

## Pendal Short Term Income Securities Fund

ARSN: 088 863 469

## Factsheet

Income & Fixed Interest

30 April 2026

### About the Fund

The Pendal Short Term Income Securities Fund (**Fund**) is an actively managed portfolio of primarily Australian cash and fixed interest securities. The Fund invests in a combination of short-term money market instruments and medium-term floating and fixed rate securities.

The Fund invests in short-term and medium-term securities that are investment grade<sup>1</sup>. Duration is managed in a range of +/- 0.5 year around the index.

### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Bloomberg AusBond Bank Bill Index. The recommended investment time frame is 12 months or more.

### Investment Approach

The Fund aims to add value through active management by exploiting market inefficiencies through the shape of the money market curve and the mispricing of credit securities. Research is focused on assessing economic factors, the likely direction of interest rates and credit analysis. Credit margin relative value is assessed with reference to rating, sector, maturity, liquidity and underlying credit fundamentals.

### 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 George Bishay, who has more than 30 years industry experience.

### Fund Characteristics

Weighted average maturity	+/- 0.5 years around the index
Minimum credit rating	Investment Grade
Liquidity	Following day access (before 2.00pm)

### Fund Statistics (as at 30 April 2026)

Yield to Maturity <sup>#</sup>	4.85%
Running Yield <sup>*</sup>	4.63%
Modified duration	0.13 years
Credit spread duration	1.58 years
Weighted Average Maturity	1.72 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.

### Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	0.43	0.45	0.34
3 months	0.98	1.04	0.95
6 months	2.09	2.22	1.87
1 year	4.71	4.98	3.79
2 years (p.a)	4.81	5.07	4.12
3 years (p.a)	4.94	5.20	4.16
5 years (p.a)	3.50	3.76	2.96
10 years (p.a)	2.90	3.16	2.16
Since Inception (p.a)	4.43	4.75	4.22

Source: Pendal as at 30 April 2026

"Post-fee" return is based on management fees deducted from the unit price: currently 0.25% (pa). "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: January 1994.

Past performance is not a reliable indicator of future performance.

### Sector Allocation (as at 30 April 2026)

Money market	21.4%
Corporate	72.8%
Residential mortgage backed	5.8%
Government bond	0.0%
Other asset backed securities	0.0%

### Security Credit Ratings (as at 30 April 2026)

AAA	8.7%
AA	57.2%
A	8.4%
BBB	4.3%
Money market	21.4%

### Other Information

Fund size (as at 30 April 2026)	\$1,237 million
Date of inception	January 1994
Minimum investment	\$100,000
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	Quarterly
APIR code	WFS0377AU

<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.

### 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>3</sup>	0.25% pa
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<sup>3</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.

<sup>1</sup> Investment grade securities refer to securities that are expected to have a high probability of payment of interest and repayment of principal.

## Market review

There was no meeting held by the Reserve Bank of Australia (RBA) during the month. Inflation data showed first quarter trimmed mean inflation rising by 0.8% and resulting in an annual increase of 3.5%. The quarterly result was slightly weaker than expected, the annual result in line.

The monthly inflation series showed inflation rising by 1.1% in March. The increase was driven by a 32.8% surge in automotive fuel, contributing 1% to the headline result. Year-on-year inflation was up 4.6%.

Labour market data was in line with expectations. Employment grew by 17,900 jobs and the unemployment rate was unchanged at 4.3%. The participation rate fell by 0.1% to 66.8%.

The NAB Business survey painted a mixed picture. According to the survey business conditions fell marginally although remain in positive territory. Business conditions showed capacity utilisation remaining above its long run average. Purchase cost growth rose sharply. Confidence however plummeted, falling to -29 due to the conflict in the Middle East. It was the 2nd largest fall in the survey's history with the magnitude mirroring declines seen in the Global Financial Crisis and the COVID outbreak.

The Westpac Consumer Confidence survey also fell sharply. The index fell by 12.5% and is near historical lows. According to the survey the spike in fuel prices and rising interest rates triggered the largest fall since COVID.

Australian bonds ended the month higher in yield. Australian 3-year bond yields traded in a 31 basis-point range before ending 11 basis points higher in yield at 4.76%. Australian 10-year yields traded in a 26 basis-point range and ended 9 basis-points higher at 5.06%.

## Credit review

Credit spreads were a little stronger in April recovering some of March's weakness. The strength was on the back of a dialing back of Middle East tail risks and a positive US earnings season.

An extension of the US-Iran ceasefire and signs of some level of talks helped market sentiment. US enforced a naval blockade of Iran ports on all maritime traffic in mid-April on hopes it will squeeze Iran's economy forcing Tehran to capitulate on its nuclear program and reopen the Strait of Hormuz, whilst at the same time behind-the-scenes diplomacy continues. With markets having already sold off sharply in March, the shift away from worst case scenario in April supported a risk reversal.

First quarter US company earnings were materially better than expected. With approximately 60% of companies having reported by the end of the month, 81% beat earnings by 20% on average. Actual pcp profit growth was 29% whilst revenue growth was 12%. The best performing sectors in relation to earnings growth were resources and consumer discretionary at 83 & 56% respectively, whilst the worst sectors were telcos and health care at -5 & -4%.

Credit spreads were narrower over the month. The Australian iTraxx index (series 45) traded in a wide 19bp range, finishing 15bps tighter in spread to close at 77bps. Australian physical credit spreads narrowed 4bps on average. The best performing sector was domestic banks that tightened 6pts whilst the worst performing sector was real estate that moved out 1bp. Semi-government bonds narrowed 3bps to Commonwealth government bonds.

## Fund performance and activity

The Fund outperformed the benchmark over the month.

Financials, industrials and RMBS added to performance.

Activity during the month included adding to bank and infrastructure exposure funded out of cash.

## Market outlook

Tensions in the Middle East will see the Reserve Bank of Australia (RBA) revise their inflation forecasts higher in their next Statement on Monetary Policy in May. With inflation already above target and moving higher it is likely that the RBA also tightens monetary policy at their May meeting. Further policy tightening after that remains largely contingent on external events. Domestically the RBA will be paying close to attention to wage agreements and the effect of higher commodity prices on household spending. For now, containing inflation expectations remains the RBA's primary objective. Further policy tightening is likely, although the environment remains volatile and uncertain.

## Credit outlook

We maintain defensive positioning in relation to our credit exposure given our concerns around the US labour market and now the Middle East conflict. A continued deterioration in US employment conditions is a risk for markets as this would increase the chances of a recession. Also, a prolonged conflict pushing oil to higher prices for a sustained period would be inflationary and an economic headwind, however we do believe the war will be short lived as Trump has a clear incentive to get oil prices back down, given lower energy prices were a cornerstone of his election campaign as the midterm elections approach.

We also have questions around the profitability of the significant AI capex spend that we have seen as well as implications on unemployment. We expect the return on capital spend will underwhelm and/or we get a material increase in unemployment due to continued employer cost cutting efforts which will be a headwind for the market going forward.

Global trade uncertainty remains, with the big unknowns now being will there be tariffs and if so who will ultimately pay for the Trump's tariffs. Will companies absorb it and impact profits/margins or will they pass the expense on to their end customers/consumers, either way not great for earnings, inflation and cost of living for the consumer.

On the flip side, the US consumer remains resilient and the economy is supported by government fiscal spending including the upcoming tax cuts which will continue to benefit US corporate earnings and credit fundamentals.

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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