



Regnan Credit Impact Trust

Factsheet | As at 30 June 2025

ARSN: 638 304 220

About the Fund

The Regnan Credit Impact Trust (**Fund**) is an actively managed portfolio of floating and fixed interest securities. The Fund focuses on investments anchored to impact goals adapted from the United Nations Sustainable Development Goals (**SDGs**).

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 meet financial and social and/or environmental goals.

The Fund aims to meet its investment objectives by investing in securities including social bonds, climate/green bonds and sustainability bonds. The Fund may also invest in government and credit securities that pass our sustainable and ethical screens. The Fund's investments are predominantly issued in Australian dollars. For non-Australian dollar denominated securities, the Fund will generally hedge back any foreign currency exposures to Australian dollars to the extent considered reasonably practicable.

The Fund uses a combination of active alpha strategies such as active security and sector selection, duration, yield curve and credit management in addition to analysis of ethical and sustainable considerations to build a portfolio that contributes to the Fund's social or environmental goals.

The Fund focuses on investments anchored to goals adapted from the SDGs. Each security is monitored for its reported social or environmental outcomes related to the following goals:

- Improving access, affordability or adequacy of food, water, shelter or healthcare; or
- Preserving climate stability, biodiversity or natural resources; or
- Advancing empowerment, resilience or innovation.

Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	0.27	0.31	0.32
3 months	1.08	1.21	1.00
6 months	2.40	2.65	2.06
1 year	5.47	6.00	4.31
2 years (p.a)	5.84	6.37	4.34
3 years (p.a)	5.21	5.73	3.88
5 years (p.a)	3.82	4.34	2.38
Since Inception (p.a)	3.73	4.25	2.22

Source: Pandal as at 30 June 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: January 2020.

Past performance is not a reliable indicator of future performance.

Additionally, the Fund applies a sustainable and ethical process to all issuers.

The Fund will not invest in issuers directly involved in either of the following activities:

- tobacco production (including e-cigarettes and inhalers); or
- controversial weapons manufacture (including cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The Fund will also not invest in issuers directly involved in any of the following activities, where such activities account for 10% or more of an issuer's gross revenue:

- the production of alcoholic beverages;
- manufacture or provision of gaming facilities;
- manufacture of non-controversial weapons or armaments;
- manufacture or distribution of pornography;
- direct mining of uranium for the purpose of weapons manufacturing; or
- extraction of thermal coal and oil sands production.

For more information on how these exclusions are applied, refer to section 5 'How we invest your money' of the Fund's Product Disclosure Statement at

www.pandalgroup.com/RegnanCreditImpactTrust-PDS

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 30 June 2025)	\$375 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 30 June 2025)

Yield to Maturity [#]	4.15%
Running Yield [*]	4.31%
Modified duration	0.12 years
Credit spread duration	2.65 years
Weighted Average Maturity	3.67 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.

Credit Quality (as at 30 June 2025)

AAA	12.9%
AA	27.0%
A	27.1%
BBB	22.0%
Money Market	11.0%

Sector Allocation (as at 30 June 2025)

Money Market	11.0%
Financials	27.4%
Industrials	17.6%
Supranational, Sovereign & Agencies	6.9%
Infrastructure & Utilities	25.8%
Real Estate	5.2%
Semis	1.2%
ABS	3.4%
Government	1.4%

Market review

June was a relatively quiet month for Australian bonds, despite volatile oil prices and middle east tensions. There was also little new major news about tariffs from the US. Domestic data was slightly weaker than expected, and the markets have over 90% chance of a rate cut in early July priced (from 70% at the start of month). Three-year bonds finished five basis points lower in yield at 3.28% and 10-year bonds eight basis points lower at 4.18%.

The Reserve Bank of Australia (RBA) did not meet in June, but after a dovish cut in mid May left the market leaning towards another cut in July. Activity data during June added to the case for another rate cut. Quarter 1 2025 GDP data came in at 0.2% and 1.3% annually, below market and RBA forecasts. Employment was flat although the unemployment rate remained at 4.1%. Finally, household spending grew at only 0.1% in May.

The RBA believes inflation is now near the mid-point of their target band. Their forecast is for trimmed mean inflation to be around 2.6% over the period ahead despite headline inflation moving higher towards 3% as the dampening impact of electricity subsidies is removed. The May monthly CPI data, although an incomplete series, backed this up with trimmed mean inflation 2.4% higher than May 2024. Pricing for the RBA cash rate is at 3% by year end and terminal pricing is at 2.85% in mid 2026.

Credit review

Australian credit spreads were mixed over the month.

US economic data was supportive with CPI/Producer prices printing lower than expected, payrolls and jolts data were better than expected, however jobless claims have been rising.

Geopolitical risks dominated markets. These risks rose mid-month when the Israel and Iran conflict escalated on the back of drone and missile strikes. The conflict raised concerns about global energy prices and regional stability. A day later, there were reports that Iran was looking to de-escalate tensions with Israel, and about a week later, the US attacked key Iranian nuclear facilities in the hope of killing off Iran's nuclear weapons ambitions. Finally late in the month, a tentative ceasefire in the Middle East was agreed which supported markets.

Credit spreads finished the month mixed. The Australian iTraxx index (series 43) traded in a tight 9bp range finishing 2bps narrower to close at 73bps. Australian physical credit spreads on the other hand were flat to 3bps wider on average as the market digested heavy new issuance supply. The best performing sector was covered bonds that narrowed 1bp, whilst the worst performing sectors were industrials, infrastructure and utilities that all widened 2bps. Semi-government bonds moved out 1bp to Commonwealth government bonds.

Fund performance and activity

The Fund underperformed its benchmark over the month.

Asset backed securities added to performance whilst infrastructure detracted.

Activity during the month included adding to exposure to government agencies funded out of domestic bank sub debt.

Market outlook

As indicated by market pricing the RBA will most likely ease the cash rate further in July to 3.60%. The market is also pricing a follow-up cut at their meeting in August as being highly likely. The key piece of domestic economic data that will solidify policy easing is the 2nd quarter inflation data to be released in late July. International events continue to provide headwinds for global economic growth. The 90-day pause on 'Liberation day' tariffs announced in April and subsequent trade deals will garner headlines during July. How events unfold around US trade policy will determine the pace and extent of further policy easing from the RBA.

Credit outlook

We maintain a cautious view on the credit market given the uncertainty that Trump has created with his tariff policies. The tariff threats followed by quick reversals and threats again are impacting sentiment. Prolonged uncertainty will be a drag on economic activity by keeping businesses in wait-and-see mode impacting supply chains and dampening the confidence of consumers who are bracing for a potential inflationary shock.

If however Trump does in fact soften his stance on tariffs and follows through with that and maintains a dovish pivot on tariffs, this would be constructive for credit spreads given the backdrop of a resilient US consumer and economy supported by government spending, easy financial conditions and a weaker USD which will continue to benefit US corporate earnings and credit fundamentals.

We also continue to closely monitor labour markets as a deterioration in US employment conditions is a risk to markets as this would increase the risk of a recession.

Estimated Environmental Outcomes of the Fund



Low carbon

83,965 tCO₂e

GHG EMISSIONS AVOIDED PA

Equivalent to: **36,919** cars taken off the road p.a.

13 hectares

OF FOREST RESTORED

Equivalent to: **5** the size of Melbourne Cricket Ground stadiums



Green buildings

37,448 m²

FLOOR SPACE



Renewable energy

117,992 MWh/year

RENEWABLE ENERGY GENERATED

Equivalent to: **25,673** average household annual electricity use in Australia

56 MW

RENEWABLE ENERGY GENERATION INSTALLED CAPACITY

Equivalent to: **2.4%** of renewable energy capacity installed in Australia 2018



Water management

1,027,599 L

WATER CLEANED, RECYCLED OR TREATED P.A.

2,157,578 L

WATER USAGE SAVED P.A.

554,114,299 L

WATER CAPACITY SECURED

Equivalent to: **9,371** Melbourne population water usage secured



Low carbon transport

656,038

PASSENGER TRIPS PA



Sustainable agriculture

3 hectares

LAND CONSERVED

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 July 2023 to 30 June 2024 and the Fund's average investment value of \$230 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 Social Outcomes of the Fund



Financial inclusion

91

SOCIAL/AFFORDABLE HOUSING*

Focus on Australia.



Social quality

2,538

UNDERPRIVILEGED STUDENTS

number of student educated*

252

TEACHERS TRAINED in developing nations*

42

JOBS

created through supporting education & renewable energy plants in developing nations*

89

YOUTH

in at-risk training programs*

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

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For more information



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This factsheet has been prepared by Pendal Fund Services Limited (**PFSL**) ABN 13 161 249 332, AFSL No 431426 and the information contained within is current as at the date of this factsheet. It is not to be published, or otherwise made available to any person other than the party to whom it is provided.

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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The aggregated estimated environmental and social outcomes shown in this factsheet are based on data provided by the Issuers held by Fund. That data relates to the outcome attributable to those securities held by the Fund. Information provided is indicative only and should not be relied upon when making an investment decision or recommendation in relation to the Fund. The information provided to us by the Issuers has not been verified by us and may be inaccurate or incomplete. Actual results may differ and subsequent changes in circumstances may occur at any time that impact the accuracy of the results. The outcome numbers are based on Issuers' data 1 July 2023 to 30 June 2024 and the Fund's average investment value of \$230 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. Information in this factsheet should not be taken as a guarantee, forecast or prediction of any future environmental and social outcomes generated by the Fund.

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.