



Enhanced Yield Fund

A benchmark unaware portfolio of income securities from around the world, providing steady income and capital stability.

Fund profile



Money Magazine - 2020 Best Income Fund
PM Capital Enhanced Yield Fund



Meet the Manager

Jarod Dawson

Jarod has managed the PM Capital Enhanced Yield Fund since joining PM Capital in 2004.

Jarod is a senior member of the 9 person-strong PM Capital Investment Team that is made up of portfolio managers and analysts with deep experience. He also sits on the PM Capital Board of Directors.

Jarod's experience

Industry - 24 years
PM Capital - 16 years

Team's experience (average)

Industry - 23 years
PM Capital - 13 years

Why invest in the Fund?



Capital stability and steady Income

The Fund's investment philosophy seeks to provide a consistent income stream whilst preserving capital.



Attractive returns

Investors in the Fund over the recommended minimum time (2+ years) have received attractive returns in excess of cash since inception (and were provided 100% liquidity) with a low level of volatility. The Fund's return profile may also be significantly different to that of more traditional fixed income funds.



No Material currency risk

There is no material currency exposure in the Fund; foreign currency investments are hedged back to Australian Dollars.



Global anomalies

The Fund is built security by security, handpicked by the PM Capital team from investment markets around the world. It represents what we believe to be the true anomalies in global credit markets and is not just a collection of investments contained within an arbitrary index.



Virtually zero interest rate duration

With almost no interest rate duration and a portfolio of primarily floating rate investments, the Fund should be well insulated from the continued normalisation of global interest rates. Indeed, the Fund should benefit as its floating rate investments reset in line with higher interest rates over time.



Co-investment

The Fund was originally designed to invest PM Capital's owned retained earnings and PM Capital still has a material investment in the Fund today. Your capital is sitting alongside ours.



"We believe the easy money in credit has been made and having a broad exposure to credit markets in general will probably not get investors the outcomes they are looking for over the next couple of years. We genuinely believe that investors will need to be far more selective when allocating capital to global credit markets over the next couple of years. Patience and discipline - focussing purely on market anomalies - will be key."

Jarod Dawson

Fund objective

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.

Dependable

A minimum 20% cash position helps the Fund preserve capital and achieve its return objectives with low volatility. The Fund's process is effective and repeatable, based on a philosophy developed over 18 years. This has produced attractive returns for co-investors.

Careful

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

A pioneer

One of the first true absolute return credit funds in the Australian market. A Fund whose investment philosophy has not changed in over 18 years.

Highly rated



The Fund is available through most platforms and now on mFund. See our website for a full list.

Important Notice

This Report is issued by PM Capital Limited ABN 69 083 644 731 AFSL 230222 as responsible entity for the PM Capital Enhanced Yield Fund (ARSN 099 581 558, 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 risks, and a copy of the current Product Disclosure Statement which is 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. 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 RBA Cash Rate. See www.rba.gov.au for further information.

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Key Fund Facts

Fund category

Fixed income

Investment style

Fundamental, bottom-up research-intensive approach

Inception date

1 March 2002

Fund size

\$598.4 Million

Strategy size

\$734.8 Million

Number of stocks

As a guide, 30-50 stocks

Currency

100% hedged back to AUD

Minimum direct investment

\$20,000

Recommended investment time

Two years plus

Fees (pa)

Performance Fee Option

- Management fee: 0.55%.
- Performance fee: 25% of net excess above RBA Cash Rate (subject to a high watermark).

Management Fee Option

- Management Fee: 0.79%.

Distribution frequency

Quarterly

Buy/ sell spread

0.2% (Round trip)

Dealing frequency

Daily

APIR Code

PMCO103AU

mFund Code

PML01

PML02 (Class B)

Further Information

www.pmcapital.com.au

AU: +612 8243 0888

pmcapital@pmcapital.com.au