

PORTFOLIO MANAGERS



Caroline Cai, CFA
With Pzena since 2004
In Industry since 1998



John P. Goetz
With Pzena since 1996
In Industry since 1979



Ben Silver, CFA
With Pzena since 2001
In Industry since 1988

PERFORMANCE SUMMARY - AUD

	QTD 2024	ANNUALISED		
		One Year	Three Years	Since Inception 30 Jan 2020
Pzena Global Focused Value Fund (Wholesale) (gross of fees)	-4.25%	10.60%	9.24%	9.15%
Pzena Global Focused Value Fund (Wholesale) (net)	-4.27%	10.52%	8.69%	8.53%
MSCI ACWI Index	0.49%	18.98%	9.63%	10.24%
MSCI ACWI Value Index	-2.89%	13.55%	8.96%	6.98%

The above performance numbers are based on unaudited financial statements. The MSCI ACWI Index is used as a benchmark to indicate the investment environment existing during the time periods shown in this report. The MSCI ACWI Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, including the U.S. and Canada and is net of withholding tax. The MSCI ACWI Index cannot be invested in directly. The Pzena Global Focused Value Fund return reflects month end valuations as at the last business day of each month and the Since Inception returns are annualised. Past performance is not necessarily an indicator of future performance.

PORTFOLIO CHARACTERISTICS

	Global Focused Value Fund	MSCI ACWI Index
Price / Earnings (1-Year Forecast)	10.5x	18.7x
Price / Book	1.2x	3.1x
Dividend Yield	3.5	1.9
Median Market Cap (A\$B)	\$41.4	\$17.5
Weighted Average Market Cap (A\$B)	\$90.8	\$939.0
Active Share	96.3	-
Number of Stocks	56	2,760

Source: MSCI ACWI Index, Pzena Analysis

FUND FACTS

Responsible Entity	Equity Trustees Limited
Inception Date	January 30, 2020
APIR	ETL0484AU
ARSN	613 118 522
Base Currency	AUD
Minimum Investment Amount	A\$25,000
Fund AUM	A\$430.0 Million
Management Expense Ratio	0.85%
Liquidity	Daily
Benchmark Index	MSCI ACWI Index
Investment Universe	2,000 largest global companies
# of Positions	Generally 40-60
Buy/Sell Spread	0.25%/0.20%

Registered for distribution in Australia and New Zealand

ENQUIRIES

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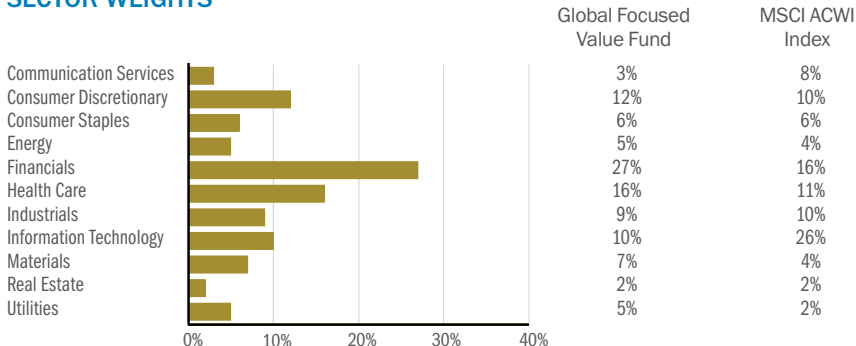
For unit pricing visit: www.eqt.com.au/insto

REGION CONCENTRATION



Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



Sector weights adjusted for cash - may appear higher than actual. Numbers may not add due to rounding.

TOP 10 HOLDINGS

COGNIZANT TECH SOLUTIONS	3.1%
BAXTER INTERNATIONAL	3.1%
SHELL PLC	2.9%
DOW	2.7%
CHARTER COMMUNICATIONS	2.6%
BASF SE	2.6%
EDISON INTERNATIONAL	2.6%
DAIMLER TRUCK HOLDING AG	2.6%
NOKIA OYJ	2.6%
CAPITAL ONE FINANCIAL CORP	2.6%
Total	27.4%

Numbers may not add due to rounding.

INVESTMENT PROCESS

- Universe: 2,000 largest global companies
- Fundamental research conducted on companies considered the most undervalued based on price relative to normalized earnings
- Co-Portfolio Managers construct a portfolio of deeply undervalued businesses requiring unanimous consent



PLATFORMS

- AMP North
- Asgard
- BT Panorama
- Hub24
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Powerwrap
- Praemium
- Xplore Wealth



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Pzena Investment Management, LLC ("PIM") was awarded 'Emerging Manager of the Year' by Money Management Australia in partnership with Lonssec for the year 2023. PIM did not provide any compensation in connection with obtaining this award. PIM did pay a standard rating fee to have its funds rated by Lonssec

PORTFOLIO QUARTERLY COMMENTARY - Q2 2024

Global equity markets were mixed in the second quarter as AI-exposed stocks provided the only real bright spot with momentum in mega-cap growth names driving outperformance by the information technology sector. Communication services was the only other sector to outperform the broader market in the quarter. The US stock market was the strongest performer among leading developed markets, while Japan closed lower (on the weak yen) and Europe sold down late in the quarter on political concerns, led by France. In emerging markets, as a consequence of the AI focus, Taiwan was a standout country given the predominance of tech in its economy and China turned-in a decent gain for the quarter after a long period of underperformance. Brazil was a notable laggard, as Lula-driven reforms continue to fuel investor fears. Cyclical sectors (consumer discretionary, materials, and industrials) lagged the market in the quarter.

For the quarter the MSCI All Country World Index returned 0.5% and the MSCI ACW Value Index -2.9%. The Fund trailed its broad market benchmark, returning -4.3%, as our health care and cyclical investments underperformed, compounding the impact of being underweight the IT sector (and the mega-cap growth names that dominated this quarter).

The top relative detractors in the Fund were Daimler Truck, Baxter International and auto parts company, Lear Corporation. Truck manufacturer **Daimler Truck** is contending with lower new truck orders and macro-related headwinds. Medical products giant **Baxter** has been hit by inflating costs that aren't automatically covered by its contracts with health care customers. Automotive seat manufacturer Lear also detracted as it experienced some choppiness in EV launches and product proliferation led to near-term production inefficiencies for Lear and many other auto suppliers.

Although the financials sector underperformed, stock selection offset the overweight, contributing positively in the quarter. In terms of individual stocks, electronics assembler **Hon Hai** benefited from the AI hype, which we used to lighten our position. The relaxation of real estate policies in China

contributed to a rebound in Chinese stocks, especially benefiting developers like **China Overseas Land & Investment**, while downtrodden UK bank **NatWest** outperformed on strong net interest income and continued low credit costs. **Barclays Bank** was also a top relative contributor producing better than expected results in its domestic UK bank.

The markets were very unforgiving of even the smallest earnings disappointments, giving the opportunity to add to some positions at attractive valuations. During the quarter, we added to our health care exposure, topping up **Baxter** and **CVS**, and we initiated a new position in managed care provider, **Humana**. The company's earnings are being pressured in the near-term by an unanticipated rise in medical expenses, but we expect improvement over time as plan benefits adjust to better match utilization rates. We also added **Global Payments** – a leading credit card payments company facing disruption fears from fintech competitors. Another new name, **Amdocs** is a software company providing billing solutions to its telecom customers, generating very attractive free cash flow due to its sticky customer base. We exited **Komatsu** on valuation, and trimmed **Westinghouse Air Brake**, **French tyre producer Michelin**, **life insurer Equitable Holdings**, all on strength.

Our portfolios remain overweighted in financials, and we have built a significant overweight in health care where disruption concerns have generated some attractively valued opportunities. In this climate, where deep value stocks have trailed the narrowly, momentum-driven market, which has favoured US mega-cap growth names, we continue to find many attractively valued companies in the cheapest quintile of our global universe to add to our portfolio.



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