

About the Fund

The Pendal Concentrated Global Share Fund (**Fund**) is an actively managed concentrated portfolio of global shares diversified across a broad range of global sharemarkets. The Fund is managed by Pendal's Global Equities team and typically holds between 35-55 stocks that we believe are undervalued in the near term and offer long term capital growth.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI World ex-Australia (Standard) Index (Net Dividends) in AUD over the medium to long term. 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 global shares, diversified across a broad range of global sharemarkets and are prepared to accept higher variability of returns. The Fund invests in global companies that offer attractive investment opportunities predominately in markets such as the USA, UK, Continental Europe, Asia and Japan. The Fund may also hold cash and use derivatives.

Pendal's investment process for global shares aims to add value through active stock selection and fundamental company research. Pendal focuses on identifying a company's long term value and potential risk reward opportunity and is benchmark agnostic. Our high conviction approach to the Fund's investments seeks to invest in companies that are out of favour, considered to be undervalued in the near term and offer long term capital growth. The Fund will typically hold between 35-55 stocks.

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. Generally, these currency exposures will not be hedged to the Australian dollar but Pendal may do so from time to time.

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 may also be used to gain exposure to assets and markets.

Investment Team

Pendal's Global Equities team is led by Ashley Pittard. Ashley is the Portfolio Manager for the Concentrated Global Share Fund and has been analysing and investing in global businesses for over 27 years. He was appointed as Pendal's Head of Global Equities in 2016. The two person Global Equities team is organised on an industry basis and has an average finance industry tenure of over fifteen years. The Global Equities team will also leverage Pendal Group's global investment management resources, including those of TSW, Regnan and J O Hambro Capital Management, which are 100% owned by Pendal Group, with offices in London, Singapore, New York, Boston and Washington.

Fees and costs

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	0.90% pa
-----------------------------	----------

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.

Other Information

Fund size (as at 31 Dec 2022)	\$601 million
Date of inception	29 July 2016
Minimum investment	\$25,000
Buy-sell spread ²	
For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Yearly
APIR code	BTA0503AU

² 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.

Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	-2.75	-2.68	-5.49
3 months	11.45	11.70	3.95
6 months	8.33	8.82	4.31
1 year (pa)	-3.08	-2.20	-12.52
2 years (pa)	10.04	11.03	6.47
3 years (pa)	5.88	6.84	6.22
5 years (pa)	7.95	8.94	9.26
Since Inception (pa)	9.93	11.03	10.52

We have made some historic revisions to our pre-fee returns. From December 2018 to January 2020, returns for the Fund included a 'gross up' for fees that overstated the issuer fee deducted from the Fund. The historic pre-fee returns have been reduced to reflect the correct fee 'gross up'. The magnitude of the reduction is around 0.2% p.a.

Country Allocation (as at 31 December 2022)

Belgium	6.9%
France	12.0%
Germany	2.3%
Netherlands	2.2%
Spain	4.1%
Switzerland	4.5%
United Kingdom	6.0%
Hong Kong	1.6%
Japan	4.9%
Canada	1.1%
USA	53.5%
Cash & other	0.9%

Sector Allocation (as at 31 December 2022)

Energy	6.8%
Materials	6.9%
Industrials	15.0%
Consumer Discretionary	1.8%
Consumer Staples	14.7%
Health Care	8.4%
Information Technology	11.0%
Telecommunication Services	8.7%
Financials ex Property Trusts	23.0%
Property Trust	2.9%
Cash & other	0.9%

Top 10 Holdings (as at 31 December 2022)

Wells Fargo & Co	4.8%
Anheuser-Busch InBev SA/NV	4.4%
Lloyds Banking Group PLC	4.1%
TotalEnergies SE	3.9%
Freeport-McMoRan Inc	3.8%
Merck & Co Inc	3.8%
Boeing Co/The	3.7%
Sanofi	3.6%
Airbus SE	3.5%
Analog Devices Inc	3.5%

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.

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

Market review

The World Developed Market fell -5.0% in December, underperforming Emerging Markets, which fell -1.9%. Developed Markets returns were led by Europe and Australia (-3.2%), while EM was led by Asia ex Japan (-0.8%). All sectors saw losses in the month; the top performers were Utilities (-0.7%), Health Care (-2.0%) and Consumer Staples (-2.62%). Consumer Discretionary (-9.6%), Information Technology (-8.4%) and Communication Services (-7.0%) were the bottom-performing sectors globally. The AUD was broadly flat in December against the USD, depreciating -0.2% and capping off a -6.7% decline for the calendar year.

In the US, the NASDAQ (-9.0%) was the worst performer, while the S&P500 (5.8%) and Dow Jones Industrial (-4.1%) also retraced. In Europe, as the Euro Stoxx index fell -4.3%, most European markets felt losses. The French CAC 40 (-3.8%), German DAX (-3.3%) & UK FTSE (-1.5%) were key examples of these. Returns in Asia were mixed - the Nikkei sank -6.6% on the back of the surprise Bank of Japan policy pivot while China reopening speculation grew traction and the Hong Kong Hang Seng gained 6.4% over December.

The key issue for markets from here is whether we are seeing the US economy slowing enough to relieve inflationary pressure via labour markets and commodity prices allowing markets to conclude the forward pricing of rate increases has peaked, regardless of Fed rhetoric.

Fund performance

The Fund outperformed the benchmark in December, with global markets retracing some of the gains made earlier in the quarter. HK & Chinese markets outperformed with news of re-opening of the Chinese economy. US markets underperformed European markets, in a large part due to their larger weighting in the technology sector. Our under-weight position in the technology sector helped to drive our outperformance this month.

Our holdings in European banks; Caixa Bank and KBC contributed to the fund's outperformance in December. Whilst a rising interest rate environment in Europe is a key driver, both banks are performing well operationally. Spanish bank, Caixa held an analyst event at the beginning of the month in which the CFO presented the likely impact of upcoming accounting changes. Whilst these changes present a headwind for the industry, the impact for Caixa is within previous expectations and the company reiterated capital return targets for 2022-24. Management continues to see

supportive net interest income trends in 2023 helped by Euribor repricing. Whilst cost pressures are evident and loan growth is expected to slow, asset quality remains solid. The merger with Portuguese bank; Bankia allows for further cross selling opportunities and cost synergies in the medium term.

After underperforming in November, our holding in Warner Bros Discovery was a notable outperformer in December. Whilst we have acknowledged the company faces both structural and cyclical challenges, our view has been that the core business represents compelling value with larger than expected cost synergies to be extracted from the combined Warner Bros/Discovery Business. Management revised estimates related to restructuring charges in December which should be substantially complete by the end of 2024. The key focus for management in the next six months will be to launch a combined streaming service, whilst improving free cash flow across the business. We believe the market is underestimating management's ability to extract synergies and monetise the existing asset base.

Our holding in Pfizer underperformed in December. Pfizer has been a position for the fund since 2016. Post the COVID highs we trimmed the position to reflect a less compelling valuation. Whilst the analyst day in December underlined the promise of new product launches, the reality is that the company like many of its peers is facing upcoming patent expires at a time when COVID related sales are slowing. Whilst the COVID pandemic allowed Pfizer to showcase its R&D and global manufacturing expertise, it has become increasingly difficult for us value the company longer term based off a pipeline of assets in which it is difficult for us to ascribe a long-term value.

Market outlook

We expect operating conditions to remain challenging for corporates and global geopolitical tension remains elevated into 2023. However, our view has always been that predicting geopolitical, or macro events is not our skill set. We prefer to remain focused on owning companies that can withstand externalities, whilst at the same time outperform their peers. Our job is to protect and grow our investor's capital over the long term. The companies held in the portfolio have a proven ability to withstand economic downturns and strengthen their market positions. We invest in companies where we can garner a deep understanding of the business model, the inherent risks and opportunities. Heightened volatility and uncertainty in markets leads to indiscriminate selling, we intend to remain alert to the investment opportunities that may be present themselves as a result.

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

PENDAL

This fact sheet 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 Concentrated Global Share Fund (Fund) ARSN 613 608 085. 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 fact sheet 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 fact sheet 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 fact sheet 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 fact sheet and PFSL reserves the right to vary these from time to time.