PENDAL

Factsheet

Pendal Global Select Fund

Class P

ARSN: 651 789 678

Global Equities

31 July 2022

About the Fund

The Pendal Global Select Fund (**Fund**) is an actively managed portfolio of global shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI ACWI NR Index (net dividends reinvested) in AUD over rolling 5 year periods. The suggested investment timeframe is five years or more.

Description of Fund

The Fund is designed for investors who want the potential for long-term capital growth from a concentrated portfolio of listed global equities, with an investment timeframe of 5 years or greater and are prepared to accept higher variability of returns.

The Fund's strategy is based on a belief that stock markets are inefficient and aim to exploit market anomalies via an investment process that combines both top-down and bottom-up research. As investment manager, JOHCM's distinct '4-Dimensional' investment process (stocks, sectors, countries, time/change) focuses on the behaviour of each share price to determine whether the most important driver of each prospective investment is stock specific, sector or country-based.

The Fund will typically hold 30-60 stocks and is benchmark agnostic.

The investment manager recognises that ESG factors can create risks and opportunities for companies and as such incorporates ESG risks into their analytical framework and portfolio construction. Further, the Fund employs exclusionary screens to avoid investments in companies that cause significant social and/or environmental harm.

The Fund will not invest in companies directly involved in either of the following activities:

- tobacco production (including e-cigarettes and inhalers); or
- controversial weapons manufacture (such as cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The Fund will also not invest in companies which derive 10% or more of their total revenue directly from any of the following activities:

- extraction, exploration, distribution, or refinement of fossil fuels, or fossil fuel-based power generation*;
- production of alcoholic beverages;
- manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering;
- manufacture of non-controversial weapons or armaments;
- manufacture or distribution of pornography; and
- uranium mining for the purpose of nuclear power generation.

Investment Team

The strategy is managed by Christopher Lees Senior Fund Manager and Nudgem Richyal, both Senior Fund Managers at JOHCM since joining in 2008. Chris has 31 years of industry experience and Nudgem has 21 years of industry experience. Prior to joining JOHCM, Chris and Nudgem worked together at Baring Asset Management. They have employed their current approach to investing in global equities since 2004. The team leverages the full breadth of JOHCM's 40+ portfolio managers and analysts as part of the investment process.

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	4.61	4.67	5.43
3 months	-2.34	-2.16	-0.11
6 months	-15.11	-14.80	-9.33
1 year (pa)	-15.61	-14.98	-5.71
Since Inception (pa)	-15.61	-14.98	-5.71

Country Allocation (as at 31 July 2022)

Australia	2.0%
Denmark	5.5%
Netherlands	4.3%
Sweden	2.1%
Hong Kong	5.7%
Japan	4.9%
Other Asia	0.0%
Canada	0.0%
USA	72.1%
Cash	3.5%

Sector Allocation (as at 31 July 2022)

Energy	2.3%
Materials	8.7%
Industrials	10.2%
Consumer Discretionary	8.6%
Consumer Staples	2.7%
Health Care	29.0%
Information Technology	15.7%
Telecommunication Services	4.1%
Utilities	2.7%
Financials ex Property Trusts	12.6%
Property Trusts	0.0%
Cash	3.5%

Top 10 Holdings (as at 31 July 2022)

Chart Industries, Inc.	3.1%
Keysight Technologies Inc	2.8%
Novo Nordisk A/S Class B	2.8%
Nasdaq, Inc.	2.8%
Intuit Inc.	2.8%
United Rentals, Inc.	2.7%
Estee Lauder Companies Inc. Class A	2.7%
Agilent Technologies, Inc.	2.7%
Thermo Fisher Scientific Inc.	2.7%
Microsoft Corporation	2.7%

*Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate-related financial disclosures annually, which in both cases we consider credible. We define fossil fuels as coal, oil and natural gas.

Fees and cost

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

Management fee[1]	0.75% pa plus the performance fee
Performance fee[2]	15% of the Class P Unit's performance (before fees) in excess of the performance hurdle

[1] This is the fee we charge for managing the assets and overseeing the operations of the Fund. The management fee is deducted from the Fund's assets and reflected in its unit price.

[2] This is the fee we charge if the Fund's investment performance exceeds its performance hurdle, and any performance deficit has been recouped. The Fund's performance fee is 15% of the Fund's performance in excess of the performance return hurdle. The performance hurdle is the performance of the Fund's benchmark (MSCI ACWI NR Index (net dividends reinvested) in AUD) plus the management fee of 0.75% pa. If a performance fee is payable, it is charged in addition to the management fee. The performance fee is calculated in dollar terms 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.

Other Information

Date of inception	30 July 2021
Minimum investment	$25,000
Buy-sell spread[3] For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Yearly
APIR code	PDL3591AU

[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.

Fund manager commentary

The behaviour of global financial markets in July reminds us of the axiom 'never short a dull market'. The market moved more favourably for our portfolio during the month, as yields seem to have topped out, temporarily at least. With this pause in yields, growth as a style had a better month than value.

A strong July tends to accompany an up-year in markets, with the caveat that a strong July also increases the odds of a correction in the next five months. Other good 'data mining' news includes the fact that we observed three days of +1% gains in the S&P 500 following a 75 basis point rise in the Fed Funds target rate on 27 July. Eighty percent of the time the market is up in three to six months' time in such cases. This bullish observation only goes back to 2002 and may not hold due to the small sample size.

Unfortunately, we managed to lag the bounce In July. However, we believe the changes that we have made to the portfolio and the evolution of market behaviour should continue to help our performance. Investors might bear in mind that the third quarter of the year is usually the weakest of any year. This year is likely to be especially volatile given the US mid-term elections in November.

The energy and electricity situation in Europe continues to deteriorate. Much of the pressure is self-inflicted and revolves around the misunderstanding that transitions take time. European policymakers want to wish themselves a cleaner and greener energy base ignoring the time, effort, money and potential hit on the consumer this involves. There is a non-negligible risk that the aggregate GHG emissions and carbon footprints of our benchmark actually worsen in the next few quarters as European firms switch from gas to diesel or coal. Why don't they switch on nuclear? Sadly, the water levels are too low to help cool the nuclear reactors that are currently in operation let alone those that have been idled. The low water levels are a problem for barge transport which complicates the shift to coal.

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.
- **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.
- **Concentrated portfolio risk –** The Fund's investment strategy of seeking to generate high returns by investing in a concentrated portfolio of global shares may make the Fund more volatile than a diversified global share fund with a larger number of shares. This means there is a greater risk of negative returns, particularly over the short to medium term.
- **Emerging markets risk** – The risk of asset price volatility and higher currency, default and liquidity risk from investments in emerging markets.
- **Derivatives risk** – The risks arising from use of derivatives to manage exposures to investment markets.
- **Class risk** - The Fund has been established as a separate class of units in the Scheme. As the assets are held on trust for all investors, there is a risk that investors of one class, may be exposed to liabilities of another class of units and they could lose some or all of their investment in the Fund. There is also a risk that in the event of an insolvency, the assets of the Fund could be made available to creditors of another class of units of the Scheme.

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**

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