

### Pendal Monthly Income Plus Fund

Income & Fixed Interest

ARSN: 137 707 996

31 March 2026

#### About the Fund

The Pendal Monthly Income Plus Fund (**Fund**) is designed for investors who want the potential for regular income and some long-term capital growth to protect against inflation, diversification across a range of asset classes and are prepared to accept some variability of returns. The Fund invests in a number of income generating strategies across a range of asset classes, including fixed interest, shares and cash. The Fund may also use derivatives.

#### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the RBA Cash Rate over rolling 3-year periods while allowing for some capital growth to reduce the impact of inflation.

#### Investment Strategy

The Fund's investment strategy seeks to provide a reliable and consistent income stream that is commensurate with the prevailing cash rate. This will be achieved primarily by exposure to liquid cash and fixed income investments that generally continue to produce income even in times of stress.

The Fund's strategy also seeks to reduce the impact of inflation through exposure to growth assets (namely Australian shares) which will provide investors with the potential for some capital growth.

The Fund invests mainly in fixed and floating credit, government bonds and cash securities as well as Australian shares. The Fund is diversified with the goal of achieving stability and consistency of income over the long term.

#### Investment Process

Pendal's investment process provides a defensive approach to asset allocation. The process is aimed at preserving capital and minimising the occurrence of adverse income outcomes.

The Fund has a particular focus on managing downside risk and providing a regular, consistent and stable income. It also aims to provide some capital growth in order to reduce the impact of inflation. However, any capital growth that the Fund accumulates over time is secondary to the primary considerations of seeking to provide income and limit downside risk, and specifically limiting capital losses.

#### Investment Guidelines

Asset class	Range
Cash	0 - 50%
Fixed Interest	20 - 100%
Shares	0 - 30%

#### 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 <sup>1</sup>	0.65% pa
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<sup>1</sup> 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.

#### 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 Amy Xie Patrick who has more than 20 years industry experience, supported by Co-Portfolio Manager Oliver Ge who has more than 15 years industry experience.

#### Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-1.49	-1.43	0.34
3 months	-0.50	-0.35	0.94
6 months	-1.24	-0.92	1.86
1 year	3.09	3.76	3.84
2 years (p.a)	5.04	5.72	4.12
3 years (p.a)	5.16	5.84	4.16
5 years (p.a)	3.28	3.95	2.92
Since Inception (p.a)	4.46	5.13	2.56

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: July 2009.

Past performance is not a reliable indicator of future performance.

Benchmark: RBA Cash Rate

#### Distribution (over the last 12 months)

Month	CPU	Month	CPU
31/03/2026	0.40	30/09/2025	0.25
25/02/2026 <sup>^</sup>	0.40	31/08/2025	0.25
31/01/2026	0.40	31/07/2025	0.25
31/12/2025	0.30	30/06/2025	3.3269
30/11/2025	0.30	31/05/2025	0.70
31/10/2020	0.30	30/04/2025	0.60

\* Distribution is large due to year end distribution.

<sup>^</sup> Early payment of February 2026 distribution. The change was made for operational reasons and will be for February 2026 only.

#### Sector Allocation (as at 31 March 2026)

Government bonds	0.0%
Semi-Government bonds	0.0%
Corporate bonds	46.6%
Mortgage backed	3.0%
Asset backed	0.0%
Australian shares	11.8%
Cash & other	38.5%

#### Fund Statistics (as at 31 March 2026)

Yield to Maturity <sup>#</sup>	5.21%
Running Yield <sup>†</sup>	4.17%
Modified duration	0.26 years
Credit spread duration	1.40 years
Weighted Average Maturity	1.60 years

<sup>#</sup> 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.

<sup>†</sup> 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.

## Other Information

Fund size (as at 31 March 2026)	\$485 million
Date of inception	July 2009
Minimum investment	\$25,000
Buy-sell spread <sup>2</sup> For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a>	
Distribution frequency	Monthly
APIR code	BTA0318AU

<sup>2</sup> 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.

## Market review

March was characterised by a highly turbulent macro environment in which geopolitics, energy prices and shifting policy expectations repeatedly drove abrupt changes in cross asset leadership. The escalation in the Middle East — and the market's evolving assessment of the duration and severity of energy disruption — created an unstable backdrop where the investment debate frequently rotated between “inflation shock” and “growth shock.”

The energy impulse was central. Early and mid month market narratives were heavily shaped by the tightening in global energy markets and the downstream effects on inflation expectations and interest rate volatility, with periodic shifts in tone as headlines oscillated between de escalation rhetoric and renewed escalation. Importantly, the month increasingly highlighted the risk that a sustained energy shock can become growth destructive over time, even as it keeps inflation uncomfortably elevated — a mix that tends to challenge diversification and amplify correlation risk.

Rates markets reflected this complexity through heightened volatility. Moves in global yields were influenced by the shifting balance between inflation persistence and emerging signs of demand destruction, and by how investors interpreted central bank reaction functions in real time. By late March, the speed of repricing in rate expectations was notable, with market pricing shifting materially away from an easing bias as energy driven inflation concerns rose. Intra-month, Australian rates markets priced in a peak of over 5% in the RBA Overnight Cash Rate.

Domestic credit markets behaved largely in an orderly fashion, albeit sensitive to swings in risk sentiment and liquidity conditions. Spreads widened in domestic investment grade bonds, but demand for credit could still be found by investors attracted to higher all-in yields of corporate and financial bonds due to the sell-off in rates intra-month. Domestic primary markets were quiet, although offshore markets in US and Europe continued to price a healthy volume of new deals, again supported by the higher yield environment.

Equity markets remain the main transmission mechanism for risk sentiment in this market environment. Australian equity markets were quick to erase the gains from February reporting season, ending the month over 8% lower on the ASX All Ordinaries index. US equity markets, on the other hand, drew down by less and in an orderly fashion for most of the month. The underperformance in Australia likely reflects in part the market's concern that Australia remains more sensitive to both the inflation and the growth risks stemming from this geopolitical crisis.

## Fund performance and activity

The Monthly Income Plus Fund returned -1.49% (net of fee) in March, underperforming its cash benchmark. Australian equities were the largest detractor to performance.

## Fund positioning

Duration was managed actively through the month. The Fund began March with a moderate interest rate exposure, then took profits and reduced duration early as markets reacted to geopolitical headlines and near term inflation uncertainty. As yields backed up and the risk/reward improved, the Fund rebuilt some duration while remaining disciplined on risk, particularly during periods where oil driven inflation risk created the possibility of outsized rate moves. Later in the month, with volatility returning and global yields selling off, the Fund again reduced duration meaningfully as part of a broader risk control response. Whilst continuing to stay tactical in our active duration positions, we reduced duration to minimal levels into month-end following a yet more hawkish reading on the RBA's minutes from its March meeting.

Credit risk was also managed with an emphasis on liquidity. Primary market participation was minimal, and in windows of market optimism we took the opportunity to reduce exposure to credits with tighter spreads and longer maturities, thereby reducing the fund's credit spread duration and building a tactical cash balance. Although physical bonds seem attractive from an all-in yield perspective, that is only because of the sell-off in yields over the month as the market grapples with inflation risks. Since we intentionally separate the credit and the duration decisions for this portfolio, we view the risks ahead to be asymmetric for credit spreads as well as credit market liquidity. Should credit markets become disorderly, we stand ready to take advantage of opportunities in secondary markets that arise from market dislocation. Should there be a sudden de-escalation of geopolitical and oil risks, the fund could easily replenish credit exposure with the reopening of primary markets.

The Fund's equity allocation was also actively managed this month. We decided to minimise equity exposures at the very start of the month as we viewed a repeat of February's stellar performance for the Australian equity market to be unlikely. This helped the portfolio to avoid the first leg of the market drawdown. However, on positive signals from our process, we modestly increased out allocation to 12% by the second week of March. Although markets temporarily rebounded, the continued escalation of the geopolitical crisis led to further legs of drawdown. As of month-end, the portfolio's equity allocation remains at 12%.

The outlook for both bonds and equities remains highly uncertain, depending on how quickly oil can start flowing out of the Middle East region. Most of this month saw global bond markets pre-occupied with the inflation part of stagflation, and cross-asset correlations remained high as if repeating 2022. We expect the inflation worry to hand over to demand destruction worries in bond markets and stand ready to lean into a more meaningful duration position for the portfolio in coming weeks. In the mean time, our modest allocation to equities remains one of the most liquid pieces of our portfolio, highlighting the need for liquidity in riskier allocations in order to navigate these volatile periods. For now, a higher-than-average cash balance is the best way to equip the portfolio with flexibility for whatever comes next.

For more information please call 1300 346 821,  
contact your key account manager or visit [pendalgroup.com](http://pendalgroup.com)

**PENDAL**

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