

Regnan Credit Impact Trust

Factsheet | As at 31 May 2026

ARSN: 638 304 220

About the Fund

The Regnan Credit Impact Trust (**Fund**) is an actively managed portfolio of floating and fixed income securities. The Fund invests predominantly in green, social, sustainable and sustainability linked bonds that aim to generate positive social and/or environmental outcomes, in addition to a financial return.

Investment Objective

The Fund aims to generate positive and measurable social or environmental impact, or both; and a return (before fees, costs and taxes) that exceeds the RBA Cash Rate over rolling 3 year periods.

Investment Strategy and Fund Features

This Fund offers investors access to a diversified portfolio of floating and fixed income securities that aim to generate positive and measurable environmental and/or social outcomes, while also seeking to meet the Fund's financial return objective.

The Fund invests predominantly in Australian dollar denominated investment grade floating and fixed income credit securities. It may also invest in government, semi-government and supranational floating and fixed income securities and holds cash.

Pendal's investment process for fixed interest aims to add value through multiple strategies and investment research. Pendal seeks to generate excess returns through a combination of active alpha strategies such as credit management, active security and sector selection, duration and yield curve. Pendal also applies issuer-level exclusionary screens and our sustainability assessment process to construct a portfolio that seeks positive environmental and/or social outcomes, alongside a financial return. Issuers must meet the Fund's exclusionary screens and our sustainability assessment to be considered for investment by the Fund.

The Fund focuses on investments that aim to support one or more of the Fund's impact goals:

- **People:** Improving access, affordability or adequacy of food, water, shelter or healthcare; or
- **Planet:** Preserving climate stability, biodiversity or natural resources; or
- **Progress:** Advancing empowerment, resilience or innovation in underserved communities.

The Fund also applies exclusionary screens. 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/RegnanCreditImpactTrust-PDS.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	0.37	0.41	0.37
3 months	0.74	0.86	1.04
6 months	1.95	2.20	1.96
1 year	4.35	4.87	3.87
2 years (p.a)	4.98	5.50	4.11
3 years (p.a)	5.40	5.93	4.18
5 years (p.a)	3.81	4.33	3.06
Since Inception (p.a)	3.83	4.35	2.46

Source: Pendal as at 31 May 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: January 2020.

Past performance is not a reliable indicator of future performance.

Sector Allocation (as at 31 May 2026)

Money Market	2.9%
Financials	15.0%
Industrials	25.7%
Supranational, Sovereign & Agencies	6.2%
Infrastructure & Utilities	40.8%
Real Estate	4.4%
Semis	2.7%
ABS	0.0%
Government	2.2%

Credit Quality (as at 31 May 2026)

AAA	12.4%
AA	33.5%
A	20.1%
BBB	31.0%
Money Market	2.9%

About Regnan

Regnan is a specialist business unit within Pendal and a responsible investment leader with a long and proud heritage providing our investment teams with insight and advice on important themes relating to environmental, social and governance (ESG) issues, including impact investment, engagement and advocacy.

Regnan's pioneering analysis has changed the way investors and businesses think about value creation and their wider responsibilities to society. Regnan remains committed to undertaking engagement that contributes to growing the market for impact investments.

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.

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 ¹	0.50% pa
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¹ 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.

Other Information

Fund size (as at 31 May 2026)	\$435 million
Date of inception	January 2020
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	PDL5969AU

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.

Fund Statistics (as at 31 May 2026)

Yield to Maturity [#]	5.21%
Running Yield [*]	4.69%
Modified duration	0.07 years
Credit spread duration	3.08 years
Weighted Average Maturity	4.39 years

[#] 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.

^{*} 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.

Market review

May was a busy month for markets, driven by domestic and international events. Despite a rate hike of 0.25% and slightly higher global bond yields, Australian bonds had a constructive month, driven by moderating fuel prices and a deteriorating employment picture. Three-year bonds finished 0.28% lower at 4.48%, and 10 year bonds 0.23% lower at 4.83%.

The RBA rate hike in early May was the third in a row, taking cash back to the previous high of 4.35%. It took six months to cut by 0.75% in 2025 but only three months to hike back this year. The Statement of Monetary Policy released at the same time saw year end 2026 inflation forecasts raised from 3.6% to 4%, before falling back into the 2-3% target band in 2027.

Inflation data released in May, the April monthly numbers, showed a picture of inflation peaking. The CPI Year on Year (April 2026 versus April 2025) was 4.2%, down from 4.6% in March. A week earlier, the employment numbers saw an 18,600 decline in workers and an unemployment rate of 4.5%, above RBA expectations of 4.3% by year end. Together these data points saw RBA expectations fall below one more hike this year, having been at two more in early May.

Other data released in May generally leant towards a slowing economy. The NAB survey saw business conditions fall from a long-term average of 6 to 3, and confidence remained very weak at -24. Wages were well behaved with the Wage Price Index at 3.3%. The only bright spot for the economy was buoyant capital expenditure, driven primarily by data centres.

Credit review

Markets in May were dominated by geopolitical developments, specifically the US-Iran conflict and uncertainty around the Strait of Hormuz, which drove volatility in oil and bond markets, whilst equity markets were supported by strong US company earnings. Risk sentiment shifted rapidly with headlines, as de-escalation triggered rallies while any renewed tensions pushed oil prices higher. Headlines indicating progress in the US and Iran reaching a deal to extend the ceasefire and potentially reopen traffic in the Strait of Hormuz saw markets perform even with uncertainty remaining around the details, and the more contentious issues around Iran's nuclear program still unresolved.

US macroeconomic data surprised on the upside which also supported markets. Payrolls and retail sales printed better than expected however CPI and producer prices were higher than expected.

Credit spreads were mixed over the month. The Australian iTraxx index (series 45) traded in a tight 6bp range, finishing 5bps narrower to close at 72bps. Australian physical credit spreads were a little wider on average on the back of significant new issuance during the month which saw some re-pricing of secondary curves. Semi-government bonds were unchanged to Commonwealth government bonds.

Fund performance and activity

The Fund performed in line with the benchmark over the month.

Supra-nationals and financials sector positioning added to performance.

Activity during the month included adding to industrials, supra-nationals and commonwealth government bond exposures funded out of diversified financials, infrastructure and cash.

This month, the Fund invested in an AUD-denominated Social Bond issued by Korea Land and Housing Corporation. Korea Land and Housing is a government-owned, AA rated entity and South Korea's primary public housing developer. The bond's entire proceeds are dedicated to Affordable Housing projects under their Sustainability Bond Framework. This financing supports the construction of new build-to-rent public housing and refurbishment of existing rental stock, along with subsidies to reduce rents for low-income tenants. As a result, thousands of additional affordable homes will be delivered to underserved households in the bottom 40% of incomes. People who are eligible for these properties earn below 50% of the national median and will pay subsidized rents well below market levels. By financing permanent rental housing for South Korea's most vulnerable families, the bond helps lower housing cost burdens and reduce homelessness risk through long-term affordable leases. The underserved groups benefiting from these dwellings include young people, low-income workers, and those at risk of homelessness, who often face severe housing stress in the private market. All new housing units financed are required to meet South Korea's Zero Energy Building (ZEB) Grade 5 standard, ensuring high energy efficiency and lower carbon footprints as a co-benefit supporting climate stability. The bond primarily is supporting the funding of new affordable housing projects rather than refinancing. This bond extends the broader strategy of the fund of backing high-quality social bonds that expand affordable housing. It adds to the funds' investments in Housing Australia's bonds, which have financed hundreds of social homes for vulnerable communities.

The Fund also invested in the Australian Commonwealth Government's second Green Bond new issuance. The bond will support the electrification and transition to a low-carbon economy. This includes projects like zero emissions buses infrastructure in Sydney, financing home batteries and funding renewable energy projects. Other examples of what the bond will support is circular economy outcomes through funding such as the Recycling Modernisation Fund, alongside improved resource efficiency in the water sector via programs targeting sustainable rural water use and infrastructure. Initiatives such as the Social Housing Energy Performance Initiative aim to improve energy efficiency outcomes in social housing, contributing to both emissions reduction and cost-of-living relief.

Market outlook

With the Reserve Bank of Australia now seeing themselves in slightly restrictive territory it is more likely that they leave policy settings unchanged at their June meeting following three successive hikes. They now see themselves in a position to wait and see how events in the Middle East evolve and how the domestic economy responds to monetary policy tightening. Inflation and labour market data in May would have provided some comfort although there are nuances within the results. The extent of second round inflation effects will also take time to emerge. Other central banks are likely to tighten policy in response to higher inflation with the European Central Bank, Bank of Japan and Reserve Bank of New Zealand all now expected to tighten monetary policy at their next meeting. Inflation has remained above the Federal Reserve's target for an extended period in the United States. With inflation higher and above target both domestically and abroad the skew towards policy tightening will most likely remain in place for the remainder of the year.

Credit outlook

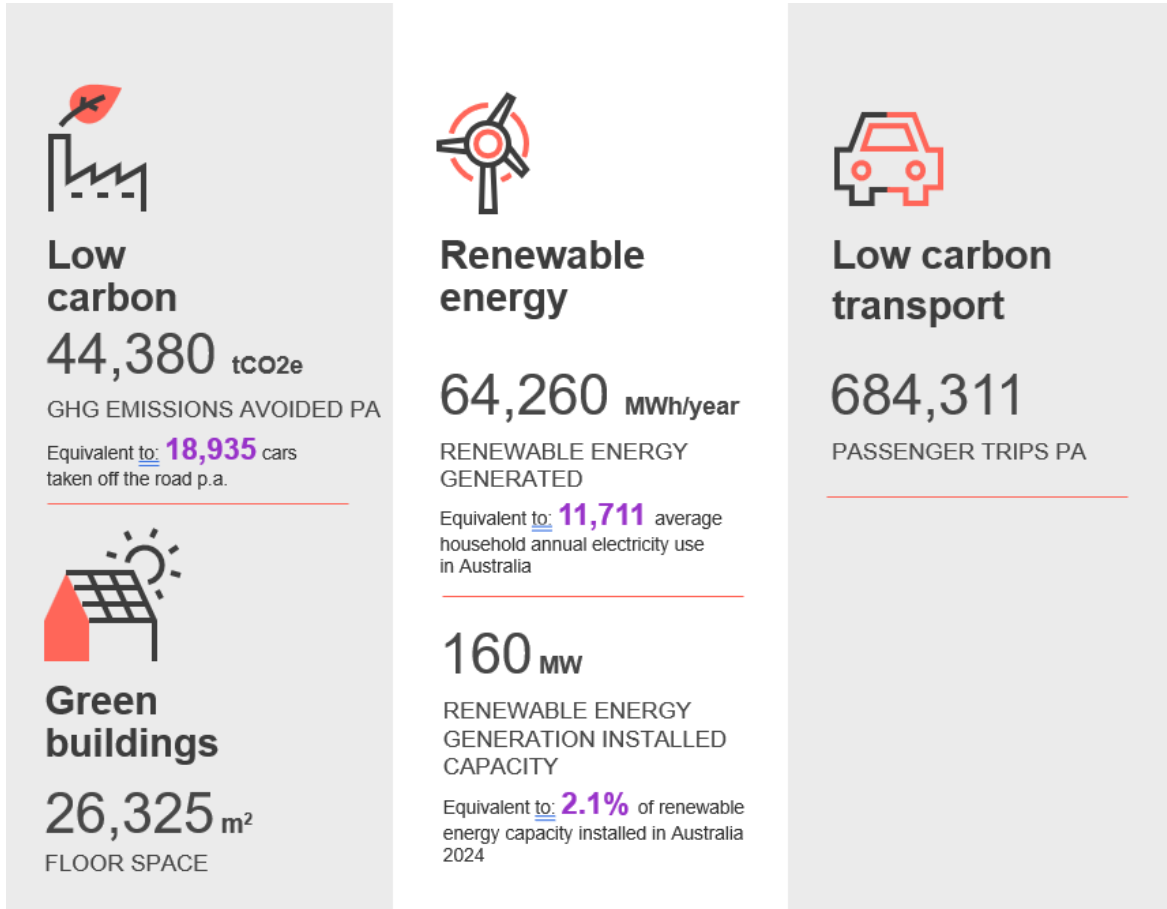
We maintain defensive positioning in relation to our credit exposure given our concerns around the US labour market and now the Middle East conflict. A deterioration in US employment conditions is a risk for markets as this would increase the chances of a recession. Also, a prolonged conflict pushing 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.

Estimated Environmental Outcomes of the Fund



The aggregated estimated environmental outcomes shown above are based on data provided by the issuers of bond securities (Issuers) held by the Fund. That data relates to the positive outcomes attributable to those securities held by the Fund. The information provided to us by the Issuers has not been verified by us and may be inaccurate or incomplete. The estimate is therefore indicative only and is provided for illustrative purposes and should not be relied on for the purpose of making investment decisions.

The outcome numbers are based on Issuers' data from 1 January 2025 to 31 December 2025 and the Fund's average daily investment value of \$380.3 million over the period. Actual results may differ and subsequent changes in circumstances may occur at any time that impact the accuracy of the results.

Estimated Environmental and Social Outcomes of the Fund



Financial inclusion

199
SOCIAL / AFFORDABLE HOUSING*

Focus on Australia.



Water management

2,151,498 L

WATER CLEANED, RECYCLED OR TREATED P.A.

4,200,542 L

WATER USAGE SAVED P.A.

422,213,470 L

WATER CAPACITY SECURED

Equivalent to: **7,185** Melbourne population water usage secured



Sustainable agriculture

1,875 hectares

LAND CONSERVED

*Contribution is based on forecast numbers provided by the issuer.

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For more information



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PFSL is the responsible entity and issuer of units in the Regnan Credit Impact Trust (Fund) ARSN: 638 304 220. A product disclosure statement (PDS) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pendalgroup.com. The Target Market Determination (TMD) for the Fund is available at www.pendalgroup.com/ddo. You should obtain and consider the PDS and TMD before deciding whether to acquire, continue to hold or dispose of units in the Fund. An investment in the Fund is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested.

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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 not take into account known or unknown risks and uncertainties. The actual results may differ materially from these projections.

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.