

Pendal Sustainable Australian Share Fund

ARSN: 097 661 857

Equity Strategies

31 March 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		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	-8.05	-7.98	-7.15
3 months	-5.11	-4.91	-1.61
6 months	-6.69	-6.29	-2.61
1 year	6.81	7.72	11.67
2 years (p.a)	6.52	7.43	7.17
3 years (p.a)	9.49	10.42	9.54
5 years (p.a)	7.19	8.10	8.63
Since Inception (p.a)	7.92	8.84	8.69

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: October 2001.

Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 31 March 2026)

Energy	0.0%
Materials	20.8%
Industrials	9.7%
Consumer Discretionary	2.2%
Consumer Staples	1.0%
Health Care	8.4%
Information Technology	5.4%
Telecommunication Services	7.3%
Utilities	0.0%
Financials ex Property Trusts	34.6%
Property Trusts	6.9%
Cash & other	3.6%

Top 10 Holdings (as at 31 March 2026)

Commonwealth Bank of Australia	9.9%
Telstra Group Limited	6.2%
Rio Tinto Limited	6.2%
ANZ Group Holdings Limited	6.2%
CSL Limited	5.6%
National Australia Bank Limited	5.1%
Westpac Banking Corporation	5.1%
Evolution Mining Limited	3.6%
Fortescue Ltd	3.5%
Downer EDI Limited	3.0%



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.responsibleinvestments.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.

Other information

Fund size (as at 31 March 2026)	\$369 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
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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 2¹) 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
87.87	115.80	-27.93

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

Report run on 01/04/2026 using latest ISS STOXX data. Currency AUD

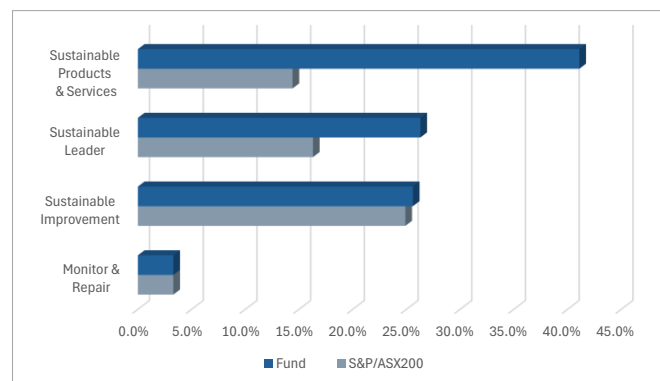
¹ Scope 1 emissions result from sources directly owned or controlled by the company. Scope 2 accounts for emissions from the generation of purchased electricity consumed by the company.

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 31 March 2026)



	Fund	S&P/ASX200
Sustainable Products & Services ³	41.1%	14.4%
Sustainable Leader	26.3%	16.3%
Sustainable Improvement	25.6%	24.9%
Monitor & Repair	3.3%	3.3%

Source: Pendal as at 31 March 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.

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.

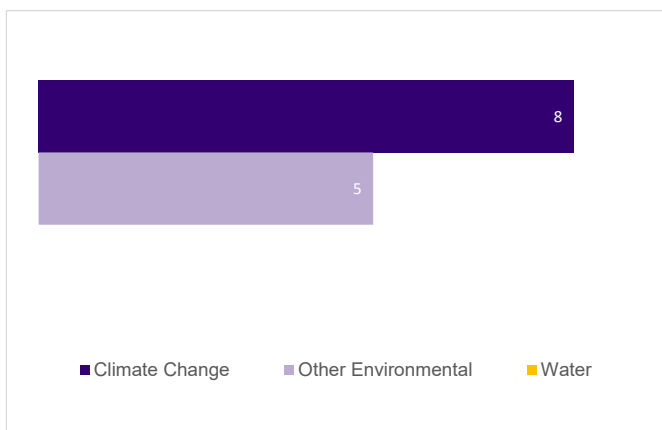
4. Monitor and Repair

This category includes:

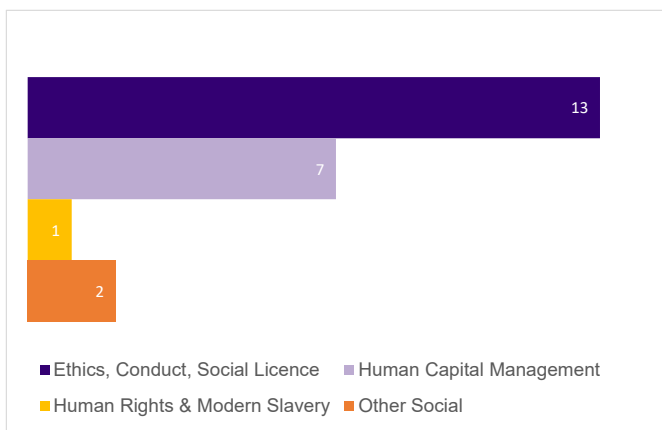
- Companies that have been identified as having elevated ESG risks and are addressing their poor sustainable practices; and
- Companies where Pendal will seek to influence the repair of company practices through active engagement.

Quarterly engagements for the Fund by sustainability theme – 3 months to 31 December 2025

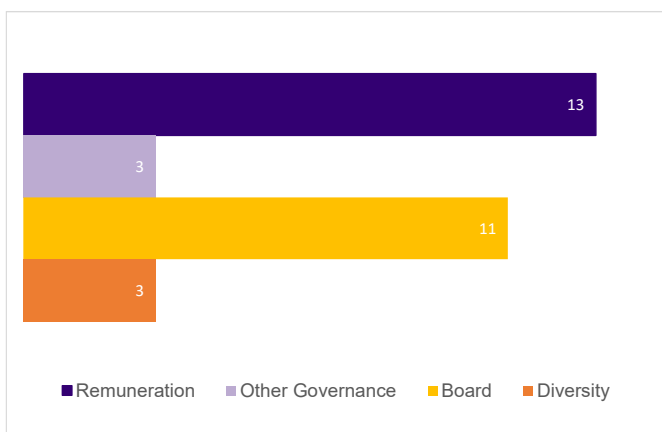
Environment



Social



Governance



Market review

The disruption to commodity production and shipping in the wake of US and Israeli attack on Iran dominated markets in March.

Iran retaliated with strikes on Gulf State energy production infrastructure and effectively closed the Strait of Hormuz.

This saw energy prices surge and prompted concern about the ultimate impact on inflation and interest rates – with the market in the US flipping from pricing rate cuts to rate hikes.

The Gulf and Strait are also important in global production of fertiliser, helium, aluminium and sulphur, among other commodities. The market also started to focus on the possible effect of a period of higher prices – or shortages – of key inputs at a macroeconomic, industry and company level.

The Trump Administration made several statements that suggested a relatively short conflict. However continued attacks and deadlines, bellicose Iranian responses, and threats of escalation to critical infrastructure, saw market sentiment oscillate and extremely volatile markets with sometimes large intra-day swings.

The net effect was the S&P/ASX 300 fell -7.3% for the month, an outcome which suggests that on balance, the market still expects a cessation to hostilities relatively soon and the resulting disruption to be brief.

Energy did best, with strength across the oil/LNG producers, the fuel refiners and distributors, and the coal miners as the market started to contemplate substitutes. Woodside Energy (WDS, +27.2%), Santos (STO, +17.8%), Ampol (ALD, +21.9%), Whitehaven Coal (WHC, +18.4%) and Viva Energy (VEA, +48.0%) all surged.

Utilities also held up relatively well on the view that they would also benefit from higher energy prices. Origin Energy (ORG) gained 4.5% and pipeline company APA Group (APA) 8.2%.

Materials was the worst-performing sector. Gold miners fell as the gold price fell 11.5% in March despite heightened geopolitical risk. A rally in the US dollar was a headwind, as were reports of investors taking recent profits in gold to deploy elsewhere or cover margin calls and some commentary around central banks pausing gold purchases. This saw Northern Star (NST) down -32.2% and Evolution (EVN) -23.0%. Copper was also weak. Continued friction between BHP (BHP, -12.1%) and China’s iron ore buying group saw it fall. Rio Tinto (RIO, -1.4%) held up better than the market, with Gulf disruption seeing aluminium price rises.

Meanwhile fears around AI disruption continued to weigh on Information Technology. Selling remained largely broad-based, with software stocks Xero (XRO) down -9.7%, Wisetech (WTC) -19.9% and Life360 (360, -23.6%). Data centre stocks were also weak. Technology One (TNE, +3.0%) bucked the trend.

Fund performance

The Fund underperformed the benchmark over the month of March.

Key contributors

Underweight BHP (BHP, -12.1%)

Uncertainty over the ongoing negotiations between BHP and the centralised iron ore buying group China Mineral Resources Group (CMRG) weighed in March. A stand-off between the two parties over pricing, contract structure and settlement currencies led to CMRG instructing Chinese steel mills to stop buying some BHP products. As of early April, it appears that some of these restrictions have been wound back.

Overweight Telstra (TLS, +2.9%)

Telstra benefited from a rotation towards defensives amid the volatility in March. The stock also continues to perform well in the wake of its 1H26 result, where strength in the mobile business underpinned an unexpected increase in dividend. The company continues to be disciplined on costs, allowing operating leverage. TLS continues to deliver dependable growth with cash EBIT expected to grow over 12% this year and trades on a cash PE of 20.5x which makes it attractive relative to other predictable defensives.

Key detractors

Underweight Woodside Energy (WDS, +27.2%)

The surge in energy prices saw oil/LNG producer Woodside rise in March. It delivered its FY25 result early in the month. While largely pre-announced, the tax outcome was better than expected and helped fuel a higher dividend. We continue to prefer Santos within the oil/LNG sector, as production ramps up from recent developments and the company inflects from high capex to high free cash flow.

Overweight Evolution Mining (EVN, -23.0%)

The gold price fell in March, weighing on the gold mining sector, including EVN. Operationally, EVN remain in good shape and in February announced several incremental growth opportunities via expansions and better efficiencies at its existing operations. It continues to deliver strong free cash flow and improved capital returns to shareholders.

Outlook

The outlook remains highly uncertain. The market is highly sensitive to statements from the Trump Administration; the consensus view on the conflict's likely end could shift quickly in either direction and prompt a rapid relief rally or further drawdowns.

This underpins the case for retaining a balanced portfolio construction, not positioning the portfolio to be reliant on one pathway or outcome, and having stocks that can outperform in either scenario.

Even if the conflict is brought to swift resolution and the Strait returns to something like normal traffic, there will still likely be the "air pocket" of constricted supply to work through the system.

At the same time, the combination of war-related damage to Gulf commodity production infrastructure – and the time required to restart and ramp up shuttered capacity – is likely to further exacerbate a period of disrupted supply.

The risk for Australia is that this will be felt in a period higher prices and lower demand, against a backdrop in which the RBA is raising rates. This could weigh on the earnings outlook for companies tied to domestic consumer demand and we are incrementally more cautious on these stocks.

The counterpoint could be in areas more tied to the global growth outlook. Resource companies look relatively well placed in this regard, helped at the margin by disrupted supply in certain commodities as a result of the conflict. Companies with little exposure to a disrupted supply chains or higher input costs, but which have nevertheless been sold down on broader fears around global demand, are also looking more attractive. We have been using this month's weakness to add to some of these positions.

There were some constructive signals from both the US and Iran at the start of April, possibly suggesting the desire to bring the conflict to an end. However this remains uncertain – as does the timeframe, the structure of any agreement, and the implications for supply chains.

As a result we continue to stay close to our companies, understanding the nature and scope of their sensitivity to issues raised by the conflict (both positive and negative), when they are likely to manifest, and what proactive strategies management are employing to deal with them.

Historically, we have been able to use episodes of market volatility to identify and add value via opportunities in individual companies, while balancing the portfolio construction to help deal with a quickly-changing environment. Single stock volatility was already elevated heading into the conflict, suggesting a high degree of mispricing that has only been exacerbated by the spike in uncertainty related to Iran. Current uncertainty is a challenge for investors, but the degree of mispricing suggest a good environment for active investors looking beyond the near-term volatility.

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

PENDAL

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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.