

### Pendal Geared Imputation Fund

ARSN: 102 970 089

Equity Strategies

29 February 2024

#### About the Fund

The Pendal Geared Imputation Fund (**Fund**) is an actively managed fund that invests in a geared portfolio of Australian shares.

Investors should be aware that due to the Fund's geared investment strategy there is some additional risk involved in investing in the Fund compared to a conventional Australian equities fund. Gearing magnifies both investment gains and losses<sup>3</sup>.

#### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 (TR) Index over the long term. The suggested timeframe is seven years or more.

#### Description of Fund

This Fund is designed for experienced investors who want the potential for long-term capital growth and tax effective income, diversification across a broad range of Australian companies and industries and are prepared to accept high variability of returns. The Fund will primarily invest in a geared portfolio of Australian shares, including Australian listed property securities and convertible preference shares, that offer above average income returns. The Fund may also hold cash and may use derivatives.

The Fund currently invests in the Pendal Geared Imputation Trust (**Trust**). The Trust borrows money to increase the amount it can invest in assets, thus potentially increasing investment performance. This is known as gearing.

Gearing means borrowing to invest and therefore magnifies both investment gains and losses. This means that returns are higher during a rising market and losses greater during a falling market (in each case less the interest paid on the borrowings), compared to a similar investment that is not geared. Due to the Fund's geared investment strategy there is some additional risk involved in investing in the Fund compared to a conventional Australian shares fund.

The maximum amount borrowed is 60% of the fund's assets. Gearing levels may vary daily with movements in interest rates and dividend yields. Refer to the Product Disclosure Statement for full details of the gearing process.

Pendal's investment process for Australian shares is based on our core investment style and aims to add value through active stock selection and fundamental company research. Pendal's core investment style is to select stocks based on our assessment of their long term worth and ability to outperform the market, without being restricted by a growth or value bias. Our fundamental company research focuses on valuation, franchise, management quality and risk factors (both financial and non-financial risk).

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.

#### Advantages of investing through a geared fund:

- easier and quicker than applying for a personal borrowing facility
- due to its size, the Fund may borrow at a very competitive interest rates
- does not require the investor to meet or provide additional security repayments in case of a market downturn
- provides access to a geared investment for entities that may be restricted from this type of investment themselves

#### Investment Guidelines

Ex-ante (forward looking) tracking error	2.0% - 6.0%
Min/max stock position	+/-4%*
Min/max sector position	+/-8%*

\* Compared to benchmark

#### Investment Team

Pendal's nineteen member Equity team is one of the largest in the Australian funds management industry. The portfolio manager for the Fund is Jim Taylor.

#### Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-0.07	0.04	0.98
3 months	11.95	12.35	9.46
6 months	7.66	8.44	7.44
1 year	8.56	10.13	10.53
2 years (p.a)	8.45	10.02	8.52
3 years (p.a)	11.81	13.44	9.09
5 years (p.a)	8.48	10.06	8.61
Since Inception (p.a)	9.24	10.72	8.86

Source: Pendal as at 29 February 2024

"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: January 2003

Past performance is not a reliable indicator of future performance.

#### Sector Allocation (as at 29 February 2024)

Energy	11.4%
Materials	29.3%
Industrials	4.2%
Consumer Discretionary	4.7%
Consumer Staples	5.9%
Health Care	13.7%
Information Technology	3.5%
Telecommunication Services	13.0%
Utilities	3.9%
Financials ex Property Trusts	47.0%
Property Trusts	9.2%
Cash & other	-45.6%

The cash position in this Fund should always be negative as it borrows more cash than it has in order to buy securities.

#### Other Information

Fund size (as at 29 February 2024)	\$21 million
Date of inception	January 2003
Minimum investment	\$500,000
Buy-sell spread <sup>1</sup>	For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a>
Distribution frequency	Yearly
APIR code	RFA0130AU

<sup>1</sup> 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.

#### 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 <sup>2</sup>	1.45% pa
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<sup>2</sup> 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.

<sup>3</sup> As gearing magnifies both gains and losses from the investments, investors in the Fund need to understand that returns can be volatile. In extreme circumstances, such as a share market fall of around 40%, investors are at risk of losing all the money they have invested.

## 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.
- **Gearing risk -** Gearing generally involves the use of borrowed money or derivatives to increase the potential return from an investment. Gearing occurs where the level of exposure to investments exceeds the amount of cash invested. As a result, gearing magnifies both potential investment gains and losses. Losses from geared investments can be substantial and can exceed the original amount invested.

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](http://pendalgroup.com)

**PENDAL**

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PFSL is the responsible entity and issuer of units in the Pental Geared Imputation Fund (**Fund**) ARSN: 102 970 089. A product disclosure statement (**PDS**) is available for the Fund and can be obtained by calling 1300 346 821 or visiting [www.pentalgroup.com](http://www.pentalgroup.com). The Target Market Determination (**TMD**) for the Fund is available at [www.pentalgroup.com/ddo](http://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.

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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.