



A well-resourced team with global experience

Head of Bond, Income & Defensive Strategies Vimal Gor aims to build the most defensive line of funds in Australia, overseeing \$19.8 billion as at 30 September 2018 invested across Income, Composite, Pure Alpha, Global and Australian Government strategies. In June 2010 Vimal was appointed Head of Bond, Income & Defensive Strategies and is responsible for setting the strategy, processes and risk management for both the boutique and all funds managed within it.

Vimal Gor

Head of Bond, Income & Defensive Strategies

Years at Pental 9yrs
Industry Experience 23yrs

Fixed Interest & Credit



Peter Farac
Portfolio Manager

Years at Pental 14yrs
Industry Experience 14yrs



Amy Xie Patrick
Portfolio Manager

Years at Pental 1yr
Industry Experience 14yrs



Justin Davey
Portfolio Manager/Credit Analyst

Years at Pental 7yrs
Industry Experience 28yrs



George Bishay
Portfolio Manager/Credit Analyst

Years at Pental 24yrs
Industry Experience 24yrs



Steve Campbell
Portfolio Manager

Years at Pental 19yrs
Industry Experience 21yrs

Quantitative Analysis & Risk



Tim Hext
Portfolio Manager

Years at Pental 1yr
Industry Experience 26yrs



Robin Lu
Assistant Portfolio Manager

Years at Pental 10yrs
Industry Experience 15yrs



Arpit Mathur
Quantitative Analyst

Years at Pental 3yrs
Industry Experience 12yrs



Oliver Ge
Portfolio Analyst

Years at Pental 6yrs
Industry Experience 9yrs



Lin Xu
Portfolio Analyst

Years at Pental 1yr
Industry Experience 8yrs

Dealing



Ben Connolly
Senior Dealer

Years at Pental 2yrs
Industry Experience 25yrs

What you need to consider before you invest

All investments carry risk. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund. Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money in the shorter term. While we use our expertise to manage risk, risks cannot be completely eliminated. The value of an investment will go up and down, returns will vary and are not guaranteed, and future returns may be different from past returns. The risks include those associated with the value of markets, securities and interest rates going up and down; the risk that a fund makes substantial losses or has volatile returns through the use of derivatives including options; the risk that the income generated may be higher or lower than anticipated due to, amongst other things, changes in the level of dividends, coupons from fixed interest or credit investments; and the risk of loss arising from the failure of a borrower to repay its debt or meet its financial obligations.

For more information call us on 1800 813 886 or visit pentalgroup.com



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Bond, Income & Defensive Strategies



Is your fixed income portfolio defensive enough?

Over the past five years, many investors have become complacent when evaluating their fixed income exposures. Market downside risks are becoming much more visible. Volatility in returns from risk assets is increasing as markets globally grapple with concerns over inflation, diverging monetary policy and slowing world growth – an environment which is likely to persist for a number of years.

While shares typically represent 60% of returns in a balanced portfolio, they can also represent 90% of your total risk. Adding a fixed income exposure can cushion your portfolio during falls in the share market – but not all fixed income is made equal. If you allocate 25% of a multi sector fund to defensives using only short-dated bonds, the difference they will make in a stress scenario may be marginal.

The trouble with many traditional fixed income portfolios is that the benchmark you select will not take diversification benefits into consideration.

Fixed income should be a safe harbour and a building block of a broader balanced portfolio. Here's what to look for:



A portfolio negatively correlated to equities in times of stress



Liquid investments that can be nimble when markets move



A manager that will adjust the portfolio to the environment but maintain a defensive bias



A focus on government bonds – the risk return profile of Australian bonds remains among the world's best



While many fixed income funds take a medium to long-term view on domestic economic factors, there is a world of events that can influence returns from Australian fixed income assets.

As a truly active manager, Pental differentiates itself from its peers by watching price movements, currencies, interest rates and growth data in influential markets globally. This approach allows us to identify short-term themes, and the potential returns these can generate.

Taking a global view, we aim to be the most defensive fixed income manager in Australia, primarily investing in quality assets with low correlation to shares.



What global trends are unfolding?

We use a network of over 100 quantitative models to uncover patterns across the global economy, researching only the best opportunities.

Our models are constantly sweeping the world for changes in economic variables such as unemployment, wage growth and business confidence.



Do the trends agree with our market research?

Once short-listed, we evaluate each trade idea to determine its likelihood of payout based on our market outlook.

We watch price movements in assets like equities, bonds, commodities and currencies, assessing why they are priced a certain way.



Are markets supportive of our stance?

While only the highest conviction views are selected for inclusion, we will not take a position if market momentum moves against our expectations.

Once the market starts to move, we time our entry and exit to optimise risk and return. We aim for a mix of trades that provide appropriate portfolio diversification, while ensuring our fund remains true to label.

The result is a small number of high-conviction, lowly-correlated positions which can consistently generate high, risk-adjusted returns in a portfolio

We offer a range of fixed income funds, aiming to deliver portfolio protection for every investor need.

Pendal Fixed Interest Fund ¹ <small>Formerly known as the BT Wholesale Fixed Interest Fund</small>	Portfolio Diversification	Pendal Pure Alpha Fixed Income (PAFI) Fund ² <small>Formerly known as the BT Pure Alpha Fixed Interest Fund</small>	Absolute Returns	Pendal Monthly Income Plus Fund ³ <small>Formerly known as the BT Wholesale Monthly Income Plus Fund</small>	Income Generation
 <p>An award-winning fund that has delivered strong returns in a high-growth sector, aiming for defensive positioning that performs in times of market stress.</p>	3.90% return pa over 5 years ¹	 <p>Absolute return investing with a negative correlation to equities in times of stress and greater flexibility than a traditional fixed income fund.</p>	1.00% return pa over 5 years ¹	 <p>Aims to generate consistent returns with monthly distributions across a range of market conditions, with a strong focus on capital preservation.</p>	4.51% return pa over 5 years ¹

Why Invest?

- Built to deliver returns when needed most** – with low correlation to equities relative to its peer group, the fund can cushion during share market falls.
- Has performed consistently over a variety of periods.** For performance information visit pendalgroup.com.
- Highly-rated** – Highly Recommended by Lonsec.

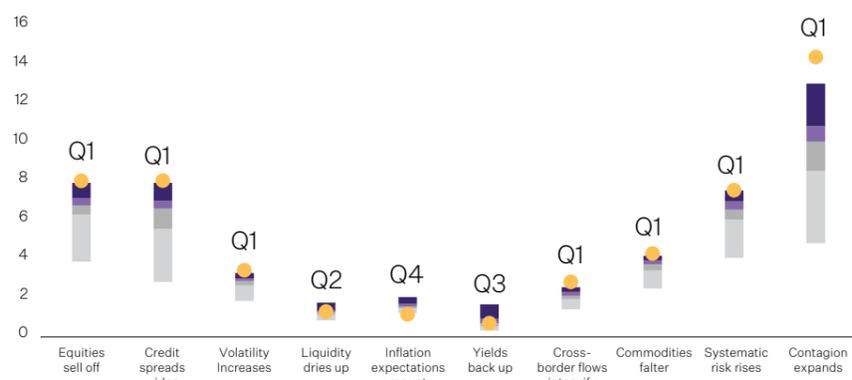
Why Invest?

- Built to perform in a range of market conditions** – defensive qualities and flexible duration ranges aim to deliver positive returns irrespective of market environment.
- Strong diversification benefits** – trades across global sectors, with low correlation to equities and credit during times of stress.
- The best of active management** – a cash benchmark allows inclusion of high conviction ideas and elimination of exposures where we see higher risks.

Why Invest?

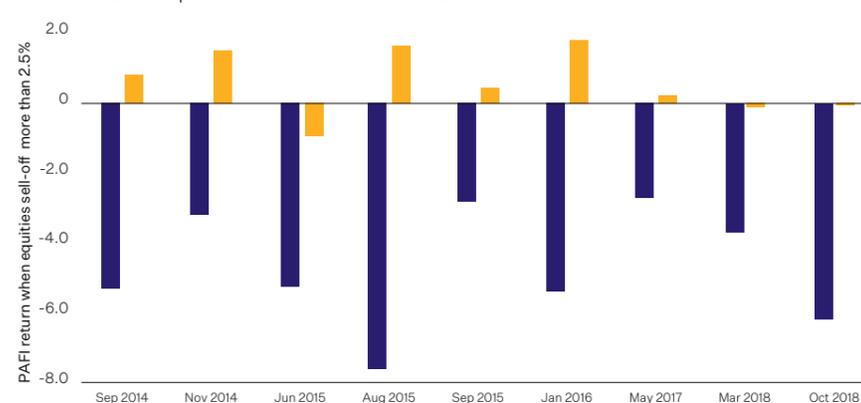
- Get monthly income** – aims to provide income above the RBA cash rate and coupons in stressed environments.
- Aims to preserve capital with carefully managed growth** – selective exposure to Australian shares aim to offset the impacts of inflation.
- Portfolio diversifier** – the Fund aims for stronger relative performance at times of higher volatility in equity and credit markets.

The Fund aims to outperform under a range of market conditions
Pendal Fixed Average Daily Return (bps) When:



Source: Morningstar, Bloomberg, Pendal

PAFI return when equities sell-off more than 2.5%



Source: Morningstar, Bloomberg, Pendal

The Fund has provided a good risk/return profile compared to other funds in its peer group

