



PM Capital

Quarterly report

September 2024

PM Capital Global Opportunities Fund Limited

ACN 166 064 875 (ASX Code: PGF)

CONTENTS

Video Insight	1
PM Capital Global Opportunities Fund	2
Important Information	4

Quarterly video insight



In this video, Co-Portfolio Managers Kevin Bertoli and John Whelan discuss:

- How did interest rates, China stimulus announcements and oil markets impact the portfolios?
- What were the drivers behind the strong performance of the European homebuilders?
- What are some of the key insights following recent research trips?

Access the video [here](#).

Access all market updates and insights [here](#).

Listed Company Overview

	PM Capital Global Opportunities Fund Limited
ASX Code	PGF
Asset Class	Global equities
Listing Date	11 December 2013
Suggested Time Frame	Seven years plus
Shares on Issue	478,428,536
Share Price	\$2.2800
Market Capitalisation	\$1,090.8 million
NTA before tax accruals (per share)	\$2.1639
Company Net Assets before tax accruals	\$1,035.3 million

See page 5 for Important Information. As at 30 September 2024.

Simple ideas, simple businesses

Building long-term wealth by finding and exploiting investment anomalies around the world

Net Tangible Asset (NTA) backing per ordinary share (After fees and expenses, all figures are unaudited) ¹	September 2024	Company performance (net of fees) ²	3 Months	1 Year	3 Years pa	5 Years pa	7 Years pa	Since inception pa	Total Return	Gross Dividend Yield (pa) ³
NTA before tax accruals	\$ 2.1639	PM Capital Global Opportunities Fund	5.3%	28.5%	18.8%	18.8%	15.7%	14.6%	337.2%	7.0%
NTA after tax (excluding deferred tax assets)	\$ 1.9141									

1. Past performance is not a reliable indicator of future performance. 2. Performance adjusted for capital flows including those associated with the payment of dividends and tax, share issuance as a result of option exercise and the dividend reinvestment plan. 3. Based on share price as at 30 September 2024 and the dividend guidance issued to the ASX on 8 August 2024. The intended fully franked dividend is subject to there being no material adverse changes in market conditions and the investment performance of the Company's portfolio. The Company's ability to continue paying fully franked dividends is dependent on the payment of tax on investment profits and there can be no guarantee that such profits will be generated in the future.

KEY POINTS

- China stimulus hopes support commodities and gaming positions
- Oil markets were volatile, providing opportunities to adjust positions
- European building companies take advantage of under-supply and scaled platforms
- Diverging FED and RBA interest rate policies buoy the Australian dollar

PERFORMANCE

Our Irish and Spanish home building companies had a very strong quarter, each rising around 20%. Cairn Homes and Glenveagh Properties are now the two largest operators in an Irish housing sector that is chronically under-supplied of new homes. The move in the stock prices indicates that the market is beginning to realise the value of their scaled platforms. These platforms enable them not just to build on their own landbank, but also to build on state land in a capital-light fashion, materially boosting profitability and return on equity. We continue to believe they are in the early to mid-stage of what should be a very long cycle.

Apollo held a fourth investor day showcasing their best-in-class alternative asset management platform. They talked to the evolving market opportunity, including:

1. The global industrial renaissance and the huge amount of long-term capital required for energy transition, power and utilities, and digital infrastructure.
2. The massive requirement for suitable retirement products giving the rapid aging of western economies.
3. The hugely under-penetrated high-net-worth and mass affluent markets with regard to their ownership of alternative assets.

Their platform is perfectly placed to take advantage of this new paradigm, with private capital much better suited to this compared to traditional bank and public

capital markets. They are now the largest financial company eligible for S&P500 index inclusion with full governance compliance with one share, one vote coupled with a majority independent board and independent chair. Blackstone and KKR added to the index back in September 2023 and June 2024, we believe Apollo will be next.

Commodity positions were mixed, the portfolio's copper holdings Teck Resources and Freeport McMoRan contributed positively to performance, while the oil related positions were a marginal headwind.

It was a particularly eventful quarter for oil markets with investors having to weigh up the impact of a slowing global economy on oil demand, war in the Middle East, as well as signs of a policy shift from the world's largest oil producer Saudi Arabia. A Financial Times article published in September claimed that the Saudi government was "ready to abandon its unofficial price target of \$100 a barrel for crude" and were committed to returning curtailed production from December, even if it leads to a prolonged period of lower prices. This caused a selloff in crude oil as well as the share price of oil-linked companies, as it potentially represents a structural shift in the oil market. Crude oil is not short of supply and the Saudi decision to curtail production over the past 12-24 months has been a major support to crude oil prices.

In the short term however, the negative reaction has been short-lived. An escalation in the Middle East war diverted investor attention and provided support for crude oil, as the market factored in potential disruption to Iranian oil supply in the event of an Israeli attack. This gives us an opportunity to reweight our positions lower.

Announcements from the Chinese government aimed at providing support to the country's economy acted as a positive catalyst for all things China, including the portfolio's copper holdings Freeport McMoRan and Teck Resources, and its Macau gaming holdings Wynn Resorts, Sands China and MGM China. While the measures are a step in the right direction, we do not see any panacea in what has been announced and believe more will be required to have a prolonged positive impact.

That said, for the first time this year it feels like there is a sense of urgency from the Central Government when it comes to recognising the state of the economy and its challenges. This was particularly evident in the commentary coming out of the Politburo meeting – chaired by President Xi – which was far more assertive than prior announcements, notably what was communicated post the Third Plenum earlier this year. We believe the violent upwards move in Chinese equities is being driven by a view that these announcements are just the beginning of China's stimulus measures and investors are repositioning for this. China has been a consensus underweight amongst most global investors we spoke to over the past year.

PORTFOLIO ACTIVITY & OUTLOOK

Over the quarter we added to our positions in Macau gaming names (prior to their sharp rise on Chinese stimulus measures) along with Airbus and Apollo Global Management. We also took advantage of the volatility in the iron ore market by adding a position in BHP at an attractive valuation.

Lastly, the Australian dollar was buoyed by a divergence in interest rate policies by the FED and RBA. The FED turning dovish and cutting rates by 50bps in September, with the market expecting further large cuts in the months ahead. In comparison the RBA held interest rates firm and while interest rate cuts are expected in the future. It will likely be a slower pace to the US. This resulted in the Australian dollar appreciating over the quarter. We continue to see the Australian dollar as undervalued and thus are predominately hedged.

Portfolio investments	Weighting ^{^^}
Domestic Banking - Europe	25%
Commodities - Industrial metals	16%
Commodities - Energy	12%
Industrials	12%
Domestic Banking - USA	10%
Gaming	10%
Housing Ireland & Spain	7%
Alternative Investment Managers	5%
Other	9%
Long Equity Position	106%
Direct Short Position	-3%
Index Short Position	-9%
Net Invested Equities	94%
Total holdings	47

Current stock examples	
ING Groep	
Freeport-McMoRan	
Shell	
Siemens AG	
Bank of America	
Wynn Resorts	
Cairn Homes	
Apollo Global Management	
Currency exposure*	100%
AUD	71%
USD	8%
HKD	6%
EUR	6%
Other	9%

^{^^} Quoted before tax liability on unrealised gains.

* Stated as effective exposure.

The Company aims to create long-term wealth through a concentrated portfolio of generally 25-45 global companies that we believe are trading at prices different to their intrinsic values.

The Company's investment objective is to provide long-term capital growth over seven-year plus investment horizon through investment in a concentrated portfolio of undervalued global (including Australian) equities and other investment securities.

Paul Moore - Chief Investment Officer

Kevin Bertoli - Co-Portfolio Manager

John Whelan - Co-Portfolio Manager

Important information

This Quarterly Report is issued by PM Capital Limited
(ABN 69 083 644 731, AFSL No. 230222) as investment manager for the:



PM CAPITAL Global Opportunities Fund Limited
ACN 166 064 875 (ASX Code: PGF)

It contains general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities of PGF. The information herein seeks to provide an insight into how and why we make our investment decisions, and is subject to change without notice. The Quarterly Report does not constitute product or investment advice, nor does it take into account any investors' investment objectives, taxation situation, financial situation or needs. An investor should seek their own financial advice, and must not act on the basis of any matter contained in this Quarterly Report in making an investment decision but must make their own assessment of PGF and conduct their own investigations and analysis prior to making a decision to invest. Past performance is not a reliable indicator of future performance and no guarantee of future returns, ASX trading prices, or market liquidity is implied or given. The capital and income of any investment may go down as well as up due to various market forces. All values are expressed in Australian currency unless otherwise stated.

The Index for the PM Capital Global Opportunities Fund Limited is the MSCI World Net Total Return Index in Australian dollars, net dividends reinvested. See www.msci.com for further information on the MSCI indices.

Inception date for PGF: 12 December 2013.

See the company announcements platform at www.asx.com.au, and www.pmcapital.com.au, for further information.

This announcement is authorised by Candice Driver, Company Secretary.

INVESTMENT MANAGER

PM Capital Limited
ABN 69 083 644 731
AFSL 230222

Level 11, 68 York Street
Sydney NSW 2000

P +61 2 8243 0888

E pmcapital@pmcapital.com.au

www.pmcapital.com.au

REPRESENTATIVE CONTACTS - REGIONAL MANAGERS

Nicholas Healey

VIC, TAS, SA

M 0447 814 784

E nhealey@pmcapital.com.au

John Palmer

NSW, ACT

M 0447 471 042

E jpalmer@pmcapital.com.au

Ivor Kay

QLD, WA, NT

M 0435 960 129

E ikay@pmcapital.com.au