

Pendal Global Emerging Markets Opportunities Fund

ARSN: 159 605 811

Global Equities

July 2020

About the Fund

The Pendal Global Emerging Markets Opportunities Fund (**Fund**) is an actively managed portfolio of global emerging market shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI Emerging Markets (Standard) Index (Net Dividends) in AUD over the long term. The suggested investment time frame is seven years or more.

Description of Fund

This Fund is designed for investors who want the potential for long-term capital growth, diversification across a broad range of global emerging market shares and are prepared to accept high variability of returns. The Fund can invest in shares in a range of emerging markets and may also hold cash.

As manager of the Fund, J O Hambro Capital Management (**JOHCM**) investment process for global emerging market shares aims to add value through a combination of country allocation as well as individual stock selection. JOHCM's country allocation process is based on analysis of a country's economic growth, monetary policy, market liquidity, currency, governance/politics and equity market valuation. The stock selection process focuses on buying quality growth stocks at attractive valuations.

The Fund has assets that are denominated in foreign currencies. This means that changes to the Australian dollar relative to foreign currencies may affect the value of the assets of the Fund. The Fund's foreign currency exposure will generally not be hedged to the Australian dollar but JOHCM may do so from time to time. JOHCM does not intend to use currency trading as an additional source of Fund returns.

Derivatives may be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets. Derivatives can also be used to gain exposure to assets and markets.

Investment Manager

The portfolio is managed by J O Hambro Capital Management Limited, a wholly-owned subsidiary within the Pendal Group.

Other Information

Fund size (as at 31 Jul 2020)	\$281 million
Date of inception	November 2012
Minimum Investment	\$25,000
Buy-sell spread ¹	
For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Yearly
APIR code	BTA0419AU

¹ The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Management Costs²

Issuer fee ³	1.18% pa
-------------------------	----------

² You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

³ This is the fee we charge for overseeing the operations of the Fund and managing the assets of the Fund. The Issuer fee is paid from the assets of the Fund and is reflected in the unit price of your investment.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	2.15	2.25	4.58
3 months	4.27	4.58	7.58
6 months	-6.82	-6.27	-3.77
1 year (pa)	-2.52	-1.26	2.40
2 years (pa)	1.34	2.71	3.94
3 years (pa)	4.74	6.18	6.59
5 years (pa)	5.59	7.05	6.65
Since Inception (pa)	8.59	10.10	8.46

Country Allocation (as at 31 July 2020)

China	33.5%
South Korea	17.9%
India	13.4%
Taiwan	5.4%
Russia	3.4%
Mexico	2.9%
South Africa	2.2%
Turkey	2.1%
United Arab Emirates	2.0%
Other	13.5%
Cash	3.7%

Sector Allocation (as at 31 July 2020)

Real Estate	9.7%
Communication Services	16.1%
Industrials	6.4%
Utilities	3.3%
Information Technology	19.0%
Materials	7.6%
Energy	5.2%
Consumer Staples	5.6%
Financials	12.5%
Consumer Discretionary	10.9%
Cash	3.7%

Top 10 Holdings (as at 31 July 2020)

Samsung	8.8%
Tencent	8.1%
Prosus	4.6%
Barrick	4.2%
HDFC Bank	3.6%
SK Telecom	3.5%
Reliance Industries	3.3%
MediaTek	3.2%
ENN Energy	3.2%
Xinyi Solar	3.0%

Risks

An investment in the Fund involves risk, including:

- **Market risk** - The risk associated with factors that can influence the direction and volatility of an overall market, as opposed to security-specific risks. These factors can affect one country or a number of countries.
- **Security specific risk** - The risk associated with an individual asset.
- **International investments risk** – The risk arising from political and economic uncertainties, interest rate movements and differences in regulatory supervision associated with international investments.
- **Currency risk** - Currency exchange rate fluctuation risk arising from investing across multiple countries.
- **Regulatory risk** - The risk that a change in laws and regulations governing an investment or financial markets could have an adverse impact on an investment.

Please read the Fund's Product Disclosure Statement (**PDS**) for a detailed explanation of each of these risks.

Fund manager's commentary

The Fund underperformed over the month with stock selection weighing on relative returns. Country allocation calls, the driver of our process, also provided a drag, albeit to a lesser extent. Relative weakness stemmed primarily from China where our portfolio void in Alibaba hurt performance. Chinese stocks on the whole performed well with further signs of economic recovery boosting sentiment.

In terms of our country tilts, our underweight in Taiwan hampered relative returns as we didn't own Taiwan Semiconductor. Its shares surged towards the end of the month, continuing its strong run following the announcement that Intel's next-generation 7nm chips will be delayed until 2022. This is welcome news for Intel's competitor, Advanced Micro Devices (AMD), which is supplied by TSMC.

Our underweight in Brazil and overweight in Mexico also modestly detracted. There are a number of reasons why we (cautiously) prefer Mexico to Brazil at this time, including Brazil's difficult coronavirus statistics and extended fiscal deficit, but the outlook for monetary policy in the second half is another.

For more information please call **1800 813 886**,
contact your key account manager or visit pendalgroup.com

PENDAL

This factsheet has been prepared by Pental Fund Services Limited (PFSL) ABN 13 161 249 332, AFSL No 431426 and the information contained within is current as at the date of this factsheet. It is not to be published, or otherwise made available to any person other than the party to whom it is provided.

PFSL is the responsible entity and issuer of units in the Pental Global Emerging Markets Opportunities Fund (Fund) ARSN: 159 605 811. A product disclosure statement (PDS) is available for the Fund and can be obtained by calling 1800 813 886 or visiting www.pentalgroup.com. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of units in the Fund. An investment in the Fund is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested.

This factsheet is for general information purposes only, should not be considered as a comprehensive statement on any matter and should not be relied upon as such. It has been prepared without taking into account any recipient's personal objectives, financial situation or needs. Because of this, recipients should, before acting on this information, consider its appropriateness having regard to their individual objectives, financial situation and needs. This information is not to be regarded as a securities recommendation.

The information in this factsheet may contain material provided by third parties, is given in good faith and has been derived from sources believed to be accurate as at its issue date. While such material is published with necessary permission, and while all reasonable care has been taken to ensure that the information in this factsheet is complete and correct, to the maximum extent permitted by law neither PFSL nor any company in the Pental group accepts any responsibility or liability for the accuracy or completeness of this information.

Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Where performance returns are quoted "Post fees" then this assumes reinvestment of distributions and is calculated using exit prices which take into account management costs but not tax you may pay as an investor. Where performance returns are quoted "Pre fees and tax", they exclude the effects of management costs and any taxes. Past performance is not a reliable indicator of future performance.

If market movements, cash flows or changes in the nature of an investment (e.g. a change in credit rating) cause the Fund to exceed any of the investment ranges or limits specified, this will be rectified by PFSL as soon as reasonably practicable after becoming aware of it. If PFSL does so, it will have no other obligations in relation to these circumstances. The procedures, investment ranges, benchmarks and limits specified are accurate as at the date of this factsheet and PFSL reserves the right to vary these from time to time.