from fundamental research and numerous anecdotal observations is that the economy is generally slowing more than the current data suggests. For everyone except the baby boomers, whose effective over-saving over the past ten years or so now sees them benefit significantly from higher interest rates, the economic impact is different. The impact of the baby boomers on the overall economic picture, however, is becoming less pronounced as the rest of the economy slows further.

Retailers in particular appear to be struggling, with recent profit warnings across the sector driven not just by weaker consumer demand, but also cost pressures related to rent, utilities, land tax and labour costs to name just some issues. Eventually, we expect this to turn into higher unemployment in an effort to protect margins. We are already seeing evidence of this occurring – and not just in the retail space.

The RBA is still quite concerned about cost pressures in the economy, and appears to be guiding markets towards the possibility of another rate rise. Our sense is that this may also be part of a strategy to buy some insurance against the possibility that the fairly meaningful income tax cuts that begin this month may contribute further to inflation.

This time around, we suspect that the additional income workers will receive may largely be used to pay down debt – in an environment where for many, existing debt such as mortgages and credit cards has become considerably more expensive.

In general, we think higher rates from here may have quite a dampening effect on economic activity, and at points when interest rate markets are pricing in multiple interest rate rises, we are adding to the interest rate duration of the Fund i.e. buying bonds that we think have attractive fixed rate yields.

On the corporate bond side, as highlighted earlier, we are continuing to identify what we believe to be very attractive opportunities to invest the Fund's capital – both domestically and offshore.

Corporate markets have started to soften lately due to concerns around the inflation outlook and French politics. The significant uncertainty around the formation of the French government post-election and the resulting volatility is likely to create challenges for investors.

All of this suggests to us that there is likely to be further pockets of market volatility in the coming months for us to take advantage of. We have made sure that we have a meaningful portion of the Fund's capital available and ready to be invested at short notice in attractive yield opportunities as they arise. In the interim, the considerable investing that we have done over the past year has created a strong base for the Fund to generate returns from in the years to come.

| Regional allocation | |
|---|---|
| Australia | 74.4% |
| Europe | 6.6% |
| United Kingdom | 6.4% |
| North America | 4.9% |
| Other | 4.5% |
| Cash/Cash equivalents | 3.2% |

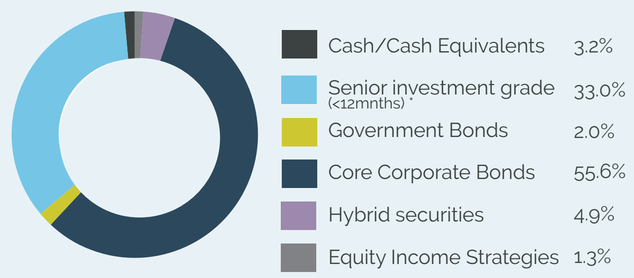
| Duration^^ | |
|---|---|
| Interest rate | 0.68 |
| Average term to maturity | 1.56 |

| Yield security maturity profile | |
|---|---|
| 0-1 Year | 39.7% |
| 1-2 Years | 30.0% |
| 2-3 Years | 16.3% |
| 3-4 Years | 6.9% |
| 4 Years + | 7.1% |

| Portfolio Investments^^ | Spreads |
|---|---|
| Cash** | 0.7% |
| Core Corporate Bonds | 1.3% |
| Hybrid securities | 2.3% |

^^ These numbers are indicative and provided as a guide only.
**Cash spread includes short dated bonds <12 months.

**Actual exposure**




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

**The Fund** aims to create long-term wealth through identifying and profiting from market anomalies predominately in debt, corporate bond and hybrid security markets around the world. Originally developed to invest the portion of PM Capital's own money which would otherwise sit in cash, the Fund was opened to co-investors as we realised our problem – how to produce regular income and attractive returns with low volatility – was shared by many other investors.

**The Fund's investment objective** is to provide investors a return in excess of the Reserve Bank of Australia's (RBA) cash rate. The Fund aims to outperform the RBA cash rate with a low degree of volatility and minimal risk of capital loss.

**Fund category:** Fixed Income **Minimum investment:** $20,000 **Suggested investment time:** 2 years+

**Jarod Dawson** - Global Yield Portfolio Manager

# Contact

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# Important information

**This Quarterly Report is issued by PM Capital Limited**

**(ABN 69 083 644 731, AFSL No. 230222) as responsible entity for the:**

PM Capital Global Companies Fund
ARSN 092 434 618

PM Capital Enhanced Yield Fund
ARSN 099 581 558

PM Capital Australian Companies Fund
ARSN 092 434 467

**the 'Fund', or collectively the 'Funds' as the context requires.**

The Quarterly Report contains summary information only to provide an insight into how and why we make our investment decisions. This information is subject to change without notice, and does not constitute advice or a recommendation (including on any specific security or other investment position mentioned herein).

The Quarterly Report 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 ('PDS') and Target Market Determination which are available from the PM Capital website, and seek their own financial advice prior to making a decision to invest. The PDS explains how the Funds' Net Asset Value is calculated. Returns are calculated from exit price to exit price (inclusive of the reinvestment of distributions) for the period from inception to 30 June 2024 and represent the combined income and capital return. The investment objective is expressed after the deduction of fees and before taxation. The objective is not a forecast, and is only an indication of what the investment strategy aims to achieve over the medium to long term. While we aim to achieve the objective, the objective and returns may not be achieved and are not guaranteed. 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 factors, including market forces.

The Index for the Global Companies Fund is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the MSCI index. The Index for the Australian Companies Fund is the S&P/ASX 200 Accumulation Index. See www.asx.com.au for further information. The Index for the Enhanced Yield Fund is RBA Cash Rate. See www.rba.gov.au for further information.

^Past performance is not a reliable indicator of future performance. Net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax.

PM Capital