

PENDAL

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.responsibleinvestments.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.

Factsheet

Global Equities

29 February 2024

Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	9.44	9.52	5.88
3 months	18.12	18.39	11.95
6 months	18.38	18.91	11.06
1 year	26.12	27.25	27.45
2 years (p.a)	5.52	6.47	12.19
Since Inception (p.a)	1.28	2.19	8.66

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: July 2021.

Past performance is not a reliable indicator of future performance.

Country Allocation (as at 29 February 2024)

United States	62.4%
Japan	6.6%
Denmark	5.2%
Brazil	4.5%
Korea, Republic of	2.5%
Italy	2.3%
United Kingdom	2.2%
Taiwan	2.2%
Indonesia	2.2%
Australia	2.0%
Cash & other	7.8%

Sector Allocation (as at 29 February 2024)

Energy	2.3%
Materials	7.3%
Industrials	8.6%
Consumer Discretionary	9.3%
Consumer Staples	0.0%
Health Care	17.0%
Information Technology	26.8%
Telecommunication Services	2.5%
Utilities	0.0%
Financials ex Property Trusts	18.3%
Property Trusts	0.0%
Cash & other	7.8%

Top 10 Holdings (as at 29 February 2024)

Microsoft Corp	3.2%
Zealand Pharma A/S	3.0%
CRH PLC	2.8%
Amazon.com Inc	2.7%
Broadcom Inc	2.7%
Intercontinental Exchange Inc	2.5%
Alphabet Inc	2.5%
SK Hynix Inc	2.5%
Intuit Inc	2.5%
Accenture PLC	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 34 years of industry experience and Nudgem has 23 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
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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 29 February 2024)	\$13 million
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

We have outperformed year-to-date, mainly due to positive stock selection in healthcare (Viking Therapeutics, Zealand Pharma), materials (CRH, Linde) and financials (Nu Holdings, Bank Mandiri). This was slightly offset by negative stock selection in technology (Adobe reported disappointing earnings guidance and was sold) and industrials (GXO reported disappointing earnings guidance and is under review).

So far in 2024, the Magnificent 7 has shrunk to the Fabulous 5 (Nvidia, Amazon, Microsoft, Meta and Alphabet) because the Dire Duo (Tesla and Apple, whom we do not own) reported disappointing earnings guidance and underperformed. Alphabet might be the next one to stumble; we are monitoring it closely.

We think the biotech sector is in a new bull market. Last month we mentioned our high conviction view that Biotech had bottomed in Q4 of 2023 driven by a whole host of innovation coming to fruition. In February, some of our big winners were names in the cardio-metabolism area that we highlighted, namely Zealand Pharma and Viking Therapeutics as both reported excellent results from trials of their next generation antiobesity drugs.

We think the Japanese equity market has also started a new bull market, buoyed by the push for structural reforms at the corporate level. In February we purchased Recruit Holdings to go overweight Japan for the first time in a long time. This was funded by the sale of Aboe, whose business model might be eroded as OpenAI invades its turf with text-to-video creation tools.

Our 2024 scenario analysis and outlook are 80% bullish and 20% bearish. Short term reasons to be bearish include the ongoing potential for a recession and geopolitical tensions. Medium term reasons to be bullish include the Fed regaining credibility with inflation and interest rates stabilising and an AI productivity boost.

Scenario 1 = 10% probability that US Magnificent Seven leadership continues. New bull market leadership is not usually the old bull market leadership, but several things are 'different this time,' eg AI, Cold War 2.0

Scenario 2 = 70% probability of broadening bull market. US interest rates stabilising or China (the world's second largest economy) stabilising are catalysts for this positive outcome

Scenario 3 = 20% probability of bear market or zig-zag. Resurgent inflation and interest rates rising, or geopolitical/Middle-Eastern escalations are catalysts for this negative outcome

The momentum signals we've seen recently suggest that small and mid-caps will see strong gains and outperform over the next six to 12 months, even if the overall indices struggle if the mega-caps that dominate these indices underperform after their exceptional outperformance in 2023. However, just because small and mid-caps look poised to outperform doesn't mean there isn't a place for some mega-caps with positive earnings revisions in the portfolio, particularly those exposed to the mega-trends of AI and anti-obesity drugs.

We are positioned for 2024 probably being a vice versa of 2023 in several ways, with better performance from 2023's laggards such as small and mid-caps, emerging markets and Japanese equities. As at the end of February, the portfolio is underweight European equities and neutral to overweight USA, Japan and Asia/Emerging Markets.

Our top down scorecard shows several important changes year-to-date: the technology sector has become significantly overvalued but still has good fundamentals and trend. Biotech is starting a new uptrend within the health care sector, and the new obesity drugs success is becoming bad news for the consumer staples sector, which is now our largest underweight position in the fund, i.e. less food & beverage consumption.

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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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 of, and issuer of units in the Pental Global Select Fund - Class R ARSN: 651 789 678 (the "Fund"). PFSL has appointed J O Hambro Capital Management Limited to manage the assets of the Fund. 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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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.