PENDAL

Factsheet

Pendal Sustainable Australian Share Fund

ARSN: 097 661 857

Equity Strategies

31 August 2026

About the Fund

The Pendal Sustainable Australian Share Fund (**Fund**) is an actively managed portfolio of Australian shares. Investments are selected based on a range of sustainable, ethical and financial criteria.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 200 (TR) Index over the medium to long term, whilst maximising the portfolio's focus on sustainability. The recommended investment timeframe is five years or more.

Description of Fund

This Fund is designed for investors who want the potential for long-term capital growth and tax effective income, diversification across a broad range of Australian companies and industries and are prepared to accept higher variability of returns.

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

The Fund aims to invest in companies that advance the transition to a more sustainable economy. Pendal's view of a sustainable economy is one which is made up of companies:

– producing or offering products or services that provide social and/or environmental benefits; and/or

– that have leading operational practices with regard to the environment, their employees and community, and conduct their business ethically; and/or

– whose actions, business models and products or services do not cause significant harm.

In managing the Fund, Pendal focuses on sustainable themes (including energy transformation, sustainable environment, human basics and increasing prosperity), and draws on internal and external research to assess companies on their sustainability performance. In addition to employing a sustainability assessment framework, exclusionary screens are applied to avoid exposure to companies with business activities that Pendal considers to negatively impact the environment and/or society.

The Fund will not invest in companies directly involved in:

- tobacco production (including e-cigarettes and inhalers); or
- manufacture or distribute controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons, non-detectable fragments, depleted uranium and white phosphorous weapons).

Additional exclusionary screens are applied differently across industries and business activities. For more information on how these exclusions are applied and Pendal's Sustainability Assessment Framework go to section 3 of the 'Additional Information to the Product Disclosure Statement' www.pendalgroup.com/PendalSustainableAustralianShareFund-PDS.

Investment Team

The Fund is managed by Rajinder Singh in Pendal's Australian Equity team who has more than 24 years' industry experience.

Performance

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	1.23	1.30	1.54
3 months	2.00	2.21	4.54
6 months	-3.97	-3.56	0.32
1 year	-2.41	-1.58	4.40
2 years (p.a)	6.67	7.57	9.45
3 years (p.a)	9.70	10.63	11.24
5 years (p.a)	5.52	6.42	7.81
Since Inception (p.a)	7.97	8.89	8.87

Source: Pendal as at 31 August 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: October 2001.

Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 31 August 2026)

Energy	0.0%
Materials	24.2%
Industrials	9.2%
Consumer Discretionary	1.7%
Consumer Staples	0.0%
Health Care	9.0%
Information Technology	5.4%
Telecommunication Services	5.7%
Utilities	0.0%
Financials ex Property Trusts	30.8%
Property Trusts	6.2%
Cash & other	7.8%

Top 10 Holdings (as at 31 August 2026)

Commonwealth Bank of Australia	8.1%
Rio Tinto Limited	6.1%
CSL Limited	6.1%
Telstra Group Limited	5.2%
National Australia Bank Limited	5.2%
Evolution Mining Limited	4.4%
Sandfire Resources Ltd	4.1%
ANZ Group Holdings Limited	4.1%
Goodman Group	3.2%
Fortescue Ltd	3.2%

CERTIFIED BY RIAA

The Pendal 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.

Fund size (as at 31 August 2026)	$390 million
Date of inception	October 2001
Minimum investment	$25,000
Buy-sell spread[1] For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Half-yearly
APIR code	WFS0285AU

[1] 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[2]	0.85% pa

[2] 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.

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 CO2e / $M revenue)

Pendal Sustainable Australian Share Fund	ASX 200	Relative to ASX 200
105.66	117.83	-12.17

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

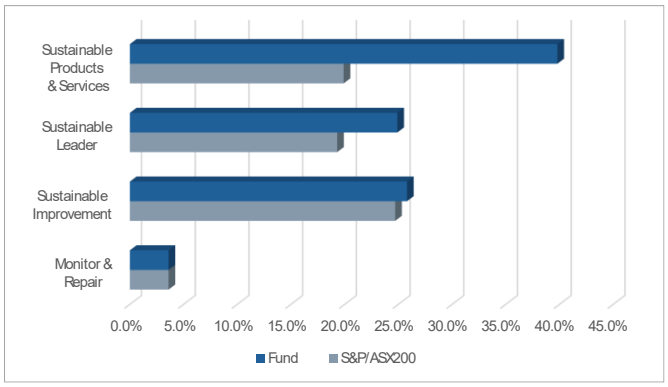
Report run on 11/09/2026 using latest ISS STOXX data. Currency AUD

[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 30 June 2026)



	Fund	S&P/ASX200
Sustainable Products & Services[3]	39.8%	19.9%
Sustainable Leader	24.9%	19.3%
Sustainable Improvement	25.8%	24.7%
Monitor & Repair	3.6%	3.6%

Source: Pendal as at 30 June 2026.

[3] The Fund also aims to having its allocation to stocks in 'Sustainable Products and Services' exceeds those stocks' respective benchmark weights in the S&P/ASX 200 Index, as these companies have a key role in advancing the transition to a more sustainable economy. The graph shows the weight of all securities classified as 'Sustainable Products and Services', as defined in the PDS, in the Fund vs. the Benchmark.

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.

To be considered for the Fund's investments, companies are assessed and must fall into one of the following four categories:

1. Sustainable Product and Services

This category includes:

- Companies producing or offering products and services that are beneficial to the environment and/or society; and
- Companies whose sustainable products are affecting positive change to the environment and/or society.

2. Sustainable Leaders

This category includes:

- Companies conducting activities or product improvements with outcomes that are beneficial to the environment and/or society; and
- Companies with corporate strategies to affect positive change to the environment and/or society.

3. Sustainable Improvement

This category includes:

- Companies with scope to progress their sustainable performance of their products and services or operations; and
- Companies where Pendal will seek to influence the continued progress of company practices through active engagement.

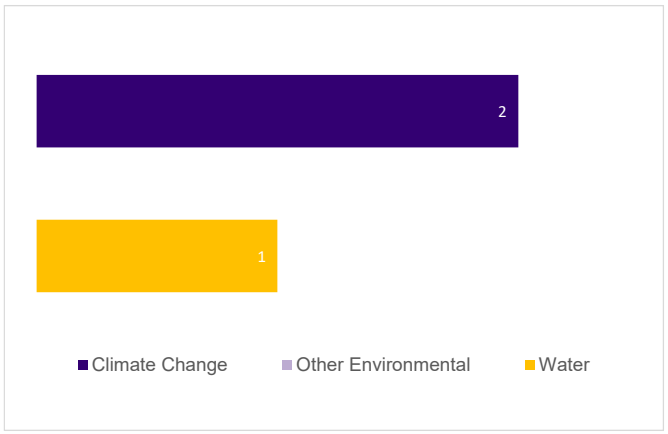
4. Monitor and Repair

This category includes:

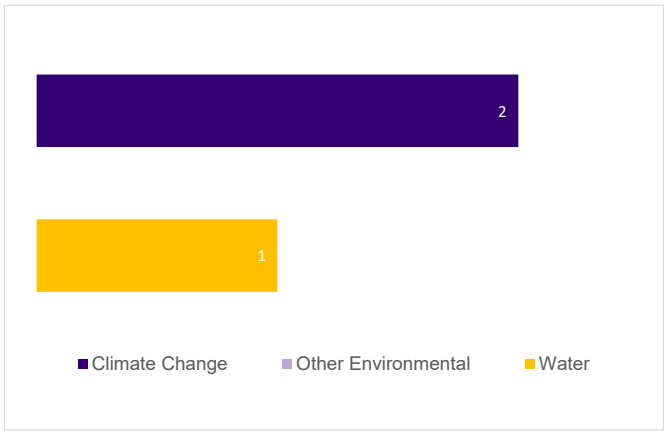
- Companies that have been identified as having elevated ESG risks and are addressing their poor sustainable practices; and
- Companies where Pendal will seek to influence the repair of company practices through active engagement.

Quarterly engagements for the Fund by sustainability theme – 3 months to 30 June 2026

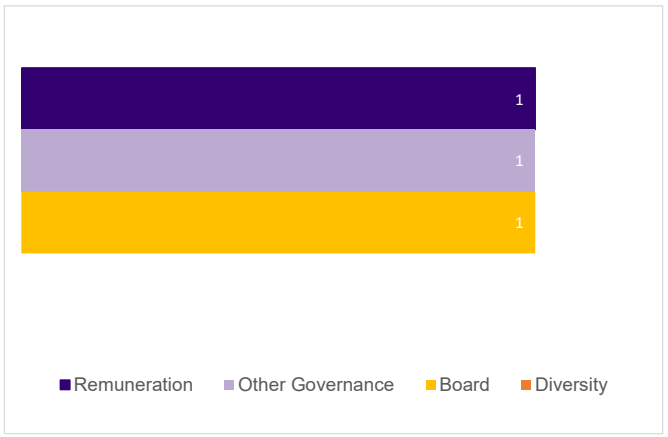
Environment



Social



Governance



Market review

Australian equities made strong gains into the beginning of August, as benign June inflation data gave hope that interest rate hikes might be at an end.

The RBA duly held rates steady at their meeting, however a more hawkish tone in its statement, coupled with July CPI data that came in above expectations, saw the previous optimism fade over the balance of the month.

Nevertheless, the S&P/ASX 300 still finished up +1.6% for August. It was helped by a reporting season that overall saw decent results in an economy that is slowing gradually.

In the US, the focus is on rising long-term bond yields, with the Treasury doubling its buyback and highlighting various other tools at its disposal in efforts to keep them contained.

Fed Chair Kevin Warsh used his Jackson Hole speech to reestablish his inflation-fighting credentials, clearing up some confusion and striking a relatively hawkish tone that saw the market price a higher chance of rate hikes.

The S&P 500 ended up +2.6% although, like the Australian market, finished down on its intra-month highs.

Oil ended largely flat for the month (Brent crude +0.4%) while most other commodities caught a bid. Iron ore was up +4.8%, copper +3.6%, and gold gained 9.7%.

Health Care (+18.1%) did best, helped by a broad rotation into a previously lagging sector and bolstered by a well-received result from CSL (CSL, +39.4%). ResMed (RMD, +11.2%), Pro Medicus (PME, +10.6%), Ramsay Health Care (RHC, +15.7%) also did well. Sigma Healthcare (SIG, -8.5%) and Sonic Healthcare (SHL, -10.4%) bucked the trend on the back of downgrades for FY27.

Materials (+12.3%) also outperformed, given higher commodity prices and generally well-received updates, with strong dividends a key feature. Gains were broad-based across diversified and specialised miners. Among the larger companies, BHP (BHP) gained +9.8%, Rio Tinto (RIO) +4.3%, Evolution Mining (EVN) +32.0% and South32 (S32) +12.9%. Fortescue (FMG, -4.4%) was weaker, as the market focused on a pricing dispute with China Mineral Resources Group.

Consumer Discretionary (-7.3%) underperformed on concerns over the prospect of higher interest rates as well as pockets of softer consumer spending. Wesfarmers (WES) fell -11.1%, Aristocrat Leisure (ALL, -5.0%) and JB Hi-Fi (JBH, -16.8%). Light & Wonder (LNE, +15.5%) did well on a good result.

Real Estate (-6.4%) also fell on the prospect of higher rates, with broad-based weakness. Among the larger companies Goodman Group (GMG) fell -6.9% and Scentre Group (SCG) -6.2%.

Fund performance

The Fund underperformed the benchmark over the month of August.

Key contributors

Overweight CSL (CSL, +39.4%)

CSL's FY26 result was in-line with consensus after downgrading throughout the year. Ultimately, revenue was down 1% and NPAT down 2% for FY26. There were some encouraging signs in the second half with immunoglobulin (IG) sales – its largest category – up 6%. CSL Seqirus, the vaccine business, continues to perform strongly in a somewhat challenged market. Group guidance for FY27 is for 5% NPAT growth. This includes a particular headwind from Vifor (its iron deficiency and nephrology business) - otherwise the core business would likely be growing double-digits.

Commentary was confident on the state of the various markets in which they operate and they are no longer ceding share. Consensus revisions were +3-4% across the forward horizon. The cash flow is solid and balance sheet is good, with the company announcing another buy-back of A$1.1B.

Overweight Evolution Mining (EVN, +32.0%)

EVN was helped higher by a stronger gold price and FY26 results which met consensus expectations on most measures and beat them on the dividend. Management noted they are getting closer to scoping out the potential for increased production at its Cowal, Northparkes and Ernest Henry mines. The market currently has the upper limits of production here as 790 thousand ounces of gold and 87 thousand tonnes of copper per annum. Development initiatives could see this rise as high as 900 thousand ounces of gold and 100 thousand tonnes of copper, setting up a pathway for further growth.

Key detractors

Underweight BHP (BHP, +9.8%)

BHP reported a 4% beat on FY26 underlying earnings, driven by better-than-expected cost performance at Escondida, its copper mine in Chile. Free cash flow (FCF) was US$10bn, with net debt falling to US$8.7bn versus a US$10-20bn target. This saw the dividend beat expectations, with the payout ratio lifted to 66% for FY26, well ahead of the ~55% over the last couple of years. Copper was the key earnings driver, contributing 54% of EBITDA and US$6.9bn to FCF, with an EBITDA margin of 70% versus 61% for iron ore. BHP is excluded from the investment universe.

Overweight Downer (DOW, -15.8%)

DOW delivered a mixed FY26 result with revenue missing by 3% and NPATA beating by 2%. Contract timing issues have meant that guidance for 1H27 for softer revenue and margins year-on-year saw the market express some caution around the company's outlook. Management have executed well on a turnaround over the last three years, in our view, divesting underperforming segments and improving margins and capital efficiency. We see scope for growth from here, with FY27 reflecting a higher investment year as they drive the business towards FY30 ambition targets for 4-5% revenue CAGR and margins expanding from 5.1% to 6%. Management have a good track record of execution and at current valuations we see asymmetric risk to the upside.

Outlook

The US market remains in good technical shape, having broken to new highs with good breadth and not too heavily overbought. At a sector level we are seeing much more constructive trends in the healthcare sector, while financials and tech both have strong breadth.

So the path of least resistance seems higher, however with earnings season complete - and a seasonally weaker part of the year - we may be set for a phase of consolidation. All this is subject to the economy and rates.

It looks increasingly likely we will have a standoff in the Iran-US conflict through to the US mid-term congressional elections. Iran appears to believe it has bargaining strength and is pushing for some form of toll on the Strait of Hormuz, reparations for war damage, and to punt the nuclear issue to a later date.

For its part the US is unprepared to capitulate to those terms and believes so long as oil is in the US$80-90 range - relying on the Strait being somewhat porous for flows - it will not be a material election issue. Sustaining oil at current levels, alongside questions over its missile capability, mean the US is unlikely to launch a major new campaign against Iran - leaving a stalemate.

There are many implications of this at both a macro and micro-economic level, however the feed-through to Australian domestic inflation is a key one.

Reporting season highlighted that many companies are feeling the pinch of higher input costs and are looking to pass this on to consumers where they can. This is not helpful on the inflation front and, in combination with an economy which remains in reasonable shape, raises the risk of further rate hikes.

Generally speaking and with some exceptions, reporting season painted a broad picture of corporate Australia doing a reasonable job of managing businesses against the backdrop of a slowing economy. There are pockets of softer consumer demand – notably in electronics – but generally speaking it is holding up.

Higher input and labour costs are also making a more challenging environment; the outcome here is often dependent on industry structure and management quality, with some notable examples of companies managing this well.

The resource sector is coupling stronger commodity prices with capital discipline, resulting in stronger dividends.

Consensus expectations are for mid-single digit EPS growth for the ASX200 in FY27. While lower than the roughly 12% growth in FY26, the balance is expected to be better and less reliant on resources, with a step-up in earnings growth for industrials ex-financials.

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

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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.