

Pendal Global Emerging Markets Opportunities Fund

ARSN: 159 605 811

Factsheet

Global Equities

29 February 2024

About the Fund

The Pendal Global Emerging Markets Opportunities Fund (**Fund**) is an actively managed portfolio of global emerging market shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI Emerging Markets (Standard) Index (Net Dividends) in AUD over the long term. The suggested investment time frame is seven years or more.

Description of Fund

This Fund is designed for investors who want the potential for long-term capital growth, diversification across a broad range of global emerging market shares and are prepared to accept high variability of returns. The Fund can invest in shares in a range of emerging markets and may also hold cash.

As manager of the Fund, J O Hambro Capital Management (**JOHCM**) investment process for global emerging market shares aims to add value through a combination of country allocation as well as individual stock selection. JOHCM's country allocation process is based on analysis of a country's economic growth, monetary policy, market liquidity, currency, governance/politics and equity market valuation. The stock selection process focuses on buying quality growth stocks at attractive valuations.

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. The Fund's foreign currency exposure will generally not be hedged to the Australian dollar but JOHCM may do so from time to time. JOHCM does not intend to use currency trading as an additional source of Fund returns.

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.

Investment Manager

The portfolio is managed by J O Hambro Capital Management Limited, wholly owned subsidiary of Perpetual Limited (ASX ticker: PPT).

Other Information

Fund size (as at 29 February 2024)	\$257 million
Date of inception	November 2012
Minimum Investment	\$25,000
Buy-sell spread ¹	For the Fund's current buy-sell spread information, visit www.pendalgroup.com
Distribution frequency	Yearly
APIR code	BTA0419AU

¹ 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 ²	1.18% pa
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² 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.

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	6.93	7.03	6.35
3 months	6.47	6.78	5.70
6 months	1.85	2.45	4.37
1 year	10.82	12.13	12.57
2 years (p.a)	3.96	5.19	1.32
3 years (p.a)	1.65	2.85	-0.73
5 years (p.a)	4.45	5.73	3.71
Since Inception (p.a)	7.57	8.99	6.87

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: November 2012.

Past performance is not a reliable indicator of future performance.

Country Allocation (as at 29 February 2024)

China	22.6%
India	15.4%
Brazil	11.5%
Taiwan	11.1%
Mexico	10.0%
Indonesia	9.3%
Korea, Republic of	5.8%
United Arab Emirates	4.5%
South Africa	3.1%
Canada	2.3%
Other countries	2.6%
Cash & other	1.6%

Sector Allocation (as at 29 February 2024)

Energy	4.5%
Materials	7.4%
Industrials	9.3%
Consumer Discretionary	10.9%
Consumer Staples	9.5%
Health Care	1.1%
Information Technology	13.3%
Telecommunication Services	6.0%
Utilities	2.7%
Financials ex Property Trusts	27.9%
Property Trusts	5.8%
Cash & other	1.6%

Top 10 Holdings (as at 29 February 2024)

Taiwan Semiconductor Manufacturing	8.7%
Tencent Holdings Ltd	5.8%
Larsen & Toubro Ltd	4.7%
Itau Unibanco Holding SA	3.7%
Samsung	3.6%
Bank Mandiri Persero Tbk PT	3.4%
Grupo Financiero Banorte SAB de CV	3.4%
Emaar Properties PJSC	3.2%
Trip.com Group Ltd	3.2%
Bank Rakyat Indonesia Persero	3.2%

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.
- **Emerging markets risk** – The risk of asset price volatility and higher currency, default and liquidity risk from investments in emerging markets.
- **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.
- **Regulatory risk** - The risk that a change in laws and regulations governing an investment or financial markets could have an adverse impact on an investment.

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

Fund manager commentary

The group of rich Arab Gulf nations that form the Gulf Cooperation Council (GCC) share the traits that their historical economic development has been built around hydrocarbon exports, and that their rulers and policymakers recognise that the future of their economic development must involve diversification into other industries. We consider the UAE to have been by far the most successful of these and find that the basis of that success continues to make the UAE our preferred market in the region.

The UAE has been by far the most successful of the GCC states at achieving economic diversification. In 2012, the gross contribution to the UAE trade balance from services was USD15bn, compared with USD359bn from goods (of which USD126bn was hydrocarbon exports); by 2021, the services contribution had risen to USD102bn, compared with USD324bn from goods (of which USD63bn was hydrocarbons). No other GCC economy has seen anything like this level of success in services. This success has been mirrored at the corporate level: the Emirati port operator DP World, handles roughly 10% of all global shipping-container traffic; the country has two major full-service airlines, and many Emirati businesses, from banks to telecoms to renewable energy have much larger international footprints than their GCC peers. The country's Falcon AI project is also a regional leader with the potential to significantly advance the UAE as a technology centre.

This success has been substantially driven by economic policy, both an external policy of having good political and trade relations with the US, the EU, India, China, Russia and across the Middle East (including Israel) and Africa and by an internal policy of pragmatic reforms to support growth. This has included a golden visa scheme set up in 2019 that offers foreign professionals long-term residency. It was recently liberalised further, removing the USD270k minimum deposit required for people to qualify for a golden visa through real estate investment.

The UAE's edge over its regional peers can also be seen in its aspirations for its cities. Given high levels of urbanisation, 'smart cities' are central to each GCC country's development plan, but the target dates reveal the lead that the UAE has. The UAE's original Vision 2021 plan (announced in 2010) has been largely completed and superseded by Vision 2030, but still puts UAE at the forefront compared to target dates of 2030 in Saudi, Bahrain and Qatar; 2035 in Kuwait and 2040 in Oman.

This is supportive of a real estate sector that is doing exceptionally well (and to which the portfolio has substantial exposure). Last year, the UAE attracted more inward foreign investment for greenfield projects than anywhere except the US, the UK and India. Within the region, real estate contract awards in 2022 reached a record USD205bn, 88% higher than 2012, and dominated by USD92bn of contracts in Saudi Arabia and USD78bn in awards in the UAE. Population growth, particularly in Dubai, is driving residential development volumes alongside price and rent growth, while visitors and inward investment support the commercial real estate sector. Dubai real estate prices in the year to October 2023 rose 18.7% per square meter.

Other key sectors are also flourishing. Oil exports are estimated to be running at 3.7mbpd, which is around the record level. Foreign visitors to Dubai in December 2023 were 1.8m, again around the record level and reflecting a full recovery from the Covid downturn. The equity market valuation has derated in the last two years as the market has not kept pace with strong corporate earnings growth. We are overweight the UAE and alert to further opportunities there.

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

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PFSL is the responsible entity and issuer of units in the Pental Global Emerging Markets Opportunities Fund (Fund) ARSN: 159 605 811. 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.

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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.