

Pendal Concentrated Global Share Fund No. 3 and Class B (ARSN 087 593 299) (SPECINTL)

Changes to the Pendal Concentrated Global Share Fund No.3 (APIR BTA0056AU) (ARSN 087 593 299) and Pendal Concentrated Global Share Fund No.3 Class B (APIR BTA0270AU) (ARSN 087 593 299)

We are notifying you of some important changes relating to the Pendal Concentrated Global Share Fund No. 3 (**Fund**).

Following a strategic review of our global equity investment capabilities, we have decided to appoint Barrow, Hanley, Mewhinney & Strauss, LLC (**Barrow Hanley**) as the Fund's delegated investment manager. As the Fund's delegated investment manager, Barrow Hanley will have responsibility for the day-to-day investment management of the Fund.

Barrow Hanley's appointment will take effect from 31 October 2023.

Pendal Institutional Limited (**Pendal**) will continue to act as the investment manager of the Fund.

Why are we making the change?

As part of the broader Perpetual Group, we want to ensure our clients have exposure to competitive and differentiated strategies which utilise the investment management capabilities that we believe are best placed to meet the investment objectives of the Fund and are likely to deliver the best outcomes for investors, over the medium to long term.

Barrow Hanley, who are also part of the Perpetual Group, has a quality investment process, an experienced well-resourced team of more than 50 investment professionals, scale and depth of research and an aligned investment style to Pendal. As a result, we consider that Barrow Hanley is better placed to meet the Fund's investment objectives, over the medium to long term.

What is changing?

Fund name

Effective on or around 31 October 2023, the Fund's name will change (as set out below) to reflect the appointment of Barrow Hanley as the Fund's delegated investment manager:

Current Name	New Name
Pendal Concentrated Global Share Fund No. 3	Barrow Hanley Concentrated Global Share Fund No. 3

Investment related changes

While the Fund will continue to operate in the same way, there will be some changes to the way the Fund is managed.

Effective from 31 October 2023, these changes include:

1. Minimum and maximum number of stocks

The Fund will remain a concentrated portfolio of global shares. However, the minimum and maximum number of stocks held by the Fund will reduce from 35 – 55 stocks to 25 – 40 stocks.

2. Asset allocation ranges

The Fund's asset allocation ranges will change as follows:

Current Asset Allocation Ranges		New Asset Allocation Ranges	
• Global Shares	80-100%	• Global Shares	90-100%
• Cash	0-20%	• Cash	0-10%

3. Emerging markets exposure

The Fund will continue to primarily invest in companies domiciled in developed markets and a 20% maximum limit will be introduced for the Fund's allocation to emerging markets.

4. Labour, Environmental, Social and Ethical Considerations

Like Pandal, Barrow Hanley's investment approach considers labour standards, environmental, social and ethical (**ESG**) risks to the extent that they are relevant to the current or future valuation of a stock, although Barrow Hanley's investment approach does not consider ethical or moral judgements.

Effective from 31 October 2023, the Fund will no longer screen for companies involved in the following activities:

- uranium mining for the purpose of nuclear power generation;
- manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering;
- mining of thermal coal;
- factory animal farming; and
- weapons systems, components and support systems and services.

The Fund, however, will continue to screen for tobacco production and will not invest in companies that are directly involved in tobacco production, where tobacco production accounts for 10% or more of a company's gross revenue.

5. Buy-sell Spread

Effective from 31 October 2023, the Fund's buy-sell spread will decrease from 0.40% (0.20% buy/0.20% sell) to 0.25% (0.15% buy/0.10% sell), reflecting lower brokerage costs that are expected to be incurred by the Fund following the appointment of Barrow Hanley.

What will stay the same?

Like Pandal, Barrow Hanley's investment process for global shares strives to achieve the Fund's investment objectives by adopting a bottom-up investment approach focused on in-depth fundamental company research to identify companies that temporarily trade below their intrinsic value and offer long term capital growth. Like Pandal, Barrow Hanley also applies a benchmark agnostic and high conviction approach to investing.

The Fund's benchmark will continue to be the MSCI World ex Australia (Standard) Index (Net Dividends) in AUD and the Fund will still aim to provide a return (before fees, costs and taxes) that exceeds its benchmark over the medium to long term.

Fees and costs

The Fund's management fee will remain at 0.90% p.a.

However, we estimate that the Fund will incur additional, one-off transaction costs of 0.12% (including brokerage, taxes and fees) as a result of Barrow Hanley's appointment.

About Barrow Hanley

Based in Dallas, Texas (USA), Barrow Hanley is a diversified investment manager offering value-focused strategies spanning global equities and fixed income. With more than AUD\$69 billion in assets under management as at 30 June 2023, Barrow Hanley has been providing quality client outcomes for more than 40 years.

Portfolio Manager Brad Kinkelaar will manage the Fund. Brad has more than 27 years' industry experience and joined Barrow Hanley in 2017.

What do you need to do?

No action is required. You will be able to continue to invest or withdraw from the Fund in the same way.

An updated PDS reflecting the proposed appointment of Barrow Hanley and outlining the above changes, is available on www.pendalgroup.com. If you would like a hard copy of the PDS, please contact Pental Customer Relations.

If you have any questions about your investment or would like further information regarding the changes, please contact us on 1300 346 821 (for Australian investors) or +612 9220 2499 (for overseas investors) from Monday to Friday, 8.00am to 5:30pm (Sydney time).

For any questions regarding how these changes may impact your own financial situation, we recommend that you speak to your financial advisor and/or tax accountant.