

Centuria LifeGoals

Centuria

Pendal Sustainable Balanced Fund

The Fund aims to provide a return (before fees, and expenses) that exceeds the Fund's benchmark over the medium to long term.

Investment manager

Pendal Institutional Limited

Investment strategy

This Fund is designed for investors who want the potential for long term capital growth and income, diversification across a broad range of asset classes and exposure to companies and issuers (within the Fund's Australian and international shares and Australian and international fixed interest allocation) that demonstrate leading environmental, social and corporate governance (ESG) and ethical practices while avoiding exposure to companies and issuers with material involvement in activities we consider to negatively impact the environment or society and are prepared to accept some variability of returns.

Target allocation

Australian shares	20-40%
International shares	20-40%
Australian property securities	0-10%
International property securities	0-10%
Australian fixed interest	0-25%
International fixed interest	0-25%
Cash	0-20%
Alternative investments	0-20%

Performance returns

RETURNS TO 31/12/2025	1 MTH	3 MTH	6 MTH	1 YR	2YR ¹
Net returns (%) ²	-0.56%	-0.56%	1.32%	4.05%	5.20%

Performance graph³



A \$10,000 investment in Centuria Pendal Sustainable Balanced Fund made at inception is worth \$12,271 as of 31 December 2025 after all fees and taxes paid within the Investment Option.

Key features

APIR code	OVS1810AU
Minimum initial investment	\$500
Minimum additional investment plan	\$100
Minimum switching amount	\$500
Minimum balance	\$500
Contribution fee	Nil
Annual management fee⁴	0.80%
Suggested timeframe	5 years

Fund commentary

Fund Performance: The Fund underperformed its benchmark return after fees for the quarter. The key determinant of underperformance in December was negative stock selection alpha from Australian and global equities alongside explicit downside protection positions which detracted as global equities strengthened. Allocation to alternatives including the Pendal Multi Asset Target Return & Pendal Risk Parity Funds alongside sustainable listed infrastructure were constructive.

Global equity alpha was mixed over the month. Barrow Hanley's value style rewarded as markets reappraised the tech valuations and growth sectors and securities underperformed.

1. Periods greater than 1 year are expressed in annualised terms.
2. Past performance is not a reliable indicator of future performance.
3. Inception date on 28/09/2020.
4. Refer to product disclosure statement for fee breakdown.

For more information contact Centuria on **1300 50 50 50** or visit lifegoals.centuria.com.au to download the product disclosure statement. **Simple Flexible Versatile.**

Meanwhile, the JO Hambro Global Select strategy detracted with weakness in the momentum factor compounding as investors rotated toward more defensive and value-oriented names.

Within Domestic equities, the broad rotation away from technology dragged on the overweights in NextDC and Xero. Likewise, CSL also detracted as the market remains cautious on the outlook. We continue to see fundamental support for all three names and material valuation upside.

We continue to manage downside risks by maintaining little or no exposure to the most expensive parts of equity and credit markets and complementing this with option protection where it has been attractively priced to implement. These include an S&P 500 put spread and call options on the GBP versus the USD and USD versus the Hong Kong Dollar.

The Fund is close the benchmark weight in domestic and global fixed interest, comprising active sustainable Australian fixed interest and passive global treasury bonds. The Fund also holds call options on very long dated US government bonds.

The Fund's defensive posture is bolstered by its exposure to cash and alternatives. The Fund maintains a significant foreign exchange exposure, diversified across a number of developed and emerging market currencies. These cash holdings also give investors a good running yield and provide significant optionality as it enables us to quickly allocate capital to take advantage of mispricing in the event of a market selloff.

The Fund maintains its to uncorrelated sources of return including the Risk Parity strategy, Sustainable Infrastructure LICs which are trading at attractive discounts to NAV and the Pandal Multi Asset Target Return Fund which continues to deliver low volatility absolute returns while retaining a relatively low correlation to equity markets.

Outlook: Elevated valuations, a lacklustre longer term domestic economic outlook, average corporate performance, and heightened uncertainty about how much additional policy support the RBA can provide represents a challenging backdrop for local investors. Meanwhile, government bonds are offering less reliable diversification and are signalling a less certain path for inflation. We continue to carefully manage the Fund's exposure to global equities and maintain diversity in regional and sector allocations.

Disclaimer: This commentary has been directly sourced from Pandal's factsheet available on their website.

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