VIACOMCBS

A LEADING, GLOBAL, PREMIUM CONTENT COMPANY

ViacomCBS (VIAC.O, Market Capitalisation USD 17.34B)[1] is a global media and entertainment company. In December 2019, Viacom and CBS merged to create a media conglomerate that controls industry leading assets spanning the entertainment sphere including Paramount Pictures, CBS Sports, Nickelodeon, MTV, and Comedy Central. Vertical integration has become common among industry leaders in the sector as companies seek to harness the power of libraries to fuel growth and improve offerings as consumers move online. Compared to others, ViacomCBS is in a unique position. Combining the power of Viacom and CBS joins high quality assets and management teams with a now heightened capability of delivering value to stakeholders. The merger has an estimated synergy benefit of USD 800 mln, improving the company's ability to invest in high-growth offerings such as streaming and media production across all its services both for internal use and third-party licensing.

CBS was founded in 1927 by William Paley. Under Paley's leadership CBS developed high-quality programming to sell advertising. Viacom was spun off in 1971 as a result of the "Financial Interest and Syndication Rules" which limited the all-powerful broadcast networks from owning their own shows. In 1986 Sumner Redstone took over Viacom who built the company by acquiring Paramount in a hostile takeover. Viacom re-acquired CBS in 1999 and created a major media company, the two companies were separated again in 2006 under a misguided assumption that CBS would grow faster separately and that the CBS networks and stations were mature. Sumner Redstone passed away in August 2020 leaving 79% of the voting stock in ViacomCBS to his family who have suggested the business may be up for sale.

ViacomCBS earns revenue through the following segments which are earned across its offerings both to B2C and B2B.

ADVERTISING: 2019 Revenue *US$ 11,074 mln, 39.82% of Revenue;*

AFFILIATE: 2019 Revenue *US$ 8,376 mln, 30.93% of Revenue;*

CONTENT LICENSING: 2019 Revenue *US$ 6,483 mln, 23.31% of Revenue;*

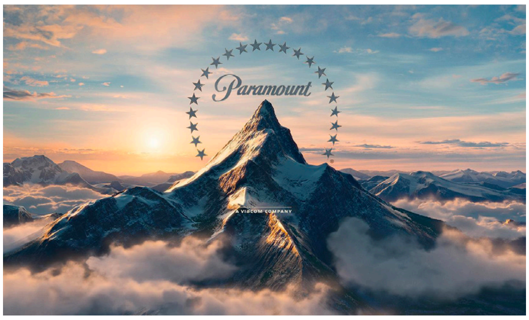
THEATRICAL: 2019 Revenue *US$ 547 mln, 1.97% of Revenue;*

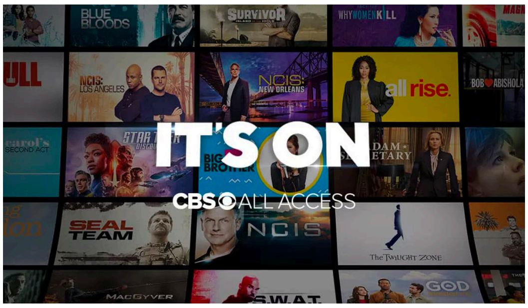
PUBLISHING: 2019 Revenue *US$ 814 mln, 2.93% of Revenue;*

OTHER: 2019 Revenue *US$ 292 mln, 1.05% of Revenue;*

"[The merger] gives us a strong hand to play and will make it easier to do business with us. We have an extraordinary collection of assets that are irreplaceable by any other company."

- Robert Bakish ViacomCBS CEO





VIACOM & CBS MERGER - THIRD TIME IS THE CHARM

Viacom & CBS have been "married" and "divorced" before. The Federal Communications Commission (FCC) forced CBS in 1970 to spin off the company that became Viacom after ruling that television networks could not hold financial stakes in shows they aired. Thanks to Media Mogul Sumner Redstone, Viacom acquired CBS in 1999 for US$ 36.5 bln, seven years later however, Redstone lost confidence on the idea of diversified media conglomerates and split the corporate siblings up. However, the content creation landscape is vastly different in 2020 making the merger of ViacomCBS an attractive proposition for investors.

In 2020, there is more content being viewed per person than ever before. However, the way people view their entertainment has become fragmented as consumers demand the ability to purchase packages that offer what they want to watch without extras they will not use. This fragmentation has been aided by the proliferation of on-demand streaming services namely Netflix and Amazon Prime Video. Elsewhere in the industry vertical integration has become the theme amongst media competitors with AT&T acquiring TimeWarner, Disney acquiring Fox and Comcast's acquisition of NBC. Taking market share in a landscape that is changing daily is difficult, companies must execute on four revenue segments in order to survive and grow[2]:

1. **Distribution:** Media & Entertainment companies must have a vast distribution network domestically and abroad;
2. **Advertising:** Not only must companies have large audiences, a media company that has a diverse demographic audience will capture more advertising payment flows than a company with a niche audience;
3. **Licensing:** Media & Entertainment companies must have high-quality production teams and extensive libraries to leverage across platforms. Third-party platforms like Netflix are constantly seeking to expand offerings, without the capabilities of producing the range that is required to remain competitive it is necessary to partner with companies like ViacomCBS to produce and license content that is then offered to consumers.
4. **Streaming:** In 2020, streaming is the most important growth segment for media companies to diversify into. The fragmentation of consumers and increased demand for the ability to view content on a schedule that works for the individual has taken the media industry by storm. Media conglomerates must keep up, and find a way to create a unique selling point to incentivise consumers to use respective platforms. This can be achieved by vertical integration of content creation with libraries and production teams that cover as many genres as possible.

The ViacomCBS merger bolsters the company's position in all of the previously mentioned crucial revenue segments, and could potentially make the company a market leader in the USA and Internationally in a number of categories.

As with any merger, there exists synergies that make the transaction accretive for both parties. Viacom & CBS are able to merge their production, advertising, distribution and libraries to create a compelling opportunity for further growth. Current guidance by ViacomCBS CEO Robert Bakish forecasts the hard merger synergies (reduction to operating costs as a result of combining operations) will amount to US$ 800 mln by the end of FY 2022.

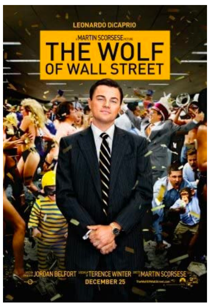
REVENUE STREAMS HAVE LONGEVITY

Advertising:
ViacomCBS generates advertising revenue primarily through the sale of advertising on the CBS Television Network, its basic cable networks, ad-supported streaming services which includes *CBS All Access* (soon to be rebranded to *Paramount+*) and *Pluto TV*, and on its various websites. From 2018-2019, advertising revenue increased by +2.15%, driven by CBS broadcasting tent-pole sporting events including *Super Bowl LIII* and the national semi-finals and championship game of the *NCAA Division 1 Men's Basketball Tournament*. CBS currently hosts these events on a rotating basis with other networks, in 2020 ViacomCBS will not benefit from these revenue streams. 2020 advertising revenue will benefit from higher political advertising sales associated with the 2020 U.S. Presidential Election. Other notable sporting events hosted by CBS that will continue to drive advertising revenue are: *PGA Tour Events, The Masters, National Football League (NFL), UEFA Champions League, NCAA Tournament* as well as first pick of SEC College Football games. The launch of EyeQ (explained later) will also enable ViacomCBS to realise greater potential from its advertising capabilities as it extends its services into streaming as linear television viewership declines. ViacomCBS across its platforms has one of the largest and most demographically diverse audiences making it an attractive partner for advertisers.

Affiliate:
Affiliate revenues are principally comprised of fees received from multichannel video programming distributors (MVPDs) and virtual MVPDs for carriage of ViacomCBS' cable networks, fees received from television stations affiliated with the CBS Television Network, fees for authorising the MVPDs' and virtual MVPD's carriage of ViacomCBS' owned television stations and subscription fees for its streaming services. In 2019, affiliate revenues grew by +2.70%, driven by a +45% increase in its streaming services including *CBS All Access* and *Showtime OTT*. In its August 2020 quarterly earnings call, ViacomCBS CEO Robert Bakish reported that paid subscribers had grown +74% year-on-year to 16.2 million reaching its annual goal 6 months ahead of plan. Guidance as at 6 August 2020 is that this number will grow to 18 million by 31 December 2020. Growth in affiliate revenue despite reductions in cable affiliate fees mainly resulting from subscriber declines is evidence of the growth opportunity available to ViacomCBS in online streaming services.

Content Licensing:
Content licensing revenues are comprised of fees earned from the licensing of exhibition rights for ViacomCBS' internally-produced television and film programming to television stations, cable networks, subscription video-on-demand (SVOD), free video-on-demand services and fees from the use of its trademarks and brands for consumer products. In 2019, content licensing revenues increased by +5.19% driven primarily by streaming services like Netflix diversifying its offerings and expanding content libraries. ViacomCBS' high-quality production studios are also being utilised by streaming platforms for the creation of original offerings.

Theatrical:
Revenue generated by the worldwide sales of movies through ticket sales. Theatrical revenues flucuate depending on the profile and success of films released in any given year. Revenues in 2019 were lower than 2018 attributable to the 2018 release of Mission: Impossible - Fallout. Scheduled releases for 2020 have been deferred until 2021 in light of the COVID-19 pandemic making attending films an unsafe activity.



Publishing:
Revenue principally from domestic and international publishing and distribution of consumer books in printed, digital and audio formats. ViacomCBS owns Simon & Schuster a publishing company founded in 1924. Revenues in 2020 declined by -1.33% on the back of lower print book sales.

THE STREAM THAT BECAME A FLOOD

Consumer demand for entertainment in 2020 is highly fragmented, the trend of owning an all-in-one television package that provides movies, sports, general television and other categories is too expensive and no longer provides adequate value. This deterioration in the 'traditional' entertainment industry (cable TV) has been accelerated by the proliferation of streaming services like Netflix, ESPN+, Disney+, and Amazon Prime Video. The streaming market is rapidly growing, in Q2 2020 viewers watched an average of 142.5 bln weekly streaming minutes up from 81.7 bln in Q2 2019, intensified because of the global pandemic[3]. We expect more consumers to not only switch to streaming but also to remain as customers once the "new normal" is established. Viacom & CBS were merged with the intention of combining powerful assets to offer a unique, one-stop-shop opportunity for consumers by vertically integrating its libraries to provide what we believe, is a compelling offer to consumers in both ad-supported streaming and subscription-supported streaming.

PARAMOUNT+

On 15 September 2020, ViacomCBS' announced *Paramount+* as the new brand name for its upcoming global streaming service. Previously called *CBS All Access*, ViacomCBS aims to realign its offering with a broader audience as the former has an average audience age of above 60. As at 6 August 2020, *CBS All Access* had 16.2 million subscribers offering over 20,000 episodes of shows from CBS' library from flagship brands, *Nickelodeon, MTV, Comedy Central* and over 150 *Paramount* movies. As well as the ability to leverage its vast library, ViacomCBS' *Paramount+* will offer compelling live entertainment to replace traditional TV viewership. Included will be sports including golf, football, basketball and live European football - a major differentiator, live sports content is currently unavailable on the majority of competitors platforms. Sports viewers are becoming more engaged, ViacomCBS experienced a +25% increase in golf viewership since 2019 being one of the first sports to resume live coverage in the USA following COVID-19 restrictions. Moving forward, ViacomCBS plans to add first-run originals from its legacy brands including Al Ruddy's never-revealed experiences from making *The Godfather*. *Paramount+* will be a truly first of its kind in the streaming industry, with plans to extend its offering to Australia, Latin America and the Nordics in 2021.

PLUTO TV

The world's #1 ad-supported streaming service that had 33 million monthly-active-users (MAU's) as at 6 August 2020. *Pluto TV* has over 100,000 hours of quality content available on it including *South Park, CSI* and *Start Trek: Next-Generation,* with plans to release shows including *Survivor, America's Top Model* and more in the coming year. The combination of the library offered on *Pluto TV* for free, supported by ViacomCBS does not have a competitor of comparable size or quality. Pluto TV is currently available to be viewed on Roku, Apple TV, Chromecast, Sony TVs and Amazon Fire TV. *Pluto TV* also offers third-party content in both entertainment and sports with recent renewals with the *NFL* and *Major League Soccer*. ViacomCBS is ramping up Pluto TV's distribution across multiple devices and services, having signed a multi-platform deal with Verizon spanning pay TV, connected TV and mobile as well as major distribution expansions with TiVo and LG. On a combined basis this will provide access to Pluto TV to well over 80 million new devices, setting the stage for the next leg of material growth which could act as a funnel for ViacomCBS' paid services. The service is an answer for advertisers who are finding it increasingly difficult to reach audiences as consumers are opting for ad-free subscriptions.

ViacomCBS is positioned to benefit from more than just business-to-consumer transactions in the streaming market. Growth opportunities are present in both B2C and B2B. Platforms like Netflix and Amazon are increasingly requiring the use of external production studios to create original content, for example, Jack Ryan production occurred at Paramount Studios for Amazon. As well as production capabilities, ViacomCBS also has a lucrative library to leverage licencing deals with the previously mentioned streaming giants for the ability to offer Paramount films and ViacomCBS TV shows on its platform.

We believe *Paramount+* is the company's most important venture for top line growth. The streaming industry is not a zero-sum game. Deloitte estimates that streaming subscribers average twelve media and entertainment services subscriptions, while also seeking more free and subsidised entertainment, such as ad-supported streaming video in the US while 80% of US consumer have a video streaming subscription[4]. To synthesise this, consumers are willing to pay for a subscription to Spotify, Amazon Prime, and Netflix along with nine other services. The completeness of the offer from *Paramount+* with live sports, movies and CBS' TV offerings will compliment any consumers' subscription portfolio and stand-apart from its competitors on both a content and quality of content basis which will help to reduce churn and become a "super streaming service".

CONTENT IS KING

A motto created by Sumner Redstone, "Content is King" has been the ethos of Viacom and CBS collectively and separately over the decades. Staying true to this, ViacomCBS manages Paramount Pictures, various Cable Networks and CBS which are three of the strongest assets in the entertainment industry all with long histories of successful offerings. Below is an analysis of ViacomCBS' most prominent assets on a historical basis that will be the catalyst for the growth project currently being undertaken. All of these offerings not only provide value to ViacomCBS' shift to streaming in bolstering its library, but also in licensing third-party usage, an example of this is the 2019 sale of streaming rights to "South Park" from Viacom to HBO for a reported USD 500 mln.

PARAMOUNT PICTURES

Paramount Pictures was founded in 1912, making it the fifth oldest film studio in the world, and the second oldest in the U.S.. In February 1994, Viacom acquired a controlling interest of Paramount Communications at a time when Paramount's holdings included Paramount Pictures, Madison Square Garden, the New York Rangers, the New York Knicks and the Simon & Schuster publishing house. Paramount Pictures is based on its own storied 65 acre lot in LA and is a vital strategic asset to ViacomCBS as a content supplier. Performance at Paramount since the turn of the century has been disappointing due to mismanagement, the sale of the rights to Marvel in 2009 to Disney will forever be seen as a massive oversight. Current management under the guidance of Jim Gianopulos has been revived, as Paramount has repositioned to primarily releasing mid-sized and low budget movies such as *Rocketman*.

Disney owns both Disney and Fox, Comcast owns Universal, AT&T owns Warner, Sony, which now owns Columbia is potentially up for sale, but on a Japanese timetable, leaving Paramount Pictures as the only major independent studio. There is a limited amount of branded product which makes an over-the-top (OTT) offer more appealing to consumers. As COVID-19 has forced a slow down in physical production of filming, delaying new releases as box offices are holding out for a return to "normality" in terms of consumers willing to attend theatres, a strong library such as the one controlled by Paramount will become increasingly valuable.

Revenues for the theatrical portion of Paramount Pictures is highly dependent on the demand for yearly offerings, it can fluctuate depending on the anticipation for new releases. Short-term revenue for theatre will decrease as box-offices are forced to close, but with *Top Gun: Maverick* set to be released in 2021 there should be an increase in revenue in 2021 for this part of the business. Paramount as a whole delivers ~USD 3.00 bln in revenue to ViacomCBS with contributions coming from the production and licensing of TV shows and box office sales.

CBS - TELEVISION NETWORK

CBS Television Network is the most watched network in the USA for 12 straight years. It is comprised of the CBS Television Network, a domestic broadcast network, CBS television distribution, television production and syndication operations. Brands encompassed under this business segment are: CBS All Access, CBSN, CBS Sports HQ, ET Live, CBS Sports Network and its cable network focused on college athletics and other sports. Revenue is primarily earned from advertising sales, the licensing and distribution of its content, and affiliate revenues (retransmission fees and subscription fees). This business segment both produces and licenses content earning revenues of ~USD 12 bln in 2019. The network generates over USD 5 bln per year in advertising and charges cable TV operators a retransmission fee and a reverse compensation which charge local stations for content of about USD 3 bln. Noteworthy productions include: *The Late Show with Stephen Colbert, Grammy Awards, PGA Tour, The Masters, NCAA D1 Men's Basketball, NFL, UEFA Champions League.*

It is no secret that "glass" watching (linear television viewership is declining), but there is a significant opportunity in taking its current news, sport and entertainment offerings online. CBS has an NFL contract which expires at the end of 2022 and has long-standing agreements with the PGA, NCAA, and a recent contract with UEFA for broadcasting the Champions League. Negotiations with the NFL have already begun, in the 2019/20 season CBS sold ~USD 1.5 bln in NFL advertising, excluding the Super Bowl (nearly 25% of the networks total advertising revenue for 2019). Sports viewership is largely hailed as the unifier between a partisan landscape in the US, with the majority of sports fans using it as an "escape" from day-to-day reality.

CABLE NETWORKS

ViacomCBS also holds a number of high value brands including Nickelodeon, Comedy Central, MTV, BET and Smithsonian Channel. The cable networks in 2019 generated ~USD 11.5 bln in revenue and USD $3 bln in EBITDA, revenues are primarily generated from affiliate revenues comprised of fees from multichannel television and online from streaming, advertising and the licensing of its content and brands. Ratings erosion caused by the consumer shift away from linear television viewership was partly mitigated by packaging affiliate fee renegotiations with CBS. While its cable networks have a number of popular shows such as *NCIS, MacGyver, Criminal Minds, Hawaii Five-O, Spongebob Squarepants, RuPaul's Drag Race,* and *tosh.o*, the shift to online will likely leave this segment with lackluster growth which will only be offset by licensing deals for its content. However, while interest may be piqued by nostalgic watchers for shows like *Spongebob*, the overall popularity will be highly dependent on regaining popularity with the current generation of children aged 2-11. These libraries will help to improve the offerings of ViacomCBS' streaming services, but as a standalone business it is difficult to see a prosperous future in comparison to its other opportunities.

A ONE STOP SHOP FOR ADVERTISERS

In August 2020, ViacomCBS announced the planned launch of ViacomCBS EyeQ, a video advertising platform that will serve as a single transactional point of entry for digital video content from ViacomCBS' unique assets in Entertainment & Media. The idea behind EyeQ is to remove the separation of services and offer advertisers a single access point to the breadth of ViacomCBS' audience that measures 50 million full-episode monthly unique viewers in the U.S., content access includes buying into sports, entertainment, late night, specials, kids or news programming categories. Advertising earns the largest proportion of the company's revenue so removing frictions between ViacomCBS & advertisers can only be seen as a positive. EyeQ will simplify transactions, while also supporting a variety of transactional models depending on the advertisers demand and providing real-time data in tracking performance across platforms. David Lawenda, executive vice president of digital sales and strategy of ViacomCBS says that per month, across Pluto TV, CBS All Access, Viacom and other digital platforms are added the company can offer advertisers 100 billion impressions, after adding social media platforms this number is 150 million unique impressions[5]. EyeQ offers what many brand marketers need - more scale and extended media reach, which is increasingly important in an era of sinking linear TV impressions.

"The launch of EyeQ marks the arrival of one of the biggest premium video platforms in digital media, [...], we have consolidated a massive audience footprint that will deliver quality, scale, and capabilities that cannot be matched."

- John Helley ViacomCBS COO

ICONIC ASSETS FOR SALE

ViacomCBS has a number of highly valuable physical assets that are currently being offered for sale to reduce debt and/or invest in new opportunities. ViacomCBS issued long-term debt in May 2020 with a Moody's rating of Baa2 (medium grade, with some speculative elements and moderate credit risk), it was noted in the rating action that this could be upgraded if the company can deleverage and successfully transition its television business into large scale branded streaming platforms[6] (there are no upcoming maturity dates in 2020). As at 3 September 2020, ViacomCBS has signalled three divestitures eyeing total proceeds of USD 2.50 bln to USD 3.50 bln. The assets in question are its publishing segment Simon & Schuster, which is no longer in ViacomCBS' long-term plans, technology news and reviews site CNET for USD 500 mln and the Black Rock building in New York, CBS' current home. We estimate that Simon & Schuster, that generated revenues of USD 814 mln in 2019 will fetch a price of USD 1.00 bln to USD 1.2 bln, while the Black Rock building will make up the difference. All assets have received considerable interest as Bertelsmann has entered the race to acquire Simon & Schuster[7] while the demand for the Black Rock building has subsided slightly due to the pandemic. However, we remain confident that the iconic building will sell for between USD 800 mln to USD 1,000 mln. The combined sale of these assets could serve as a catalyst for future growth providing the company with optionality to repay debt, improving the value of the remaining equity or investing in growth opportunities that present themselves in the move to streaming.

VIACOMCBS

VALUATION

Using a Sum-of-the-Parts (SOTP) valuation methodology, we break down the overall value of ViacomCBS by estimating the value of each significant portion of its business. In our valuation, we have included the estimated conservative increase to cash to be used in re-paying debentures from the sale of three significant assets, Black Rock, Simon & Schuster and CNET for a net value of USD 2.50 bln, this will reduce ViacomCBS' net debt to ~USD 15.5 bln. After the passing of Sumner Redstone, the Redstone family announced that it would be open to offers for the remaining business. It is clear to us that selling assets to repay debt is a move to bolster the value of remaining equity in the business.

M&A activity has been rampant in the Media & Entertainment Industry, vertical integration has become the goal of many of the giants as the value of libraries becomes apparent to OTT offerings.

Comparable Acquisitions from 2005-2020[8]

Disney's acquisition of 21st Century Fox (15.2x EBITDA), Marvel Entertainment (16.2x EBITDA) and Pixar Animation Studios (34.0x EBITDA);
AT&T's acquisition of Time Warner (13.3x EBITDA);
Comcast's acquisition of DreamWorks Animation (54.1x EBITDA) and Sky (14.0x EBITDA);
Discovery's acquisition of Scripps Networks Interactive (11.1x EBITDA).

Streaming companies like Disney, Amazon and Netflix are in a constant tussle to emerge victorious. If ViacomCBS can continue its growth in streaming numbers on Pluto TV and Paramount+, then an acquisition by one of the companies makes even more sense. Not only would they gain access to ViacomCBS' impressive library, but also sports licenses owned by ViacomCBS (Disney already own 80% of ESPN). Furthermore, Amazon and Netflix could be persuaded by the prospect of owning the last independent major production studio in the USA which would bolster respective capabilities to improve value creation for their users and reduce third-party production costs.

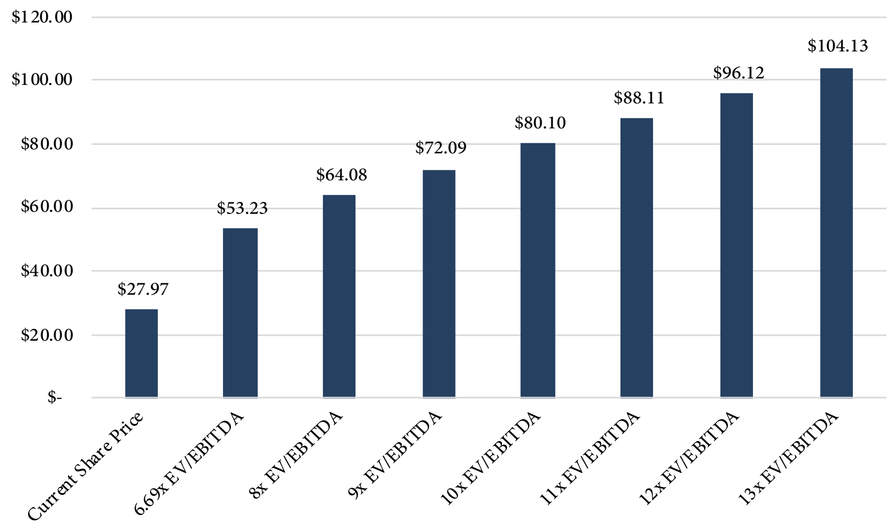
Figure 1 illustrates what we believe the company will be worth if it is able to reduce its Net Debt to USD 15.50 bln. This is our conservative upside valuation based on a 6.69x EBITDA multiple that is significantly below the other M&A transactions that have occurred in the industry.

Figure 2 illustrates our estimated valuation range if the company were to be sold at an EV/EBITDA multiple range in line with the above historical industry transaction multiples that have preceded. The following has been calculated utilising ViacomCBS' 2019 reported EBITDA of US$ 4.9426 bln.

Figure 1 - ViacomCBS Valuation (USD bln)		
Market Capitalisation	$	17.34
Net Debt	$	15.50
Enterprise Value	$	32.84
Shares Outstanding (bln)		0.617
Value Per Share	$	53.23
Current Share Price	$	27.97
Discount		-47.45%
EBITDA Multiple		6.65x
2019 EBITDA (USD bln)	$	4.942

Figure 2 - EBITDA Multiple Range	Enterprise Value	Share Price
7x	$34.59 bln	$ 56.07
8x	$39.54 bln	$ 64.08
9x	$44.48 bln	$ 72.09
10x	$49.42 bln	$ 80.10
11x	$54.36 bln	$ 88.11
12x	$59.30 bln	$ 96.12
13x	$64.25 bln	$ 104.13

ViacomCBS Share Price Upside Range (USD)



Data sourced from Refinitv Eikon as at 2 October 2020.

From our calculations, we believe ViacomCBS has an upside range in share price as at 2 October 2020 between +90.29% to +272.28%.

VIACOMCBS

CONCLUSION

When the dust settles, content is still king. ViacomCBS is undergoing a strategy revision after completing a merger between Viacom and CBS in 2019. As the company seeks to compete with streaming giants in the OTT space, we believe the company has the content and the facilities to position itself in a unique streaming position with a combination of its subscription and ad-supported platforms. Enhanced by its new EyeQ platform for advertisers, in-demand rights for prestigious events and a streaming service experiencing significant quarter-on-quarter growth provide us with confidence that the company is heading in the right direction and is still trading at a significant discount to intrinsic value. We believe that the assets ViacomCBS has under control are among the highest quality in the industry, and in owning the last independent production studio in Parmount Pictures, the prospect of an Amazon or Netflix potentially acquiring the company at a multiple similar to that which Disney paid for Fox is a distinct possibility. Either through organic growth of its revenues, or a potential sale, the company is well positioned to return value to shareholders and for this reason will remain a valuable holding in the Elevation Capital Global Shares Fund.

We continue to focus on and deliver on value creation, unlocking the power of ViacomCBS and, specifically, our synergistic combination of studios, networks and streaming. Each of those elements are significant on a standalone basis but it's the combination that really unlocks, enormous and powerful synergies.

- Robert Bakish ViacomCBS CEO

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This summary report was written in September / October 2020.

INDEPENDENT THINKING
DISCIPLINED INVESTING

[In-de-pend-ent Think-ing] **ində'pendənt THiNkiNG** *verb*
Is essential to long-term investment success. We are often contrarian and do not pay attention to index compositions when making investment decisions. We believe that when you're several thousand miles away from Wall Street in a different nation, it's easier to be independent and buy the things that other people are selling, and sell the things that other people are buying.

[Dis-ci-plined In-vest-ing] **disciplinəd inves'ting** *verb*
The market presents opportunities every day, but disciplined investing is as much about the opportunities you do not take. We also believe that cash is sometimes the most attractive investment.

MORNINGSTAR INTERNATIONAL EQUITIES CATEGORY FUND MANAGER OF THE YEAR 2017, NEW ZEALAND

NOMINEE - MORNINGSTAR INTERNATIONAL EQUITIES CATEGORY FUND MANAGER OF THE YEAR 2012, NEW ZEALAND

NOMINEE - FUNDSOURCE INTERNATIONAL EQUITY SECTOR FUND MANAGER OF THE YEAR 2012, NEW ZEALAND

NOMINEE - FUNDSOURCE INTERNATIONAL EQUITY SECTOR FUND MANAGER OF THE YEAR 2013, NEW ZEALAND

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