

Pendal Sustainable Balanced Fund

Class R

ARSN: 637 429 237

Factsheet
Multi-Asset Strategies
30 April 2026

About the Fund

The Pendal Sustainable Balanced Fund (**Fund**) is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international property securities, Australian and international fixed interest, cash and Alternative investments. 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 and expenses) that exceeds the Fund's benchmark over the medium to long term. The suggested 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 income, and diversification across a broad range of asset classes. The Fund invests in Australian and International shares, Australian and International property securities, Australian and International fixed interest, Alternative investments and cash.

The Fund may gain exposure to its asset classes by investing in shares, bonds, cash, or derivatives. The Fund may also invest in managed funds, exchange traded funds (**ETFs**), listed investment companies (**LICs**) and listed investment trusts (**LITs**) which invest primarily in the Fund's asset classes.

The Fund has a higher weighting towards growth assets than defensive assets.

The Fund has assets that are denominated in foreign currencies. This means that changes to the Australian dollar relative to foreign currencies may affect the value of the assets of the Fund. The Fund's International fixed interest and International property securities asset classes are fully hedged to the Australian dollar to the extent considered reasonably practicable. Generally, the Fund's International shares and Alternative investments asset classes are partially hedged, though the extent of this may vary over time.

The Fund may also use derivatives to gain exposure to the Fund's assets and markets. Derivatives may also be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets.

The Fund applies a sustainable approach to investments and applies exclusionary screens.

The Fund has a sustainability objective which aims to support the transition to a more sustainable economy (the **Sustainability Objective**).

We define a sustainable economy as an economic system which balances environmental, social, and economic factors.

The Fund aims to support the transition to a more sustainable economy by aligning 50% or more of its capital within the Australian and International shares, Australian and International fixed interest and part of the Alternative investments asset classes of the Fund, in aggregate, with investments that advance this transition. We aim to do this by allocating capital to investments that in our view:

- support positive environmental and/or social change via their investment processes, use of capital and/or approach to active ownership; and
- avoid exposure to companies and issuers with business activities that negatively impact the environment and/or society.³

Performance¹

(%)	Total Returns (post-fee)	Total Returns (pre-fee)	Benchmark Return
1 month	3.31	3.38	3.42
3 months	-0.52	-0.33	0.17
6 months	-1.68	-1.29	-0.40
1 year	7.26	8.12	11.65
2 years (p.a)	7.06	7.92	11.02
3 years (p.a)	6.89	7.74	11.01
5 years (p.a)	5.39	6.23	7.64
Since Inception (p.a)	9.08	9.94	9.68

Source: Pendal as at 30 April 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: August 1984.

Past performance is not a reliable indicator of future performance.

Asset allocation (as at 30 April 2026)

Australian shares	28.5%
International shares	39.9%
Australian property securities	1.9%
International property securities	2.1%
Australian fixed interest	12.5%
International fixed interest	3.7%
Alternative investments	8.8%
Cash	2.6%

Other Information

Fund size (as at 30 April 2026)	\$579 million
Date of inception	August 1984
Minimum investment	\$25,000
Buy-sell spread ² For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Quarterly
APIR code	BTA0122AU

² 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.



CERTIFIED BY RIAA

The Pendal Sustainable Balanced 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.

¹ The asset allocation neutral position, asset allocation ranges and the benchmark have changed over time. As it is historical information, the Fund performance reflects the asset allocation neutral positions and ranges that have applied over time. The benchmark performance shown is that of the combined benchmarks that the Fund has aimed to exceed over time.

³ The Fund applies a sustainable approach to investments and applies exclusionary screens. For more information of the Fund's sustainable investment approach and how exclusions are applied, refer to section 5 'How we invest your money' of the Fund's Product Disclosure Statement at www.pendalgroup.com/PendalSustainableBalancedFundClassR-PDS and section 1 of the ['Guide to our Sustainable Investment Process'](#).

The Fund's exclusionary screens may be applied differently across the asset classes of the Fund.

Further information on the Fund's sustainability approach and exclusionary screens can be found in section 5 'How we invest your money' of the Fund's Product Disclosure Statement at www.pendalgroup.com/PendalSustainableBalancedFundClassR-PDS and the 'Guide to our Sustainable Investment Process' at www.pendalgroup.com/PendalSustainableBalancedFund-SIPG.

Benchmark

The benchmark for the Fund is created from a range of published indices. The benchmark is based on the neutral position and the index returns for each asset class. Details of the particular market indices used for the Fund's benchmark can be found at www.pendalgroup.com/products/pendal-sustainable-balanced-fund.

Investment Team

The Fund is managed by Perpetual's Multi-Asset Strategies Team. The team has a diverse skill set, with deep experience in asset allocation and portfolio construction; and draws on the broader resources of Perpetual Group's other specialist teams around the world. During March 2024 the prior responsible investment management team, being the Pental Multi-Asset Investments Team, merged with the Perpetual Multi-Asset Team.

Investment Guidelines

Asset allocation ranges (%)	*Neutral position	Ranges		Sustainable assessments and screens applied
		Min	Max	
Australian shares	31	20	40	Yes
International shares	36	20	40	Yes
Australian fixed interest	13	0	25	Yes
International fixed interest	4	0	25	Yes
Australian property securities	2	0	10	-
International property securities	2	0	10	-
Alternative investments	8	0	20	Yes
Cash	4	0	20	-

*Neutral positions effective from 30 September 2025.

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	0.80% pa
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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.

Market review

Equity markets rebounded strongly in April, looking beyond persistent geopolitical risks to post new highs. The dominant market story was one of renewed confidence, driven by a powerful risk-on rally centred on artificial intelligence (AI) stocks and buoyed by a very positive US corporate earnings season. Tensions between the US and Iran continued to dominate headlines, with the Strait of Hormuz remaining severely disrupted and Brent crude pushing to US\$114 per barrel by month-end. Yet global equities staged a remarkable recovery, led by extraordinary gains across the AI semiconductor supply chain, but with advances in all regions.

- Global shares (+8.9%) staged a powerful rebound in April, underpinned by US equities (+10.5%), which benefited from a decisive rotation back into AI stocks and were buoyed by a

strong earnings season in which 84% of reporting S&P 500 companies beat consensus expectations, with aggregate EPS growth of approximately 14.5% year-on-year. Resilient activity data and the Fed remaining on hold were also constructive.

- April saw a sharp reversal in equity market leadership with the Russell 1000 Growth index (+11.9%) outperforming its value peer (+8.2%) as investor appetite for companies leveraged to the AI investment cycle returned in force.
- Japanese equities (+16.1%) outperformed developed market peers, supported by yen weakness and the return of foreign investors to Japanese technology-related names.
- European equities (+6.2%) performed well as markets increasingly priced a contained Middle East outcome, and resilient global growth and strong US earnings supported cyclicals and exporters around the world. The rally was also aided by corporates having stronger-than-expected pricing power and improving financial conditions as the ECB remained on hold.
- UK equities (+2.3%) rose but underperformed primarily because the UK is one of the most stagflation-sensitive major markets which had greater sensitivity to higher energy costs and tighter financial conditions. The bourse also has limited exposure to the AI phenomenon, and rising bond yields and renewed inflation concerns weighed on domestic cyclicals and rate-sensitive sectors.
- Australian shares (+2.2%) advanced modestly, underperforming the broader global rally as the Australian market's more limited direct exposure to the AI theme constrained returns.
- Emerging markets (+13.3%) outperformed their DM peers, powered by extraordinary gains in Taiwan (+22.7%) and South Korea (+33.9%) and other parts of EM Asia, where the global capex and semiconductor investment boom continued to drive strong earnings upgrades and capital inflows.
- Commodity markets gained broadly, with energy and industrial metals the clear outperformers, reflecting both the sustained supply disruption from the Strait of Hormuz closure and surging real-world demand for materials underpinning the global AI data centre buildout.

The strong rally in risk markets during April was supported by strong US corporate earnings results and centred primarily on companies exposed to AI and the technology supply chain. Both the percentage of S&P 500 companies reporting earnings above expectations (84%) and the magnitude of those surprises were above recent averages. The largest contributors to the acceleration in earnings growth have been three of the "Magnificent 7" (Alphabet, Amazon and Meta). A key theme for the season has been its broad strength, with cyclical sectors contributing meaningfully despite a softer quarter of economic growth. Markets have notably rewarded revenue growth, not just cost discipline, with rising revenue growth and margins both contributing to corporate bottom lines.

We continue to look for opportunities in companies and sectors with more reasonable valuations, strong balance sheets, and earnings that are beatable against modest consensus expectations, particularly where the AI-driven capital expenditure cycle may benefit industries beyond the technology sector itself.

Geopolitical uncertainty persisted throughout April, with the Strait of Hormuz effectively closed which pushed spot Brent crude prices to US\$114 per barrel by month-end. The key for markets from here is not how high energy prices go, but rather where they stay; prices sustained above US\$110 per barrel for an extended period would be expected to trigger a material decline in consensus global

growth and a rise in global inflation expectations, thereby threatening the duration of the business cycle. At present, markets have seemingly factored in that de-escalation is desired and beneficial for both sides. However, the bar for an oil spike threatening the business cycle is high given the development of large services industries, the world's reduced energy intensity, the strong state of global corporate balance sheets, and more diversified energy supply across regions and energy types.

The US Federal Reserve kept interest rates unchanged at its April FOMC meeting, as the FOMC weighed temporary energy-driven inflation against the resilience of the US labour market and consumer spending. By month end, market pricing implies that the Federal Reserve will hold rates steady for the remainder of 2026, with rate cuts increasingly pushed into 2027. The Bank of Japan, by contrast, moved to a more hawkish stance over the month, with upward revisions to its inflation forecasts leading markets to bring forward expectations for further rate hikes. Ten-year Japanese government bond yields rose to their highest level since 1997, reflecting the combination of imported energy inflation and a reassessment of fiscal sustainability given Japan's large stockpile of debt and the newly elected PM's desire to increase spending and lower taxes. In Europe, the ECB held rates at its April meeting, acknowledging the stagflationary pressures from elevated energy costs against a backdrop of weakening business activity, with eurozone Purchasing Managers' Index coming in a bit soft, although it is still aligned with GDP of about +0.4%QA in the Jun'26 quarter.

In Australia, there was no RBA Board meeting in April, but the Bank remained very much in focus over the month as the release of March quarter CPI data showed that headline inflation rose to +4.6%Y in the year to March 2026, its highest reading in 30 months, while trimmed mean inflation rose a slightly softer +0.8%Q to +3.5%Y. Against a backdrop of weakening consumer and business confidence, the RBA will be balancing the risk of higher inflation against downside risks to growth and the labour market. While the economy has shown improved growth momentum in recent quarters, the medium-term outlook remains tepid, with zero real wages growth expected over the next few years and an increasingly cautious corporate sector as the impact of previous (and upcoming) rate hikes slowly filters through the economy.

Fund performance

The Pental Sustainable Balanced Fund returned 3.31% (net of fees) for April, marginally underperforming the benchmark return by 0.11%.

Global equity stock selection was benign for performance over the month. Equity market performance was robust as technology and AI-sensitive companies outperformed strongly. The Pental Sustainable international share fund performed in line with the

MSCI AC World over the month. This was supplemented by the positive contribution from allocation to sustainable listed infrastructure investments.

Australian equity stock selection was mixed for performance. Not holding BHP as a result of exclusionary screens was the most substantial detractor from relative performance. Overweight allocation to CSL detracted as the market lowered expectations for FY26 earnings, with uncertainty over the near-term level of Chinese demand for albumin a key factor. A number of key overweights retraced slightly following recent underperformance including NextDC, and Xero.

We continue to manage downside risks by maintaining little or no exposure to the most expensive parts of the global equity and credit markets, and we have zero exposure to private markets given their liquidity and valuation risks, where a left-tail event could spark vulnerabilities and contagion. The Fund complements this with option protection where it has been attractively priced to implement. This includes cost-effective S&P 500 put options, which risk only the premium if markets rise while providing protection against downturns without requiring precise market timing. The Fund also maintains a US dollar call option against the Hong Kong dollar, which provides inexpensive protection against geopolitical risks.

The Fund is close the benchmark weight in domestic and global fixed interest, comprising active sustainable Australian fixed interest and passive global treasury bonds. The Fund also holds call options on very long dated US government bonds.

The Fund's defensive posture is bolstered by its exposure to cash and alternatives which provide solid income and significant optionality if valuations become more attractive.

The Fund maintains its to uncorrelated sources of return including the Risk Parity strategy, Sustainable Infrastructure LICs which are trading at attractive discounts to NAV and the Pental Multi Asset Target Return Fund which continues to deliver low volatility absolute returns while retaining a relatively low correlation to equity markets.

Outlook

With the Middle East conflict unresolved, rising inflation and waning growth present risks to regional sharemarkets, which have elevated valuations and growth expectations. Meanwhile, with government bonds offering less reliable diversification, risk management remains paramount. The Fund retains multiple embedded risk protections and sources of portfolio convexity. We continue to carefully manage the Fund's exposure to global equities and maintain diversity in regional and sector allocations.

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