PENDAL

Factsheet

Equity Strategies

31 August 2025

Pendal Sustainable Australian Share Fund

ARSN: 097 661 857

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	1.80	1.87	3.10
3 months	4.99	5.22	7.03
6 months	10.62	11.09	11.65
1 year	16.59	17.58	14.74
2 years (p.a)	16.30	17.29	14.82
3 years (p.a)	13.23	14.19	13.04
5 years (p.a)	12.01	12.96	12.32
Since Inception (p.a)	8.42	9.36	9.06

Source: Pendal as at 31 August 2025

"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 2025)

Energy	0.0%
Materials	16.1%
Industrials	10.9%
Consumer Discretionary	4.0%
Consumer Staples	0.0%
Health Care	10.4%
Information Technology	6.7%
Telecommunication Services	6.6%
Utilities	0.0%
Financials ex Property Trusts	32.7%
Property Trusts	9.5%
Cash & other	3.0%

Top 10 Holdings (as at 31 August 2025)

Commonwealth Bank of Australia	8.1%
CSL Limited	6.7%
National Australia Bank Limited	5.9%
Telstra Group Limited	5.7%
Rio Tinto Limited	5.1%
Westpac Banking Corporation	4.6%
Xero Limited	3.9%
Goodman Group	3.8%
ANZ Group Holdings Limited	3.5%
Macquarie Group, Ltd.	3.2%

CERTIFIED RESPONSIBLE INVESTMENT
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.

Other information

Fund size (as at 31 August 2025)	$413 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
85.44	99.61	-14.18

Source: ISS STOXX, Pendal holdings as at 31 August 2025.

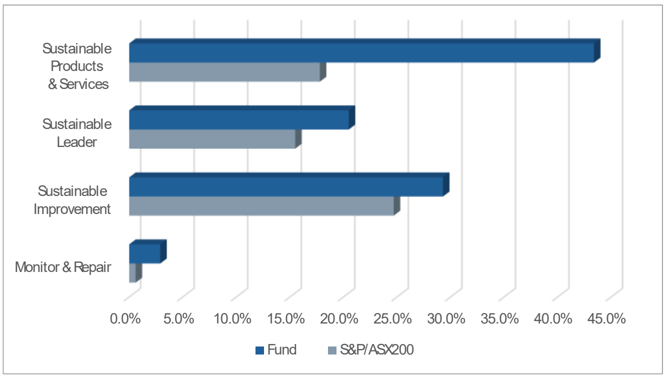
Report run on 02/09/2025 using latest ISS STOXX data. Currency AUD

[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 2025)



	Fund	S&P/ASX200
Sustainable Products & Services[3]	43.4%	17.8%
Sustainable Leader	20.5%	15.5%
Sustainable Improvement	29.3%	24.7%
Monitor & Repair	2.9%	0.6%

Source: Pendal as at 30 June 2025.

[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.

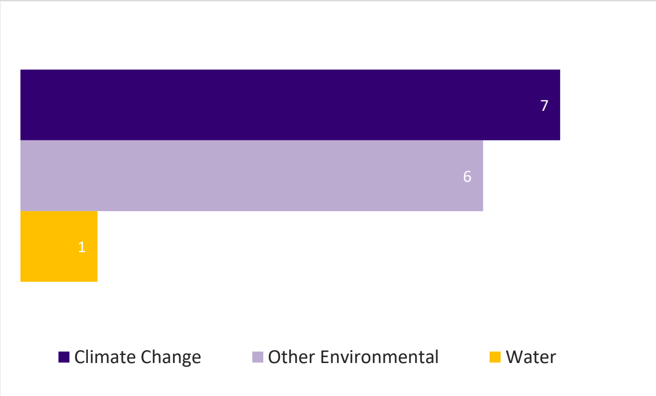
4. Monitor and Repair

This category includes:

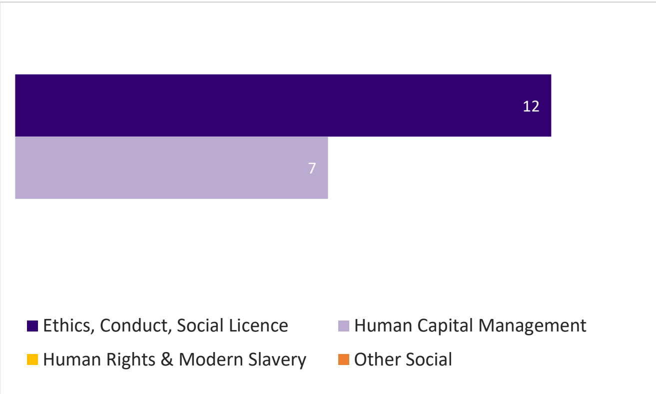
- Companies that have been identified as having elevated ESG risks and are addressing their poor sustainable practices; and
- Companies where Pendal will seek to influence the repair of company practices through active engagement.

Quarterly engagements for the Fund by sustainability theme – 3 months to 30 June 2025

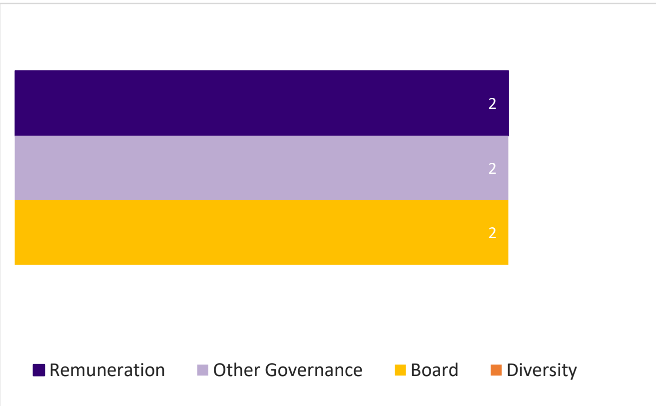
Environment



Social



Governance



Market review

The S&P/ASX 300 gained 3.2% in August, supported by a reasonable domestic earnings season as well as a rate cut from the RBA and indications of more to come.

More broadly, the US saw a strong earnings season. US macro data was mixed, but in aggregate panted a picture of a slowing economy that gives the Fed scope to cut rates, despite concerns about inflation. This was all also broadly constructive for equity markets.

Stock price volatility for ASX companies on the day of results reached new highs, driven by the tone of messaging and revisions. This saw some strident gains and losses among stocks – particularly at the larger end of the market – in response to relative muted changed in earnings.

The outperformance of domestically-focused versus internationally-exposed companies was another feature. This reflects signals that Australian consumer demand is stabilising and showing signs of improvement. In contrast, global companies – and particularly industrials with Norther American exposure – struggled with a weaker cycle.

Materials (+9.4%) did best, helped by a rally in rare earths as western countries look to underwrite capacity with a pricing floor, by some supply constraint in lithium in China, and by resilience in the iron ore price. BHP (BHP, +10.0%), Rio Tinto (RIO, +5.4%) and Fortescue (FMG, +8.6%) all did well among the majors. The gold miners such as Northern Star (NST, +21.3%) and Evolution (EVN, +21.8%) also did well as the gold price took a 4.8% leg higher, helped by concerns over the outlook for US monetary policy prudence.

Consumer Discretionary (+7.5%) also did well as results improved confidence in the outlook for domestic consumption. Wesfarmers (WES, +7.1%), JB Hi-Fi (JBH, +6.7%), Lottery Corporation (TLC, +10.1%) and Harvey Norman (HVN, +18.8%) all benefited among the larger index weights, but there was strength throughout the sector.

Health Care (-12.9%) underperformed. Index heavyweight CSL (CSL, -21.4%), saw a significant de-rate in response to modest earnings downgrades, however ResMed (RMD, -0.7%), Cochlear (COH, -5.3%), Pro Medicus (PME, -7.2%) and Sonic Healthcare (SHL, -12.9%) all fell, at least partly on a global rotation away from defensive sectors.

Information Technology (-1.4%) was the only other sector to lose ground. There was wide dispersion here, with strong gains for Life360 (360, +15.8%), NextDC (NXT, +13.7%) and Codan (CDN, +47.4%). However Xero (XRO, -9.6%), Wisetech (WTC, -14.7%) and Technology One (TNE, -2.7%) dragged the index down.

Fund performance

The Fund underperformed the benchmark over the month of August.

Key contributors

Overweight Northern Star Resources (NST, +21.3%)

Northern Star Resources saw a rebound early in the month as production guidance for FY27-29 beat expectations, with the mill expansion at its KCGM asset remains on-track. This remains key to NST’s production growth (along with the Hemi project), with the mill expanding from its current 13 million tonnes per annum (Mtpa) to 27Mtpa. The expansion is due to complete end FY26/early FY27. Its FY25 adjusted earnings came in ahead of consensus expectations, while a stronger gold price also buoyed the stock during the month.

Overweight Charter Hall Group (CHC, +16.0%)

Property fund manager produced a solid 7% improvement in earnings despite a flat fund management result. Property FUM was up a modest $0.4bn half-on-half to $66.8bn as CHC remained a net divestor of assets in 2H25. Higher property earnings, good cost control and lower taxes all contributed. CHC is well placed to grow earnings in FY 26 with higher property earnings, lower debt costs and higher funds management earnings likely. So far in FY26 net equity inflows have been very strong at ~$3bn (greater than FY24/25 combined), reflecting the launch of a new wholesale retail fund and Challenger mandate win.

Key detractors

Overweight CSL (CSL, -21.4%)

CSL's FY25 result came in at the top end of their guidance, in-line with market expectations, and with guidance marginally below consensus. Management noted some changes in the US pricing structure which saw earnings downgrades of 2% in FY26 and 4% in FY27, however poor communication saw this translated into market fears of a structural deterioration in their core plasma-based business. We see these concerns as overdone, with no sign of softening demand, nor change to our expectation of improved margins and return on equity. The company also announced cost out and a buy back. We see valuation as compelling for a company which should grow earnings in low double-digit compound annual growth rates for the next three years.

Underweight BHP (BHP, +10.0%)

BHP's FY25 result met expectations, with the highlight a being a better-than-expected final dividend at a 60% payout versus 50% expected. This in part reflected a lower net debt, but also a recognition that their payout had dropped below peers. Positively, BHP also announced a US$1bn/year cut to FY28-30 capex, adding weight to the view that payout will stay higher than the 50% minimum. FY28-FY30 capex now stands at US$10bn/year, versus US$11bn in FY26 and FY27.

Outlook

The US equity market remains in an up-trend driven by healthy earnings growth, economic growth which is below trend but still holding up reasonably well, the prospect of rate cuts and supportive technicals.

While valuations are full and there may be some consolidation through the seasonally tougher period from late-August through September, any market fall is likely to be a short-term correction.

Real time data suggests the economy is holding up reasonably well. While some data points have been mixed and caused some concern – notably July's employment data – there is nothing to suggest the US economy has reached a tipping point and runs the risk of recession.

The largest threat to markets is if US inflation surprises to the upside as a resilient economy leads to greater tariff pass-through, which leads the Fed to believe they need to slow the economy more and therefore do not deliver on the market's expectations of rate cuts. This is an issue further complicated by the Trump Administration's political pressure on the central bank.

China's anti-involution policy will be a slow-burn, selectively helping restore margins in over-supplied industries, but constrained by the need to manage economic growth. This should lead to a relatively benign commodity outlook, but is unlikely to see a squeeze higher in key prices.

The Australian economy remains sluggish but should slowly accelerate as rate cuts flow through into consumption and investment.

A key risk to watch is if low/no productivity growth constrains the RBA's ability to cut rates and extend their timeline.

July's consumer price index (CPI) came in higher than expected. The monthly series can be volatile, so the market largely shrugged this off. However this does highlight that there is risk to the pace of the easing cycle in Australia.

Credit growth is also accelerating, which suggests policy is not that restrictive, and we have seen a number of Australian companies reporting improved sales in July and August.

Stepping back and looking at the ASX valuation, we are now at the top end of our historic range, leaving the market largely reliant on earnings for further support.

Australia's overall earnings season was okay, but we did not get the kicker to earnings that was seen in the US.

However FY26 earnings growth is expected to be mid-single digit, following several years of declines.

This all leaves the market vulnerable in the event of an economic shock. However the market remains supported by signs the domestic economy is improving and impending rate cuts from the RBA.

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

PENDAL