

Pzena Global Value Fund

ARSN 133 266 690

Annual report - 30 June 2011

Pzena Global Value Fund

ARSN 133 266 690

Annual report - 30 June 2011

Contents

	Page
Directors' report	2
Auditor's independence declaration	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	27
Independent auditor's report to the unitholders of Pzena Global Value Fund	28

This financial report covers Pzena Global Value Fund as an individual entity.

The Responsible Entity of Pzena Global Value Fund is Macquarie Investment Management Limited (ABN 66 002 867 003). The Responsible Entity's registered office is Mezzanine Level, No. 1 Martin Place, Sydney, NSW 2000.

Directors' report

The directors of Macquarie Investment Management Limited, a wholly owned subsidiary of Macquarie Group Limited, the Responsible Entity of Pzena Global Value Fund, present their report together with the financial report of Pzena Global Value Fund ("the Trust") for the year ended 30 June 2011.

Principal activities

The Trust invests in listed equities and derivatives in accordance with the provisions of the Trust Constitution.

The Trust did not have any employees during the year.

There were no significant changes in the nature of the Trust's activities during the year.

Directors

The following persons held office as directors of Macquarie Investment Management Limited during the year or since the end of the year and up to the date of this report:

B N Terry
C Swanger (resigned 21/06/2011)
T Graham
R Cartwright
V Malley
C Vignes
K Vincent (appointed 21/06/2011)

Review and results of operations

During the year, the Trust continued to be managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with the Trust's Constitution.

Results

The performance of the Trust, as represented by the results of its operations, was as follows:

	30 June 2011	30 June 2010
Operating profit before finance costs attributable to unitholders (\$'000)	<u>439</u>	<u>14,008</u>
<i>Distributions</i>		
Distribution paid and payable (\$'000)	<u>5,054</u>	<u>6,898</u>
Distribution (cents per unit)	<u>2.08</u>	<u>4.04</u>

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with the Trust's Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Macquarie Investment Management Limited or the auditors of the Trust. Under the Trust Constitution, Macquarie Investment Management Limited as Responsible Entity of the Trust is entitled to be indemnified out of the assets of the Trust for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 11 of the financial statements.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 11 of the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 6 of the financial statements.

The value of the Trust's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

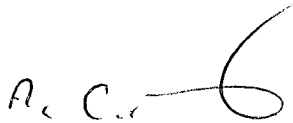
The Trust is an entity of the kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

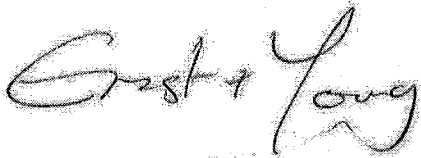
A handwritten signature in black ink, appearing to read 'R. Cartwright', with a large, stylized flourish at the end.

R Cartwright
Director

Sydney
29 August 2011

**Auditor's Independence Declaration to the Directors of Macquarie
Investment Management Limited, as the Responsible Entity for Pzena
Global Value Fund**

In relation to our audit of the financial report of Pzena Global Value Fund for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Darren Handley-Greaves
Partner
Sydney
29 August 2011

Statement of comprehensive income

		30 June 2011 \$'000	30 June 2010 \$'000
	Notes		
Investment income			
Interest income		57	43
Dividend income		4,931	3,805
Net (loss)/gains on financial instruments held at fair value through profit or loss	5	<u>(1,512)</u>	<u>12,730</u>
Total net investment income		<u>3,476</u>	<u>16,578</u>
 Expenses			
Responsible Entity fees	11	2,408	2,161
Withholding tax expenses		543	408
Other operating expenses		<u>86</u>	<u>1</u>
Total operating expenses		<u>3,037</u>	<u>2,570</u>
 Operating profit		<u>439</u>	<u>14,008</u>
 Finance costs attributable to unitholders			
Distributions to unitholders		(5,054)	(6,898)
Decrease/(Increase) in net assets attributable to unitholders	6	<u>4,615</u>	<u>(7,110)</u>
Profit/(loss) for the year		<u>-</u>	<u>-</u>
 Total comprehensive income for the year		<u>-</u>	<u>-</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	30 June 2011 \$'000	30 June 2010 \$'000
Assets			
Cash and cash equivalents	7	3,391	4,097
Due from brokers - receivable for securities sold		161	1,425
Dividends receivable		355	385
Other receivables		2	4
Financial assets held at fair value through profit or loss	8	<u>232,174</u>	<u>166,466</u>
Total assets		<u>236,083</u>	<u>172,377</u>
Liabilities			
Due to brokers - payable for securities purchased		316	816
Responsible Entity fees payable		556	529
Financial liabilities held at fair value through profit or loss	9	<u>300</u>	-
Total liabilities (excluding net assets attributable to unitholders)		<u>1,172</u>	<u>1,345</u>
Net assets attributable to unitholders - liability	6	<u>234,911</u>	<u>171,032</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	30 June 2011 \$'000	30 June 2010 \$'000
Total equity at the beginning of the year	-	-
Total comprehensive income for the year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	30 June 2011 \$'000	30 June 2010 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		209,044	395,583
Purchase of financial instruments held at fair value through profit or loss		(275,240)	(394,288)
Dividends received		4,423	3,232
Interest received		57	43
Responsible Entity fees paid		(1,894)	(2,049)
Other income received		16	-
Payment of other expenses		(92)	(27)
Net cash (outflow)/inflow from operating activities	12(a)	<u>(63,686)</u>	<u>2,494</u>
Cash flows from financing activities			
Proceeds from applications by unitholders		63,454	56,292
Payments for redemptions by unitholders		-	(66,480)
Net cash inflow/(outflow) from financing activities		<u>63,454</u>	<u>(10,188)</u>
Net decrease in cash and cash equivalents		(232)	(7,694)
Cash and cash equivalents at the beginning of the year		4,097	12,491
Effects of foreign currency exchange rate changes on cash and cash equivalents		(474)	(700)
Cash and cash equivalents at the end of the year	7	<u>3,391</u>	<u>4,097</u>
Non-cash financing activities	12(b)	5,054	6,898

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 General information

This financial report covers Pzena Global Value Fund ("the Trust") as an individual entity. The Trust was constituted on 25 September 2008. The Trust is a registered managed investment scheme domiciled in Australia.

The Responsible Entity of the Trust is Macquarie Investment Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Mezzanine Level, No. 1 Martin Place, Sydney, NSW 2000. The financial report is presented in Australian currency.

The Investment Manager of the Trust is Pzena Investment Management LLC (the "Investment Manager").

During the year, the Trust continued to be managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with the Trust's Constitution.

The financial statements were authorised for issue by the directors on 29 August 2011. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Financial instruments

(i) Classification

The Trust's investments are categorised as at fair value through profit or loss. These comprise:

- Financial instruments held for trading

These include derivative financial instruments such as foreign currency forward contracts. The Trust does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold, such as investments in exchange traded equity instruments.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Loans and receivables/payables comprise amounts due to or from the Trust.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cashflows from the investments has expired or the Trust has transferred substantially all risks and rewards of ownership.

(iii) Measurement

(a) Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 3.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the statement of financial position date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the statement of financial position date applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the statement of financial position date. Fair values for unquoted equity investments are estimated, if possible, using applicable pricing/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Trust would receive or pay to terminate the contract at the statement of financial position date taking into account index or underlying investments and the current creditworthiness of the counterparties. The fair value of a foreign currency forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

(b) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each statement of financial position date to determine whether there is objective evidence of impairment.

If any such indication of impairment exists, an impairment calculation is undertaken and any impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of the revised estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the statement of financial position date if unitholders exercised their right to put the units back to the Trust.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. Bank overdrafts, if any, are shown separately on the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(e) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method.

Dividend income is recognised on the ex-dividend date with any foreign withholding tax recorded as an expense.

(f) Expenses

All expenses, including Responsible Entity fees, are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Trust).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

The Trust currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

(h) Distributions

In accordance with the Trust Constitution, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

2 Summary of significant accounting policies (continued)

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(j) Foreign currency translation

i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Trust does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(k) Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Trust will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired.

(l) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as investment management fees have been passed onto the Trust. The Trust qualifies for RITC at a rate of at least 75% hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(m) Receivables

Receivables may include amounts for dividends and interest. Dividends are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC).

2 Summary of significant accounting policies (continued)

(n) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the year end.

The distribution amount payable to unitholders as at the reporting date is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Trust Constitution.

(o) Applications and redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

(p) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Trust's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over the counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and accounts payable, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendment to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded.

The Trust has not yet decided when to adopt AASB 9. Management does not expect this will have a significant impact on the Trust's financial statements as the Trust does not hold any available for sale investments.

(ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities. The Trust will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Trust's financial statements.

2 Summary of significant accounting policies (continued)

(q) New accounting standards and interpretations (continued)

(iii) AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 *Disclosures on Transfers of Financial Assets* which amends AASB 1 *First time Adoption of Australian Accounting* and AASB 7 *Financial Instruments: Disclosures* to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Trust's disclosures. The Trust intends to apply the amendment from 1 July 2011.

(iv) *Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Trust does not expect that any adjustments will be necessary as a result of applying the revised rules.

(v) IFRS 10 *Consolidated Financial Statements*

IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and SIC 12 *Consolidation – Special Purpose Entities*.

This standard is yet to be approved by the Australian Accounting Standards Board and has not been issued in Australia. The standard is not applicable until 1 January 2013 but is available for early adoption.

The Trust has not yet decided when to adopt IFRS 10. Management does not expect this will have a significant effect on the Trust's financial statements.

(vi) IFRS 12 *Disclosures of Interests in Other Entities*

IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non controlling interests.

This standard is yet to be approved by the Australian Accounting Standards Board and has not been issued in Australia. The standard is not applicable until 1 January 2013 but is available for early adoption.

The Trust has not yet decided when to adopt IFRS 12. Management does not expect this will have a significant effect on the Trust's financial statements.

(vii) IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets.

IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

This standard is yet to be approved by the Australian Accounting Standards Board and has not been issued in Australia. The standard is not applicable until 1 January 2013 but is available for early adoption.

The Trust has not yet decided when to adopt IFRS 13. Management does not expect this will have a significant effect on the Trust's financial statements.

2 Summary of significant accounting policies (continued)

(r) Rounding of amounts

The Trust is an entity of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

3 Financial risk management

(a) Strategy in using financial instruments

The Trust's activities expose it to a variety of financial risks: market risk (including price risk and foreign exchange risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's governing documents and seeks to maximise the returns in accordance with the level of risk to which the Trust is exposed.

Financial risk management is carried out by the Investment Manager under the terms of the investment management agreement between the Responsible Entity and the Investment Manager.

(b) Market risk

(i) Price risk

The Trust trades in financial instruments, taking positions in traded and over-the-counter instruments, to take advantage of short-term market movements in equity markets.

All securities investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Trust's overall market positions are monitored on a daily basis by the Trust's Investment Manager.

In accordance with the Trust's policy, the risk management department of the Trust's Responsible Entity monitors the Trust's overall market price sensitivity on a daily basis. This risk is managed by:

- seeking to ensure the Trust is fully invested
- restricting exposure to the higher market risk inherent in emerging markets
- not permitting gearing, stock lending or short positions
- seeking to ensure diversification across multiple countries
- managing the number of securities to aim for diversification across multiple stocks
- managing the exposure to any particular stock to aim for diversification across sectors
- limiting the exposure to a single stock
- seeking to ensure that the Trust is investing in accordance with its stated objectives

The Trust's equity securities and derivatives are susceptible to market price risk arising from uncertainties about future prices of the instruments.

At 30 June 2011, the Trust's market risk is affected by changes in market prices. If the MSCI World Ex AUS Accumulation Index at 30 June 2011 had increased by 15% with all other variables held constant, this would have increased net assets attributable to unitholders by approximately \$ 34,781,092 (2010: \$24,969,811). Conversely, if the MSCI World Ex AUS Accumulation Index at 30 June 2011 had decreased by 15% with all other variables held constant, this would have decreased net assets attributable to unitholders by approximately \$ 34,781,092 (2010: \$24,969,811).

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk

The Trust holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis as set out in note 3(c).

The table below summarises the Trust's assets and liabilities denominated in various currencies.

30 June 2011	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
Assets							
Cash and cash equivalents	16	3,160	-	123	-	92	3,391
Due from brokers - receivable for securities sold	-	161	-	-	-	-	161
Dividends receivable	7	120	-	-	228	-	355
Other receivables	2	-	-	-	-	-	2
Financial assets held at fair value through profit or loss	-	<u>97,319</u>	<u>55,607</u>	<u>19,012</u>	<u>42,326</u>	<u>17,910</u>	<u>232,174</u>
Total assets	<u>25</u>	<u>100,760</u>	<u>55,607</u>	<u>19,135</u>	<u>42,554</u>	<u>18,002</u>	<u>236,083</u>
Liabilities							
Due to brokers - payable for securities purchased	-	141	-	-	-	175	316
Responsible Entity fees payable	556	-	-	-	-	-	556
Financial liabilities held at fair value through profit or loss	-	<u>177</u>	-	-	-	<u>123</u>	<u>300</u>
Total liabilities	<u>556</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298</u>	<u>1,172</u>
Net assets attributable to unitholders - liability							
	<u>(531)</u>	<u>100,442</u>	<u>55,607</u>	<u>19,135</u>	<u>42,554</u>	<u>17,704</u>	<u>234,911</u>

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

30 June 2010	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
Cash and cash equivalents	705	1,664	93	-	6	1,629	4,097
Due from brokers - receivable for securities sold	-	699	726	-	-	-	1,425
Dividends receivable	47	99	-	-	239	-	385
Other receivables	4	-	-	-	-	-	4
Financial assets held at fair value through profit or loss	-	84,608	31,863	7,748	32,726	9,521	166,466
Total assets	<u>756</u>	<u>87,070</u>	<u>32,682</u>	<u>7,748</u>	<u>32,971</u>	<u>11,150</u>	<u>172,377</u>
Liabilities							
Due to brokers - payable for securities purchased	-	3	-	-	73	740	816
Responsible Entity fees payable	529	-	-	-	-	-	529
Total liabilities	<u>529</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>740</u>	<u>1,345</u>
Net assets attributable to unitholders - liability	<u>227</u>	<u>87,067</u>	<u>32,682</u>	<u>7,748</u>	<u>32,898</u>	<u>10,410</u>	<u>171,032</u>

Note 3(c) summarises the sensitivities of the Trust's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened/strengthened by 10% (2010: 15%) against other currencies to which the fund is exposed.

(iii) Interest rate risk

The majority of the Trust's financial assets and liabilities are non-interest bearing. As a result, the Trust is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

3 Financial risk management (continued)

(c) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unitholders to foreign exchange risk. The reasonably possible movements in the risk variable have been determined based on management's best estimate, having regard to historical levels of changes in foreign exchange rates and market volatility. However, actual movements in the risk variable may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the fund invests. As a result, historic variations in the risk variable are not a definitive indicator of future variations in the risk variable.

Reasonable possible movements in the risk variable for foreign exchange risk are 10% (2010: 15%).

	Foreign exchange risk					
	Impact on operating profit/Net assets attributable to unitholders					
	+	-	+	-	+	-
	US	US	British	British	Japanese	Japanese
	Dollars	Dollars	Pounds	Pounds	Yen	Yen
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2011 (+/-10%)	330	(330)	23	(23)	12	(12)
30 June 2010 (+/-15%)	369	(369)	25	(25)	-	-

(d) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, counterparties to derivatives and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

The Trust restricts its exposure to credit losses on cash and cash equivalents by managing exposures to single issuers and only investing in banks.

The exposure to credit risk for cash and cash equivalents and deposits with banks and other financial institutions and counterparties to derivatives is low as all counterparties have a rating of at least A- (2010: A-) as determined by Standard and Poor's rating agency.

Other than for the cash and cash equivalents and the investment in the equity securities, the Trust does not have a concentration of a credit risk that arises from an exposure to a single counterparty. Furthermore, the Trust does not have a material exposure to a group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

In accordance with the Trust's policy, the risk management department of the Responsible Entity monitors the Trust's credit position on a daily basis. The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

(e) Liquidity risk

The Trust is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

In accordance with the Trust's policy, the risk management department of the Responsible Entity monitors the Trust's liquidity position on a daily basis. This risk is managed by:

- seeking to ensure the Trust has no debt obligations that may compromise solvency
- managing exposure to aggressive shares on issue with respect to liquidity
- restricting exposure to illiquid stocks

3 Financial risk management (continued)

(e) Liquidity risk (continued)

The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Subject to the Trust's Constitution, redeemable units are redeemed on demand at the unitholders' option. All other liabilities are payable within 30 days except for forward contracts which are settled within 90 days.

(f) Fair value estimation

The carrying amounts of the Trust's assets and liabilities at the reporting date approximate their fair values.

The Trust classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2011 and 30 June 2010

30 June 2011	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total balance \$'000
Financial assets				
Financial assets held for trading:				
- Derivatives	-	301	-	301
Financial assets designated at fair value through profit or loss:				
- Equity securities	<u>231,873</u>	<u>-</u>	<u>-</u>	<u>231,873</u>
Total	<u>231,873</u>	<u>301</u>	<u>-</u>	<u>232,174</u>
Financial liabilities				
Financial liabilities held for trading:				
- Derivatives	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>

3 Financial risk management (continued)

(f) Fair value estimation (continued)

30 June 2010	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total balance \$'000
Financial assets				
Financial assets designated at fair value through profit or loss at inception:				
- Equity securities	166,466	-	-	166,466
Total	<u>166,466</u>	<u>-</u>	<u>-</u>	<u>166,466</u>

During the year, there were no transfers between Level 1 and 2 or into/out of Level 3 (2010: nil).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

4 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	30 June 2011 \$	30 June 2010 \$
Audit services		
Audit of financial reports	4,450	4,300
Other audit work under the <i>Corporations Act 2001</i>	310	290
Total remuneration for audit services	<u>4,760</u>	<u>4,590</u>

Audit fees are paid out of the Responsible Entity's own resources. All other expenses are paid by the Trust.

5 Net (loss)/gains on financial instruments held at fair value through profit or loss

Net (loss)/gains recognised in relation to financial instruments held at fair value through profit or loss:

	30 June 2011 \$'000	30 June 2010 \$'000
Net loss on financial instruments held for trading	(276)	(105)
Net (loss)/gains on financial instruments designated at fair value through profit or loss	<u>(1,236)</u>	<u>12,835</u>
Net (loss)/gains on financial assets held at fair value through profit or loss	<u>(1,512)</u>	<u>12,730</u>

6 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

As stipulated within the Trust Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

	30 June 2011 No. '000	30 June 2010 No. '000	30 June 2011 \$'000	30 June 2010 \$'000
Opening balance	178,711	183,146	171,032	167,212
Applications	63,954	54,500	63,440	56,292
Redemptions	-	(66,131)	-	(66,480)
Units issued upon reinvestment of distributions	5,332	7,196	5,054	6,898
(Decrease)/increase in net assets attributable to unitholders	-	-	(4,615)	7,110
Closing balance	<u>247,997</u>	<u>178,711</u>	<u>234,911</u>	<u>171,032</u>

Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a monthly basis as the Trust is subject to monthly applications and redemptions at the discretion of unitholders.

The Trust monitors the level of monthly applications and redemptions relative to the liquid assets in the Trust.

7 Cash and cash equivalents

	30 June 2011 \$'000	30 June 2010 \$'000
Cash at bank	<u>3,391</u>	<u>4,097</u>

8 Financial assets held at fair value through profit or loss

	30 June 2011 Fair value \$'000	30 June 2010 Fair value \$'000
Held for trading		
Derivatives (note 10)	<u>301</u>	-
Total held for trading	<u>301</u>	-
Designated at fair value through profit or loss		
Equity securities	<u>231,873</u>	<u>166,466</u>
Total designated at fair value through profit or loss	<u>231,873</u>	<u>166,466</u>
Total financial assets held at fair value through profit or loss	<u>232,174</u>	<u>166,466</u>

8 Financial assets held at fair value through profit or loss (continued)

	30 June 2011 Fair value \$'000	30 June 2010 Fair value \$'000
Comprising:		
Equity securities		
International equity securities listed on a prescribed stock exchange	<u>231,873</u>	<u>166,466</u>
Total equity securities	<u>231,873</u>	<u>166,466</u>
	30 June 2011 Fair value \$'000	30 June 2010 Fair value \$'000
Comprising:		
Derivatives		
Foreign currency forward contracts	<u>301</u>	<u>-</u>
Total derivatives	<u>301</u>	<u>-</u>
Total financial assets held at fair value through profit or loss	<u>232,174</u>	<u>166,466</u>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

9 Financial liabilities held at fair value through profit or loss

	30 June 2011 Fair value \$'000	30 June 2010 Fair value \$'000
Held for trading		
Derivatives (note 10)	<u>300</u>	<u>-</u>
Total held for trading	<u>300</u>	<u>-</u>
Total financial liabilities held at fair value through profit or loss	<u>300</u>	<u>-</u>
	30 June 2011 Fair value \$'000	30 June 2010 Fair value \$'000
Comprising:		
Derivatives		
Foreign currency forward contracts	<u>300</u>	<u>-</u>
Total derivatives	<u>300</u>	<u>-</u>
Total financial liabilities held at fair value through profit or loss	<u>300</u>	<u>-</u>

An overview of the risk exposures relating to financial liabilities at fair value through profit or loss is included in note 3.

10 Derivative financial instruments

In the normal course of business the Trust enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include instruments, such as forwards. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The Trust holds the following derivative instruments:

(a) Forward currency contracts

Forward currency contracts may be used by the Trust to facilitate the settlement of investment transactions and/or to manage currency allocations within the Trust. The Trust agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the reporting date. The Trust recognises a gain or loss equal to the change in fair value at the reporting date.

The Trust's derivative financial instruments at year-end are detailed below:

30 June 2011

	Contract/ notional '000	Fair Values	
		Assets \$'000	Liabilities \$'000
Buy			
Foreign currency forward contracts - United States Dollar (USD)	132	123	-
Foreign currency forward contracts - Brazilian Real (BRL)	<u>297</u>	<u>178</u>	<u>-</u>
		<u>301</u>	<u>-</u>
Sell			
Foreign currency forward contracts - United States Dollar (USD)	190	-	177
Foreign currency forward contracts - Japanese Yen (JPY)	<u>10,630</u>	<u>-</u>	<u>123</u>
		<u>-</u>	<u>300</u>
		<u>301</u>	<u>300</u>

11 Related party disclosures

(a) Responsible Entity

The Responsible Entity of Pzena Global Value Fund is Macquarie Investment Management Limited (MIML), a wholly owned subsidiary of Macquarie Group Limited.

(b) Key management personnel

The following persons held office as directors of MIML during the period or since the end of the period and up to the date of this report:

B N Terry
C Swanger (resigned 21/06/2011)
T Graham
R Cartwright
V Malley
C Vignes
K Vincent (appointed 21/06/2011)

No amount is paid by the Trust directly to the directors of the Responsible Entity. Consequently, no compensations defined in AASB 124 "Related Party Disclosures" is paid by the Trust to the directors as key management personnel.

(c) Key management personnel unitholdings

At 30 June 2011 no key management personnel held units in the Trust (2010: nil).

(d) Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(e) Responsible Entity's fees and other transactions

For the year ended 30 June 2011, in accordance with the Trust Constitution, the Trust is charged a total fee of 1.30% (inclusive of GST, net of RITC available to the Trust) per annum (2010: 1.30%).

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Trust and the Responsible Entity were as follows:

	30 June 2011 \$	30 June 2010 \$
Management fees for the year paid by the Trust to the Responsible Entity	<u>2,407,674</u>	<u>2,160,571</u>
Aggregate amounts payable to the Responsible Entity at the reporting date	<u>555,459</u>	<u>529,423</u>

(f) Related party schemes' unitholdings

Parties related to the Trust (including MIML, its related parties and other schemes managed by MIML), hold no units in the Trust (2010: nil).

(g) Investments

The Trust held no investments in any schemes which are also managed by MIML or its related parties (2010: \$nil).

11 Related party disclosures (continued)

(h) Other transactions within the Trust

Apart from those details disclosed in this note, no directors of the Responsible Entity have entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving director's interests subsisting at year end.

The bank accounts for the Trust may be held with Macquarie Bank Limited. The Trust may use Macquarie Securities (Australia) Limited and Macquarie Bank Limited, both Macquarie Group entities, for broking and clearing services respectively. Fees and expenses are negotiated on an arm's length basis for all transactions with related parties.

12 Reconciliation of profit/(loss) to net cash (outflow)/inflow from operating activities

	30 June 2011 \$'000	30 June 2010 \$'000
(a) Reconciliation of profit/(loss) to net cash (outflow)/inflow from operating activities		
(Decrease)/increase in net assets attributable to unitholders	(4,615)	7,110
Net loss/(gains) on financial instruments held at fair value through profit or loss	1,512	(12,730)
Proceeds from sale of financial instruments held at fair value through profit or loss	209,044	395,583
Purchase of financial instruments held at fair value through profit or loss	(275,240)	(394,288)
Distributions to unitholders	5,054	6,898
Rebate reinvested	500	-
Net change in receivables and other assets	33	(208)
Net change in payables and other liabilities	26	129
Net cash (outflow)/inflow from operating activities	(63,686)	2,494
(b) Non-cash financing and investing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	5,054	6,898

As described in note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (i.e. taxable).

13 Events occurring after year end

No significant events have occurred since the reporting date which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Trust for the year ended on that date.

14 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2011 and 30 June 2010.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial report and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The directors declare that the notes to the financial statements include an explicit and unreserved statement of compliance with the International Financial Reporting Standards (see note 2(a)).

This declaration is made in accordance with a resolution of the directors.



R Cartwright
Director

Sydney
29 August 2011

Independent auditor's report to the unitholders of Pzena Global Value Fund

We have audited the accompanying financial report of Pzena Global Value Fund (the "fund"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of Macquarie Investment Management Limited, the responsible entity of the fund, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the responsible entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

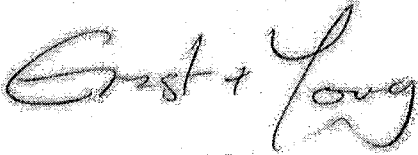
Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the responsible entity a written Auditor's Independence Declaration, a copy of which is included with the directors' report.

Opinion

In our opinion:

- a. the financial report of Pzena Global Value Fund is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the fund's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.



Ernst & Young



Darren Handley-Greaves
Partner
Sydney
29 August 2011