PENDAL

Factsheet

Global Equities

30 April 2023

Pendal Global Select Fund

Class R

ARSN: 651 789 678

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 developed and emerging market 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 (including 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 gross 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.

CERTIFIED BY RIAA

The Pendal Global Select Fund has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au 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.

Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	0.37	0.45	2.80
3 months	2.95	3.18	8.30
6 months	1.10	1.55	9.03
1 year	-2.61	-1.74	9.75
Since Inception (p.a)	-9.53	-8.70	2.06

Source: Pendal as at 30 April 2023

"Post-fee" returns assume reinvestment of distributions and is calculated using exit prices. "Pre-fee" returns exclude the effects of management costs and any taxes. Returns for periods greater than one year are annualised. Fund inception: July 2021.

Past performance is not a reliable indicator of future performance.

Country Allocation (as at 30 April 2023)

United States	69.9%
Japan	5.2%
Denmark	4.6%
Germany	2.4%
Australia	2.4%
Mexico	2.4%
Indonesia	2.4%
Brazil	2.3%
United Kingdom	2.2%
Sweden	2.2%
Other Countries	0.7%
Cash & Other	3.3%

Sector Allocation (as at 30 April 2023)

Energy	2.5%
Materials	7.3%
Industrials	9.1%
Consumer Discretionary	5.0%
Consumer Staples	7.6%
Health Care	21.5%
Information Technology	22.5%
Telecommunication Services	2.8%
Utilities	2.3%
Financials ex Property Trusts	16.2%
Property Trusts	0.0%
Cash & other	3.3%

Top 10 Holdings (as at 30 April 2023)

Microsoft Corp	2.9%
Alphabet Inc	2.8%
Vertex Pharmaceuticals Inc	2.7%
Sony Group Corp	2.7%
Linde PLC	2.7%
Regeneron Pharmaceuticals Inc	2.6%
Intercontinental Exchange Inc	2.5%
Intuit Inc	2.5%
Keyence Corp	2.5%
GXO Logistics Inc	2.5%

*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.

All reasonable care has been taken to implement the Fund's exclusionary screens to meet the criteria described above. We draw on internal and supplementary external research, believed to be accurate, to determine whether a company is subject to the exclusionary screens.

For more information on how these exclusions are applied, refer to section 5 'How we invest your money' of the Fund's Product Disclosure Statement at https://www.pendalgroup.com/PendalGlobalSelectFundClassR-PDS

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

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. J O Hambro Capital Management's immediate parent, Pendal Group Limited, is a wholly owned subsidiary of Perpetual Limited. (ASX ticker: PPT).

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

Date of inception	30 July 2021
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	PDL6767AU

[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.

Fund manager commentary

April was an upbeat month for the global economy, as investors' optimism remained resilient despite an anticipated announcement of a 25bps rate increase from the Federal Reserve (Fed). The latest economic data readings suggest that economic growth is fading, labour markets are beginning to weaken, and inflation will continue to fall as countries start to feel the impact of energy price declines. S&P500 made fractional gains in April, but uncertainty in the banking sector persisted; JP Morgan's rescue of First Republic, the most significant casualty in 2023's banking sector crunch, appeared to soothe investors' fears. We own zero Western banks, so we avoided the most recent US regional banking crisis developments.

The fund underperformed the benchmark in April, but big tech beat expectations and company earnings showed signs of resilience. In a shock to most investors, Microsoft and Alphabet announced strength in core business activities; despite this, the broader technology sector was in negative territory. In April, the best performing holdings were B3, Vertex Pharmaceuticals and Banco Bradesco, up by more than 10%. Conversely, the worst performing stocks were MorningStar, United Rentals and Fortescue Metals Group, and we are reviewing these holdings. There were no significant changes to the portfolio during the month, but we are looking for opportunities to add some new growth stocks into the portfolio.

Volatility in equity markets will probably persist and our base case is that interest rates will probably peak soon and then remain slightly higher for longer than the bond market currently expects. So we are focusing on quality growth stocks with rock solid balance sheets that can withstand the current banking crisis and future recession risk. We see improving relative fundamentals, attractive valuation, and improving relative share price trends in the following neighbourhoods:

1) Quality growth stocks, many of which are already down 30-50%.

2) UK & European & Japanese global champions, ie exporters

3) Emerging markets domestic consumption growth stocks

4) China reopening/recovering, but probably more indirect than direct opportunities

Our current scenario analysis is 50% bullish and 50% bearish. Short term reasons to be bearish include recession risk and financial crisis/contagion risk. Medium term reasons to be bullish include the Fed regaining credibility with inflation & interest rates stabilising this year.

Scenario 1 = 40% probability of rally led by quality growth stocks. It is probably nearer the end of the bear market for economically resilient quality growth stocks that are already down 30-50% after their 2022 interest rate shock.

Scenario 2 = 10% probability of rally led by cyclical stocks. It is probably nearer the beginning of the Bear market for these stocks because of financial contagion risk and their recessionary earnings risk, but will the equity market look through this?

Scenario 3 = 50% probability equity markets remain volatile or fall. Healthcare is our biggest position relative to benchmark given the sectors positive fundamentals, valuation and trend.

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**

PENDAL