

**RG240 ANNUAL DISCLOSURE**

The PM Capital Enhanced Yield Fund ("Fund") is classified as a hedge fund in accordance with the ASIC Regulatory Guide 240 'Hedge funds: Improving disclosure'. This classification is based on the fact that the Fund exhibits two or more of the following characteristics of a hedge fund, being that they:

- aim to generate returns that are not highly correlated to published indices;
- charge a performance fee;
- use leverage;
- use derivatives; and/or
- use short selling.

Accordingly, we are pleased to provide retail investors with extra information on the Fund. This summary is as at 30 June 2020. For further information on the Fund, please see PM Capital's website at [www.pmcapital.com.au](http://www.pmcapital.com.au).

**ASSET ALLOCATIONS & LIQUIDITY PROFILE**

The actual allocation to each asset type within the Fund, and their respective liquidity profiles are:

| Asset type                           | Allocation Weighting (%) | Liquidity <sup>1</sup> | Custody                         |
|--------------------------------------|--------------------------|------------------------|---------------------------------|
| International listed equities        | 1.60%                    | 1 - 10 days            | Held by custodian               |
| Australian government bonds          | 2.16%                    | 1 - 10 days            | Held by custodian               |
| International corporate bonds        | 27.92%                   | 1 - 10 days            | Held by custodian               |
|                                      | 2.73%                    | 11 - 30 days           | Held by custodian               |
| Australian corporate bonds           | 45.65%                   | 1 - 10 days            | Held by custodian               |
|                                      | 2.73%                    | 11 - 30 days           | Held by custodian               |
| Over-the-counter (OTC) derivatives   | 0.00%                    | 1 - 10 days            | Held by custodian               |
| Over-the-counter (OTC) derivatives   | -2.22%                   | 1 - 10 days            | Held by PM Capital <sup>2</sup> |
| Cash and cash equivalent investments | 4.85%                    | 1 - 10 days            | Held by custodian               |
|                                      | 14.58%                   | 1 - 10 days            | Held by PM Capital <sup>2</sup> |

In summary, approximately 94.5% of the Fund can be liquidated with 10 days.

**LIABILITIES & MATURITY PROFILE**

Nil – The Fund does not use leverage.

**LEVERAGE RATIO<sup>3</sup>**

Nil – The Fund does not short sell or use borrowings.

The Fund's exposure was

|                         |        |
|-------------------------|--------|
| Equity Income           | 1.60%  |
| Hybrid Securities       | 5.32%  |
| Corporate Bonds         | 73.65% |
| Cash & Cash equivalents | 19.43% |

Accordingly, the Fund's gross leverage is 0%, and the Fund's net leverage is 0%.

1. The estimated time required to sell the asset at the value ascribed to that asset in the Fund's most recent net asset value.

2. As at 30 June, approximately 87.6% (net) of the Fund's assets were held in Australia and globally by the independent third-party custodian (or their sub-custodians). The remaining assets were held by PM Capital its capacity as responsible entity in the name of the Fund and are segregated from the assets of PM Capital.

3. Including the embedded leverage within the assets of the Fund (excluding within the listed assets and bonds).

30 June 2020

## PM CAPITAL ENHANCED YIELD FUND

(ARSN 099 581 558)

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### **DERIVATIVE COUNTERPARTIES**

There were no new derivative counterparties appointed during the year.

The derivative counterparties to the Fund are:

- ANZ;
- Commonwealth Bank;
- Deutsche Bank;
- National Australia Bank;
- UBS Australia AG;
- Westpac Bank; and
- State Street.

### **ANNUAL INVESTMENT RETURNS OVER FIVE YEARS**

The performance figures in the table below represent the Fund's annual investment returns, net of fees and charges, for the yearly periods shown. A yearly period is the financial year 1 July to 30 June.

| DATE | <b><u>Performance Fee Class</u></b>                         | <b><u>Management Fee - Class B</u></b>                      |
|------|-------------------------------------------------------------|-------------------------------------------------------------|
|      | <b>Net Performance Return<br/>(for the 12-month period)</b> | <b>Net Performance Return<br/>(for the 12-month period)</b> |
| 2020 | 1.0%                                                        | 1.1%                                                        |
| 2019 | 2.3%                                                        | 2.3%                                                        |
| 2018 | 3.3%                                                        | 3.7%                                                        |
| 2017 | 7.0%                                                        | N/A                                                         |
| 2016 | 1.3%                                                        | N/A                                                         |

### **CHANGES TO KEY SERVICE PROVIDERS**

None.