

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 finished the third quarter modestly higher, but the headline masked significant volatility beneath the surface.

The narrow AI-led rally that dominated the second quarter reversed as memory and semiconductor stocks weakened, while software and IT services rebounded.

South Korea experienced one of the sharpest reversals as the memory-led rally faded.

Momentum also began to unwind from historically extreme levels, although the reversal remained uneven.

The macro backdrop became more challenging as the conflict with Iran kept oil prices elevated and U.S. Treasury yields remained high.

Despite continued U.S. economic resilience, weaker consumer confidence and higher borrowing and energy costs increased concerns about a potential slowdown.

What happened in the Fund?

The Fund returned 1.96% for the month of September, compared to the benchmark with returned 3.61% for the same period.

Stock selection drove nearly all of the Fund's relative performance, with holdings outperforming the benchmark in eight of 11 sectors.

Technology was a significant contributor as software and IT services rebounded while semiconductor and memory stocks weakened.

Consumer discretionary was the largest sector contributor, while industrials, financials, and energy also contributed positively.

The United States and South Korea were the largest country contributors.

Health care was the only meaningful sector detractor, while China and Japan detracted by country.

What is the outlook?

Momentum has retreated from historically extreme levels but remains elevated. Given its strong mean-reverting tendency, we believe the normalization has further to run.

Within technology, we continue to favour software and IT services over semiconductors, supported by more attractive valuations and less elevated expectations.

We continue to see compelling opportunities outside the most concentrated areas of the market, particularly across non-U.S. equities.

South Korea remains especially attractive in our view, supported by depressed valuations and what our macro team sees as a deeply undervalued currency.

Fund performance (%) as at 30 September 2026

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.
Fund (net)	1.96	8.13	17.02	18.29	-
Benchmark	3.61	2.37	17.98	21.07	-

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 (%)

Meta Platforms Inc	3.49
Tencent Holdings Ltd	3.34
Aercap Holdings Nv	3.14
Microsoft Corporation	3.04
Bnp Paribas Sa	2.99
Taiwan Semiconductor Manufacturing Co Ltd	2.96
Valero Energy Corp	2.87
Constellation Software Inc/Canada	2.60
Salesforce Inc.	2.26
Global Payments Inc.	2.26

Sector Allocations (%)

Financials	17.16	Consumer Discretionary	9.41
Information Technology	15.63	Real Estate	3.74
Communication Services	13.66	Cash	3.46
Industrials	12.99	Energy	2.87
Consumer Staples	10.51	Materials	0.97
Health Care	9.62	Utilities	0

Fund statistics

Fund size (\$m) (NZD)	158.54
Price-to-Earnings	14.7
Price-to-Book	2.1
Price-to-Cash Flow	7.3
Dividend Yield (%)	2.3
Number of Securities	65

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.