

## Pendal Asian Share Fund

ARSN: 087 593 468

## Factsheet

Global Equities

December 2020

### About the Fund

The Pendal Asian Share Fund (**Fund**) is an actively managed portfolio of Asian shares, excluding Japan and Australia.

### Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI AC Asia ex Japan (Standard) Index (Net Dividends) in AUD 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 are prepared to accept high variability of returns. The Fund can invest in any sharemarket in the Asian region, excluding Japan and Australia, that offers attractive opportunities including Korea, Hong Kong, Taiwan, Singapore, China, Malaysia, Thailand, Indonesia, the Philippines, India and Vietnam. The Fund may also hold cash and may use derivatives.

As manager of the Fund, J O Hambro Capital Management (**JOHCM**) investment process for Asian shares aims to add value through fundamental stock selection. JOHCM focuses on identifying and owning quality long-term sustainable growth companies and is benchmark agnostic. These core holdings are combined with cyclical holdings that are valuation driven with consideration for current macro-economic conditions. The Fund will typically hold between 40 and 55 stocks.

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 foreign currency exposure will generally not be hedged to the Australian dollar but JOHCM may do so from time to time. JOHCM does not intend to use currency trading as an additional source of Fund returns.

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

### Investment Manager

The portfolio is managed by J O Hambro Capital Management Limited, a wholly-owned subsidiary within the Pendal Group.

### Management Costs<sup>1</sup>

Issuer fee <sup>2</sup>	1.00% pa
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<sup>1</sup> You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

<sup>2</sup> This is the fee we charge for overseeing the operations of the Fund and managing the assets of the Fund. The Issuer fee is paid from the assets of the Fund and is reflected in the unit price of your investment.

### Risks

An investment in the Fund involves risk, including:

- **Market risk** - The risk associated with factors that can influence the direction and volatility of an overall market, as opposed to security-specific risks. These factors can affect one country or a number of countries.
- **Security specific risk** - The risk associated with an individual asset.
- **International investments risk** – The risk arising from political and economic uncertainties, interest rate movements and differences in regulatory supervision associated with international investments.
- **Concentrated portfolio risk** – The Fund's investment strategy of seeking to generate high returns by investing in a concentrated portfolio of global shares may make the Fund more volatile than a diversified global share fund with a larger number of shares. This means there is a greater risk of negative returns, particularly over the short to medium term.
- **Currency risk** - Currency exchange rate fluctuation risk arising from investing across multiple countries.

Please read the Fund's Product Disclosure Statement (**PDS**) for a detailed explanation of each of these risks.

### Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	4.70	4.79	1.98
3 months	10.94	11.22	10.16
FYTD	26.17	26.81	17.10
6 months	26.17	26.81	17.10
1 year (pa)	30.11	31.43	13.89
2 years (pa)	24.03	25.29	16.10
3 years (pa)	10.44	11.56	8.64
5 years (pa)	10.98	12.10	12.25

The investment manager for this Fund changed on 12 March 2014. Performance before this date may not be directly comparable.

### Country Allocation (as at 31 December 2020)

India	27.8%
China	26.9%
South Korea	19.8%
Hong Kong	10.5%
Taiwan	7.0%
Singapore	4.9%
Indonesia	1.4%
Malaysia	0.0%
Philippines	0.0%
Other	0.0%
Cash	1.7%

### Top 10 Holdings (as at 31 December 2020)

Samsung	6.3%
Tencent Holdings	6.0%
Taiwan Semiconductor	5.5%
Li-Ning	5.2%
Kakao	5.0%
Jubilant FoodWorks	4.7%
Meituan Dianping	4.1%
SBI Card	4.0%
HKEX	3.9%
Venture Corporation	3.5%

### Other Information

Fund size (as at 31 Dec 2020)	\$84 million
Date of inception <sup>3</sup>	August 1996
Minimum Investment	\$25,000
Buy-sell spread <sup>4</sup>	For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a>
Distribution frequency	Quarterly
APIR code	BTA0054AU

<sup>3</sup> JOHCM started managing the Fund in March 2014.

<sup>4</sup> The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

## Fund manager's commentary

Asian equities ended the year on a high note after a roller-coaster year which saw global equity markets plunge in March as the world came to grips with the Covid-19 pandemic, and then stage a spectacular rebound as governments and central banks took aggressive fiscal and monetary policies to prevent a large scale collapse of businesses and tightening of credit conditions. While the pandemic rages on, the emergency approval of a few Covid-19 vaccines have given hope that there is light at the end of the tunnel. But the US and Europe, and even parts of Asia which had previously managed to contain the outbreak during the first wave, are now grappling with a resurgence in cases with infection rates and the death toll remaining high.

The portfolio performed well over the month with our consumer discretionary names the main driver of relative returns. Here, our underweight in Alibaba was helpful. The regulatory clampdown here clearly indicates a changed approach to large dominant technology platforms. This government-imposed oversight could lead to lower-than-expected returns on capital and act as a dampener on valuations. On the negative side, India's Manappuram Finance was the main laggard. The portfolio has a sizeable allocation to India. A collapse in domestic demand combined with lower oil prices means a current account surplus in India after nearly two decades. India has witnessed much lower interest rates thanks to capital flows into Asia in general. Both those factors drive liquidity into financial assets.

For more information please call **1800 813 886**,  
contact your key account manager or visit [pendalgroup.com](http://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.