PENDAL

Pendal MicroCap Opportunities Fund

ARSN: 118 585 354

Factsheet

Equity Strategies

30 September 2026

About the Fund

The Pendal MicroCap Opportunities Fund (**Fund**) is a portfolio of stocks in the rapidly expanding and highly diversified micro cap sector. The universe includes more than 1,100 companies listed on the ASX and NZX with a market capitalisation of generally less than $250 million.

Investors should be aware that due to the characteristics of micro cap companies there is some additional risk involved in investing in the Fund compared to a conventional Australian equities fund.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX Small Ordinaries (TR) Index over the medium to long term. The suggested investment timeframe is five years or more.

Investment Strategy

The Fund is actively managed and invests primarily in a portfolio of 40-60 Australian companies with market capitalisation or free float of generally less than $250 million at initial investment that we believe are trading below their assessed valuation. The Fund may also invest in equivalent companies listed on the New Zealand Stock Exchange.

The Fund's holdings that become constituents of the S&P/ASX 200 Index will generally be sold within 18 months, having regard to the interests of investors.

Investment Philosophy

At the cornerstone of Pendal's investment philosophy is the view that markets are not always rational and the inefficient market pricing of securities creates investment opportunities. This is particularly the case in micro caps where the sector is under-researched and sentiment will often drive periods of under-valuation and over-valuation. This reflects our belief that in the absence of structural change security prices will revert to their intrinsic value through the course of an investment cycle.

As with Pendal's other Australian equity portfolios, the Fund will be managed in a way that is style indifferent, it will be invested in both 'value' and 'growth' companies, without a predetermined 'value' or 'growth' bias.

Investment Team

The Pendal MicroCap Opportunities Fund is managed by Pendal's experienced Small Cap team. The Fund is managed by Lewis Edgley and Patrick Teodorowski. They are supported by an experience Small Cap team as well as the insight of Pendal's broader Australian equities team.

Portfolio Characteristics

Benchmark	S&P/ASX Small Ordinaries (TR) Index
Number of stocks	Between 40 - 60
Maximum cash weighting[1]	25%
Ex-ante (forward looking) tracking error[2]	5 - 20%
Maximum absolute stock position	10% (5% for developing companies)
Maximum ownership of any company	15%
Shorting	No
Borrowing	No

[1] We may hold higher levels of cash following large applications or if suitable investment opportunities cannot be identified.

[2] The Fund is measured against the S&P/ASX Small Ordinaries (TR) Index, which is a widely used measure of the performance of micro cap funds. Only a portion of the index will comprise companies with a market capitalisation of less than $150m and as a result the Fund's ex-ante tracking error is expected to vary more widely than the tracking error for most other types of active Australian share funds.

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	-0.10	0.38	-2.34
3 months	1.96	2.68	-0.53
6 months	10.36	12.84	2.77
1 year	1.60	4.72	-6.74
2 years (p.a)	14.87	18.25	6.45
3 years (p.a)	20.59	24.55	10.41
5 years (p.a)	8.01	10.64	2.18
Since Inception (p.a)	16.53	20.97	4.09

Source: Pendal as at 30 September 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: March 2006.

Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 30 September 2026)

Energy	4.9%
Materials	10.6%
Industrials	39.0%
Consumer Discretionary	17.0%
Consumer Staples	0.0%
Health Care	0.7%
Information Technology	14.3%
Telecommunication Services	3.2%
Utilities	0.0%
Financials ex Property Trusts	7.5%
Property Trusts	0.0%
Cash & other	2.9%

Other Information

Fund size (as at 30 September 2026)	$422 million
Date of inception	March 2006
Minimum investment	$25,000
Buy-sell spread[3] For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Yearly
APIR code	RFA0061AU

[3] 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 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[4]	1.20% pa
Performance fee[5]	20% of the Fund's performance (before fees) in excess of the performance hurdle.

[4] 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.

[5] 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 20% 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 Small Ordinaries (TR) Index) plus the management fee of 1.20% 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.

Fund manager commentary

The Fund returned -0.10% (after fees) in September, outperforming the -2.34% return from the S&P/ASX Small Ordinaries.

The largest relative contribution came from Southern Cross Electrical Engineering (SXE), which provides electrical, instrumentations, communication, security and maintenance services. After surging from January through to a June largely on the back of its exposure to data centre construction, it has been in a trading range, but broke above this the latter half of September. It delivered an investor day update early in the month, which noted that it expects its data centre-related work to triple from FY26 to FY27. It was also promoted to the S&P/ASX Small Ordinaries index.

Elsewhere, positions in electrical solutions distributor IPD Group, engineering company Duratec, and fuel storage and distribution company Channel Infrastructure NZ also did well.

The largest detraction came from the position in Praemium which provides an investment platform and wealth management software. It fell post deliverance of its FY26 result. While the result itself was solid, the market raised concerns about net flows – which have been softer across the platform industry – and the departure of the CEO of recently acquired Technotia.

Positions in ming services company Vysarn and retailer Baby Bunting also detracted.

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PFSL is the responsible entity and issuer of units in the Pendal MicroCap Opportunities Fund (**Fund**) ARSN: 118 585 354. A product disclosure statement (**PDS**) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pendalgroup.com. The Target Market Determination (**TMD**) for the Fund is available at www.pendalgroup.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.

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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. 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.