

Pendal Australian Fixed Interest MPS Fund

Manager Profile

This information has been prepared for use by Advisers only

Manager Overview

Pendal Institutional Limited ('Pendal') is the investment manager of the Pendal Australian Fixed Interest MPS Fund. Pendal is a global investment management business focused on delivering superior investment returns for their clients through active management.

Pendal offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pendal also partners with leading global investment managers.

Pendal is a wholly owned subsidiary of Pendal Group Limited. With \$100.0 billion¹ in funds under management, Pendal Group Limited is one of Australia's largest and most enduring pure investment managers (ASX: PDL), with a market capitalisation of around \$3.6 billion.²

Investment Philosophy and Style

Pendal does not have a 'house view' and operates a multi-boutique style business. Pendal's experienced fund managers have broad autonomy to make decisions, built on a philosophy of meritocracy that is intended to foster success from a diversity of insights and approaches to investment. Pendal strives for superior results through a performance culture that backs independent actions.

Pendal's investment teams are supported by a strong operational platform across risk and compliance, sales, marketing and operations, assisting its fund managers to focus on aiming to generate returns for Pendal's clients.

Investment Process

Pendal's Income and Fixed Income Strategies team uses an investment style that is intended to encompass a quantitative foundation with a qualitative overlay. A key part of the investment process is how they combine economic and market model data with views on economics, markets and credit issuers. Through this process, the investment team constructs portfolios which aim to generate outperformance, while seeking to remain well balanced and risk controlled.

There are three key ways the investment team's "truly active" approach differs from a conventional active fixed interest manager:

- Duration trading strategies tend to be shorter in time frame with profits realised more regularly and losses stopped according to strict stop-loss criteria.
- Beta (market risk) is separated from alpha (additional return driven by skill). The aim is to produce a base return and then add alpha relative to that benchmark.
- Investment process utilises a broader, more diverse opportunity set to drive alpha and, hence, returns.

¹ As at 30 June 2018, Includes J O Hambro Capital Management assets under management

² As at 30 June 2018.

An important part of the approach is striving to ensure that each of the strategies implemented are uncorrelated, with the aim that the portfolio's active performance is unlikely to be determined by a single, or few, outcomes or themes in the market place. This is intended to deliver a more consistent active return profile over time.



The information in this document has been prepared by Westpac Financial Services Limited ABN 20 000 241 127 AFSL No. 233716 ('WFSL').

This communication has been prepared for use by advisers only. It must not be made available to any retail client and any information in it must not be communicated to any retail client or attributed to the issuer.

The information shown in this document is general information only. It does not constitute any recommendation or advice. It has been prepared without taking into account of any retail client's personal objectives, financial situation or needs and so a retail client should consider its appropriateness having regard to these factors before acting on it. A retail client should consider obtaining independent advice from a professional financial adviser before making any financial decisions in relation to the matters disclosed hereto.

WFSL is the responsible entity for the Pandal Australian Fixed Interest MPS Fund ARSN 625 873 912 ('Fund'). A Product Disclosure Statement or other disclosure document ('PDS') is available for the Fund and can be obtained by calling 1800 819 935 or by visiting bt.com.au/MPS. The Financial Services Guide ('FSG') for WFSL can also be obtained via the Product Disclosure Statement page on bt.com.au. Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund.

The Fund is only accessible through the CoreSeries Portfolios, a range of managed portfolio options available within BT Managed Portfolios ARSN 604 066 686 (BTMP). WFSL is the responsible entity and issuer of interests in BTMP. BTMP is available through Panorama Investments or Panorama Super. BT Portfolio Services Ltd ABN 73 095 055 208 AFSL 233715 (BTPS) operates Panorama Investments and administers Panorama Super. BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM) is the trustee and issuer of Panorama Super, which is part of Retirement Wrap ABN 39 827 542 991. Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714 (Westpac) is the issuer of the BT Cash Management Account and the BT Cash Management Account Saver. Together, these products are referred to as the Panorama products. A PDS for the relevant Panorama products can be obtained by contacting BT on 1300 881 716. A retail investor should obtain and consider the relevant PDS before deciding whether to acquire, continue to hold or dispose of interests in the Panorama products. Conditions, fees and charges apply for the Panorama products and may change. The Panorama products are only available in Australia.

BTPS, BTFM and WFSL are subsidiaries of Westpac. Apart from any interest investors may have in Westpac term deposits, Westpac securities, the BT CMA, the BT CMA Saver or underlying bank accounts held at Westpac through their Panorama Super cash account acquired through the Panorama operating system, an investment acquired using the Panorama operating system is not an investment in, deposit with or any other liability of Westpac or any other company in the Westpac Group. These investments are subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of any investments acquired through the Panorama operating system.

WFSL has appointed Pandal Institutional Limited ABN 17 126 390 627 AFSL No.316455 as the investment manager ('Manager') for the Fund. The Manager has consented to the statements pertaining to it in this document, in the form and context in which they appear and has not withdrawn its consent as at the date this document was published

This information may contain material provided by third parties derived from sources believed to be accurate as at its issue date. While such material is published with necessary permission, no company in the Westpac Group accepts any responsibility for the accuracy or completeness of, or endorses any such material. Except where contrary to law, we intend by this notice to exclude liability for this material.

To the maximum extent permitted by law, WFSL, and its affiliates and related bodies corporate, and their respective officers, directors, employees, professional advisers and agents do not accept any responsibility or liability in relation to the accuracy or completeness of this information or for any loss arising from its use. Past performance is not an indicator of future performance. No representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forecasts or returns contained in the information set out in this document. Any projections are predictive in character. Whilst we have used every effort to ensure that the assumptions on which the projections are based are reasonable, the projections may be affected by inaccurate assumptions or may not take into account known or unknown risks and uncertainties. The actual results actually achieved may differ materially from these projections.

Information current as of 30 November 2018.

© Westpac Financial Service Limited – A Division of Westpac Banking Corporation

BT80029e-1118cx