Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

June 2025

FUND FACTS

Investment objective: Aims to provide long-term capital growth through investment in emerging market shares and to outperform the MSCI Emerging Markets Net Total Return Index (AUD) (before fees and taxes) over a full market cycle, typically five-years.

FUND BENEFITS

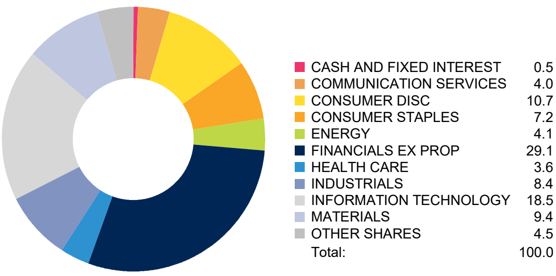
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return to fair valuation.

FUND RISKS

All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

Benchmark:	MSCI Emerging Markets Net Total Return (AUD)
Investment Manager:	Barrow, Hanley, Mewhinney & Strauss, LLC
Inception Date:	October 2022
Size of Portfolio:	$1.80 million as at 31 Mar 2025
APIR:	PER6134AU
Management Fee:	0.99%*
Investment style:	Emerging Markets
Suggested minimum investment period:	Seven years or longer

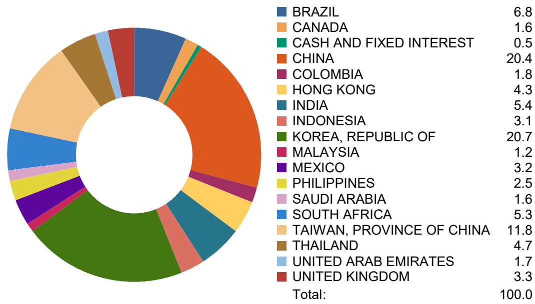
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
SK hynix Inc.	5.9%
KOREA INVESTMENT HOLDINGS CO LTD	3.8%
Mediatek Inc.	3.7%
Samsung Electro-Mechanics Co., Ltd	3.2%
BizLink Holding Inc.	2.6%

PORTFOLIO COUNTRIES

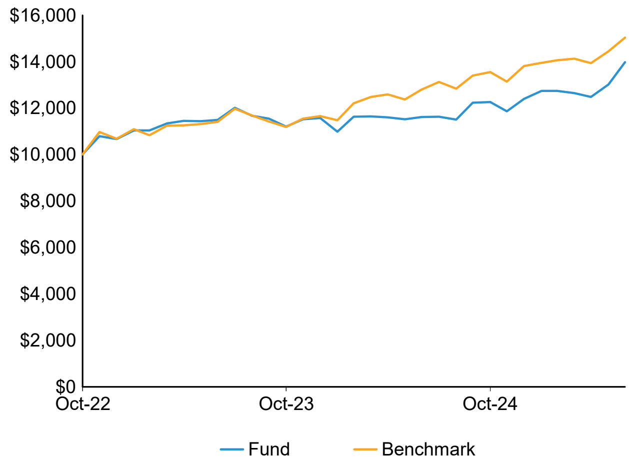


NET PERFORMANCE - periods ending 30 June 2025

	Fund	Benchmark	Excess
1 month	7.37	4.10	+3.27
3 months	10.54	6.49	+4.06
1 year	20.37	17.49	+2.89
2 year p.a.	10.27	14.80	-4.53
3 year p.a.	-	-	-
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	13.04	15.38	-2.34

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

GROWTH OF $10,000 SINCE INCEPTION



*Information on Management Costs (including estimated indirect costs) and a full description of the Fund's performance fee is set out in the Fund's PDS.

MARKET COMMENTARY

Looking back, the second quarter will be remembered as the triumph for the (investor) optimists as the sharp, initial sell-off in response to the Trump tariff announcement was met with an equally sharp recovery. However, once again, value trailed growth and broad market indexes reached all-time highs despite numerous potential headlines that could have derailed the market rally. The second quarter of 2025 brought a notable shift in the macroeconomic narrative, as the U.S. Federal Reserve (the Fed) held firm on rates despite mounting political pressure and growing global divergence in monetary policy (more on this later). The full impact of tariffs may well not be known until new trade deals with key trading partners are announced. Markets seem far less reactive to new tariff headlines as consensus thinking has returned to viewing them as negotiating tactics. This has even weighed on the U.S. dollar, which experienced its worst first half return in 50 years, falling 10% against the global basket of other currencies. The bright side is that this foreign exchange impact likely helps cushion outlooks for many global larger-cap companies feeling some of the pinch from higher tariffs and weaker demand.

With the weakening dollar, non-U.S. markets continued to challenge the American “exceptionalism” as the MSCI All Country World ex-U.S. Index was up 12% in the quarter and is now up 18% year-to-date, far outpacing the S&P 500 Index. Similarly, emerging market equities posted strong results, rising 12% in the quarter, and are now up 15% year-to-date. Similar to the U.S., emerging markets benefitted from the strength in the Information Technology-related stocks, particularly in countries like Taiwan and Korea. China and India both failed to keep pace with the broader markets as valuation levels in India may be finally giving investors pause. Further, recent policy announcements, though largely positive, may not have been as impactful as investors were expecting. Though tensions between the U.S. and China deescalated with the 90-day truce in May, we still do not see a clear path for either country to call victory in the trade war. Thailand was a notable weak performer not only in the quarter but also year-to-date. Concerns about the overall health of the economy as a result of Thailand’s high reliance on tourism, tariffs impacting exports, and political uncertainty have all led t a meaningful outflow of capital by foreign investors.\

The global outlook remains clouded by uneven growth, fragile geopolitics, and persistent trade uncertainty. This uncertainty has created familiar dispersion for investors, as the less cyclically exposed or risk-on areas trailed the Artificial Intelligence (AI)-centric and technology-focused sectors. This has been the same in emerging markets where once again a very narrow set of market outperformers (three of the 11 sectors) outpaced the broader MSCI Emerging Markets Index. Information Technology (+24%) was the clear leader, followed closely by Industrials stocks (+22%) largely benefitting from strength in Korean industrial stocks. Financials (+13%) was the only other sector to outpace the broader index, though significantly lagging the other leaders. Conversely, Consumer Discretionary stocks were down 3% in the quarter, pressured by challenges within the China consumer space, The remaining sectors, though lagging the broader index, showed variation in returns that were modest across sectors.

PORTFOLIO COMMENTARY

Despite the valuation bias of the Barrow Hanley Emerging Markets Equity strategy, the strategy was able to outperform the MSCI Emerging Markets Index in the quarter. Effective stock selection drove strong relative returns as the strategy added value in six of the 11 sectors. Effective stock selection in the Consumer Discretionary, Financials, Utilities, and Materials sector was a key driver to relative returns. The underweight to the Information Technology sector and the lack of ownership of TSMC, detracted from relative returns alongside positions in the Consumer Staples, Energy and Real Estate sectors though to a much smaller degree.

OUTLOOK

Looking forward, where do investors go from here? “Liberation Day” proved to be only a temporary liberation of gains for investors, as the 55 trading days from the April 8th low to the June 27th high marks the fastest roundtrip for the U.S. market following a 15% correction in history. Non-U.S. markets also did well off the market bottom, though they lagged the U.S. modestly; however, non-U.S. markets performed significantly better than the U.S. markets leading into the downturn. Current U.S. policy and the likelihood of lower interest rates, still does not appear to favour a strong U.S. dollar (USD) and something we have now spoken of frequently in our quarterly as de-dollarization has become an increasingly frequent topic of discussion as well among investors, corporates and the market more broadly. We see little evidence of more broad structural changes in U.S. dollar, as overall it remains the world trading currency. The exception may be more in commodity markets where we have seen a larger proportion of contracts being priced in non-dollar currency with India, China and other emerging market countries being at the forefront of this for their oil trade. With the policy backdrop in the U.S., we do expect the pressure on the dollar to persist which we believe will be a positive backdrop for the emerging market asset class, which we believe is worth highlighting again this quarter.

MORE INFORMATION

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