

Pendal Sustainable Australian Share Fund

ARSN: 097 661 857

Equity Strategies

30 June 2022

About the Fund

The Pendal Sustainable Australian Share Fund (**Fund**) is an actively managed portfolio of Australian shares. Investments are selected based on a range of sustainable, ethical and financial criteria. The Fund seeks exposure to companies that are more sustainable while avoiding those that cause significant social and/or environmental harm.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 200 (TR) Index over the medium to long term, whilst maximising the portfolio's focus on sustainability. The recommended investment timeframe is five years or more.

Investment Approach

The Fund seeks to avoid companies that cause harm or undermine a more sustainable economy. On this basis, we employ sector/activity-based exclusionary screens, as well as incident-based screens.

In managing the Fund, we avoid companies involved in:

- Fossil Fuels
- Uranium
- Logging
- Gambling
- Pornography
- Weapons
- Alcohol
- Tobacco
- Animal cruelty
- Predatory lending practices
- Breaches/Misconduct

Refer to the PDS for full details.

The Fund also applies a sustainability assessment framework alongside the core portfolio construction process. It draws on both qualitative and quantitative inputs to determine which companies meet our sustainability criteria.

The Fund's sustainability assessment framework considers a company's characteristics, including:

- The extent to which its products or services are beneficial to the environment and/or society;
- The manner in which it conducts its business and employs leading sustainability practices; and
- Its management of its environmental, social and governance (ESG) risks.

The Fund typically favours companies which demonstrate leading sustainability characteristics under this assessment framework, and typically avoids those which rate poorly. Any investment in the Fund, regardless of its sustainability assessment, must also pass our rigorous fundamental investment criteria before being owned in the portfolio.

Additionally, Pendal actively engages with companies as part of the management of this Fund. For example, we engage companies to ensure ESG risks are being appropriately managed, to avoid or minimise potential harms, and to drive changes to improve a company's sustainability characteristics.

Investment Team

The Fund is managed by Rajinder Singh in Pendal's Australian Equity team who has more than 20 years' industry experience.

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.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-11.06	-10.99	-8.77
3 months	-14.98	-14.80	-11.90
6 months	-15.99	-15.63	-9.93
1 year (pa)	-11.01	-10.24	-6.47
2 years (pa)	7.61	8.53	9.33
3 years (pa)	2.60	3.48	3.34
5 years (pa)	5.69	6.59	6.83

Sector Allocation (as at 30 June 2022)

Materials	21.9%
Industrials	9.8%
Consumer Discretionary	0.0%
Consumer Staples	0.6%
Health Care	12.4%
Information Technology	3.0%
Telecommunication Services	9.4%
Utilities	0.0%
Financials ex Property Trusts	30.4%
Property Trusts	5.4%
Cash & other	7.1%

Top 10 Holdings (as at 30 June 2022)

CSL Limited	10.5%
Commonwealth Bank of Australia Ltd	7.0%
National Australia Bank Limited	6.3%
Telstra Corporation Limited	6.1%
Macquarie Group Limited	4.2%
Westpac Banking Corporation	3.9%
QBE Insurance Group Limited	3.8%
Downer EDI Limited	3.5%
Qantas Airways Limited	3.5%
Orora Limited	3.0%



CERTIFIED BY RIAA

The Pendal Sustainable Australian Share Fund has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestment.org for details.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Other information

Fund size (as at 30 Jun 2022)	\$381 million
Date of inception	October 2001
Minimum investment	\$25,000
Buy-sell spread ¹	
For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Half-yearly
APIR code	WFS0285AU

³ 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	0.85% 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.

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 pendalgroup.com

Carbon performance

The estimated weighted average carbon intensity (WACI) of the portfolio, using greenhouse gas emissions (scope 1 and 2¹) data supplied by ISS and weighted by the size of our holding in each company, is shown in the table below. In other words, this provides an indication of a portfolio's exposure to carbon intensive companies. We also compare this to the weighted average emissions of the companies in the aggregated ASX300 index.

We caution that there are limitations of using carbon metrics as an indicator of a portfolio's overall exposure to climate-related risks. For example, not all companies report their emissions data and hence some of the below analysis includes estimates. Also, it does not include scope 3 emissions. Further, portfolio carbon analysis does not capture exposure to physical climate-related risks, or the unique transition risks some companies within the portfolio face. Nevertheless, the WACI metric is recommended by the Task Force on Climate-related Financial Disclosures (TCFD)², noting it supports greater comparability of investor reporting.

Weighted Average Carbon Intensity (tonnes CO₂e / \$M revenue)

Pental Sustainable Australian Share Fund	ASX 300	Relative to ASX300
114.27	228.62	-114.35

Source: ISS, Pental holdings as at 30 June 2022. Report run on 05/07/2022 using latest ISS data. Currency AUD.

¹ Scope 1 emissions result from sources directly owned or controlled by the company. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Scope 3 emissions result from activities not directly owned or controlled by the company but are associated with its operation such as business travel, waste management, commuting, and the use of sold products and services. <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

² Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017 <https://www.fsb-tcf.org/recommendations/>

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 Sustainable Australian Share Fund (Fund) ARSN: 097 661 857. 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/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.

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.

PENTAL