

Pendal MidCap Fund

ARSN: 130 466 581

Factsheet

Equity Strategies

March 2021

About the Fund

The Pendal MidCap Fund (**Fund**) is an actively managed portfolio of Australian mid cap shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Pendal MidCap Custom Index over the medium to long term. The suggested investment timeframe is five years or more.

Description of Fund

This Fund is designed for investors who want the potential for long term capital growth and tax effective income from a portfolio of primarily 40-60 Australian mid cap shares and are prepared to accept higher variability of returns. Pendal defines the mid cap universe to include companies ranked between 51 and 150 of the S&P/ASX 200 Index. The Fund may also invest in equivalent companies listed on the New Zealand Stock Exchange, hold cash and may use derivatives.

Pendal's investment process for Australian shares is based on our core investment style and aims to add value through active stock selection and fundamental company research. Pendal's core investment style is to select stocks based on our assessment of their long term worth and ability to outperform the market, without being restricted by a growth or value bias. Our fundamental company research focuses on valuation, franchise, management quality and risk factors (both financial and non-financial risk).

The Fund may have assets denominated in foreign currencies. This means that changes in the value of the Australian dollar relative to foreign currencies may affect the value of the assets of the Fund. The Fund's foreign currency exposure may be hedged from time to time, in whole or part.

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 Team

Pendal's Equity team is headed up by Crispin Murray who has extensive experience and a strong record in equities research. Andrew Waddington is the portfolio manager for the Fund.

A combination of the Australian equities large cap and small cap teams' research is used to construct the Pendal MidCap Fund.

Investment Guidelines

Investable universe	ASX and NZX listed and soon to be listed companies, generally with a market capitalisation of A\$0.5 billion to A\$5 billion; derivatives; cash
Investment ranges	Australian shares 80 - 100% New Zealand shares 0 - 10% Cash 0 - 20%
Ex-ante tracking error	3 - 8%
Number of stocks	Typically 40 - 60
Absolute stock position	15%
Maximum active stock position	+/- 5% ¹
Maximum active sector position relative to index	+/- 10% ¹

¹ compared to benchmark.

Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	3.51	3.59	2.37
3 months	1.27	1.49	1.32
6 months	18.13	18.66	17.37
1 year (pa)	48.03	48.91	56.30
3 years (pa)	8.75	9.67	10.13
5 years (pa)	12.40	13.59	12.47
7 years (pa)	12.05	13.32	11.67
10 years (pa)	11.04	12.66	9.02
Since Inception (pa)	10.36	12.33	6.76

Sector Allocation (as at 31 March 2021)

Energy	1.4%
Materials	23.0%
Industrials	16.7%
Consumer Discretionary	9.7%
Consumer Staples	8.6%
Health Care	7.7%
Information Technology	5.7%
Telecommunication Services	7.6%
Utilities	0.0%
Financials ex Property Trusts	5.3%
Property Trusts	5.5%
Cash & other	8.8%

Top 10 Holdings (as at 31 March 2021)

Metcash Trading Limited	5.9%
Nine Entertainment Co Ltd	5.5%
Seven Group Holdings Ltd	4.5%
Bluescope Steel Limited	4.0%
Healius Limited	3.5%
Resmed Inc	3.4%
Northern Star Resources	3.4%
JB Hi-Fi Limited	3.2%
Crown Resorts Limited	2.9%
Monadelphous Group Limited	2.7%

Other Information

Fund size (as at 31 Mar 2021)	\$537 million
Date of inception	June 2008
Minimum investment	\$25,000
Buy-sell spread ²	
For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Quarterly
APIR code	BTA0313AU

² The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Management Costs³

Issuer fee ⁴	0.90% p.a.
Performance fee ⁵	20% x the Fund's performance (before fees) in excess of the performance hurdle

³ You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

⁴ 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.

⁵ The Fund's performance fee is 20% of the Fund's performance in excess of the performance hurdle. The performance hurdle is the performance of the benchmark (Pental MidCap Custom Index) plus the issuer fee of 0.90% pa. If a performance fee is payable, it is charged in addition to the issuer fee. The fee is calculated each Business Day based on the investment performance and value of the Fund on that day. If we are entitled to a performance fee, it is paid to us as at 30 June each year.

Risks

An investment in the Fund involves risk, including:

- **Market risk:** The risk that factors affecting one or more countries that can influence the direction and volatility of an overall market, as opposed to security-specific risks.
- **Security specific risk:** The risks associated with an individual security.

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

About Commentary

At Pental Group, we pride ourselves on being inquisitive, asking questions and not simply accepting the 'status quo'.

In line with this approach, we have removed commentary from this Factsheet to ensure we provide you with key product information in a timely and efficient manner.

We encourage you to visit our pend.al/aus-equities page to access

- Latest market insights
- Newsletters
- Bespoke thought pieces
- Webinars
- Press releases and videos

You can also follow us [LinkedIn](#) and [Twitter](#) to discover and interact with our latest content.

For more information please call **1300 346 821**, contact your key account manager or visit pentalgroup.com

PENTAL

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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.

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