FRANKLIN TEMPLETON

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 stocks pulled back in October, as a sharp sell-off in AI-related technology stocks outweighed resilient economic activity and generally supportive corporate earnings.

US equities weakened modestly during October, as concerns over elevated technology valuations, heavy AI-related capital spending and the returns on that investment prompted a rotation away from large-cap growth and technology stocks.

European equities proved relatively resilient in October, supported by strength in defensive sectors, although political and fiscal uncertainty in France remained a headwind.

Equities across Asia Pacific ex Japan declined in October, as a reversal in technology stocks weighed on South Korea and Taiwan, while China remained pressured by subdued domestic demand and property-sector weakness.

Emerging market equities fell sharply in October and underperformed developed markets, with weakness particularly pronounced in technology-heavy Asian markets, while Brazil and Indonesia also came under significant pressure.

What happened in the Fund?

The Fund returned 2.16% (net of fees) for the month of October, compared to the benchmark, which returned -1.44% for the same period.

Stock selection drove the Fund's relative outperformance, with holdings outperforming the benchmark in seven of 11 sectors.

Information technology was by far the largest sector contributor, supported by strong stock selection, as well as an underweight to the Semiconductors & Semiconductor Equipment industry segment, which significantly underperformed.

Financials, energy and real estate were the largest sector detractors.

The United States and Japan were the largest country contributors, followed by the United Kingdom, Canada and South Korea.

Brazil and Hong Kong were the most significant country detractors.

What is the outlook?

Momentum has retreated from historically extreme levels but remains elevated. Given its strong mean-reverting tendency, we believe the normalisation 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-US 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 31 October 2026

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.
Fund (net)	2.16	7.11	16.70	21.67	-
Benchmark	-1.44	4.15	8.93	15.11	-

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.

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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 (%)

Aercap Holdings Nv	3.57
Taiwan Semiconductor Manufacturing Co Ltd	3.19
Microsoft Corporation	3.08
Meta Platforms Inc.	2.91
Tencent Holdings Ltd	2.85
Bnp Paribas Sa	2.72
Valero Energy Corporation	2.62
Global Payment Inc.	2.42
Diageo Plc	2.40
Salesforce Inc.	2.28

Sector Allocations (%)

Financials	17.80	Consumer Discretionary	9.04
Information Technology	16.33	Cash	4.04
Industrials	13.62	Real Estate	3.27
Communication Services	11.48	Energy	2.62
Health Care	11.34	Materials	0.96
Consumer Staples	9.51	Utilities	0

Fund statistics

Fund size ($m) (NZD)	165.4
Price-to-Earnings	14.5
Price-to-Book	2.0
Price-to-Cash Flow	7.1
Dividend Yield (%)	2.4
Number of Securities	66

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.

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