

# INDIRECT & TRANSACTION COSTS STATEMENT

## 30 JUNE 2017



As of 1 February 2017, new fee and costs disclosure requirements are applicable to issuers under amendments to Corporations Regulations and ASIC's Regulatory Guide 97: Disclosing fees and costs on PDSs and periodic statements. These new disclosures aim to provide investors with more transparency over the total costs of investing. They do not reduce the published net of fees return, nor do they mean investors pay any additional management fees.

PM Capital Limited, the issuer of the Funds listed below, has undertaken calculations to determine each Funds' indirect cost ratio ('ICR'), including the total transaction costs and the buy/sell spread recovery for year ended 30 June 2017.

The ICR of the Funds is the ratio of the Funds' total management and operating costs (including management fees, interest expense, stock borrowing fees, performance fees, plus other indirect transactional and operational costs) as a percentage of the average fund size.

The Indirect Transaction Costs include (i) Explicit costs – such as brokerage, settlement and clearing costs, and stamp duty; (ii) Implicit costs – being the reasonable assessment of the difference between the price paid for acquiring an asset and the price that would be payable if the asset was disposed of; and (iii) the costs associated with OTC derivatives.

The calculations in this Statement are unaudited and reflect our current understanding, and reasonable interpretation, of the regulatory requirements. Changes to these estimated costs will be published on our website at [www.pmcapital.com.au](http://www.pmcapital.com.au).

The ICR is in addition to the Funds' buy-sell spread\* that is applied as investors enter and/or exit the Funds.

The historical ICR of each of the Funds (for the year to 30 June 2017) is as follows:

Fund <sup>1</sup>	Global Companies	Australian Companies	Asian Companies	Enhanced Yield
APIR Code	PMC0100AU	PMC0101AU	PMC0002AU	PMC0103AU
<b>Management fees</b>	1.09%	1.09%	1.40%	0.55%
<b>Operating costs</b> (interest, stock borrow)	0.46%	0.26%	0.06%	0.00%
<b>Performance Fees</b>	1.75%	2.82%	0.00%	1.37%
<b>Sub-Total</b>	<b>3.30%</b>	<b>4.17%</b>	<b>1.46%</b>	<b>1.92%</b>
<b>Indirect Transaction Costs</b>				
Explicit Costs	0.11%	0.12%	0.25%	0.02%
Implicit Costs	0.02%	0.15%	0.14%	0.03%
OTC derivative transactional costs	0.02%	0.00%	0.00%	0.00%
<b>Total Indirect Transaction Costs</b>	0.15%	0.27%	0.39%	0.05%
<b>Buy/Sell spread recovery*</b>	-0.10%	-0.06%	-0.14%	-0.05%
<b>Net Indirect Transaction Costs</b>	<b>0.05%</b>	<b>0.20%</b>	<b>0.25%</b>	<b>0.00%</b>
<b>TOTAL ICR (including performance fee)</b>	<b>3.34%</b>	<b>4.37%</b>	<b>N/A</b>	<b>1.92%</b>
<b>TOTAL ICR (excluding performance fee)</b>	<b>1.59%</b>	<b>1.55%</b>	<b>1.72%</b>	<b>0.55%</b>

\* Any investor buying or redeeming units incurs a cost, or "buy-sell spread". The purpose of the buy-sell spread is to ensure, as far as practicable, that any transactional and operational costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not continuing investors.

The buy-sell spread has been calculated based on our experience of the costs involved in trading these assets or the costs that the Fund has actually paid, and is reviewed periodically. This spread cost recovery amount is calculated by comparing the Application Price or Redemption Price (as appropriate) with the Net Asset Value Price multiplied by the number of units traded and summing this amount over the course of the year.