

# Monthly update

## Australian Companies Fund

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

Australian 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
Fund performance <sup>1</sup>	01-2000	3,2965	1.9%	-2.4%	-2.5%	5.2%	10.1%	8.9%	9.5%	10.3%
S&P/ASX 200 Accumulation Index			4.6%	5.1%	15.2%	11.4%	8.0%	9.2%	8.6%	8.5%

#### Growth of AUD \$100,000

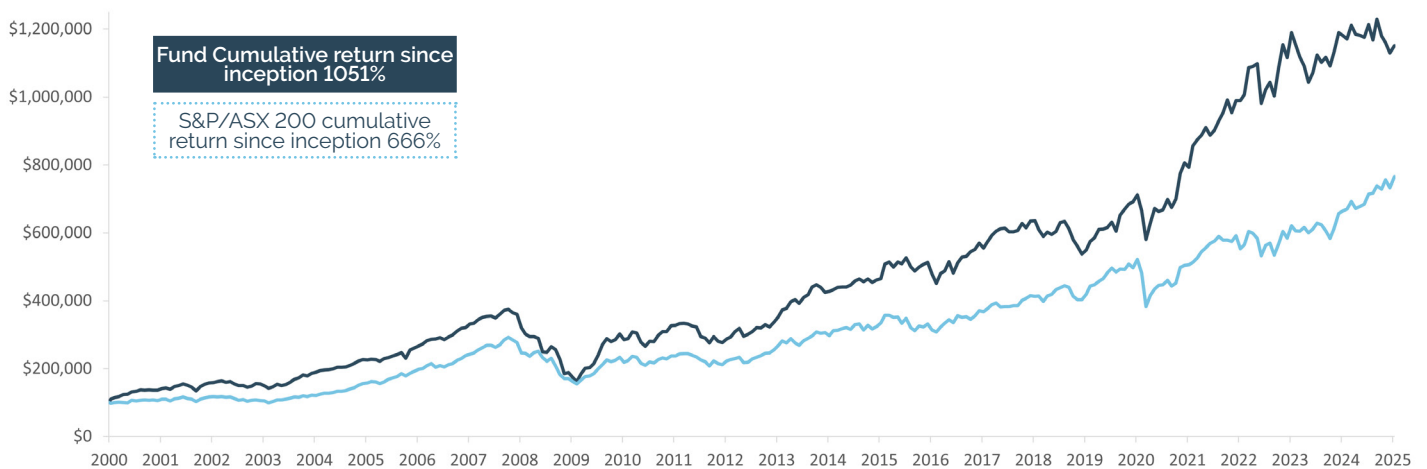


Chart reflects Fund growth net of actual fees. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. Fund Inception 20 January 2000. These figures represent past performance only. No guarantees exist of future returns above or 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 investment theme	Weighting	Current stock example	Investments by Market Capitalisation (AUD) <sup>^</sup>
Commodities - Industrial Metals	28%	BHP	
Commodities - Energy	13%	Woodside Energy	
Real Estate	11%	Centuria	
Industrials	8%	Siemens AG	
Diversified Financials	8%	Challenger	
Banking	5%	ING Groep	
Leisure & Entertainment	3%	Sands China	
Online Classifieds & Internet	1%	Frontier Digital Ventures	
Other	4%		
<b>Long Equities Position</b>	<b>82%</b>		
Short Equities Position	-3%		
Net Invested Equities	79%		
Corporate Debt & Bonds	17%		
Net Invested	96%		
Total holdings	19		

Currency exposure*	100%
AUD	97%
EUR	2%
USD	1%

\*Stated at effective value.

## Fund commentary

The Fund's steelmaking coal miners, Stanmore and Coronado, weighed on performance in January, despite reporting solid production volumes for the December quarter. Benchmark coal prices continue to fluctuate, hovering just below \$200 per tonne—a level where even strong producers are only marginally profitable, while many others are at breakeven or operating at a loss. Although current commodity prices are unsustainably low, market corrections can take time. In the interim, earnings remain weak. Stanmore and Coronado are not priced to reflect any expected recovery in coal prices, and both companies have positive catalysts on the horizon over the next 12 to 24 months.

Key gold holding, **Newmont**, rebounded in January, reversing its December decline with its locally issued shares rallying 16%. In December, we highlighted the bifurcation in the gold market—Newmont had fallen 25% from its October high, despite physical gold prices being down only 6% from their record high. This weakness created an opportunity for the Fund to increase its Newmont position. A month later, macroeconomic uncertainty drove gold to a new all-time high of \$2,800/oz in January. While Newmont's stock performance was a positive, it still trades at less than half of its all-time high.

Another key contributor to January's performance was **Royalty Pharma**. The company owns royalty streams on global sales of numerous medicines, including those developed and marketed by pharmaceutical giants such as Johnson & Johnson and Pfizer. Since its 2020 IPO, Royalty Pharma has built a strong business with a high-quality portfolio. However, its corporate structure has been complex, creating an overhang on the stock. In early January, the Board announced a transaction to simplify this structure, triggering a 12.5% stock price increase on the announcement day.

Top 10 stocks	
Stock name	GICS Sector
BHP	Materials
Centuria Industrial REIT	Real Estate
Challenger	Diversified Financials
ING Groep	Banks
Mineral Resources	Materials
Newmont Corporation	Materials
Royalty Pharma	Healthcare
Siemens AG	Industrial
Stanmore Resources	Energy
Woodside Energy	Energy

## Further information

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## Key Fund Details

### Fund category

Australian equities

### Investment style

Fundamental, bottom-up research intensive approach

### Inception date

20 January 2000

### Fund size

\$126.3 million

### Strategy size

\$126.3 million

### Number of stocks

As a guide, 15-25 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 the S&P/ASX 200 Accumulation Index

### Buy/sell spread

+/- 0.25%

### 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 Australian Companies Fund (ARSN 092 434 467, 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 Target Market Determination and the current Product Disclosure Statement (which are available on the PM Capital website), and obtain their own financial advice prior to making an investment decision. 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 S&P / ASX 200 Accumulation Index. See [www.asx.com.au](http://www.asx.com.au) for further information on the Index.

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