

### Pendal Focus Australian Share Fund

ARSN: 113 232 812

Equity Strategies

August 2021

#### About the Fund

The Pendal Focus Australian Share Fund (**Fund**) is an actively managed concentrated portfolio of Australian shares.

#### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes), that significantly exceeds the S&P/ASX300 (TR) 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 concentrated portfolio of primarily 15-30 Australian shares and are prepared to accept higher variability of returns. The Fund may also 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).

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.

#### Fund Positioning

The Fund is designed to complement a conventional, core share portfolio by providing satellite exposure to selected Australian equities with the potential for performance enhancement.

#### Investment Team

Pendal's eighteen member Equity team is one of the largest in the Australian fund's management industry. The portfolio manager for the Fund is Crispin Murray, who has more than 31 years' industry experience. Crispin is also Head of Equity.

#### Other Information

|  |                 |
|--|-----------------|
| Fund size (as at 31 Aug 2021)  | \$1,541 million |
| Date of inception  | April 2005      |
| Minimum investment   | \$25,000        |
| Buy-sell spread <sup>1</sup>   |                 |
| For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a> |                 |
| Distribution frequency   | Half-yearly     |
| APIR code  | RFA0059AU       |

#### Investment Guidelines

|   |             |
|---|-------------|
| Ex-ante tracking error                    | 3.0% - 6.0% |
| Max absolute stock position               | 15%         |
| Min/max sector position relative to index | +/- 15%     |
| Min/Max BARRA style factors               | +/- 0.5 SD  |
| SIRA style factors                        | Within 1 SD |
| Maximum cash level                        | 30%         |
| Shorting                                  | No          |
| Borrowing                                 | No          |

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

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

<sup>3</sup> 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.

<sup>4</sup> The Fund's performance fee is 15% of the Fund's performance in excess of the performance hurdle. The performance hurdle is the performance of the benchmark (S&P/ASX 300 (TR) Index) plus the issuer fee of 0.75% 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.

#### Performance

| (%)          | Total Returns |           | Benchmark Return |
|--------------|---------------|-----------|------------------|
|              | (post-fee)    | (pre-fee) |                  |
| 1 month      | 1.97          | 2.04      | 2.61             |
| 3 months     | 3.35          | 3.30      | 6.08             |
| FYTD         | 2.43          | 2.56      | 3.74             |
| 6 months     | 13.38         | 13.77     | 15.13            |
| 1 year (pa)  | 30.15         | 31.56     | 28.58            |
| 2 years (pa) | 13.13         | 14.31     | 10.63            |
| 3 years (pa) | 11.09         | 12.14     | 10.13            |
| 5 years (pa) | 13.00         | 14.21     | 11.05            |

#### Sector Allocation (as at 31 August 2021)

|                               |       |
|-------------------------------|-------|
| Energy                        | 5.2%  |
| Materials                     | 20.1% |
| Industrials                   | 7.1%  |
| Consumer Discretionary        | 3.6%  |
| Consumer Staples              | 5.4%  |
| Health Care                   | 8.8%  |
| Information Technology        | 9.6%  |
| Telecommunication Services    | 10.5% |
| Financials ex Property Trusts | 24.1% |
| Property Trusts               | 2.6%  |
| Cash & other                  | 3.0%  |

#### Top 10 Holdings (as at 31 August 2021)

|                                    |       |
|------------------------------------|-------|
| BHP Billiton Limited               | 10.6% |
| CSL Limited                        | 8.8%  |
| Westpac Banking Corporation        | 7.2%  |
| Commonwealth Bank of Australia Ltd | 6.9%  |
| Telstra Corporation Limited        | 6.7%  |
| Xero Limited                       | 5.2%  |
| ANZ Banking Group Limited          | 4.7%  |
| Qantas Airways Limited             | 3.8%  |
| Metcash Trading Limited            | 3.6%  |
| James Hardie Industries Plc        | 3.6%  |

#### Management Costs<sup>2</sup>

|                              |   |
|------------------------------|---|
| Issuer fee <sup>3</sup>      | 0.75% pa  |
| Performance fee <sup>4</sup> | 15% x the Fund's performance (before fees) in excess of the performance hurdle. |

## 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.
- **Concentrated portfolio risk** - The Fund's investment strategy of seeking to generate high returns by investing in a concentrated portfolio of Australian shares makes the Fund more volatile than a diversified Australian share fund.

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.

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

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**PENTAL**

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PFSL is the responsible entity and issuer of units in the Pental Focus Australian Share Fund (**Fund**) ARSN: 113 232 812. A product disclosure statement (**PDS**) is available for the Fund and can be obtained by calling 1300 346 821 or visiting [www.pentalgroup.com](https://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.

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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.