

Pendal Short Term Income Securities Fund

ARSN: 088 863 469

Income & Fixed Interest

31 May 2022

About the Fund

The Pendal Short Term Income Securities Fund (**Fund**) is an actively managed portfolio of primarily Australian cash and fixed interest securities. The Fund invests in a combination of short-term money market instruments and medium-term floating and fixed rate securities.

The Fund invests in short-term and medium-term securities that are investment grade¹. Duration is managed in a range of +/- 0.5 year around the index.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Bloomberg AusBond Bank Bill Index. The recommended investment time frame is 12 months or more.

Investment Approach

The Fund aims to add value through active management by exploiting market inefficiencies through the shape of the money market curve and the mispricing of credit securities. Research is focused on assessing economic factors, the likely direction of interest rates and credit analysis. Credit margin relative value is assessed with reference to rating, sector, maturity, liquidity and underlying credit fundamentals.

Investment Team

Pendal's Income & Fixed team includes eight dedicated investment professionals. The team also draws on a wide range of knowledge resources including Pendal's other specialist investment teams: Equity and Multi-Asset. The portfolio manager of the Fund is George Bishay, who has more than 28 years industry experience.

Portfolio Characteristics

Weighted average maturity	+/- 0.5 years around the index
Minimum credit rating	Investment Grade
Liquidity	Following day access (before 2.00pm)

Portfolio Statistics (as at 31 May 2022)

Running Yield [†]	1.83%
Yield to Maturity [#]	1.83%
Modified duration	0.10 years
Credit spread duration	1.37 years
Weighted Average Maturity	1.46 years

[†] The portfolio running yield is calculated as the weighted average coupon rate of the physical portfolio assuming all securities are held at par or face value. Carry/interest income from synthetic positions are excluded from this calculation. Running yield does not reflect the actual income return of the portfolio.

[#] The portfolio yield to maturity is an estimate of the fund's internal rate of return. It is calculated as the yield to maturity of all securities comprised in the benchmark at the relevant time (sourced from Bloomberg), plus our estimate of the weighted average traded margin over the swap rate for each of those securities based on observed market prices. The portfolio yield to maturity does not represent the actual return of the fund over any period.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-0.02	0.00	0.03
3 months	-0.21	-0.14	0.02
FYTD	-0.24	-0.01	0.05
6 months	-0.22	-0.09	0.04
1 year (pa)	-0.10	0.14	0.05
2 years (pa)	0.76	1.01	0.06
3 years (pa)	1.01	1.27	0.36
5 years (pa)	1.65	1.91	0.97

Post-fee return is based on management fees deducted from the unit price: currently 0.25% (pa).

Sector Allocation (as at 31 May 2022)

Money market	47.4%
Corporate	50.6%
Residential mortgage backed	2.0%
Government bond	0.0%
Other asset backed securities	0.0%

Security Credit Ratings (as at 31 May 2022)

AAA	6.7%
AA	17.4%
A	13.0%
BBB	15.5%
Money market	47.4%

Other Information

Fund size (as at 31 May 2022)	\$1,120 million
Date of inception	January 1994
Minimum investment	\$100,000
Buy-sell spread ¹	For the Fund's current buy-sell spread information, visit www.pendalgroup.com
Distribution frequency	Quarterly
APIR code	WFS0377AU

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	0.25% pa
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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.

¹ Investment grade securities refer to securities that are expected to have a high probability of payment of interest and repayment of principal.

About Commentary

At Pandal 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/Income&FixedInterest 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.

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.
- **Interest rate risk** – The risk associated with adverse changes in asset prices as a result of interest rate movements.
- **Credit risk** - The risk of an issuing entity defaulting on its obligation to pay interest/principal when due.
- **Liquidity risk** - The risk that an asset may not be converted to cash in a timely manner.
- **Counterparty risk** - The risk of another party to a transaction failing to meet its obligations.

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

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

PENDAL

This factsheet has been prepared by Pandal 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 Pandal Short Term Income Securities Fund (**Fund**) ARSN: 088 863 469. A product disclosure statement (**PDS**) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pandalgroup.com. The Target Market Determination (**TMD**) for the Fund is available at www.pandalgroup.com/ddo. You should obtain and consider the PDS and TMD 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.

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