

Pendal Focus Australian Share Fund

ARSN: 113 232 812

Equity Strategies

30 April 2026

About the Fund

The Pendal Focus Australian Share Fund (**Fund**) is an actively managed concentrated portfolio of Australian shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes), that significantly exceeds the S&P/ASX300 (TR) Index over the medium to long term. The suggested investment timeframe 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 from a concentrated portfolio of primarily 15-30 Australian shares and are prepared to accept higher variability of 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.

Fund Positioning

The Fund is designed to complement a conventional, core share portfolio by providing satellite exposure to selected Australian equities with the potential for performance enhancement.

Investment Team

Pendal's nineteen member Equity team is one of the largest in the Australian fund's management industry. The portfolio manager for the Fund is Crispin Murray, who has more than 34 years' industry experience. Crispin is also Head of Equity.

Other Information

Fund size (as at 30 April 2026)	\$2,414 million
Date of inception	April 2005
Minimum investment	\$25,000
Buy-sell spread ¹	
For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Half-yearly
APIR code	RFA0059AU

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.

Investment Guidelines

Ex-ante tracking error	3.0% - 6.0%
Max absolute stock position	15%
Min/max sector position relative to index	+/- 15%
Min/Max BARRA style factors	+/- 0.5 SD
SIRA style factors	Within 1 SD
Maximum cash level	30%
Shorting	No
Borrowing	No

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	2.05	2.11	2.25
3 months	-1.86	-1.68	-1.52
6 months	-2.20	-1.84	-1.14
1 year	6.14	7.13	10.14
2 years (p.a)	8.55	9.50	9.84
3 years (p.a)	9.03	9.93	9.57
5 years (p.a)	7.18	8.01	8.16
Since Inception (p.a)	9.07	10.12	7.91

Source: Pendal as at 30 April 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: April 2005.

Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 30 April 2026)

Energy	5.3%
Materials	26.7%
Industrials	7.4%
Consumer Discretionary	4.3%
Consumer Staples	1.0%
Health Care	5.5%
Information Technology	7.7%
Telecommunication Services	5.0%
Utilities	0.0%
Financials ex Property Trusts	28.2%
Property Trusts	5.2%
Cash & other	3.7%

Top 10 Holdings (as at 30 April 2026)

BHP Group Ltd	13.3%
Commonwealth Bank of Australia	8.9%
National Australia Bank Limited	5.6%
Evolution Mining Limited	5.2%
Telstra Group Limited	5.0%
CSL Limited	4.5%
ANZ Group Holdings Limited	4.4%
Santos Limited	4.1%
Rio Tinto Limited	4.0%
QBE Insurance Group Limited	3.9%

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	0.75% pa
Performance fee ³	15% of the Fund's performance (before fees) in excess of the performance hurdle.

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.

³ This is the fee we charge if the Fund's investment performance exceeds its performance hurdle, and any performance deficit has been recouped. The Fund's performance fee is 15% of the Fund's performance in excess of the performance return hurdle. The performance hurdle is the performance of the Fund's benchmark (S&P/ASX 300 (TR) Index) plus the management fee of 0.75% pa. If a performance fee is payable, it is charged in addition to the management fee. The performance fee is calculated in dollar terms each Business Day based on the investment performance and value of the Fund on that day. If we are entitled to a performance fee, it is paid to us as at 30 June each year.

Market review

The Australian equity market continued the rebound from late March into early April as a ceasefire in the Iran conflict saw hopes rise of a peace deal and a re-opening of the Strait of Hormuz.

However these hopes faded over the course of the month. While the ceasefire has largely held, the Strait remained effectively shut, exacerbating the disrupted supply of oil, LNG and other commodities.

The S&P/ASX 300 pared its earlier gains, to finish up +2.3%. This was well below the +10.4% return from the S&P 500, which was further bolstered by a strong quarterly earnings season and strength in the tech sector on the AP capex theme.

The Q1 consumer price index (CPI) rose 1.4% quarter/quarter and the trimmed mean was 3.5% year/year, which saw underpinned rising expectations of another interest rate hike from the RBA in May.

The oil price oscillated along with sentiment around the likelihood of a peace deal. Brent crude finished down -3.7% for the month, at US\$114 a barrel, which is up 87.4% for the calendar year to date. Iron ore (+1.2%) and aluminium (+0.6%) were steady, while Copper gained +5.4%. Gold slipped another -1.1%.

Information technology (+12.1%) enjoyed some relief after several months of heavy selling, with data centre-related names particularly strong. Xero (XRO) gained 6.6%, NextDC (NXT) +27.8%, and Wisetech (WTC)+12.4% among the larger index weights.

Real Estate (+8.1%) also outperformed, although much of this was due to a 15.8% gained in sector heavyweight Goodman Group (GMG), on the data centre theme. Scentre Group (SCG, +11.8%) was also strong, on a well-received quarterly update.

Health Care (-8.4%) was the weakest sector. A downgrade by Cochlear (COH, -44.4%) made a major contribution, but several of the larger companies were weaker, such as CSL (CSL, -11.7%) and ResMed (RMD, -7.4%), in part due to a stronger Australian dollar.

Consumer Staples (-3.8%) also underperformed. Woolworths (WOW, -5.6%) downgraded its outlook, as did A2 Milk (A2M, -26.0%). The latter has been hit by supply chain disruption as the product testing process in China has been expanded.

Fund performance

The Fund finished a little behind the index in April. The gold exposure and weakness in CSL were key detractors. There was also some reversal of the previous month's trends with Viva Energy and Telstra giving back some of their gains.

There were strong gains from the portfolio's data centre exposure via NextDC and Goodman Group, helped by the continued surge in hyperscaler AI capex. The Resources exposure – notably BHP – and software holdings in Xero and Technology One were also beneficial.

Key contributors

Overweight NextDC (NXT, +27.8%)

NXT announced a 250 megawatt contract win at its S4 data centre. This came alongside a large capital raising - including \$1.5bn in equity – to support the roll out of this contract. The market has been concerned about NXT's balance sheet and the new debt and equity raised has resolved this issue for the moment. This is NXT's largest ever contract win, taking contracted EBITDA to >\$1bn, resulting in a business which is four times larger than it is today.

Underweight Cochlear (COH, -44.4%)

COH issued a large downgrade on weaker expected revenue growth. In emerging markets, there are impacts from the Middle East as well as reimbursement challenges in China. In developed markets there are issues in Europe while the US was blamed on a weak consumer. On the cost side there may be some receivables issues in Middle East and the company has taken the opportunity to re-shape the cost base to be better positioned for future. Looking forward, growth appears difficult to come by in our view and COH may need to spend to try and invigorate it.

Overweight Goodman Group (GMG, +15.8%)

GMG benefited from positive sentiment in the data centre space. Additionally it announced the establishment of a 50/50 joint venture with DataBank for its 32 megawatt (MW) data centre in Los Angeles. DataBank is an established platform providing data centre services with a portfolio of 70+ facilities mostly across the US. The JV will see 6MW of capacity delivered by December 26 with the residual progressively activated through September 27.

Key detractors

Overweight Evolution Mining (EVN, -5.7%)

The gold mining sector remained muted, along with the gold price, in April. EVN delivered a better-than-expected Q3 update, with guidance retained despite fears weather disruptions at Ernest Henry would trigger a downgrade. Cash flow also remained strong, with EVN back in a net cash position (~3-months ahead of schedule) and Q4 set to deliver an improvement on the ~A\$500m net mine cash flow in Q3. As such, capital management remains a key focus heading towards the FY26 result. The interim dividend was a material uplift at a 67% payout ratio versus a policy of 50%, and in the absence of M&A EVN remains well placed to continue higher capital returns.

Overweight CSL (CSL, -11.7%)

CSL drifted lower in March, with the market moving to the low end of management's guidance – or just below it – for FY26 earnings, with uncertainty over the near-term level of Chinese demand for albumin a key factor. The stock is now at a material valuation discount to the market, reflecting fears over structural issues in the key plasma market and the market's desire to see proof of better performance. We believe these fears are overdone.

Underweight Macquarie Group (MQG, +16.4%)

MQG announced the sale of its UK and German smart meters asset in the final days of March which adds 10% to FY26 NPAT. This, in addition to what should be a strong result from its Commodities division given US weather benefits, is setting it up for a strong FY26 result. It appears the stock has been given a further leg up by a view that MQG will benefit from the Iran conflict via LNG prices, although this is less apparent, in our view.

Outlook

Financial markets continue to suggest the Iranian conflict will not trigger a further significant rise in energy prices, suggesting some form of resolution is close.

Its worst fears around supply shortages have not eventuated, yet, due to the availability of more inventory and higher-than-expected demand reduction.

When the crisis started the market would have expected that a nine-week closure of the Strait, with only 4% of product getting through, would lead to far higher oil prices than we have seen.

Reasons for the more benign reaction include 1) reserve / inventory drawdowns have been more significant than expected, 2) demand has fallen more than expected at a given oil price, and 3) higher crude exports from other regions – notably the Americas – running at around 3m barrels per day.

The market seems to have been quite efficient in adapting to the shock and this has given confidence to broader financial markets.

However, a large part of this reflects the ability to draw on stockpiles, both visible and invisible. We do not know where the tipping point may be which, if hit, would require far more material demand destruction.

The US economic backdrop remains supportive, evidenced by a strong quarterly reporting season.

Employment data shows that the flow on effects of the fuel shock, while affecting confidence, is not impacting the economy. Nor is AI leading to meaningful labour shedding. It is currently in the sweet spot of not being strong enough for the Fed to worry about wages responding to the energy shock, but also not weak enough to put pressure on the central bank to cut rates.

Combined with strong corporate earnings, this has given the market confidence to look through the short-term input cost issues.

Australian interest rates have returned to the previous cycle high, with the RBA driven by concerns of firms passing on costs given the tight labour market, the strength of the economy's momentum prior to the Iran war, and domestic industry structures which gives corporates pricing power.

Governor Bullock did indicate that the board now sees policy as slightly restrictive and having risen three times in a row - and given the uncertainty - we would expect a pause. The market is still expecting one further rise, potentially in August.

Corporate results and updates domestically suggest that the Australian economy and earnings continue to hold up. Everyone is looking for signs of weakness, but very few have emerged to date - and those tend to be in more structurally-challenged franchises.

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

PENDAL

This factsheet 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 and issuer of units in the Pental Focus Australian Share Fund (Fund) ARSN: 113 232 812. 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.

This factsheet is for general information purposes only, should not be considered as a comprehensive statement on any matter and should not be relied upon as such. It has been prepared without taking into account any recipient's personal objectives, financial situation or needs. Because of this, recipients should, before acting on this information, consider its appropriateness having regard to their individual objectives, financial situation and needs. This information is not to be regarded as a securities recommendation.

The information in this factsheet may contain material provided by third parties, is given in good faith and has been derived from sources believed to be accurate as at its issue date. While such material is published with necessary permission, and while all reasonable care has been taken to ensure that the information in this factsheet is complete and correct, to the maximum extent permitted by law neither PFSL nor any company in the Pental group accepts any responsibility or liability for the accuracy or completeness of this information.

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 factsheet and PFSL reserves the right to vary these from time to time.