



February 2022

Investment Giving

Combining Purpose
with Performance

PENDAL

IMPORTANT NOTICE: this document has been prepared by Pandal Fund Services Limited ABN 13 161 249 332 as issuer of the Pandal Sustainable Balanced Fund-Class G. Neither Investment Giving Australia nor any Charity has been involved in the preparation, production or issue of this document. Charities sharing this document may benefit from the Pandal Sustainable Balanced Fund-Class G in the form of distributions made to the Charity on behalf of an investor.

Pendal Sustainable Balanced Fund – Class G (Giving)

Nominate an approved charity to receive distributions from your investment in a diversified, sustainable fund

Invest with purpose:



Invest across a range of sustainable and ethically screened assets as Pendal seeks to promote a positive investment impact



Pay a significantly reduced management fee

Support your charity:

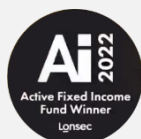


Nominate an approved charity to receive the distributions from your investment



Retain ownership and control of your investment units

Our awards



**Lonsec Active Fixed Income
Fund of the Year**



**Sustainable and Responsible
Investments Fund Manager
of the Year***



**Pendal,
Fund Manager of the Year 2020**

*The Zenith Fund Awards were issued on 15 October 2021 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. The Fund Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. To the extent that the Fund Awards constitutes advice, it is General Advice for Wholesale clients only without taking into consideration the objectives, financial situation or needs of any specific person. Investors should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice. Investors should obtain a copy of and consider any relevant PDS or offer document before making any investment decisions. Past performance is not an indication of future performance. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

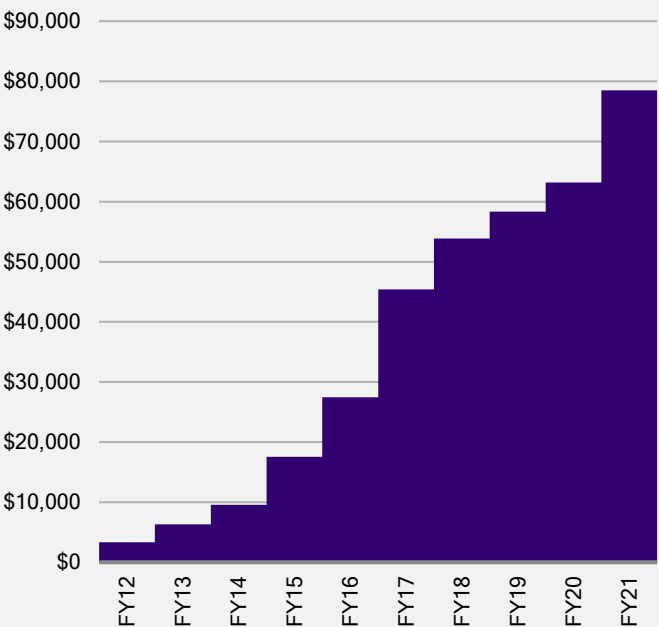
Worked example:
\$100,000 invested over the
last decade (FY11-FY21)

\$100,000 invested into the Pandal Sustainable
Balanced Fund in 2011 would have resulted in:

Over \$78,000 distributed to the nominated charity.

Over \$125,000 in residual investment remaining in
the investor's name.

Cumulative distribution that would have been
paid to an investor's nominated charity



Investment Value Post Distribution



Source: Pandal, Pandal Sustainable Balanced Fund June 2021

The investment returns referred to above are historical, based on the performance of the Pandal Sustainable Balanced Fund during the period FY11-FY21. Further and updated information on the performance of the Pandal Sustainable Balanced Fund can be viewed and downloaded at pandalgroup.com/investment-giving/. Past performance is not a reliable indicator of future performance.

Pendal Sustainable Balanced Fund



Total portfolio approach to sustainability



Avoiding material investments & activities such as thermal coal, tobacco, gambling, pornography and controversial weapons



A focus on active ownership

The Pendal Sustainable Balanced Fund is a managed diversified portfolio that actively invests considering a range of sustainable, ethical and financial criteria. Investments are diversified across Australian and international shares, Australian and international property securities, Australian and international fixed interest, cash and alternative investments. Sustainable and ethical investment practices are incorporated into the Australian and international shares, Australian and international fixed interest and the alternative investments components.

We employ three main approaches to do this (in descending order of return and risk contribution at the total fund level):

Strategic asset allocation - weighted asset class exposures designed to meet the investment objectives over the long-term investment horizon

Active management - exploitation of market inefficiencies within asset classes

Tactical asset allocation - exploitation of short-term market directionality across asset classes

Pendal's Responsible Investment Philosophy is based on three core beliefs

1

Attention to ESG factors contributes to better informed investment decisions and can improve the quality and consistency of **long-term value creation**.

2

As an active investment manager, we are well positioned to identify a **full range of risks** faced by the entities in which we invest, including ESG risks (and opportunities). We provide investment **solutions to our clients** which **help them manage investment risks** and thus enhance returns, and where relevant, support **additional client objectives** around sustainability outcomes.

3

Our actions and decisions **can affect practices in the entities** in which we invest, such as in the way the company manages its risks, or its impact upon the environment or the community. We have both a fiduciary **duty** and an **interest** in **responsibly managing this influence**.

What is the style of asset allocation?

Pendal Sustainable Balanced Fund

This managed portfolio seeks to provide moderate to high returns over the medium to long term through a diversified portfolio of growth and defensive assets.

Class G (Giving)

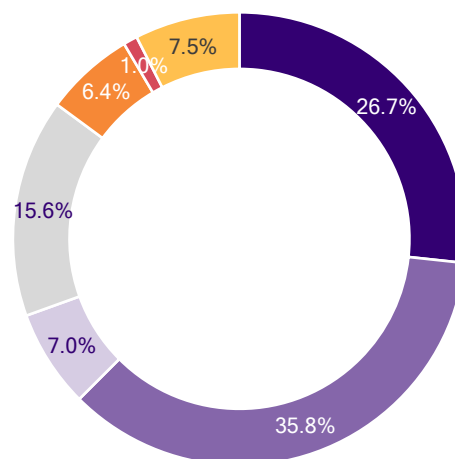
Discounted investment management fee	40bp
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Application/Withdrawal/Unit Pricing	Daily
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Distributions	Quarterly
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Buy/Sell Spread	0.28% (0.14%/0.14%)
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Asset allocation



Asset class Allocation, (as at 31 Oct 2021, %)

Growth assets		85.1
● Australian shares		26.7
● International shares		35.8
● Listed property / Infrastructure		7.0
● Alternatives		15.6
Defensive assets		14.9
● Australian fixed interest		6.4
● International fixed interest		1.0
● Cash		7.5

Pendal Multi-Asset Investments

Accessing a broad array of capabilities and insight



Michael Blayney

Head of Multi Asset Investments

Industry experience: **24 years** | Years with company: **4 years**



- ✓ **Corporate earnings & developing themes**
Global, regional & domestic equities
- ✓ **EM country level insights**
Global emerging markets team
- ✓ **External input**
Purchased research from independent macro research groups
Sell side research
Academic research
Independent risk model
- ✓ **ESG**
Dedicated ESG capability, including 100% ownership of Regnan
- ✓ **Global macro & credit**
Bond, Income & Defensive Strategies
- ✓ **Support**
Dedicated multi-asset class trading, risk & compliance and systems support teams



Combined 40+ years of investment experience across all aspects of the investment industry



Access both internal and external insights



Commitment to ongoing research and improvement

Australian Equities – Engagement

Stewardship (also referred to as **active ownership**) refers to activities such as engagement with investee companies, proxy voting and advocacy.

In 2020, Pental's Australian Equities team held **339** ESG engagements with **107** ASX companies

Environmental

 **139**

engagements discussed
environmental issues

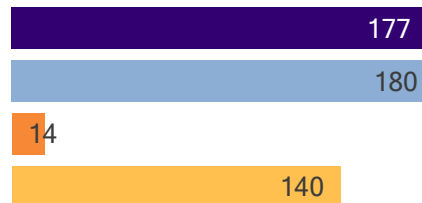


- Climate Change
- Water
- Other Environmental

Social

 **265**

engagements discussed
social issues

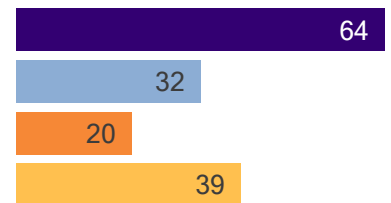


- Human Capital Management
- Ethics, Conduct, Social Licence
- Human Rights & Modern Slavery
- Other Social

Governance

 **97**

engagements discussed
governance issues



- Remuneration
- Board
- Diversity
- Other Governance

Stewardship Case Study: Arena

Utilising both engagement and proxy voting to effect change



Background: Arena, a social infrastructure owner with healthcare and childcare assets.

Issue: Absence of female directors was key concern given the childcare sector's high representation of women.

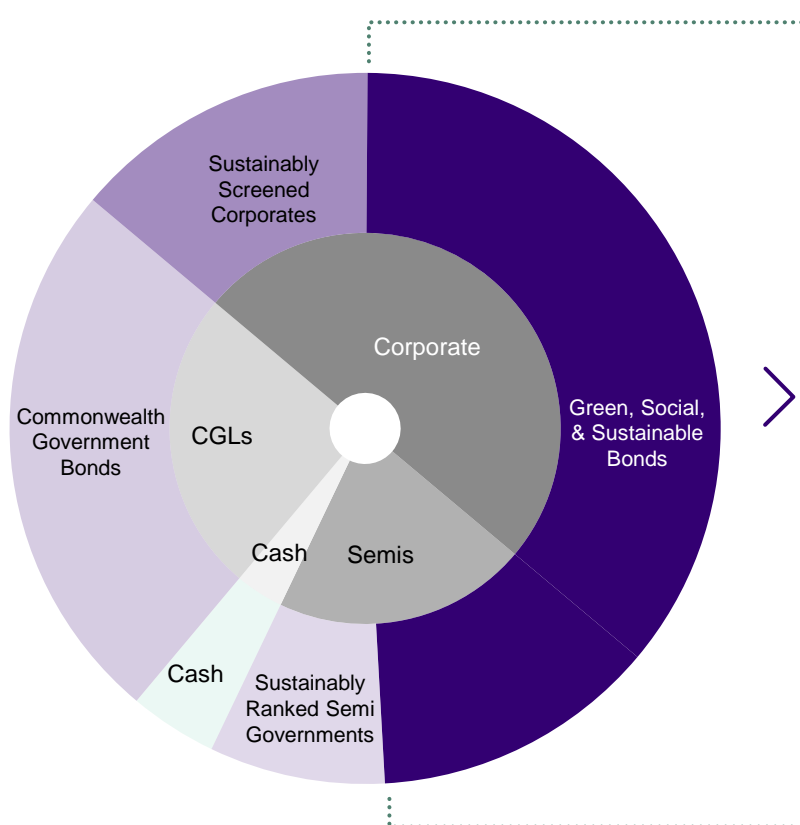
Strategy: We engaged with management on board diversity from November 2017 and indicated that Pental's support for the rem report at the 2018 AGM would be dependent on progress on this issue.

Response: By the 2018 AGM no female directors were appointed - we voted against the rem report and continued to engage on the issue.

Outcome: In August 2019, Arena appointed its first female director to the board. She has deep experience in property finance and social enterprise.

Australian Fixed Interest - Impact

Pendal Sustainable Australian Fixed Interest Fund - an innovative fixed income solution, designed to achieve the dual objectives of financial returns and sustainability. Chart below is at 31 July 2021.





Green, Social, & Sustainable Bonds

ADB Green Bond	LendLease Green Bond
ADB Gender Bond	Macq. University Sustainable Bond
African Development Bank Social Bond	Mitsubishi UFJ Fin Green
ANZ Sustainable Development Goal bond	NAB Climate Bond
Asian Infrastructure Investment Bank SDB	NAB Social Bond (Gender Equality)
Australian Catholic University Sustainable Bond	National Green RMBS
Canadian Pension Plan Green Bond	National Housing Social Bond
CBA Climate Bond	National Housing Sustainability Bond
EIB Climate Awareness Bond	New South Wales Treasury Corp Green Bond
IADB EYE Social Bond	New South Wales Treasury Sustainability Bond
IBRD Green Bond	Treasury Corp. of Victoria Green Bond
IBRD Sustainable Development Bond	Wesfarmers Sustainability-Linked Bond
IFC Social Bond	Westpac Climate Bond
KFW Green Bond	Woolworths Green Bond


Impact outcomes

Low carbon

 **22,283 tCO₂e**
GHG Emission Avoided p.a.
Equivalent to: **9,789** cars taken off the road p.a.

 **120** hectares
of forest restored
Equivalent to: **68** MCG stadiums by size

Renewable energy

 **20,040 MWh/year**
renewable energy generated
average household annual electricity use in Australia
Equivalent to: **4,360**

Green building

 **1,568 m²**
floor space

Social quality

 **10,367** people
with access to Information and Communication technology in third world remote regions


 **635**
small-scale farmers
reached for improved agricultural technology


 **1,360** jobs
created through supporting education & renewable energy plants

 **740** youth
in at risk training programs

Financial inclusion

 **4,333**
micro-loans
made to financially-underserved entrepreneurs from underdeveloped nations

 **1,525** loans
made to female-owned micro, small and medium enterprise with little access to formal sources of financing

 **83**
social/affordable homes

Source: Pendal Australia, Pendal Sustainable Australian Fixed Interest Fund impact reporting July 2021.

The above impact outcomes are based on projections provided by issuers of bond securities. The projections may be inaccurate or may not take into account risks and uncertainties.

Australian Credit – Impact Case Studies

Our investors helped Stacey and Luna find a home

Stacey is a single mum of a beautiful 2-year-old girl, Luna.

Since falling pregnant and having to leave work early due to her pregnancy being at high risk, Stacey returned home to Wagga.

Stacey didn't have a home to call her own and shared with family member after family member.

"It was never easy, and I always felt like I wasn't where I needed to be. Being a single parent is hard. Basically, surfing from house to house made things even harder."

When the opportunity was given to Stacey to live in one of Argyle Housing properties that was actually manageable for Stacey and her daughter.

"It really has felt that since moving in, my life with my daughter has truly begun."



Primary impact area: **Social**

Impact bond Issuers: **National Housing Finance & Investment Corporation**

Community Housing Project: Argyle Housing develops and leases affordable housing for Australians on low incomes.

 **argyle housing**

SDG aligned:



Help women like Nasima find a great career path

PRAN Group is the leading branded food and beverage group and the largest agro processor in Bangladesh. PRAN helps increase the availability of affordable, quality food products that source inputs directly from small farmers.

Nasima Khatun (pictured at right) has become a believer in her own ability to work, earn a living, and contribute significantly to her family's well-being.

"Before working here, I did not know that women too could work and earn a living," Nasima says. "I have now become smarter and have learnt a lot about women's empowerment and about life."



Primary impact area: **Social**

Impact bond issuers: **International Finance Corporation**

IFC's Social Bond Program funds projects that have a direct focus on those who are underserved, be it a woman-owned small business that lacks access to finance, a low-income household that lacks access to quality health care or a small farmer with no market for his crop.

Institutional name: **PRAN Group**

Country: **Bangladesh**

SDG aligned:



Australian Credit – Impact Case Studies

Our investors helped build a wind farm that powers 36,000 homes

Location:

The Gunning wind farm is located 70km north-east of Canberra.

Completion date: May 2011

Energy production:

equivalent up to 36,000 homes annually

CO2 emissions benefit:

approximately 160,000 tonnes per annum



Primary impact area: Climate

Impact bond issuers:

Westpac Banking Corp Climate Bond

Westpac issues Climate Bonds as part of its commitment to facilitate up to \$3 billion in climate change solutions by 2020.

SDG aligned:



Tamara was living in a car. Now she has a 'space to feel safe'

The end of her decade-long marriage was a devastating blow for Tamara.

Tamara was left living in her car, couch hopping and staying in garages as rentals were hard to find because "you've got 50 other people also looking for a home".

"I don't think that there can be a more devastating impact on someone's life than not having housing,"

Chris Bratchford, Executive Housing and Property, Mission Australia.

"If you don't have housing, how do you prepare for and present yourself for a job?"

Stories like Tamara's are all too common.

Tamara is now a tenant in one of Mission Australia's properties. "I love my home, it's my space to feel safe. It's my little piece of heaven."



Primary impact area: Social

Impact bond issuers: National Housing Finance & Investment Corporation

Community housing project:

Mission Australia Housing services helps provide safe and affordable housing and support for disadvantaged children and families.

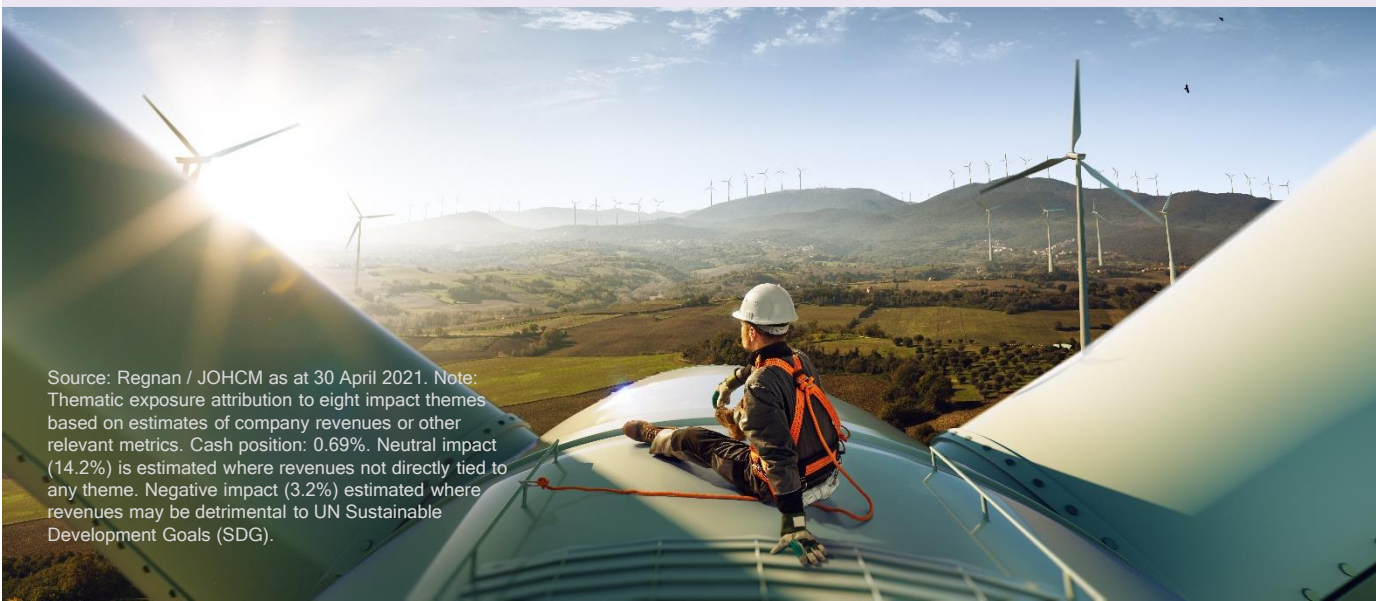
MISSION AUSTRALIA

SDG aligned:



Global Equity – Impact

Bottom up analysis of the UN Sustainable Development Goals (17) and the 169 underlying targets.
Invest into mission driven companies that are driving change through their own products and services



Source: Regnan / JOHCM as at 30 April 2021. Note: Thematic exposure attribution to eight impact themes based on estimates of company revenues or other relevant metrics. Cash position: 0.69%. Neutral impact (14.2%) is estimated where revenues not directly tied to any theme. Negative impact (3.2%) estimated where revenues may be detrimental to UN Sustainable Development Goals (SDG).

Global Equity – Impact



Electric Vehicle charging Infrastructure



Industrial Waste Recycling



Water Treatment Solutions



Water Treatment Solutions



Access to quality education



Reduced CO2 in building materials



Carbon neutral , biodegradable Clothing materials



Leading R&D software reducing design time and material waste



Our responsible investing history

Pendal has a proud 35-year heritage in and ongoing commitment to responsible investment (RI). While we offer a range of innovative product solutions to meet client RI-related needs, as a fiduciary and corporate citizen, our approach seeks to embed RI practices across all of our active management strategies and stewardship practices.

In 2019 Pendal assumed full ownership of Regnan, a responsible investment leader with a long and proud heritage in providing advisory, ESG research and stewardship services.

Pendal has a long history with Regnan dating back to 2001 through our association with BT Financial Group.

Now within the Pendal Group, Regnan continues to provide high quality research, thought leadership and stewardship services, though primarily to our investment teams. Building on its deep ESG expertise, Regnan has also expanded its capabilities into investment management.

PENDAL



dedicated RI Team

two experienced RI professionals support Pendal investment boutiques



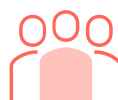
3

investment professionals

Portfolio Managers and Analysts specialising in RI across the boutiques

- Long history in managing RI strategies, across multiple asset classes
- Large, well resourced and experienced investment teams
- Focused on meeting client needs

Regnan



5

team of 5 multi-disciplinary ESG professionals, with 14 years' average ESG experience, driving research and engagement



4

impact specialists

responsible for managing Regnan impact investing strategies, in addition to research team

- Deep ESG research, engagement expertise and thought leadership
- Collaboration with and support for Pendal teams
- Expanding capabilities into investment management

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About Pental

Pental Group ('Pental') is an independent global investment manager focused on delivering superior investment returns for clients through active management. Pental manages \$139.3 billion¹ in FUM (as of June 30, 2021) in client assets through J O Hambro UK, Europe & Asia; JOHCM USA; Pental Australia, Regnan and TSW.

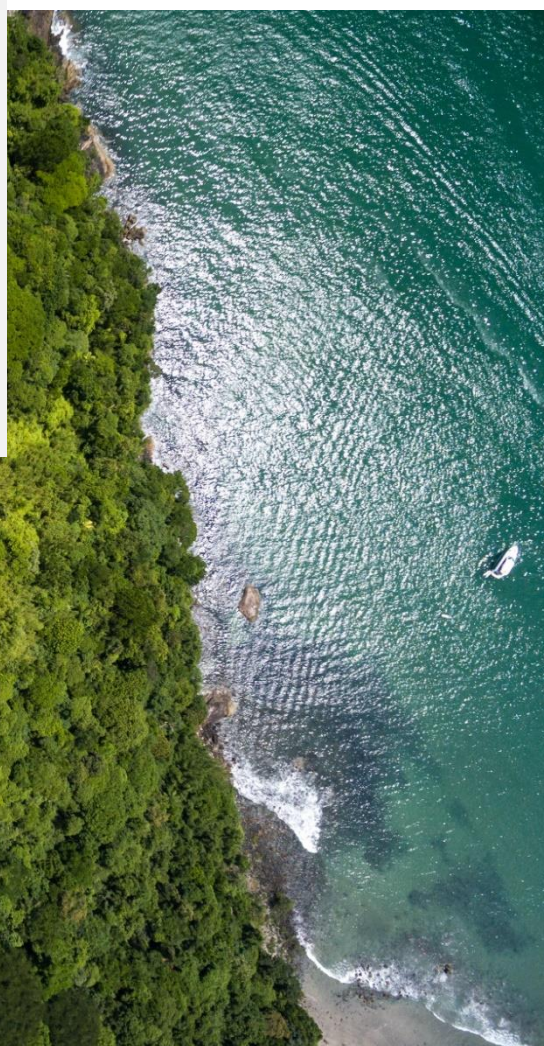
Pental operates a multi-boutique style business across a global marketplace through a meritocratic investment-led culture. Its experienced long-tenured fund managers have the autonomy to offer a broad range of investment strategies with high conviction based on an investment philosophy that fosters success from a diversity of insights and investment approaches.

Our proven and experienced fund managers have the autonomy to make decisions with convictions, built on a philosophy of meritocracy that fosters success from a diversity of insights and approaches to investment. Client success stands at the centre of everything we do and we recognise that trust is earned by delivering results and partnering with our clients to meet their needs. We view effective management of our impact upon the environment, the community and other stakeholders as critical to our continued ability to deliver sustainable value to our clients, employees and our shareholders.

Listed on the Australian Securities Exchange since 2007 (ASX:PDL), the company has offices in Sydney, Melbourne, London, Prague, Singapore, New York, Boston, Berwyn, PA and Richmond, VA.

¹ As at 30 June 2021 (Adjusted to include TSW FUM at 30 June 2021 following completion of acquisition on 23 July 2021)

PENTAL



To apply

Download an application form from the following link:

pendalgroup.com/investment-giving-application

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E: pendal@apexgroup.com

F: (02) 9251 3525



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For more information

> Application enquiries

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Investment information

> on the Pendal Sustainable
Balanced Fund please visit:

pendalgroup.com/investment-giving/

> Contact your charity

for information regarding the charity's work, deductible gift receipts, and other non investment enquiries



Brochure will be printed
on recycle paper