

### Pendal Total Return Fund

ARSN: 092 178 704

Multi-Asset Strategies

July 2020

#### Investment Return Objective

The Fund aims to provide a return the equivalent of cash +3% to 5% per annum (pa) net of fees over rolling three year periods. Returns are expected to have a low correlation to traditional asset classes.

#### Investment Strategy

The Fund aims to achieve its objective by investing into a range of alternative investment strategies using a core-satellite approach. The Fund's core strategy focuses on risk diversification and uncorrelated returns via a single manager, multi-strategy solution whilst the Fund's satellite strategies focus on return enhancement via uncorrelated, single manager, single strategy solutions.

In aggregate, the Fund's core strategy can be viewed as a 'diversified alternatives portfolio' that seeks to exploit a wide variety of factor exposures such as hedge fund beta, non-traditional strategies applied to traditional assets and macro-driven outcomes. The Fund's satellite strategies target return enhancement by focusing on unique opportunities within the alternatives sector.

The Fund's core portfolio provides exposure to a number of different investment strategies including event driven, convertible arbitrage, managed futures, global macro, long/short equity and equity market neutral strategies.

The Fund's satellite portfolios provide exposure to strategies such as fixed interest alpha and risk parity. The fixed interest alpha strategy aims to generate positive returns across a range of market conditions by investing in fixed interest, credit and foreign exchange markets by predicting macroeconomic trends.

The risk parity strategy allocates across a portfolio of equity market indices, fixed interest and alternatives, targeting an equal risk contribution from each. Weights are regularly adjusted to maintain the risk balance. The strategy aims to achieve higher and more consistent returns for the risk taken compared to more the traditional asset allocation approach based on capital weighting.

Other strategies or portfolios may be used and the Fund's underlying investment strategies may therefore change from time to time.

#### Investment Team

The Fund is managed by Alan Polley who has 17 years' industry experience. The team has a diverse skill set combining a range of global and domestic market experience and drawing on the resources of Pendal's other specialist teams.

#### 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.
- **Interest rate risk** - The risk associated with adverse changes in asset prices as a result of interest rate movements.
- **Liquidity risk** - The risk that an asset may not be converted to cash in a timely manner.
- **Hedged fund risk** - The risk that certain market conditions can be unfavourable for hedge funds, including periods of large falls, high volatility, or reduced liquidity.

Please read the Fund's Information Memorandum (IM) for a detailed explanation of each of these risks.

#### Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	1.80	1.92	0.01
3 months	-0.81	-0.47	0.03
6 months	-7.82	-7.17	0.25
1 year (pa)	-10.99	-9.73	0.73
3 years (pa)	-5.86	-4.54	1.49
5 years (pa)	-2.49	-1.11	1.70
7 years (pa)	-0.60	0.80	1.96

Benchmark - Bloomberg Ausbond Bank Bill Index.

#### Strategic Asset Allocation

AQR Offshore Multi-Strategy Fund	35%
Pendal Pure Alpha Fixed Income Fund	5%
Pendal Risk Parity Fund	17%
Pendal Alternate Risk Premia	28%
Pendal Active Long Volatility Fund	10%
Cash	5%

#### Asset Classes and Asset Allocation Ranges

Asset class	Asset allocation ranges*	
	Minimum %	Maximum %
Alternative investments	90	100
Cash	0	10

\* The Fund's assets will generally fall within these ranges but may deviate from these for short periods in connection with the management of the Fund's assets or cash positions.

#### Risk Statistics (since June 2012)

Annualised Volatility	3.73%
Sharpe Ratio	-0.16
% positive months	60%
Maximum drawdown	-18.60%
Worst month	-4.75%
Average mthly gain	0.75%
Average mthly loss	-0.85%

Statistics are gross of fees since the fund's new strategy was implemented in June 2012.

#### Other Information

Fund size (as at 31 Jul 2020)	\$209 million
Date of inception	September 2000
Minimum investment	\$500,000
Buy-sell spread <sup>1</sup>	For the Fund's current buy-sell spread information, visit <a href="http://www.pendalgroup.com">www.pendalgroup.com</a>
Income distribution frequency	Quarterly
APIR code	RFA0108AU

<sup>1</sup> The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

#### Management Costs<sup>2</sup>

Issuer fee <sup>3</sup>	1.40% pa
Estimated indirect costs <sup>4</sup>	0.36% pa

<sup>2</sup> You should refer to the latest Information Memorandum for full details of fees and other costs you may be charged.

<sup>3</sup> This is the fee for managing the assets of the Fund and overseeing the operations of the Fund. The Issuer fee is paid from the assets of the Fund and is reflected in the unit price of your investment.

<sup>4</sup> This is an estimate of the last financial year's indirect costs. These are reflected in the unit price of the Fund and are not charged to you as a fee or retained by us.

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

**PENDAL**

This factsheet has been prepared by Pental 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 Pental Total Return Fund (Fund) ARSN: 092 178 704. An Information Memorandum (IM) is available for the Fund and can be obtained by calling 1800 813 886 or visiting [www.pentalgroup.com](http://www.pentalgroup.com). You should obtain and consider the IM 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.

This factsheet is for general information purposes only, should not be considered as a comprehensive statement on any matter and should not be relied upon as such. It has been prepared without taking into account any recipient's personal objectives, financial situation or needs. Because of this, recipients should, before acting on this information, consider its appropriateness having regard to their individual objectives, financial situation and needs. This information is not to be regarded as a securities recommendation.

The information in this factsheet may contain material provided by third parties, is given in good faith and has been derived from sources believed to be accurate as at its issue date. While such material is published with necessary permission, and while all reasonable care has been taken to ensure that the information in this factsheet is complete and correct, to the maximum extent permitted by law neither PFSL nor any company in the Pental group accepts any responsibility or liability for the accuracy or completeness of this information.

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.