

Pendal Stable Cash Plus Fund

Income & Fixed Interest

29 February 2024

About the Fund

The Pendal Stable Cash Plus Fund (**Fund**) is an actively managed portfolio of short-term money market securities of sound credit quality. Key features of the Fund include same day access to funds with no transaction costs and monthly interest accrual. The Fund invests in short term securities with a minimum credit rating of A-2.

Investment Return Objective

The Fund targets a return (before fees and expenses) that exceeds the RBA Cash Rate by at least 0.45% p.a. The suggested investment timeframe is 1 year or more.

Investment Strategy and Fund Features

The Fund aims to maintain a stable \$1.00 unit price. However, the value of the units is not guaranteed.

The Fund is actively managed and aims to take advantage of investment opportunities within the Australian debt market. The Fund aims to reduce volatility of returns through limited exposure to interest rate movements and prudent credit management.

The Fund invests in a combination of money market instruments, commercial paper, asset backed commercial paper and deposits with financial institutions. The Fund may also use derivatives.

Securities held will have a Standard and Poor's (or equivalent) short term credit rating of A-2 or higher.

The weighted average maturity of the Fund will not exceed 100 days, with all securities maturing within 12 months.

Pendal's investment process is focused on generating consistent risk-adjusted returns and this is achieved by having a disciplined risk management framework which is aimed at minimising downside risk.

Excess spread is expected to be the main contributor to performance.

Securities held in the Fund are denominated in Australian dollars.

Asset Classes and Asset Allocation Ranges

Asset class	Asset allocation ranges		Benchmark
	Minimum %	Maximum %	
Cash and Fixed Interest	0	100	RBA Cash Rate

Investment Team

Pendal's Income & Fixed Interest team is a large team of dedicated investment professionals. The team also draws on a wide range of knowledge resources including Pendal's other specialist investment teams: Equity and Multi-Asset. The portfolio manager of the Fund is Steve Campbell who has more than 26 years industry experience.

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.
- **Interest rate risk** – The risk associated with adverse changes in asset prices as a result of interest rate movements.
- **Credit risk** - The risk of an issuing entity defaulting on its obligation to pay interest/principal when due.
- **Liquidity risk** - The risk that an asset may not be converted to cash in a timely manner.

Please read the Fund's Information Memorandum (**IM**) for a detailed explanation of each of these risks.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	0.37	0.38	0.35
3 months	1.17	1.22	1.09
6 months	2.32	2.41	2.14
1 year	4.44	4.62	4.15
2 years (p.a)	3.16	3.34	2.96
3 years (p.a)	2.15	2.32	2.00
5 years (p.a)	1.72	1.89	1.45
Since Inception (p.a)	2.02	2.19	1.58

Source: Pendal as at 29 February 2024

Benchmark: RBA Cash Rate

Performance returns (post-fee) are calculated: to the first day of each month using average daily distribution yields; taking into account management costs of the Fund. Performance returns (pre-fee) are calculated by adding back management costs to the (post-fee) returns.

Returns for periods greater than one year are annualised. Fund Inception: December 2014. Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 29 February 2024)

11am cash	6%
Negotiable Certificates of Deposit	85%
Semi Government CP	0%
Commercial Paper	0%
Term Deposit	9%

Security Credit Ratings (as at 29 February 2024)

A1+	57%
A1	17%
A2	26%

Portfolio Statistics (as at 29 February 2024)

Yield to Maturity [#]	4.82%
Running Yield [*]	4.34%
Modified duration	0.15 years
Credit spread duration	0.15 years
Weighted Average Maturity	0.15 years

[#] The portfolio yield to maturity is an estimate of the fund's internal rate of return. It is calculated as the yield to maturity of all securities comprised in the benchmark at the relevant time (sourced from Bloomberg), plus our estimate of the weighted average traded margin over the swap rate for each of those securities based on observed market prices. The portfolio yield to maturity does not represent the actual return of the fund over any period.

^{*} The portfolio running yield is calculated as the weighted average coupon rate of the physical portfolio assuming all securities are held at par or face value. Carry/interest income from synthetic positions are excluded from this calculation. Running yield does not reflect the actual income return of the portfolio.

Other Information

Fund size (as at 29 February 2024)	\$1,132 million
Minimum investment	\$500,000
Distribution frequency	Monthly
Liquidity	Daily
Buy-sell spread	Nil
Date of inception	December 2014

Fees and costs

You should refer to the latest Information Memorandum for full details of the ongoing fees and costs that you may be charged.

Management fee ¹	0.18% 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.

The management fee on this Fund increased from 0.15% p.a. to 0.18% p.a. from 1 October 2022.

For more information please call 1300 346 821,
contact your key account manager or visit [pendalgroup.com](https://www.pendalgroup.com)

PENDAL

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PFSL is the responsible entity and issuer of units in the Pendal Stable Cash Plus Fund (Fund). An Information Memorandum (IM) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pendalgroup.com. You should obtain and consider the IM 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. Performance returns (post-fee) are calculated: to the first day of each month using average daily distribution yields; taking into account management costs of the Fund. No reduction is made to the unit price (or performance) to allow for tax you may pay as an investor, other than withholding tax on foreign income (if any). Certain other fees such as Contribution fees or Withdrawal fees (if any) are not taken into account. Performance returns (pre-fee) are calculated by adding back management costs to the (post-fee) returns. 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.