

Pendal Imputation Fund

ARSN: 089 614 693

Equity Strategies

30 November 2025

About the Fund

The Pendal Imputation Fund (**Fund**) is an actively managed portfolio of Australian shares. The Fund invests in a portfolio which we believe will provide a higher yield than the market average. It is intended that the portfolio will be well diversified across sectors and not biased structurally to invest only in traditional 'yield stocks'.

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 medium to long term. The suggested timeframe for holding the investment is five years or more.

Description of Fund

This Fund is designed for 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 higher variability of returns. The Fund will primarily invest in 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.

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.

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 (%)	1 mth	3 mths	6 mths	1 Year (p.a.)	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)	Since Inception (p.a.)
Fund (Pre-Fee)	-2.56	-4.22	2.05	4.56	9.63	10.79	9.28	10.08
Fund (Post-Fee)	-2.63	-4.44	1.59	3.63	8.65	9.80	8.31	9.07
Benchmark	-2.64	-2.86	4.11	5.81	9.66	9.79	9.47	8.75
Excess return (Post-Fee)	0.00	-1.57	-2.52	-2.19	-1.01	0.01	-1.16	0.32

"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: October 1999.

Past performance is not a reliable indicator of future performance.

Franking Credits Returns¹

(%)	1 mth	3 mths	6 mths	1 Year (p.a.)	3 Years (p.a.)	5 Years (p.a.)	10 Years (p.a.)
Fund	0.12	0.48	0.68	1.25	1.25	1.46	1.69

Returns Grossed Up For Franking Credits¹

Fund (Post-Fee)	-2.51	-3.95	2.27	4.88	9.90	11.26	10.00
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Fund Returns (%)	3 Years (p.a.)	5 Years (p.a.)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
As at 30 June 2025							
Post-Fee	12.70	12.60	29.43	-2.31	11.62	11.56	14.95

After Tax² (Superannuation tax rate)

Pre-Liquidation ³	12.58	12.90	30.14	-1.21	12.51	12.12	13.13
Post-Liquidation ³	12.62	12.71	27.39	-0.52	11.75	11.39	14.48

After Tax² (highest marginal tax rate)

Pre-Liquidation ³	9.65	10.44	28.34	-3.27	10.56	10.43	7.99
Post-Liquidation ³	9.72	9.91	22.39	-1.68	8.78	8.72	11.14

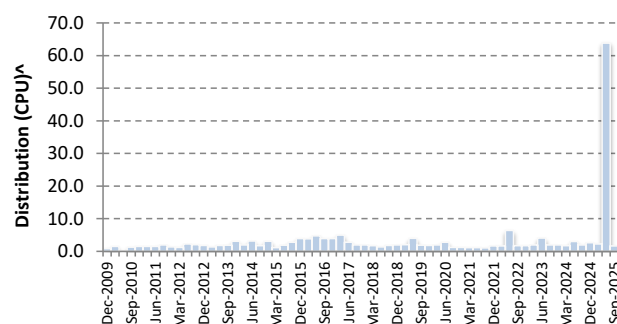
¹ Franking credit returns reflect the value, expressed as a percentage of the Fund's net asset value, of franking credits earned, directly or indirectly, by the Fund on the dividends it has accrued. Returns grossed up for franking are calculated by adding the franking credit returns to the total returns after-fees. The Fund's actual entitlement to franking credits is only known at 30 June each year and therefore amounts during the year are estimates only, subject to revision. Franking credit returns, and returns grossed up for franking, for the Benchmark are calculated on an equivalent basis.

² After-tax returns should only be viewed as a guide to the after-tax position of an investor in the Fund. The after-tax returns of the Fund will depend on an investor's individual tax situation and may differ from those shown. There have been a number of assumptions made in the calculation of after-tax returns, which include: investors are Australian resident taxpayers; investors hold their units on capital account; returns assume reinvestment of after-tax distributions on the distribution period end date; returns are calculated using applicable income tax rates at the time of each distribution; capital gains concessions (CGT discount) are always available to the investor; tax credits distributed by the Fund can be fully utilised by the investor; investors will be able to immediately offset any loss made on their units against capital gains from other sources. FY Stands for Financial Year, which runs from July 1 to June 30.

³ The pre-liquidation returns refer to the after-tax returns assuming a continuing investment in the Fund. It is calculated using the actual discounts that applied to the fund on any realised capital gains and assuming the distributions are reinvested on an after-tax basis. Post-liquidation returns refer to the after-tax returns assuming a full redemption of an investor's units. It is calculated by including, in addition to the reinvestment of after-tax distributions, the unrealised gains, based on the assumption that the asset has been held for more than 12 months and that the CGT discount rate is applied to the unrealised gains and, in the case of unrealised losses, that those losses would be immediately available to the investor.

Sector allocation (as at 30 November 2025)

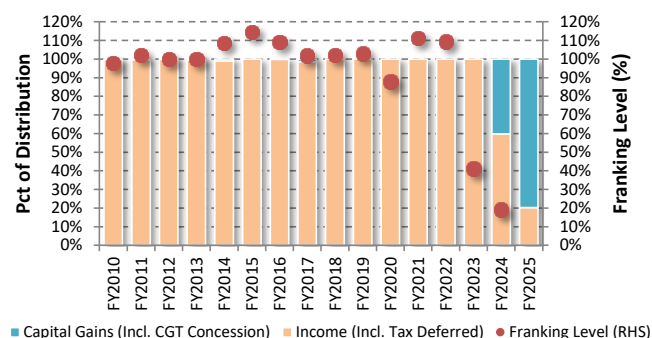
Energy	5.8%
Materials	22.9%
Industrials	2.8%
Consumer Discretionary	3.1%
Consumer Staples	3.4%
Health Care	10.9%
Information Technology	3.2%
Telecommunication Services	8.9%
Utilities	0.0%
Financials ex Property Trusts	29.6%
Property Trusts	6.7%
Cash & other	2.7%



Top 10 holdings (as at 30 November 2025)

	Weight	12 Mnth Fwd Div. Yield ^A
Commonwealth Bank of Australia	8.6%	3.3%
BHP Group Ltd	7.5%	4.1%
CSL Limited	6.2%	2.7%
Telstra Group Limited	5.1%	4.1%
National Australia Bank Limited	5.0%	4.2%
ANZ Group Holdings Limited	4.5%	4.8%
Westpac Banking Corporation	4.4%	4.2%
Rio Tinto Limited	3.4%	4.5%
Goodman Group	3.3%	1.0%
Santos Limited	3.0%	6.1%

^ADerived from the consensus broker forecast for dividends from FactSet and the stock price as at the end of the fact sheet period.



Investment Guidelines

Ex-ante (forward looking) tracking error	2.0% - 5.0%
Min/max stock position	+/-4% ⁴
Min/max sector position	+/-8% ⁴

⁴ Compared to benchmark

Other Information

Fund size (as at 30 November 2025)	\$88 million
Date of inception	October 1999
Minimum investment	\$25,000
Buy-sell spread ⁵	
For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Quarterly
APIR code	RFA0103AU

⁵ 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 cost

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 ⁶	0.90% pa
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⁶ 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.

Market review

October's trimmed mean consumer price index (CPI) – the RBA's key measure of inflation – came in at 3.3% year-on-year, versus 3.2% the previous month and ahead of the 2.9% expected by consensus.

This, in combination with comments from the RBA noting the need for a cautious stance given inflationary pressure, saw expectations for further rate cuts dwindle which weighed on equity markets. The S&P/ASX 300 ended down 2.6% for the month.

The S&P 500 ended down -0.4%. It was a volatile month with markets initially down due to increased scrutiny around AI spending, but then rebounding after December Fed easing expectations increased. The lack of economic data from the government shutdown also contributed to the volatility.

Gold continued to rise (+5.9%) alongside copper (+2.4%) and lithium (+5.8%), while iron ore and oil fell -1.1% and -2.9% respectively.

The majority of domestic sectors retreated. Health Care (+1.7%) was one of the few to hold up relatively well, supported by some consolidation in CSL (CSL, +4.4%) and strength in Sonic Healthcare (SHL, +10.3%) and Ramsay Health Care (RHC, +14.7%)

Materials (+1.7%) also outperformed with strength in the gold and lithium sectors. The latter is seeing pricing buoyed by demand for greater energy storage capacity in China.

Technology (-10.8%) fell as the global software sector sold off on concerns over the impact of AI. In Australia, this was exacerbated by updates from Xero (XRO, -15.7%), Technology One (TNE, -17.6%) and Life360 (360, -18.8%) which disappointed the market.

Financials (-6.5%) were down after earnings updates from the major banks, where CBA (CBA, -11.1%) in particular highlighted competitive concerns.

Fund performance

The Fund performed in line with the benchmark over the month of November.

Key contributors

Overweight Viva Energy (VEA, +15.5%)

The expectation of improved refining margins on the back of supply disruption, low inventories and resilient demand helped lift VEA during the month. It should continue to benefit from cost out and synergies from its recent acquisition as well as the conversion of petrol stations to the more profitable On the Run format, where early signs are encouraging.

Overweight CSL (CSL, +4.4%)

CSL held a Capital Markets Day to help address investor concerns. It presented a confident outlook on the core, growth parts of their portfolio. Outlook for the all-important plasma-based products is high single digit growth over the medium term, and the company sees the market as balanced. It also gave further detail on the next phase of development to further improve yield from plasma donations. Management has committed to building further US capacity which should help with respect to discussions around tariffs and pricing.

Key detractors

Overweight Xero (XRO, -15.7%)

XRO delivered a solid 1H26 result with decent operational execution. However this was overshadowed by market confusion and uncertainty around the outlook for the recently acquired Melio business in the US. While the long-term strategic opportunity is meaningful, the market is unsure on how quickly it will achieve break-even (being earnings dilutive in the near term) and the actions and pathway that will drive it there. Achieving clarity here will be an important factor in restoring market confidence. The stock price reaction was exacerbated by a broader sell-down in software stock on concerns over the impact of AI. We see XRO as well-placed with regard to AI and the development of tools which can take advantage of its strong data set.

Overweight Seek (SEK, -9.7%)

Seek's October employment report saw job ads down 0.4% month-on-month and -2.2% year-on-year. After a relatively firm start to the financial year, the numbers have tapered somewhat. Guidance for the year is for volumes to be flat, and this was reiterated in November's AGM. SEK is rightly viewed as the most cyclical of the online classified companies and changing interest rate expectations following CPI release also weighed on the stock.

Outlook

The domestic economy looks to be in good shape with business investment and credit growth remaining firm.

However all this is also driving persistent inflation, which has seen the market remove any expectations for rate cuts.

The RBA's challenge is that the stickier components of inflation are getting higher. Rents, which have been decelerating, may re-accelerate as advertised rents are above those in the CPI calculation. Market services – those provided in competitive environments rather than government regulated areas like education and health – were also picking up in the October CPI data.

This indicates that inflation is set to be above RBA target. The key question is whether they feel holding rates is sufficient to address this issue, or if rate hikes will be necessary.

Weaker economic data, benign inflation and rhetoric from the Fed all add to support to the expectation of a further three to four rate cuts in the US. At the same time, the Fed has brought an end to quantitative tightening, potentially adding further liquidity support to markets.

This all provides a supportive backdrop for US equities. US equity valuations are full, but corporate earnings remain strong and are showing some signs of broadening out from the megacap tech stocks, which is supportive for the market.

Australian equity valuations have pulled back from recent highs, but still remain at elevated levels by historical standard, making it harder for a re-rating to continue driving markets. However a reasonable economic backdrop and earnings growth can help it hold the rating.

The earnings outlook is positive and can support the market. Consensus expects 7.9% EPS growth for the ASX200 in FY26, helped by resources returning to positive earnings and 9% growth in industrials ex-financials.

Elevated market volatility in response to corporate results and announcements is a challenge for both companies and investors – however it is ultimately driving significant mispricing and opportunities to add value at a stock-specific level.

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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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, except where returns are shown as "Grossed up for franking" or "Post-tax". Post-tax returns are explained in the footnotes to the relevant performance tables. 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.