

## Pendal Monthly Factsheet

### Pendal Sustainable Future Australian Shares Portfolio (the Portfolio)

April 2026

#### Market review

The Australian equity market continued the rebound from late March into early April as a ceasefire in the Iran conflict saw hopes rise of a peace deal and a re-opening of the Strait of Hormuz.

However these hopes faded over the course of the month. While the ceasefire has largely held, the Strait remained effectively shut, exacerbating the disrupted supply of oil, LNG and other commodities.

The S&P/ASX 300 pared its earlier gains, to finish up +2.3%. This was well below the +10.4% return from the S&P 500, which was further bolstered by a strong quarterly earnings season and strength in the tech sector on the AP capex theme.

The Q1 consumer price index (CPI) rose 1.4% quarter/quarter and the trimmed mean was 3.5% year/year, which saw underpinned rising expectations of another interest rate hike from the RBA in May.

The oil price oscillated along with sentiment around the likelihood of a peace deal. Brent crude finished down -3.7% for the month, at US\$114 a barrel, which is up 87.4% for the calendar year to date. Iron ore (+1.2%) and aluminium (+0.6%) were steady, while Copper gained +5.4%. Gold slipped another -1.1%.

Information technology (+12.1%) enjoyed some relief after several months of heavy selling, with data centre-related names particularly strong. Xero (XRO) gained 6.6%, NextDC (NXT) +27.8%, and Wisetech (WTC)+12.4% among the larger index weights.

Real Estate (+8.1%) also outperformed, although much of this was due to a 15.8% gained in sector heavyweight Goodman Group (GMG), on the data centre theme. Scentre Group (SCG, +11.8%) was also strong, on a well-received quarterly update.

Health Care (-8.4%) was the weakest sector. A downgrade by Cochlear (COH, -44.4%) made a major contribution, but several of the larger companies were weaker, such as CSL (CSL, -11.7%) and ResMed (RMD, -7.4%), in part due to a stronger Australian dollar.

Consumer Staples (-3.8%) also underperformed. Woolworths (WOW, -5.6%) downgraded its outlook, as did A2 Milk (A2M, -26.0%). The latter has been hit by supply chain disruption as the product testing process in China has been expanded.

#### Portfolio overview

<b>Investment strategy</b>	Pendal's investment process for Australian shares is based on its 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 its assessment of their long term worth and ability to outperform the market, without being restricted by a growth or value bias. Pendal's fundamental company research focuses on valuation, franchise, management quality and risk factors (both financial and non-financial risk).
<b>Sustainability</b>	The strategy aims to invest in companies that advance the transition to a more sustainable economy. Pendal views a sustainable economy as one which is comprised of companies: <ul style="list-style-type: none"> <li>– producing or offering products or services that provide social and/or environmental benefits; and/or</li> <li>– that have leading operational practices with regard to the environment, their employees and community, and conduct their business ethically; and/or</li> <li>– whose actions, business models and products or services do not cause significant harm.</li> </ul> In managing the strategy, 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.
<b>Exclusionary screens</b>	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 <sup>1</sup> .
<b>Investment objectives</b>	To deliver outperformance relative to the benchmark before fees over a rolling five-year period by investing in companies which Pendal has identified as having leading financial, ethical and sustainability characteristics.
<b>Benchmark</b>	S&P/ASX 300 (TR) Index
<b>Number of stocks</b>	15 - 40 (31 as at 30 April 2026)
<b>Sector limits</b>	Australian Shares, 65 - 98%, Australian Property 0 - 30%, Cash 2 - 5%
<b>Dividend yield</b>	3.35% <sup>2</sup>

#### Top 10 holdings

Code	Name	Weight
CBA	Commonwealth Bank of Australia	9.83%
TLS	Telstra Group Limited	6.98%
RIO	Rio Tinto Limited	6.71%
ANZ	ANZ Group Holdings Limited	5.61%
CSL	CSL Limited	4.88%
NAB	National Australia Bank Limited	4.47%
GMG	Goodman Group	3.81%
FMG	Fortescue Ltd	3.77%
WBC	Westpac Banking Corporation	3.71%
QBE	QBE Insurance Group Limited	3.67%

Source: Pendal as at 30 April 2026

<sup>1</sup> As defined by the Portfolio's exclusionary screens and gross revenue thresholds.

<sup>2</sup> The Portfolio's dividend yield represents the weighted average 12-month forward-looking dividend yield of the Portfolio's holdings (excluding cash), as at the date of this factsheet. Each individual security's dividend yield is calculated using market consensus forecast data, collated by Pendal, for dividend per share (DPS) before tax and franking credits, and divided by the closing market price of the security as at the date of this factsheet. The Portfolio dividend yield is therefore only an estimate and predictive in nature. It does not reflect the actual dividend yield of the Portfolio which will be affected by market movements in the price of the individual securities, the returns on other assets such as cash holdings and variances of an individual security's actual dividends from the forecasted DPS.

## Performance

	1 month	3 month	6 month	1 year	3 year (p.a.)	5 year (p.a.)	Since inception (p.a.)*
Pendal Sustainable Future Australian Shares Portfolio	2.16%	-2.63%	-4.94%	4.88%	9.74%	7.91%	9.37%
S&P/ASX 300 (TR) Index	2.25%	-1.52%	-1.14%	10.14%	9.57%	8.16%	8.53%
<b>Active return</b>	<b>-0.09%</b>	<b>-1.10%</b>	<b>-3.80%</b>	<b>-5.26%</b>	<b>0.16%</b>	<b>-0.25%</b>	<b>0.84%</b>

Source: Pendal as at 30 April 2026.

\*Since Inception - 16 June 2018.

Performance returns track the value of a notional portfolio and are calculated pre-fee. The performance information shown may differ from the performance of an individual investor's portfolio due to differences in portfolio construction or fees. Investors should contact their platform provider for applicable fee rates. Past performance is not a reliable indicator of future performance.

### Top 5 overweight positions versus S&P/ASX 300

Code	Name	Weight
TLS	Telstra Group Limited	4.77%
RIO	Rio Tinto Limited	4.42%
DOW	Downer EDI Limited	2.96%
QAN	Qantas Airways Limited	2.94%
CSL	CSL Limited	2.65%

Source: Pendal as at 30 April 2026.

### Top 5 contributors - monthly

Code	Name	Value Added
NXT	Nextdc Limited	0.39%
<i>COH</i>	<i>Cochlear Limited (not held)</i>	<i>0.20%</i>
GMG	Goodman Group	0.19%
SCG	Scentre Group	0.16%
<i>WDS</i>	<i>Woodside Energy Group Ltd (not held)</i>	<i>0.16%</i>

Source: Pendal as at 30 April 2026.

Underweight positions are shown in *italics*.

### Top 5 contributors - 1 year

Code	Name	Value Added
RIO	Rio Tinto Limited	1.54%
SFR	Sandfire Resources Ltd	0.88%
LYC	Lynas Rare Earths Limited	0.75%
DOW	Downer EDI Limited	0.64%
<i>ALL</i>	<i>Aristocrat Leisure Limited (not held)</i>	<i>0.62%</i>

Source: Pendal as at 30 April 2026.

Underweight positions are shown in *italics*.

### Top 5 underweight positions versus S&P/ASX 300

Code	Name	Weight
BHP	BHP Group Ltd (not held)	-10.06%
WES	Wesfarmers Limited (not held)	-3.05%
WDS	Woodside Energy Group Ltd (not held)	-2.35%
TCL	Transurban Group Ltd. (not held)	-1.61%
WOW	Woolworths Group Ltd (not held)	-1.55%

Source: Pendal as at 30 April 2026.

### Top 5 detractors - monthly

Code	Name	Value Added
CSL	CSL Limited	-0.43%
<i>BHP</i>	<i>BHP Group Ltd (not held)</i>	<i>-0.42%</i>
EVN	Evolution Mining Limited	-0.18%
DOW	Downer EDI Limited	-0.17%
FMG	Fortescue Ltd	-0.15%

Source: Pendal as at 30 April 2026.

Underweight positions are shown in *italics*.

### Top 5 detractors - 1 year

Code	Name	Value Added
CSL	CSL Limited	-2.83%
<i>BHP</i>	<i>BHP Group Ltd (not held)</i>	<i>-2.70%</i>
XRO	Xero Limited	-2.47%
SEK	Seek Limited	-1.07%
<i>WDS</i>	<i>Woodside Energy Group Ltd (not held)</i>	<i>-0.92%</i>

Source: Pendal as at 30 April 2026.

Underweight positions are shown in *italics*.

## Stock specific drivers of monthly performance relative to benchmark

### Three largest contributors

#### Overweight NextDC (NXT, +27.8%)

NXT announced a 250 megawatt contract win at its S4 data centre. This came alongside a large capital raising - including \$1.5bn in equity - to support the roll out of this contract. The market has been concerned about NXT's balance sheet and the new debt and equity raised has resolved this issue for the moment. This is NXT's largest ever contract win, taking contracted EBITDA to >\$1bn, resulting in a business which is four times larger than it is today.

#### Underweight Cochlear (COH, -44.4%)

COH issued a large downgrade on weaker expected revenue growth. In emerging markets, there are impacts from the Middle East as well as reimbursement challenges in China. In developed markets there are issues in Europe while the US was blamed on a weak consumer. On the cost side there may be some receivables issues in Middle East and the company has taken the opportunity to re-shape the cost base to be better positioned for future. Looking forward, growth appears difficult to come by in our view and COH may need to spend to try and invigorate it.

### Overweight Goodman Group (GMG, +15.8%)

GMG benefited from positive sentiment in the data centre space. Additionally it announced the establishment of a 50/50 joint venture with DataBank for its 32 megawatt (MW) data centre in Los Angeles. DataBank is an established platform providing data centre services with a portfolio of 70+ facilities mostly across the US. The JV will see 6MW of capacity delivered by December 26 with the residual progressively activated through September 27.

## Three largest detractors

### Overweight CSL (CSL, -11.7%)

CSL drifted lower in March, with the market moving to the low end of management's guidance - or just below it - for FY26 earnings, with uncertainty over the near-term level of Chinese demand for albumin a key factor. The stock is now at a material valuation discount to the market, reflecting fears over structural issues in the key plasma market and the market's desire to see proof of better performance. We believe these fears are overdone.

### Underweight BHP (BHP, +6.6%)

BHP gained on reports that its dispute over pricing with the China Mineral Resources Group (CMRG) had been resolved. This was subsequently confirmed at its quarterly production update and the discount to the products under dispute appears in the order of 1.8%. It had a solid Q3, with copper production now expected to be at the high end of FY26 guidance and costs for its Escondida operation lowered. Iron ore pricing was flat quarter/quarter, calming fears of a softer outcome on the back of CMRG-related disruption. BHP is excluded from the investment universe due to its coal exposure.

### Overweight Evolution Mining (EVN, -5.7%)

The gold mining sector remained muted, along with the gold price, in April. EVN delivered a better-than-expected Q3 update, with guidance retained despite fears weather disruptions at Ernest Henry would trigger a downgrade. Cash flow also remained strong, with EVN back in a net cash position (~3-months ahead of schedule) and Q4 set to deliver an improvement on the ~A\$500m net mine cash flow in Q3. As such, capital management remains a key focus heading towards the FY26 result. The interim dividend was a material uplift at a 67% payout ratio versus a policy of 50%, and in the absence of M&A EVN remains well placed to continue higher capital returns.

## Performance and outlook

The Portfolio model was a touch behind of the index in April. CSL was the largest detractor, along with the underweight in BHP. There was also some reversal of the previous month's trends defensive exposure Telstra giving back some of its gains.

There were strong gains from the portfolio's data centre exposure via NextDC and Goodman Group, helped by the continued surge in hyperscaler AI capex.

Financial markets continue to suggest the Iranian conflict will not trigger a further significant rise in energy prices, suggesting some form of resolution is close.

Its worst fears around supply shortages have not eventuated, yet, due to the availability of more inventory and higher-than-expected demand reduction.

When the crisis started the market would have expected that a nine-week closure of the Strait, with only 4% of product getting through, would lead to far higher oil prices than we have seen.

Reasons for the more benign reaction include 1) reserve / inventory drawdowns have been more significant than expected, 2) demand has fallen more than expected at a given oil price, and 3) higher crude exports from other regions - notably the Americas - running at around 3m barrels per day.

The market seems to have been quite efficient in adapting to the shock and this has given confidence to broader financial markets.

However, a large part of this reflects the ability to draw on stockpiles, both visible and invisible. We do not know where the tipping point may be which, if hit, would require far more material demand destruction.

The US economic backdrop remains supportive, evidenced by a strong quarterly reporting season.

Employment data shows that the flow on effects of the fuel shock, while affecting confidence, is not impacting the economy. Nor is AI leading to meaningful labour shedding. It is currently in the sweet spot of not being strong enough for the Fed to worry about wages responding to the energy shock, but also not weak enough to put pressure on the central bank to cut rates.

Combined with strong corporate earnings, this has given the market confidence to look through the short-term input cost issues.

Australian interest rates have returned to the previous cycle high, with the RBA driven by concerns of firms passing on costs given the tight labour market, the strength of the economy's momentum prior to the Iran war, and domestic industry structures which gives corporates pricing power.

Governor Bullock did indicate that the board now sees policy as slightly restrictive and having risen three times in a row - and given the uncertainty - we would expect a pause. The market is still expecting one further rise, potentially in August. Corporate results and updates domestically suggest that the Australian economy and earnings continue to hold up. Everyone is looking for signs of weakness, but very few have emerged to date - and those tend to be in more structurally-challenged franchises.

## New stocks added and/or stocks sold to zero during the month

No new stocks added or sold to zero during the month.

## 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<sup>1</sup>) 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)<sup>3</sup>, noting it supports greater comparability of investor reporting.

### Weighted Average Carbon Intensity (tonnes CO<sub>2e</sub> / \$M revenue)

Pendal Sustainable Future Australian Share Portfolio	ASX 300	Relative to ASX300
105.40	114.13	-8.73

Source: ISS STOXX, Pendal holdings as at 30 April 2026. Report run on 04/05/2026 using latest ISS STOXX data. Currency AUD

<sup>1</sup> 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.

<sup>2</sup> 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>

<sup>3</sup> Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017 <https://www.fsb-tcf.org/recommendations/>

## Exclusionary Screens

In managing the Portfolio, we will not invest in companies which:

**Fossil Fuels** - directly extract or explore for fossil fuels (specifically, coal, oil and gas); or  
 - derive 10% or more of their gross revenue from fossil fuel-based power generation, or from fossil fuel refinement or distribution (coal, oil and gas)\*; or  
 - derive 10% or more of their gross revenue from the provision of supplies or services which relate specifically to fossil fuel extraction or exploration (coal, oil and gas)\*

*\*Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate related financial disclosures annually, which in both cases we consider credible.*

**Uranium** - derive 10% or more of their gross revenue from directly mining uranium for the purpose of nuclear power generation

**Logging** - derive 10% or more of their gross revenue from unsustainable forestry or forest products, including non-Forest Stewardship Council certified forest products or non-Roundtable on Sustainable Palm Oil certified palm oil production

**Gambling** - directly manufacture, own or operate gambling facilities, gaming services or other forms of wagering; or  
 - derive 10% or more of their gross revenue from the indirect provision of gambling (for example, through telecommunications platforms)

**Pornography** - produce pornography; or  
 - derive 10% or more of their gross revenue from the distribution or retailing of pornography

**Weapons** - 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); or  
 - supply goods or services specifically related to controversial weapons; or  
 - manufacture non-controversial weapons or armaments (including civilian firearms or military equipment); or  
 - derive 10% or more of their gross revenue from the distribution or retailing of non-controversial weapons or armaments (including civilian firearms or military equipment); or  
 - derive 10% or more of their gross revenue from the supply of goods or services specifically related to non-controversial weapons or armaments.

**Alcohol** - produce alcoholic beverages; or  
 - derive 10% or more of their gross revenue from the distribution or retailing of alcoholic beverages

**Tobacco** - produce tobacco (including e-cigarettes and inhalers); or  
 - derive 10% or more of their gross revenue from the distribution of tobacco (including e-cigarettes and inhalers) or supply of goods or services specifically related to the tobacco industry (for example, packaging or promotion)

**Animal cruelty** - directly undertake animal testing for cosmetic products; or  
 - directly undertake live animal export

### **Predatory lending practices**

- directly provide products or services with lending practices that are unfair or deceptive to ordinary borrowers, including small amount short term loans at higher than commercial rates of interest (for example, payday loans, pawn loans or the use of aggressive sales tactics)

**Breaches/Misconduct** - we consider to have been found to have significant breaches of social or environmental norms or regulations, or are subject to serious and substantiated allegations of unethical conduct, which we consider have not been remedied or adequately addressed.

For more information contact your  
key account manager or visit [pendalgroup.com](https://pendalgroup.com)

# PENDAL

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This factsheet relates to the Pental Sustainable Future Australian Shares Portfolio, a notional portfolio of assets constructed and managed by Pental (the **Portfolio**). Descriptions relating to the investment strategy, investment process and approach of the Pental Sustainable Future Australian Shares Portfolio are in respect of the notional portfolio and references to "Portfolio" are to the notional portfolio.

Performance figures are shown gross of fees and are calculated by tracking the value of the notional portfolio. Past performance is not a reliable indicator of future performance.

The portfolio composition for any individual investor may vary and the performance information shown may differ from the performance of an individual investor's portfolio. This may occur due to factors such as differences in the buy and sell spreads of investments compared to the notional portfolio, fees, income elections and any personal investment preferences of the investor which may result in portfolio composition differences between the investor's portfolio and the notional portfolio.

Any projections contained in this factsheet are predictive and should not be relied upon when making an investment decision or recommendation. Whilst we have used every effort to ensure that the assumptions on which the projections are based are reasonable, the projections may be based on incorrect assumptions or may take into account known or unknown risks or uncertainties. The actual results may, therefore, differ materially from these projections.

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