

Brandywine Global Opportunistic Equity Fund

PIE Fund

Fund Facts

Benchmark

MSCI All Country World Index in New Zealand Dollars

Issuer & Manager

FundRock NZ Limited

Delegated Investment Manager

Brandywine Global Investment Management as appointed by Franklin Templeton Australia Limited

Strategy

The Firm's Global Opportunistic Equity strategy is designed to utilize three of the Firm's areas of expertise: macroeconomic research, currency positioning, and stock selection. These proven capabilities represent a distinct competitive advantage for Global Opportunistic Equity versus other global equity managers, given Brandywine Global's long and successful track record of country and currency analysis dating back to 1995 and its experience conducting fundamental, value-oriented stock analysis since 1986.

The Global Opportunistic Equity strategy uses a differentiated process that combines top-down, macroeconomic country and currency research and rigorous, bottom-up fundamental analysis and stock selection to capture diversified sources of return. We believe taking this opportunistic approach at both the macro and security level gives us multiple ways to win. We have insights on countries' business cycles, which will not only enable us to narrow down the world to countries with tailwinds, but also help us identify attractive sectors within those countries.

The strategy seeks to earn a return (before fees and taxes) in excess of the Benchmark, the MSCI ACWI Index, Hedged to New Zealand Dollars, over rolling five-year periods.

What happened in the market?

Global equities declined sharply in March, posting their worst monthly performance in several years as the Middle East conflict escalated following coordinated U.S.-Israeli strikes at the end of February, triggering a broad risk-off move.

U.S. equities fell in March as elevated energy prices, and softer economic data weighed on sentiment.

Eurozone equities also declined sharply in March as markets absorbed the economic implications from higher energy prices.

Japanese equities declined sharply in March despite early optimism around supportive domestic policy.

Asia Pacific ex Japan equities recorded some of the steepest losses globally as energy import dependence, currency weakness, and supply chain disruptions weighed heavily on the region.

Emerging market equities ended broadly lower in March as the Iran conflict exposed vulnerabilities tied to energy import dependence, currency depreciation, and rising inflation pressures across the developing world.

What happened in the Fund?

The Fund returned -5.05% (after fees) in March compared to the benchmark which returned -4.39% for the same period.

The industrials sector was a source of underperformance as we have a large overweight to airlines and aircraft leasing. Though it was surprising that the largest part of our Industrials decremental performance was Professional Services, not the airline overweight.

Energy was the sector with by far the highest positive return in March and we had both a modest overweight and better selection.

An overweight allocation to the Eurozone detracted, with heightened geopolitical uncertainty and inflation concerns related to the Iran war weighing on the region's economic outlook

Our UK exposure detracted, mainly driven by a sharp drop in the homebuilders on interest rate fears.

What is the outlook?

Our favorite number is 65%, which is what the MSCI index holds in the most expensive market in the world, the United States. We have seen what one year, reversing just part of the highest valuation gap since the 1970s, could do for performance. The first quarter of 2026 began with the US underperforming again. We are staying the course.

We continue to hold a meaningful underweight in the US and overweights in Europe, the UK, and select Emerging Markets. In addition to offering more attractive valuations, these regions are also benefiting from earlier and more decisive central bank policy support.

Momentum in the US market has been a big factor in our performance much of the last two years. We have seen two sharp reversals, but it once again surged in the first quarter to historically very rare levels. We believe this could have a ways to go in our favor.

We remain underweight the Technology sector. We have been increasing our software weighting as this category of technology has been obliterated and currently our Technology sector weighting is at its highest in years.

Though the war has obviously dominated markets in March, our base case is that this is not a long term impact to the established macro drivers coming into the year. While de-risking a bit, we have not changed the major themes in the portfolio.

Fund performance (%) as at 31 March 2026

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.
Fund (net)	-5.05	-4.52	1.08	16.27	-
Benchmark	-4.39	-3.65	0.49	17.64	-

The performance in this fact sheet is net of fees. Investors should also refer to the quarterly Fund Update, which is available on www.fundrock.com/fundrock-new-zealand and www.business.govt.nz/disclose. Past performance is not indicative of future performance.

Key features of the Fund

High conviction

Brandywine Global's conviction levels drive the composition of the Fund, not a benchmark.

Active management

Allows investors to gain overweight exposure to countries that are likely to outperform and underweight exposure to those who are likely to underperform.

Multiple Ways to Win

Marry top-down macroeconomic observations with fundamental assessment of market dynamics and corporate Financials

Superior risk adjusted returns

Designed to capture market upside but aiming to avoid market downside, and to provide long term performance.

Meet the team

The Fund is led by an experience, long-tenured portfolio management team that includes:

James J. Clarke

Portfolio Manager & Director of Fundamental Equity Research, with firm since 1997

Sorin Roibu, CFA

Portfolio Manager & Research Analyst, with firm since 2014

Top Ten Holdings (%)

Baidu Inc.	3.40
BNP Paribas Sa	3.31
Aercap Holdings NV	3.10
Kimberly-Clark Corporation	2.67
Alphabet Inc.	2.56
Abercrombie & Fitch Co	2.49
Constellation Software	2.46
Comcast Corporation	2.28
Salesforce Inc.	2.18
Global Payments Inc.	2.18

Sector Allocations (%)

Financials	16.97	Information Technology	11.12
Industrials	13.11	Cash	4.56
Consumer Discretionary	12.94	Real Estate	3.63
Communication Services	12.54	Energy	1.52
Consumer Staples	11.55	Materials	0.73
Health Care	11.33	Utilities	0

Fund statistics

Fund size (\$m) (NZD)	112.27
Price-to-Earnings	12.5
Price-to-Book	1.6
Price-to-Cash Flow	6.3
Dividend Yield (%)	3.0
Number of Securities	68

Investment manager

Brandywine Global Investment Management, LLC ("Brandywine Global"), has built up significant experience across fixed income, equity and global portfolios that invest in international markets. Founded in 1986 by a group of highly experienced portfolio managers, Brandywine Global pursues one investment approach: value investing. Through practical experience, Brandywine has determined that value-style investing — whether in fixed income markets or equity — can provide excellent risk-adjusted returns over full investment cycles, and it is a particularly important strategy in today's global markets.

