PENDAL

Factsheet

Equity Strategies

31 March 2026

Pendal Horizon Sustainable Australian Share Fund

ARSN: 096 328 219

The future is worth investing in

About the Fund

The Pendal Horizon Sustainable Australian Share Fund is an actively managed portfolio of Australian shares.

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 rolling 5 year periods. 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 high conviction, values-oriented, concentrated portfolio of typically 15-35 stocks. The Fund offers investors exposure to companies that advance the transition to the Fund's vision of a sustainable future economy through their products and service and/or business practices, while avoiding those that Pendal considers to negatively impact this transition[1].

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 analysis. 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 analysis focuses on valuation, franchise, management quality and risk factors (both financial and non-financial risk).

The Fund may hold cash and may use derivatives. 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.

The Fund applies a sustainable approach to investments and applies exclusionary screens. For more information on the Fund's sustainable investment approach and how exclusions are applied, refer to section 5 'How we invest your money' of the Fund's Product Disclosure Statement at www.pendalgroup.com/PendalHorizonSustainableAustralianShareFund-PDS.

Investment Team

Pendal's nineteen member Australian Equities team is one of the largest in the industry. The portfolio manager is Head of Equities, Crispin Murray, assisted by Elise McKay, Oliver Renton and Patrick Teodorowski on the application of the Fund's investment framework.

Investment Guidelines

Ex-ante (forward looking) tracking error	3.0% - 8.0%
Min/max stock position	+/-10%
Min/max sector position	+/-10%

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	-7.49	-7.42	-7.30
3 months	-3.22	-3.00	-2.04
6 months	-4.97	-4.52	-2.91
1 year	9.53	10.57	11.59
2 years (p.a)	8.93	9.96	7.02
3 years (p.a)	10.78	11.83	9.43
5 years (p.a)	6.98	8.00	8.46
Since Inception (p.a)	8.16	9.21	8.17

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: May 2001.

Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 31 March 2026)

Energy	0.0%
Materials	27.7%
Industrials	5.9%
Consumer Discretionary	1.5%
Consumer Staples	0.9%
Health Care	5.1%
Information Technology	6.4%
Telecommunication Services	7.7%
Utilities	0.0%
Financials ex Property Trusts	31.7%
Property Trusts	4.7%
Cash & other	8.5%

Top 10 Holdings (as at 31 March 2026)

Rio Tinto Limited	9.5%
Commonwealth Bank of Australia	8.6%
National Australia Bank Limited	6.3%
Telstra Group Limited	5.9%
CSL Limited	5.1%
ANZ Group Holdings Limited	4.5%
Evolution Mining Limited	4.1%
QBE Insurance Group Limited	3.8%
Fortescue Ltd	3.5%
Qantas Airways Limited	3.0%

[1] As defined by the Fund's exclusionary screens and gross revenue thresholds.

Signatory of:

PRI Principles for Responsible Investment

CERTIFIED RESPONSIBLE INVESTMENT

CERTIFIED BY RIAA

The Pendal Horizon Sustainable Australian Share Fund has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Other Information

Fund size (as at 31 March 2026)	$334 million
Date of inception	May 2001
Minimum investment	$25,000
Buy-sell spread[2]	0.44 (0.22%/0.22%)
Distribution frequency	Quarterly
APIR code	RFA0025AU

[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. Buy-sell spread effective 14 February 2025.

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[3]	0.95% pa

[3] 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.

On 4th April 2025, the Pendal ESG Watchlist Assessment Panel, has temporarily excluded WiseTech Global, from the investible universe for Pendal's sustainable portfolios. Milestones have been set for the company for future removal of the exclusion.

Carbon performance

The estimated weighted average carbon intensity (WACI) of a portfolio provides an indication of the portfolio's exposure to carbon intensive companies.

The estimated WACI of the Portfolio, using greenhouse gas emissions (scope 1 and 2[1]) data supplied by ISS and weighted by the size of the Portfolio's holding in each company, is shown in the table below. We also compare this to the weighted average emissions for the companies in the aggregated ASX300 index.

We caution that there are limitations with using carbon metrics as an indicator of a portfolio's overall exposure to climate-related risks. For example, not all companies report their emissions data and hence some of the below analysis includes estimates. Also, it does not include scope 3 emissions. Further, portfolio carbon analysis does not capture exposure to physical climate-related risks, or the unique transition risks some companies within the Portfolio face. Nevertheless, the WACI metric is recommended by the Task Force on Climate-related Financial Disclosures (TCFD)[3], noting it supports greater comparability of investor reporting.

Weighted Average Carbon Intensity (tonnes CO_2e / $M revenue)

Pendal Horizon Sustainable Australian Share Fund	ASX 300	Relative to ASX300
179.50	114.80	64.70

Source: ISS STOXX, Pendal holdings as at 31 March 2026.

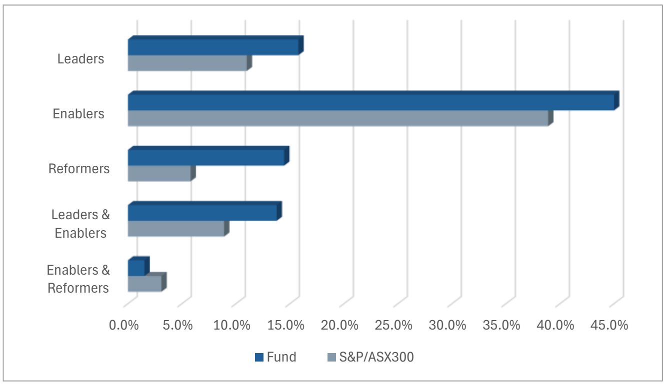
Report run on 01/04/2026 using latest ISS STOXX data. Currency AUD

[1] Scope 1 emissions result from sources directly owned or controlled by the company. Scope 2 accounts for emissions from the generation of purchased electricity consumed by the company.

[2] Scope 3 emissions result from activities not directly owned or controlled by the company but are associated with its operation such as business travel, waste management, commuting, and the use of sold products and services. https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

[3] Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017 https://www.fsb-tcfd.org/recommendations/

Sustainable holdings by category vs the benchmark (as at 31 March 2026)



	Fund	S&P/ASX300
Leaders	15.8%	11.0%
Enablers	45.9%	38.9%
Reformers	14.5%	5.8%
Leaders & Enablers	13.8%	8.9%
Enablers & Reformers	1.5%	3.1%

Source: Pendal as at 31 March 2026.

To be considered as a potential investment of the Fund, companies are assessed and must fall into one of the following three categories:

1. Leaders

This category includes companies that generate at least 50% of its gross revenue[4] from products and services aligned with one or more of the Fund's sustainable themes (including environmental sustainability, technology for good, health and wellbeing, social inclusion and equality).

2. Enablers

This category includes companies with business practices that Pendal considers enables the transition to the Fund's vision of a sustainable future economy.

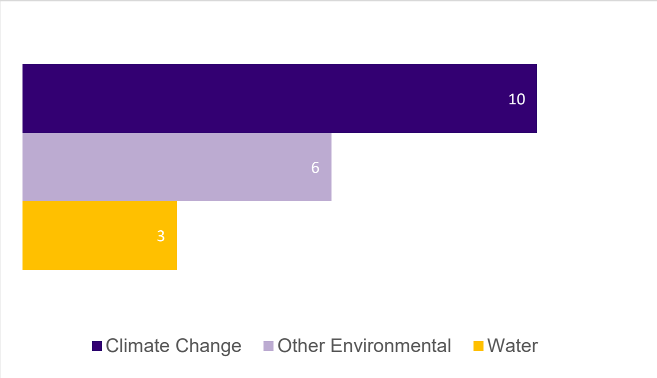
3. Reformers

This category includes companies which Pendal assessed as having potential to improve the way they do business in a way that would support a transition to the Fund's vision of a sustainable future economy. These companies do not fit into the Leaders or Enablers category however pass the Fund's exclusionary screens. Companies in the Reformer category are targeted for engagement.

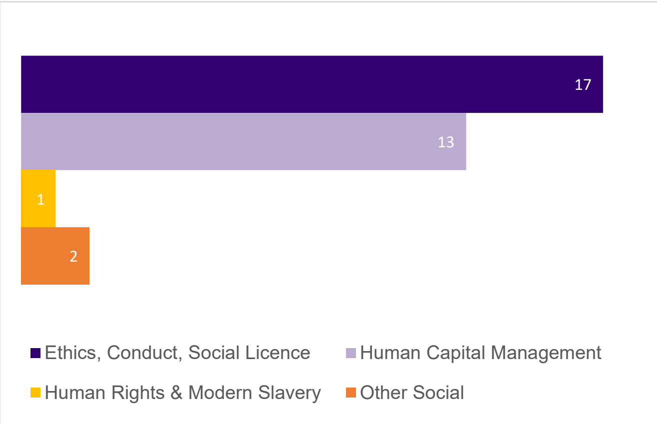
[4] Where gross revenue is not the most appropriate measure, such as in the case of products generating different margins, Pendal may use another key indicator deemed more appropriate, for example gross profit.

Quarterly engagements for the Fund by sustainability theme – 3 months to 31 December 2025

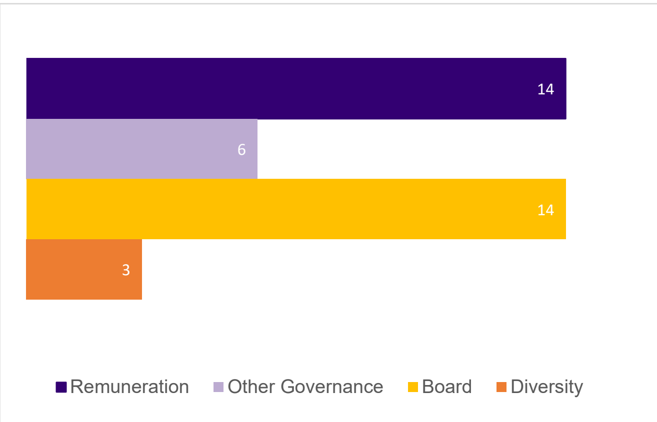
Environment



Social



Governance



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 marginally underperformed the benchmark over the month of March.

Key contributors

Underweight BHP (BHP, -12.1%)

Uncertainty over the ongoing negotiations between BHP and the centralised iron ore buying group China Mineral Resources Group (CMRG) weighed in March. A stand-off between the two parties over pricing, contract structure and settlement currencies led to CMRG instructing Chinese steel mills to stop buying some BHP products. As of early April, it appears that some of these restrictions have been wound back.

Overweight Rio Tinto (RIO, -1.4%)

Rio Tinto held up better than the market, helped by disruption to the aluminium market. The Middle East produces roughly 8-9% of global aluminium supply, most of which is exported via the Strait of Hormuz. Its share of the non-China market is even higher. The aluminium price rose 13.5% in response, which is a tailwind for RIO given in CY 2025, almost 29% of its revenues were sourced from its Aluminium & Lithium division.

Key detractors

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.

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.

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.