

About the Fund

The Pendal Global Emerging Markets Opportunities Fund (**Fund**) is an actively managed portfolio of global emerging market shares.

Investment Return Objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the MSCI Emerging Markets (Standard) Index (Net Dividends) in AUD over the long term. The suggested investment time frame is seven years or more.

Description of Fund

This Fund is designed for investors who want the potential for long-term capital growth, diversification across a broad range of global emerging market shares and are prepared to accept high variability of returns. The Fund can invest in shares in a range of emerging markets and may also hold cash.

As manager of the Fund, J O Hambro Capital Management (**JOHCM**) investment process for global emerging market shares aims to add value through a combination of country allocation as well as individual stock selection. JOHCM's country allocation process is based on analysis of a country's economic growth, monetary policy, market liquidity, currency, governance/politics and equity market valuation. The stock selection process focuses on buying quality growth stocks at attractive valuations.

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, wholly owned subsidiary of Perpetual Limited (ASX ticker: PPT).

Other Information

Fund size (as at 31 October 2023)	\$236 million
Date of inception	November 2012
Minimum Investment	\$25,000
Buy-sell spread ¹	For the Fund's current buy-sell spread information, visit www.pendalgroup.com
Distribution frequency	Yearly
APIR code	BTA0419AU

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	1.18% pa
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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.

Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-3.38	-3.28	-2.03
3 months	-8.34	-8.07	-6.52
6 months	-3.84	-3.27	-0.62
1 year	5.41	6.66	11.90
2 years (p.a)	-1.57	-0.40	-4.78
3 years (p.a)	2.26	3.48	-0.29
5 years (p.a)	4.03	5.33	3.91
Since Inception (p.a)	6.97	8.39	6.25

Source: Pendal as at 31 October 2023

"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: November 2012.

Past performance is not a reliable indicator of future performance.

Country Allocation (as at 31 October 2023)

China	25.5%
India	16.9%
Mexico	9.3%
Taiwan	9.2%
Indonesia	9.1%
Brazil	9.1%
Korea, Republic of	5.2%
United Arab Emirates	4.4%
South Africa	3.4%
Hong Kong	3.0%
Other countries	3.8%
Cash & other	1.4%

Sector Allocation (as at 31 October 2023)

Energy	2.4%
Materials	8.1%
Industrials	8.8%
Consumer Discretionary	10.7%
Consumer Staples	11.9%
Health Care	1.2%
Information Technology	11.7%
Telecommunication Services	7.1%
Utilities	1.8%
Financials ex Property Trusts	28.7%
Property Trusts	6.2%
Cash & other	1.4%

Top 10 Holdings (as at 31 October 2023)

Tencent Holdings Ltd	6.9%
Taiwan Semiconductor Manufacturing	4.6%
Larsen & Toubro Ltd	4.4%
Emaar Properties PJSC	3.7%
State Bank of India	3.6%
FirstRand Ltd	3.4%
Ambev SA	3.3%
Itau Unibanco Holding SA	3.1%
Tsingtao Brewery Co Ltd	3.1%
Grupo Financiero Banorte SAB de CV	3.0%

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.
- **Emerging markets risk** – The risk of asset price volatility and higher currency, default and liquidity risk from investments in emerging markets.
- **International investments risk** – The risk arising from political and economic uncertainties, interest rate movements and differences in regulatory supervision associated with international investments.
- **Currency risk** - Currency exchange rate fluctuation risk arising from investing across multiple countries.
- **Regulatory risk** - The risk that a change in laws and regulations governing an investment or financial markets could have an adverse impact on an investment.

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

Fund manager commentary

One of our core conceptions about the exploitable opportunities within emerging market equities is that the asset class is dominated by bottom-up investors who, in the aggregate, alternatively underreact and then overreact to top-down developments. Sometimes, that over-reaction function can occur to the downside when groups of stocks within markets sell off indiscriminately on top-down concerns to levels that are unjustified. We believe that is happening within parts of the Chinese equity market and that real opportunities are being presented at these price levels.

To be clear, this is not a view that the China equity index is set to outperform the broader emerging market benchmark. The country's core problems, where politically driven decisions have materially negative economic effects, remain. The property sector continues to struggle, and the loss of market share in US imports will not easily be regained.

However, our process is designed to be alert to top-down opportunities within countries as well as the top-down opportunities of countries. Chinese retail sales in September were 5.5% YoY, but that broad measure hides some real strength in particular

segments: restaurant/catering sales were 13.8% YoY and tobacco/alcohol sales were 23.1%.

Tsingtao Brewery is held in the portfolio. The company is China's second largest brewer, with a 15% domestic market share. As well as benefiting from the cyclical recovery, Tsingtao is a beneficiary of the down-shifting of Chinese consumers away from more expensive foreign brands into the company's own premium brands, and also of a political preference for domestic brands. In recent results, the company showed strong growth in average selling prices and margins. In the first nine months of 2023, the consensus forecast for the company's forward earnings rose 30.5%, but the stock itself declined 16.8%, putting the stock at an all-time low P/E ratio.

Another example would be Trip.com. This company is China's dominant domestic online travel agency, providing full travel booking services domestically but also internationally. Again, the company is performing very strongly. Chinese Valentine's Day in late August saw booked hotel room nights reach a record high, the third quarter of 2023 saw profitable results from all listed Chinese airlines and revenue per room reach a record high for Chinese hotels. The shift online was hugely accelerated during the pandemic, helping Trip.com gain market share and achieve economies of scale reflected in rising margins. As well as domestic and international tourism, recovery in China in music festivals, business conferences and exhibitions should remain supportive. Yet, in the first nine months of 2023, the consensus forecast for the company's forward earnings more than doubled, but the stock itself declined slightly.

Elsewhere in the consumer e-commerce space, Meituan's continued success as a business seems to be being ignored by equity markets. The pattern is the same at online giant Tencent. Tencent's underperformance is particularly stark given the current global investor enthusiasm for stocks with AI exposure. Tencent is likely to be a global leader in the space, combining its existing technological strengths with a major investment program in a ChatGPT-style Large Language Model. You wouldn't know that from the share price though. This is not a 'buy-the-dip' argument – we do not trade price signals. It is not a deep value argument – we remain growth-at-reasonable-price investors. But what we are seeing within the Chinese equity market are stocks with supportive top-down conditions, strong and steady earnings growth, upbeat results and guidance from management, and valuations that look attractive relative to peers and to the stocks' own valuation histories. As always with our process, it is crucial for the top-down and bottom-up investment cases to align.

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

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PFSL is the responsible entity and issuer of units in the Pental Global Emerging Markets Opportunities Fund (Fund) ARSN: 159 605 811. A product disclosure statement (PDS) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pentalgroup.com. The Target Market Determination (TMD) for the Fund is available at www.pentalgroup.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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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.