

Pendal Global Emerging Markets Opportunities Fund

ARSN: 159 605 811

Factsheet

Global Equities

30 June 2022

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 30 Jun 2022)	\$243 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 a contribution to the transaction costs incurred by the Fund, when the Fund is purchasing and selling assets. The buy-sell spread is generally incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Management Costs²

Issuer fee ³	1.18% 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.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-3.92	-3.83	-2.61
3 months	-2.31	-2.03	-3.30
6 months	-12.93	-12.41	-12.91
1 year (pa)	-15.82	-14.82	-18.43
2 years (pa)	3.36	4.59	2.67
3 years (pa)	0.33	1.57	1.25
5 years (pa)	3.91	5.26	4.44
Since Inception (pa)	7.33	8.77	6.81

Country Allocation (as at 30 June 2022)

China	29.4%
South Korea	14.0%
India	12.9%
Brazil	10.3%
Mexico	7.6%
Taiwan	6.2%
South Africa	4.6%
United Arab Emirates	3.3%
Indonesia	2.0%
Other	5.5%
Cash	4.1%

Sector Allocation (as at 30 June 2022)

Real Estate	7.5%
Consumer Staples	10.0%
Materials	10.6%
Energy	5.6%
Utilities	3.2%
Industrials	5.6%
Communication Services	9.8%
Financials	19.7%
Health Care	0.0%
Information Technology	15.1%
Consumer Discretionary	8.8%
Cash	4.1%

Top 10 Holdings (as at 30 June 2022)

Tencent Holdings Ltd.	5.8%
Petroleo Brasileiro SA Sponsored ADR	4.4%
Samsung Electronics Co., Ltd.	3.4%
HDFC Bank Limited Sponsored ADR	3.3%
State Bank of India	3.2%
ENN Energy Holdings Limited	3.1%
Mahindra & Mahindra Ltd.	3.0%
Proya Cosmetics Co., Ltd. Class A	3.0%
Tsingtao Brewery Co., Ltd. Class H	3.0%
Longfor Group Holdings Ltd.	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.
- **Emerging markets risk** – The risk of asset price volatility and higher currency, default and liquidity risk from investments in emerging markets.
- **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 commentary

The second quarter of 2022 was another difficult one for global markets as rising inflation worsened expectations for interest rates and global growth. The ongoing effect of the Russian invasion of Ukraine saw commodity prices remain elevated, especially for energy and food commodities. MSCI EM index returned -11.4% in USD terms.

Despite a softer growth outlook, developed market central banks remained hawkish. Emerging markets faced capital outflows through the quarter, with bond market outflows from most high-beta emerging markets. Nevertheless, the actual global cycle remains reasonably healthy, for now. Emerging markets saw strong remittances and commodity exports: Brazilian and Chilean exports in the quarter were at record levels, while South Africa was almost a record.

The Chinese economy was especially weak through the quarter, with lockdowns in response to a new Covid-19 wave, although the end of the quarter saw improving survey data and growing evidence of coming fiscal policy support.

Against this backdrop, the best-performing markets were those that had previously been unloved by investors. China was the strongest market, with MSCI China rising 3.4% in USD terms. Other previous-laggards that outperformed were Indonesia, Thailand and Turkey. Some of the weakest markets were those that had previously seen capital inflows that reversed in the quarter. Latin American markets were amongst the weakest, as well as Saudi Arabia and South Africa.

In the quarter we maintained our overweight exposure to markets seeing a strong commodity boost to exports and growth. In Brazil we reduced commodities and added to domestic stocks, while we also increased our allocation to Mexico. We continue to monitor Chinese data closely, looking for signs of a further positive shift, but in its absence, we remain underweight Chinese equities and defensively positioned within our Chinese subportfolio. We also reduced our exposure to Korean exporters on concerns about the global cycle, although we remain overweight the country.

We continue to see significant growth opportunities in the commodity economies that have some of the strongest terms of trade and trade balances they have ever had. We do not see signs of over-extended economic cycles in the countries and believe that they can withstand weaker global growth without their own growth declining too far. These remain our preferred markets, including Mexico, Brazil, South Africa and the UAE. We are alert to opportunities that recent market weakness has caused in these countries.

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

PENDAL

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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 1300 346 821 or visiting www.pentalgroup.com. The Target Market Determination (TMD) for the Fund is available at www.pentalgroup.com/tdo. 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.