PENDAL

Factsheet

Equity Strategies

31 March 2026

Pendal Focus Australian Share Fund

ARSN: 113 232 812

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 31 March 2026)	$2,365 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
	(post-fee)	(pre-fee)	Return
1 month	-8.02	-7.96	-7.30
3 months	-2.11	-1.93	-2.04
6 months	-5.46	-5.11	-2.91
1 year	6.70	7.48	11.59
2 years (p.a)	6.21	7.14	7.02
3 years (p.a)	8.85	9.76	9.43
5 years (p.a)	7.52	8.33	8.46
Since Inception (p.a)	9.00	10.06	7.83

Source: Pendal as at 31 March 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 31 March 2026)

Energy	4.8%
Materials	26.5%
Industrials	6.3%
Consumer Discretionary	4.0%
Consumer Staples	1.1%
Health Care	6.3%
Information Technology	7.0%
Telecommunication Services	7.0%
Utilities	0.0%
Financials ex Property Trusts	28.1%
Property Trusts	4.5%
Cash & other	4.3%

Top 10 Holdings (as at 31 March 2026)

BHP Group Ltd	12.8%
Commonwealth Bank of Australia	8.5%
National Australia Bank Limited	6.2%
Evolution Mining Limited	5.5%
CSL Limited	5.2%
Telstra Group Limited	5.1%
ANZ Group Holdings Limited	4.5%
Rio Tinto Limited	3.9%
QBE Insurance Group Limited	3.7%
Santos Limited	3.7%

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 disruption to commodity production and shipping in the wake of US and Israeli attack on Iran dominated markets in March.

Iran retaliated with strikes on Gulf State energy production infrastructure and effectively closed the Strait of Hormuz.

This saw energy prices surge and prompted concern about the ultimate impact on inflation and interest rates – with the market in the US flipping from pricing rate cuts to rate hikes.

The Gulf and Strait are also important in global production of fertiliser, helium, aluminium and sulphur, among other commodities. The market also started to focus on the possible effect of a period of higher prices – or shortages – of key inputs at a macroeconomic, industry and company level.

The Trump Administration made several statements that suggested a relatively short conflict. However continued attacks and deadlines, bellicose Iranian responses, and threats of escalation to critical infrastructure, saw market sentiment oscillate and extremely volatile markets with sometimes large intra-day swings.

The net effect was the S&P/ASX 300 fell -7.3% for the month, an outcome which suggests that on balance, the market still expects a cessation to hostilities relatively soon and the resulting disruption to be brief.

Energy did best, with strength across the oil/LNG producers, the fuel refiners and distributors, and the coal miners as the market started to contemplate substitutes. Woodside Energy (WDS, +27.2%), Santos (STO, +17.8%), Ampol (ALD, +21.9%), Whitehaven Coal (WHC, +18.4%) and Viva Energy (VEA, +48.0%) all surged.

Utilities also held up relatively well on the view that they would also benefit from higher energy prices. Origin Energy (ORG) gained 4.5% and pipeline company APA Group (APA) 8.2%.

Materials was the worst-performing sector. Gold miners fell as the gold price fell 11.5% in March despite heightened geopolitical risk. A rally in the US dollar was a headwind, as were reports of investors taking recent profits in gold to deploy elsewhere or cover margin calls and some commentary around central banks pausing gold purchases. This saw Northern Star (NST) down -32.2% and Evolution (EVN) -23.0%. Copper was also weak. Continued friction between BHP (BHP, -12.1%) and China's iron ore buying group saw it fall. Rio Tinto (RIO, -1.4%) held up better than the market, with Gulf disruption seeing aluminium price rises.

Meanwhile fears around AI disruption continued to weigh on Information Technology. Selling remained largely broad-based, with software stocks Xero (XRO) down -9.7%, Wisetech (WTC) -19.9% and Life360 (360, -23.6%). Data centre stocks were also weak. Technology One (TNE, +3.0%) bucked the trend.

Fund performance

The Fund finished slightly behind the index in March. Its balanced construction, designed to help manage market shocks, helped with the outcome. It meant that material changes in the portfolio's thematic positioning were not required in an environment of elevated market stress and volatility.

Several of the portfolio's positions saw material drawdowns on the back of issues related to the conflict. Evolution Mining fell on a weaker gold price, Qantas was down on concerns over fuel costs while the potential higher cost of oil-based inputs for packaging weighed on Amcor.

Largely offsetting this were positions in companies which benefit from higher energy prices such as Santos and Viva Energy. The portfolio's more defensive, less cyclical exposures such as Telstra and QBE Insurance also helped performance.

Key contributors

Overweight Santos (STO, +17.8%)

The surge in energy prices saw oil/LNG producer Santos rise in March. At a company level, the company continues to ramp up the newly-commissioned Barossa project as it transitions from a capex-heavy period to one of greater free cash flow. During March it announced the decision to progress with the Moomba Central Optimisation Project, in partnership with Beach Energy, which aims at achieving $600 million in capex and opex savings for STO's assets in South Australia's Cooper basin.

Underweight Northern Star Resources (NST, -32.2%)

The gold price fell in March, weighing on the gold mining sector, including NST. However this move was compounded by management downgrading expected production for FY26. While its KCGM project remains on track for start-up in Q1 FY27, the spate of recent downgrades has driven a material de-rating and the market is expressing uncertainty with respect to the company's multi-year guidance, due to be delivered in June.

Overweight Viva Energy (VEA, +48.1%)

Disruption in the energy sector saw a rapid expansion in refining margins and buoyed fuel refiner/distributor Viva Energy. The Federal Government also announced an amendment to the terms of the Fuel Security Support Package, the subsidy it pays to VEA (and Ampol) in order to keep their oil refineries operating. The amended terms better reflect increased costs over the last two years and remains in place until at least the end of the decade.

Key detractors

Overweight Evolution Mining (EVN, -23.0%)

The gold price fell in March, weighing on the gold mining sector, including EVN. Operationally, EVN remain in good shape and in February announced several incremental growth opportunities via expansions and better efficiencies at its existing operations. It continues to deliver strong free cash flow and improved capital returns to shareholders.

Underweight Woodside Energy (WDS, +27.2%)

The surge in energy prices saw oil/LNG producer Woodside rise in March. It delivered its FY25 result early in the month. While largely pre-announced, the tax outcome was better than expected and helped fuel a higher dividend. We continue to prefer Santos within the oil/LNG sector, as production ramps up from recent developments and the company inflects from high capex to high free cash flow. The position in Santos helped offset the drag from Woodside.

Overweight NextDC (NXT, -18.4%)

Data centre company NXT took a leg down late in the month off the back of press speculation that a $500m subordinated bond raising has been put on ice, a further strike against management in executing on the capital side of their business. We understand that this process has been temporarily put on hold given market conditions with the Iran conflict. We continue to engage with management and the board on funding both the rollout of contracted capacity as well as the large opportunity ahead of them.

Outlook

The outlook remains highly uncertain. The market is highly sensitive to statements from the Trump Administration; the consensus view on the conflict's likely end could shift quickly in either direction and prompt a rapid relief rally or further drawdowns.

This underpins the case for retaining a balanced portfolio construction, not positioning the portfolio to be reliant on one pathway or outcome, and having stocks that can outperform in either scenario.

Even if the conflict is brought to swift resolution and the Strait returns to something like normal traffic, there will still likely be the "air pocket" of constricted supply to work through the system.

At the same time, the combination of war-related damage to Gulf commodity production infrastructure – and the time required to restart and ramp up shuttered capacity – is likely to further exacerbate a period of disrupted supply.

The risk for Australia is that this will be felt in a period higher prices and lower demand, against a backdrop in which the RBA is raising rates. This could weigh on the earnings outlook for companies tied to domestic consumer demand and we are incrementally more cautious on these stocks.

The counterpoint could be in areas more tied to the global growth outlook. Resource companies look relatively well placed in this regard, helped at the margin by disrupted supply in certain commodities as a result of the conflict. Companies with little exposure to a disrupted supply chains or higher input costs, but which have nevertheless been sold down on broader fears around global demand, are also looking more attractive. We have been using this month's weakness to add to some of these positions.

There were some constructive signals from both the US and Iran at the start of April, possibly suggesting the desire to bring the conflict to an end. However this remains uncertain – as does the timeframe, the structure of any agreement, and the implications for supply chains.

As a result we continue to stay close to our companies, understanding the nature and scope of their sensitivity to issues raised by the conflict (both positive and negative), when they are likely to manifest, and what proactive strategies management are employing to deal with them.

Historically, we have been able to use episodes of market volatility to identify and add value via opportunities in individual companies, while balancing the portfolio construction to help deal with a quickly-changing environment. Single stock volatility was already elevated heading into the conflict, suggesting a high degree of mispricing that has only been exacerbated by the spike in uncertainty related to Iran. Current uncertainty is a challenge for investors, but the degree of mispricing suggest a good environment for active investors looking beyond the near-term volatility.

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

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