PENDAL

Factsheet

Pendal Managed Cash Fund

ARSN: 088 832 491

Income & Fixed Interest

31 October 2026

About the Fund

The Pendal Managed Cash Fund (**Fund**) is an actively managed portfolio of Australian cash and short term fixed interest securities of strong credit quality. Key features of the Fund include same day access to funds with no transaction costs and monthly interest accrual. The Fund invests in short term securities issued by Prime Banks or that have a credit rating of A-1+ (minimum 75% of the Fund) and non-Prime Bank short term securities rated A-1 (maximum 25% of the Fund).

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Bloomberg AusBond Bank Bill Index. The Fund also aims to maintain a stable $1.00 unit price while providing income which reflects the returns available in the short term money market.

Description of Fund

This Fund is designed for investors who want capital stability, regular income from the short term money market and same day access to funds. The Fund predominantly invests in short term securities issued by Prime Banks[3] or short term securities that we consider to have similar credit characteristics. The Fund also invests in a combination of bank-backed, corporate and government short term money market and floating rate securities and annuities. The Fund aims to maintain capital stability through limited exposure to interest rate movements and prudent credit management.

Pendal's investment process for Australian cash and short term fixed interest securities aims to add value through multiple strategies, including active security and sector selection, yield curve positioning and investment research. Pendal focuses on weighted average maturity management and asset allocation between deposits with Authorised deposit-taking institutions (ADI's), government and semi-government debt and commercial paper. Our investment research focuses on macroeconomic analysis, sector and security valuation and portfolio construction.

Investment Team

Pendal's Income & Fixed Interest team has extensive and varied experience across both local and international Fixed Interest markets. The team manages a range of strategies including Cash, Government bond, Composite bond, specialised Insurance solutions, Income solutions and Sustainable and Impact funds. The portfolio manager of the Fund is Steve Campbell who has more than 26 years industry experience.

Portfolio Characteristics

Maximum duration	0 - 70 days
Minimum credit rating	A-1+ or issued by Prime Banks (minimum 75% of the Fund) A-1 (maximum 25% of the Fund)
Liquidity	Same day access (before 2.00pm)

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	0.38	0.40	0.37
3 months	1.14	1.20	1.11
6 months	2.26	2.37	2.23
1 year	4.19	4.42	4.14
2 years (p.a)	4.18	4.40	4.12
3 years (p.a)	4.28	4.51	4.23
5 years (p.a)	3.46	3.67	3.41
Since Inception (p.a)	5.58	5.86	5.63

Source: Pendal as at 31 October 2026.

Performance returns (post-fee) is based on issuer fee deducted from the unit price: currently 0.22% (pa).

Performance returns (post-fee) are calculated: to the first day of each month using average daily distribution yields; taking into account management costs of the Fund. Performance returns (pre-fee) are calculated by adding back management costs to the (post-fee) returns.

Returns for periods greater than one year are annualised. Fund inception: September 1986. Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 31 October 2026)

11am cash	39.2%
Bank securities	50.4%
Promissory Notes	3.5%
Term Deposit	6.9%

Security Credit Ratings (as at 31 October 2026)

A-1+	86.7%
A-1	13.3%

Fund Statistics (as at 31 October 2026)

Yield to Maturity[#]	4.82%
Running Yield[*]	4.82%
Modified duration	0.10 years
Credit spread duration	0.10 years
Weighted Average Maturity	0.10 years

[#] Yield to maturity is an estimate, at a point in time, of an individual security's expected annual rate of return, assuming the security is held to maturity and all coupon payments are made on time and reinvested at the same rate. The Fund's yield to maturity uses this calculation on a weighted average basis for all physical securities held in the Fund. The Fund's yield to maturity does not represent the actual return of the Fund over any period.

[*] Running yield is an estimate, at a point in time, of the annual income generated by an individual security expressed as a percentage of its current market price. It is calculated by dividing the coupon of the security by the market value of that security. The Fund's running yield uses this calculation on a weighted average basis for all physical securities held in the Fund. Running yield does not reflect the actual income return of the Fund.

Prime Banks are Australian Prudential Regulated Authority (APRA) Authorised Deposit Taking Institutions that meet the Australian Stock Exchange's (ASX) strict eligibility criteria. Prime banks are appointed annually by the Administrator (ASX Benchmarks Pty Ltd) following consultation with the BBSW Advisory Committee and Market Participants. The ASX recognises securities issued by Prime Banks to be of the highest quality in regards to liquidity, credit and consistency of relative yield. *Source: ASX Prime Bank Conventions, September 2023.*

Credit rating by Standard and Poor's.credit ratings reflect the agency's opinion about the ability of the issuer of the rated security to meet its financial obligations in full and on time. Credit agencies may downgrade their rating for a security held in the Fund at any time which may impact the price and liquidity of the security. Credit ratings are intended to be a guide for wholesale investors only and therefore should not be relied upon by retail investors when making a decision to invest in a security.

Other Information

Fund size (as at 31 October 2026)	$579 million
Date of inception	September 1986
Minimum investment	$100,000
Buy-sell spread	Nil
Distribution frequency	Monthly
APIR code	WFS0245AU

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]	0.22% 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.

The management fee on this Fund increased from 0.12% p.a. to 0.22% p.a. from 1 October 2022.

Market review

The Reserve Bank of Australia did not hold a meeting during the month. Inflation data in Australia came in at month end largely as expected, although likely to be viewed as uncomfortably high by the RBA. The key number was trimmed mean inflation of 1.0% for the September quarter, an acceleration from 0.8% in the June quarter. This will mean revisions to year end inflation expectations, with trimmed mean for 2026 likely to up from 3.3% to 3.5%.

Entering October, the markets had taken the Reserve Bank Governor's press conference comments at their September month end rate hike meeting to mean that the likely higher inflation print at October end would be looked through. However, the Governor, the Deputy Governor and the Assistant Governor Economics were all out and about in October talking up the need for higher rates. Market pricing for an early November hike went from 30% to 85% over October.

Other data released in October pointed towards ongoing weakness in the Australian economy. The NAB business survey showed falling confidence and another negative conditions print. Unemployment ticked up from 4.6% to 4.7%. S&P Global Australia PMI composite printed 47.7 (below 50 shows contraction).

Bond yields rallied in October, despite the oil price continuing to rise. The Brent oil price rose 20% (December contract) over the month and the West-Texas intermediate contract rose 18%. Equity markets were mixed. In the United States the tech-laden NASDAQ fell over 5% for the month as investors started to question valuations following the significant and ongoing capital expenditure related to the AI boom. Some of the price falls included chipmaker NVIDIA (-10%), Google parent Alphabet (-18%) and Meta (-15%). The S&P top 10 also fell by over 5%. The falls in US equity prices saw a flight to quality and saw treasury yields rally sharply.

October was a busy month for central bank meetings with mixed results and often split votes. The Federal Reserve, ECB and Bank of Japan all left policy settings unchanged as expected. The market did not expect the Bank of Canada to tighten policy, but they did, from 2.25% to 2.50%. The Bank revised its growth forecast up slightly and headline inflation is now forecast to be 3.5% for 2026 (target band is 1-3%). The Bank sees cost pressures building from higher fuel prices. Business liaison suggests businesses have absorbed cost increases so far however cost pass-through will increase over the next year. The Bank decided that tightening would reduce the risk that continuing high energy prices spreads broadly to the prices of other goods and services.

The market did not expect the RBNZ to leave their policy rate unchanged at 2.75%, with the Board voting 4-3 to leave policy unchanged. Inflation remains above target however members voting for no change at this meeting viewed it as more prudent to assess the impact of 2 recent rate hikes before tightening further. Those voting to tighten highlighted that aggregate demand had been resilient and the risk that inflation becomes more entrenched.

The ECB left policy unchanged. In their statement the ECB noted that underlying price pressures remain broadly stable with wages continuing to show no material response to higher prices. ECB President Lagarde stated that they considered tightening however the ECB was of the view that policy was well positioned and a measured approach was appropriate.

In the United States the Federal Reserve left policy unchanged. Fed Chair Warsh's subsequent press conference saw bonds rally. Warsh stated that most of the Fed don't see the economy as running too hot and his own view was the productivity had improved. He was less concerned about inflation expectations.

Economic data in the United States was mixed. Non-farm payrolls were weaker than expected with prior months data also being downwardly revised. The unemployment rate rose by 0.1% to 4.2% and the participation rate rose from 61.6% to 61.8%.

Inflation data was slightly higher than expected. Monthly core inflation rose 0.3% taking the annual core inflation rate to 2.6%. Producer Price Index data was much higher than expected when rising 1.3% (consensus 0.6%) taking the annual rate to 6.3%. The core PCE index was in line with expectations at 0.3% for the month and 3.1% for the year.

Economic growth exceed forecasts when rising an annualised 3.4% in the 3rd quarter. The personal consumption component rose by an annualised 3.8%.

Bonds rallied in October as risk sentiment suffered. In the United States 10-year bond yields fell 36 basis-points to 4.93%. In Europe German and UK 10-year yields fell 26 and 14 basis-points respectively to 3.32% and 5.28%. The big underperformer was France. French yields rose sharply following concerns over their fiscal position and discipline. French 10-year yields ended 11 basis-points higher at 4.97%. The French-German spread rose to 165 basis-points, up 37 basis points over the month. Japanese yields mirrored the bond rally with 10 and 30-year yields 28 and 29 basis points lower at 2.77% and 3.84%.

Fund performance and activity

The Fund returned 0.38% (net of fees) for the month and 4.19% (net of fees) over the year, outperforming by 1 basis point for the month and 5 basis points for the year. The yield on the Fund at month end was 4.82%.

Six-month BBSW traded in a 0.13% range and ended the month 0.13% higher at 5.25%. Six-month overnight index swap (OIS) reflected the RBA tightening policy along with further rate hike expectations and rose from 4.76% to 4.93%. This resulted in the bills-OIS spread tightening by 0.04% to 0.32%.

Positioning remains consistent with prior months. Additional yield from non-major bank exposure along with higher margin deposits from the major banks continue to benefit performance. The fund remains highly liquid and is well positioned to outperform in the coming months.

Market outlook

The RBA tightened monetary policy further at its early November meeting and revised its inflation forecasts higher. Since its previous forecasts in August, oil prices have risen sharply, while economic growth has been slightly stronger than expected. The RBA continues to assess the economy as operating with little spare capacity, while productivity growth remains weak.

Australia's major trading partners are also benefiting from AI-related investment, while domestic business investment has picked up, driven largely by data centre construction. With inflation remaining elevated and capacity pressures persisting, further monetary policy tightening cannot be ruled out. However, following five rate hikes so far in 2026, the RBA is likely to pause in the near term to assess the impact of the tightening delivered to date.

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

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Performance figures are calculated in accordance with the Financial Services Council (**FSC**) standards. Performance returns (post-fee) are calculated: to the first day of each month using average daily distribution yields; taking into account management costs of the Fund. No reduction is made to the unit price (or performance) to allow for tax you may pay as an investor, other than withholding tax on foreign income (if any). Certain other fees such as Contribution fees or Withdrawal fees (if any) are not taken into account. Performance returns (pre-fee) are calculated by adding back management costs to the (post-fee) returns. 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.

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