PENDAL

Factsheet

Barrow Hanley Concentrated Global Share Fund No. 3

Global Equities

Formerly known as “Pendal Concentrated Global Share Fund No.3”

31 August 2026

ARSN: 087 593 299

About the Fund

The Barrow Hanley Concentrated Global Share Fund No.3 (**Fund**) is an actively managed concentrated portfolio of global shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI World ex-Australia (Standard) Index (Net Dividends) in AUD over the medium to long term. 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 portfolio of quality global shares, diversified across a broad range of global sharemarkets (including Australia) and are prepared to accept higher variability of returns.

The Fund will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets. The Fund may also hold cash.

Barrow Hanley strives to achieve the Fund’s objectives by adopting a value-oriented, bottom-up investment process focused on in-depth fundamental research to identify companies that trade below their intrinsic value for reasons that they can identify, believe are temporary and have a clearly identified path to achieving fair value.

Barrow Hanley aims to select the most attractive securities to construct a well-diversified, active portfolio that seeks to provide asymmetrical returns by participating in up markets while aiming to protect in down markets. The Fund will exhibit a clear value bias and seek characteristics such as:

- price/earnings ratios below the market;
- price/book ratios below the market;
- enterprise value/free cash flow ratios below the market; and
- dividend yields above the market.

The Fund will typically hold between 25-40 stocks.

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, by using derivatives. Pendal 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 may also be used to gain exposure to assets and markets.

The Fund applies exclusionary screens. For more information on how these exclusions are applied and exclusions from 2 September 2024, refer to section 5 ‘How we invest your money’ of the Fund’s Product Disclosure Statement at www.pendalgroup.com/BarrowHanleyConcentratedGlobalShareFundNo3-PDS.

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	-0.48	-0.40	0.53
3 months	4.20	4.43	2.74
6 months	8.41	8.90	9.36
1 year	16.91	17.96	10.02
2 years (p.a)	13.99	15.02	14.93
3 years (p.a)	10.70	11.70	16.22
5 years (p.a)	9.86	10.85	11.71
Since Inception (p.a)	7.05	8.13	8.58

Source: Pendal as at 31 August 2026

“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: August 1996.

Past performance is not a reliable indicator of future performance.

The investment manager for this Fund changed on 21 February 2020. Performance before this date may not be directly comparable.

Country Allocation (as at 31 August 2026)

United States	71.4%
United Kingdom	5.0%
China	4.5%
Mexico	3.4%
Australia	3.2%
Korea, Republic of	2.8%
Finland	2.7%
Brazil	2.4%
Germany	2.3%
Cash & other	2.3%

Sector Allocation (as at 31 August 2026)

Energy	8.6%
Materials	8.2%
Industrials	15.4%
Consumer Discretionary	5.3%
Consumer Staples	6.0%
Health Care	9.4%
Information Technology	15.4%
Telecommunication Services	3.0%
Utilities	4.4%
Financials ex Property Trusts	15.2%
Property Trusts	6.8%
Cash & other	2.3%

Top 10 Holdings (as at 31 August 2026)

Hewlett Packard Enterprise Co	4.6%
GE HealthCare Technologies Inc	4.5%
Chevron Corp	3.7%
CACI International Inc	3.4%
Wal-Mart de Mexico SAB de CV	3.4%
Amazon.com Inc	3.3%
Northern Star Resources Ltd	3.2%
American Tower Corp	3.2%
Xcel Energy Inc	3.2%
Prudential PLC	3.1%

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

Fund size (as at 31 August 2026)	$35 million
Date of inception	August 1996
Minimum investment	$500,000
Buy-sell spread[2] For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Yearly
APIR code	BTA0056AU

[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.

Market Overview

Global equities recovered in August, but the month is better understood as a negotiation between two forces: an economy strong enough to keep central banks tightening, and a bond market increasingly reluctant to absorb the supply required to finance it. The MSCI World gained (2.6% | 13.1%), and the Russell 1000 advanced (2.8% | 13.0%) while the Russell 2000 lagged (1.0% | 20.0%). Gains were broad rather than narrow, with advancers outnumbering decliners in the S&P 500 and the equal-weighted index nearly matching the cap-weighted, a meaningful change from the concentrated advances of recent years.

The AI Trade Splits

July's semiconductor unwind did not resume, but neither did the market simply re-embrace it. Nvidia's guidance for 70% revenue growth in fiscal 2028, which management said would be 100% absent supply constraints, reaffirmed that near-term demand remains intact, and software was the month's standout as improving results eased fears of AI disintermediation. Yet the debate shifted from demand to financing and physical constraints: circular financing arrangements, roughly $2.25 trillion of headline capital commitments drawing in private-equity partners, heavy debt issuance, and mounting local opposition to data centers in Texas and Pennsylvania. Investors are increasingly separating who consumes AI capital from who earns a return on it.

Asia illustrated the same split. MSCI EM rose (3.4% | 24.1%) and Korea (5.9% | 91.9%) and Taiwan (6.4% | 63.5%) again led global returns, but the gains came despite weakness in Samsung, SK Hynix and TSMC as investors rotated into oversold industrials and healthcare. A sharply stronger won amplified dollar returns. MSCI Japan advanced (3.3% | 20.9%) on similar breadth.

Rates, Credibility and the Debasement Trade

The macro story was fiscal as much as monetary. Long-dated yields pushed higher globally on heavy issuance and deficit concerns before the U.S. Treasury doubled its long-end buyback operations, a step widely read as symbolic but which nonetheless pulled 30-year yields back from post-crisis highs. The 2-year yield rose 16 basis points to 4.36% as September hike odds firmed, while the 10-year rose just 3 basis points to 4.78%. The underlying arithmetic is difficult: U.S. interest expense now exceeds spending on both defense and Medicare, and maturing debt is being refinanced well above its existing coupon, creating a self-reinforcing loop between rates, deficits and term premium.

Chair Warsh used Jackson Hole to repair July's communication misstep, calling inflation trends concerning and signaling that waiting longer could require moving faster later. The data cut both ways: July core CPI and core PCE came in line, but payrolls fell 23,000 and retail sales softened. Europe faced its own version of the same pressure, with Germany selling 30-year debt at its highest yield since 2011 and UK gilts reaching levels last seen in 2007.

That backdrop drove capital toward hard assets. Gold rose (9.4% | 2.4%) and silver surged (21.7% | -2.4%), with bitcoin posting its best month since 2024. Crude was little changed (1.0% | 52.0%) as rising Strait of Hormuz transits offset renewed hostilities, though refined products tightened materially, with distillate inventories at record seasonal lows despite refinery utilization at a seven-year high.

Value Holds Its Lead

Value retained a wide year-to-date advantage even as growth recovered. MSCI World Value (2.6% | 17.4%) leads MSCI World Growth (2.6% | 8.9%), and the U.S. gap is starker, with Russell 1000 Value (2.0% | 23.1%) versus Russell 1000 Growth (3.7% | 4.1%). The pattern repeats in EAFE and emerging markets. Value is leading globally while markets advance, unusual by recent history yet a constructive combination.

Europe and China

European earnings did the heavy lifting against a hostile rate backdrop. With roughly 90% of companies reported, EPS growth of about 20% supported a fifth consecutive monthly gain for the Stoxx 600. MSCI Europe ex UK rose (1.6% | 10.7%) and the UK gained (0.7% | 12.7%), while France declined (-1.0% | 3.7%) on budget and election risk. China lagged badly, with MSCI China down (-0.3% | -7.6%) as retail sales grew under 1%, fixed asset investment contracted, and property investment fell roughly 24%.

Global Sector Returns (MSCI World)

Materials led (9.7% | 19.6%) on firmer metals and a softer dollar, followed by Information Technology (6.1% | 23.7%), Energy (4.5% | 39.6%) and Health Care (3.7% | 7.2%), which gained for a fourth straight month on strong biotech results. Financials rose modestly (1.2% | 12.1%). Utilities were weakest (-3.2% | 3.8%) after California legislators declined to shift wildfire liability away from utilities, followed by Real Estate (-2.1% | 7.4%), Consumer Staples (-1.2% | 7.1%), Industrials (-0.5% | 13.1%), pressured by the collapse of U.S.-Canada trade talks and new 50% tariffs, and Communication Services (-0.1% | 0.0%).

Strategy Performance

In this market environment, the Barrow Hanley Concentrated Global Value Equity strategy trailed the MSCI World ex-Australia Index in August. Relative results were driven by sector and regional allocation, while stock selection was positive across regions and only marginally negative across sectors. Materials was by far the largest positive contributor, as a substantial overweight combined with strong selection amid the rally in metals, with gold and copper holdings advancing more than 20%. Energy also contributed meaningfully through both an overweight and favorable selection as oilfield services and exploration and production holdings advanced. Health Care and Industrials each added modestly, the latter as a large gain in a defense IT holding offset weakness elsewhere in the group.

These positives were more than offset elsewhere. Consumer Discretionary was by far the largest detractor, where selection weighed heavily against a benchmark sector that was roughly flat, with cruise and auto supplier holdings declining sharply.

**Return format (MTD% | YTD%)*

Information Technology also detracted, as the portfolio's large underweight worked against results while the sector rallied, though selection within the sector was positive, aided by strength in Asian component makers and enterprise hardware. Financials was a third meaningful headwind, driven by selection, and Real Estate, Communication Services, Utilities, and Consumer Staples each detracted, with Real Estate weighed down primarily by allocation as rate-sensitive sectors lagged. From a regional perspective, North America was the largest detractor, and emerging markets also detracted from relative performance as the region lagged developed markets. The U.K. weighed on results as well. Offsetting this, Asia/Pacific ex Japan was the largest contributor, followed by Europe ex U.K. Overall, the month reflected positioning that worked against a technology-led benchmark advance, partially offset by effective selection and well-positioned resource exposure.

Top Contributors

Freeport-McMoRan Inc. positively contributed to relative performance during the month, reflecting strong gains across the materials sector as precious metals prices, particularly gold, moved sharply higher. The move was less a commodity story than a monetary one, as heavy sovereign issuance, rising long-dated yields, and mounting deficit concerns pushed capital toward hard assets and away from paper claims on governments. Against that backdrop, gold and silver rallied and mining equities re-rated alongside them. Freeport-McMoRan, a leading copper producer with meaningful exposure to gold byproducts, benefited from the strength in precious metals markets and renewed investor interest in mining equities, aided by a softer dollar that supports dollar-denominated commodity pricing. Shares outperformed as investors sought exposure to hard assets amid favorable commodity price trends. While company-specific factors remained relevant, the primary driver of performance was the broad-based appreciation in gold prices and the positive read-through for mining profitability, consistent with materials leading global sector returns for the month.

CACI International Inc. positively contributed to relative performance during the month as strong execution, accelerating organic growth, and an improving mix of higher-margin technology work reinforced its earnings outlook. The national security technology provider reported 12% organic revenue growth in its fiscal fourth quarter while delivering record earnings before interest, taxes, depreciation, and amortization margins of 13%. Management’s fiscal 2027 guidance exceeded expectations, reflecting continued demand for software-defined hardware, advanced communications, space systems, and technology designed to detect and counter unmanned aircraft. CACI also secured a significant counter-drone award during the quarter, highlighting its ability to compete successfully with established defense contractors and emerging technology companies in a rapidly expanding market. Although quarterly contract awards were light amid government procurement delays, funded backlog increased meaningfully, while the company’s sizable pipeline and shift toward higher-margin technology programs provide a constructive foundation for future growth.

Top Detractors

Aptiv PLC detracted from relative performance during the month as investors reacted negatively to reduced earnings expectations and continued weakness in key automotive end markets, particularly China. The company, which provides vehicle electrical architecture, connectors, software, and advanced driver assistance technologies, reported second-quarter revenue growth of 2% and EBITDA growth of 3%, but these results were overshadowed by a reduction in full-year guidance. Management lowered its 2026 EBITDA outlook by 3% and earnings per share guidance by 4% to approximately $5.70, while third-quarter profitability expectations came in below consensus forecasts. The primary challenge remains a sharp slowdown in the Chinese automotive market, where domestic vehicle sales declined roughly 20% during the first half of the year following the reduction of electric vehicle subsidies, creating pressure across both Chinese and European automotive manufacturers. Although Aptiv continues to outperform underlying vehicle production in several regions and benefits from growing businesses in connectors and software, concerns around launch delays, softer industry demand, and the pace of future growth weighed on the shares.

Regal Rexnord Corporation detracted from relative performance during the month as investors focused on softer-than-expected second-half guidance despite evidence of improving demand trends across parts of the business. The company, which manufactures industrial automation, motion control, power transmission, and electric motor systems, reported adjusted earnings per share above expectations, but underlying operating guidance was viewed as weaker after accounting for tariff-related benefits. Management maintained its full-year earnings outlook, though the forecast was aided by previously unrecognized tariff refunds, leading some investors to interpret the core outlook as a modest reduction. While organic revenue growth remained subdued at 3.3%, orders increased 8.8%, including particularly strong demand within Automation & Motion Control, suggesting industrial activity may be improving even if the recovery has not yet fully translated into revenue. The stock declined as concerns over near-term margins and pricing dynamics overshadowed encouraging order trends and the company’s exposure to longer-term growth areas such as automation, robotics, and data center infrastructure.

Portfolio Changes

During the month, the portfolio added three new positions while three positions were fully eliminated. Sector weightings shifted toward Information Technology, which increased the most by a wide margin, followed by Industrials, while Materials and Consumer Discretionary declined the most. Changes across the remaining sectors were relatively modest and did not materially alter the portfolio's overall positioning.

Market Outlook

August was a reminder that the market's central debate is shifting from whether AI demand is real to who ultimately earns a return on the capital being deployed. Equities recovered from July's momentum unwind, and gains were unusually broad, with advancers outnumbering decliners and the equal-weighted index nearly matching the cap-weighted. Yet the recovery was selective rather than indiscriminate. Software led as fears of AI disintermediation eased, while investors grew more cautious on the financing structures, debt issuance, and physical constraints underpinning the buildout. Meanwhile, the macro story turned increasingly fiscal, as heavy sovereign issuance pushed long-dated yields higher across developed markets and drove capital toward hard assets.

Looking ahead, there are several key variables for the remainder of the year: the durability of corporate earnings, the interaction between deficits, term premium, and central bank credibility, and the extent to which AI capital spending translates into returns rather than simply commitments. The month's split between AI consumers and AI beneficiaries highlights how quickly the market can begin distinguishing among names that had previously traded as a single theme, reinforcing the importance of valuation discipline and careful security selection. At the same time, resilient corporate profitability, particularly the roughly 20% earnings growth delivered by European companies (STOXX 600), continues to provide support for risk assets, even as a higher-for-longer rate backdrop and rising interest expense introduce fresh crosscurrents.

This backdrop remains favorable for active management over the long run. Value retained a wide advantage year to date across the U.S., EAFE, and emerging markets, and it did so while markets advanced, an unusual and constructive combination that suggests leadership is broadening rather than simply rotating defensively. Valuation dispersions across sectors and regions remain wide, and we continue to find attractive opportunities in high-quality businesses whose long-term earnings potential is not fully reflected in current valuations, particularly in areas overshadowed by the market's focus on AI-related beneficiaries.

At Barrow Hanley, we remain committed to a long-term, bottom-up approach focused on identifying mispriced securities with favorable risk/reward characteristics. Periods of elevated dispersion and rapid shifts in sentiment often create opportunities for patient investors willing to look beyond near-term narratives. By maintaining valuation discipline and focusing on durable business fundamentals, we believe portfolios remain well positioned to navigate uncertainty while participating in long-term market fundamentals. Thank you for your continued confidence in our process and philosophy.

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

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