

Pendal Asian Share Fund

ARSN: 087 593 468

Factsheet

Global Equities

October 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 Costs¹

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

² 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	4.86	4.96	4.92
3 months	12.09	12.38	7.07
FYTD	19.26	19.67	11.52
6 months	22.82	23.44	13.59
1 year (pa)	21.98	23.22	13.66
2 years (pa)	23.55	24.80	15.07
3 years (pa)	8.57	9.67	7.35
5 years (pa)	8.46	9.55	9.86

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 October 2020)

China	36.1%
India	23.1%
South Korea	16.0%
Hong Kong	10.2%
Taiwan	7.0%
Singapore	4.0%
Indonesia	1.1%
Thailand	0.0%
Malaysia	0.0%
Other	0.0%
Cash	2.6%

Top 10 Holdings (as at 31 October 2020)

Tencent Holdings	7.2%
Meituan Dianping	7.1%
Alibaba Group	5.8%
Li-Ning	5.7%
Taiwan Semiconductor	5.2%
Samsung	4.9%
Kakao	4.9%
SBI Card	4.4%
Jubilant Foodworks	4.2%
HKEX	4.0%

Other Information

Fund size (as at 31 Oct 2020)	\$80 million
Date of inception ³	August 1996
Minimum Investment	\$25,000
Buy-sell spread ⁴	For the Fund's current buy-sell spread information, visit www.pendalgroup.com
Distribution frequency	Quarterly
APIR code	BTA0054AU

³ JOHCM started managing the Fund in March 2014.

⁴ 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 edged marginally higher in October. Initial gains made earlier in the month on optimism of a Democratic sweep of the US Presidency, House of Representatives and Senate in the November election, which will enable a larger fiscal stimulus to prop up the pandemic-stricken economy, gave way to profit-taking amid a resurgence in Covid-19 cases in the US and across Europe and concerns over further lockdowns.

The portfolio performed broadly in line with the index over the month as modestly negative stock selection offset positive sector allocation effects. Our underweight in energy was helpful as was our significant overweight in consumer discretionary. Looking at stock selection, it was our financials, which provided the main drag. Here, SBI Cards in India was the chief source of weakness. Nevertheless, we are optimistic. In India, the opportunity for unsecured credit remains large. While events like Covid-19 have disrupted this trend, it should not derail it.

For more information please call **1800 813 886**,
contact your key account manager or visit pendalgroup.com

PENDAL

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PFSL is the responsible entity and issuer of units in the Pental Asian Share Fund (Fund) ARSN: 087 593 468. A product disclosure statement (PDS) is available for the Fund and can be obtained by calling 1800 813 886 or visiting www.pentalgroup.com. You should obtain and consider the PDS 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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Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Where performance returns are quoted "Post fees" then this assumes reinvestment of distributions and is calculated using exit prices which take into account management costs but not tax you may pay as an investor. Where performance returns are quoted "Pre fees and tax", they exclude the effects of management costs and any taxes. Past performance is not a reliable indicator of future performance.

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.