

# Perpetual Investment Funds

# BARROW HANLEY EMERGING MARKETS FUND

March 2026

## 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

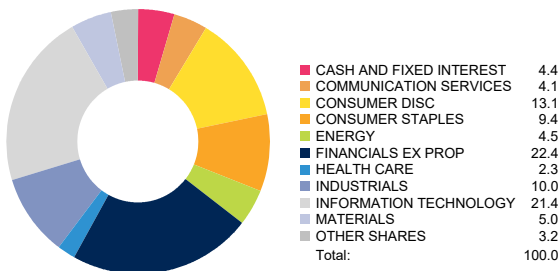
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return 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:** \$2.49 million as at 31 Dec 2025  
**APIR:** PER6134AU  
**Management Fee:** 0.99%\*  
**Investment style:** Emerging Markets  
**Suggested minimum investment period:** Seven years or longer

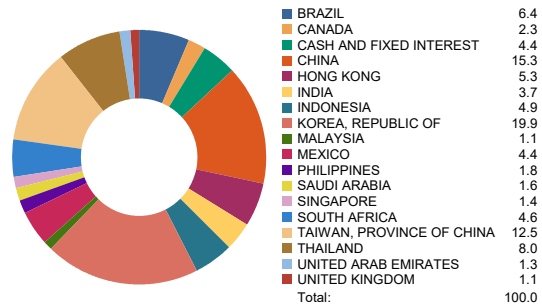
## PORTFOLIO SECTORS



## TOP 5 STOCK HOLDINGS

	% of Portfolio
SK hynix Inc.	6.0%
Samsung Electro-Mechanics Co., Ltd	4.9%
MediaTek Inc.	3.1%
Hyundai Motor Company	2.9%
BizLink Holding Inc.	2.7%

## PORTFOLIO COUNTRIES

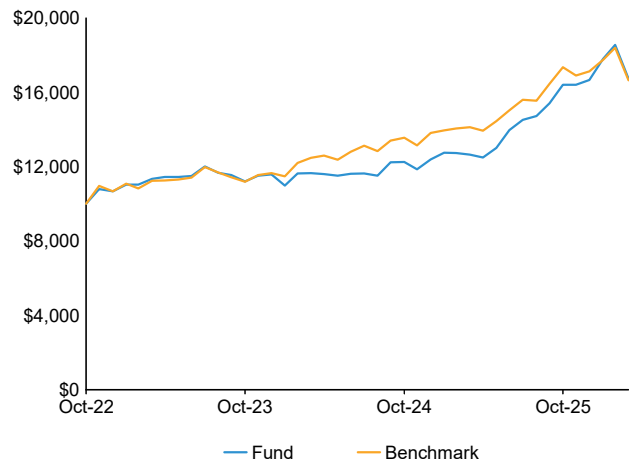


## NET PERFORMANCE - periods ending 31 March 2026

	Fund	Benchmark	Excess
1 month	-9.78	-9.54	-0.24
3 months	0.45	-2.80	+3.24
1 year	32.42	17.87	+14.54
2 year p.a.	19.90	15.49	+4.41
3 year p.a.	13.87	13.99	-0.11
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	15.95	15.19	+0.76

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, there remains no rest for the weary investor, battered once more by the onslaught of the news flow between geopolitical and domestic developments. It is hard to believe that the culmination of all the “March Madness” that unfolded was a minor pullback in the markets. The broadening from the fourth quarter persisted through much of the first quarter, showing continued signs of reversal, as U. S. tech stocks faltered, small caps led large, value led growth, and the equal weighted MSCI World Index beat the cap weighted index. The market broadening was not contained to the U. S. Developed markets were down 1.2% as measured by the MSCI EAFE Index and emerging markets down 0.2% as measured by the MSCI Emerging Markets Index. However, the subsequent escalation of the conflict with Iran disrupted this and weighed heavily on oil exposed areas of the market and reversing some of the broadening seen across markets.

This could be seen clearly across countries, as those countries that benefit from higher oil prices were disproportionately rewarded versus more oil dependent countries: Norway (+32%), Colombia (+21%), and Brazil (+19%) were clear beneficiaries while India (down 18%) and Indonesia (down 21%) suffered. However, other factors mitigated the impact of higher oil in March as some countries did well in the quarter despite the oil price spike. Japan (+1%), Korea (+17%), and Taiwan (+9%) were all down more than the broader markets in the month of March but posted positive returns in the quarter. Unlike the U. S., Korea’s and Taiwan’s tech heavy economies are light on software companies, geared more toward semiconductors and hardware companies, which shielded them from the large software sell off, as discussed later in the commentary. Japan benefitted from a weak currency that has proved positive for several quarters now, no reversal in interest rate expectations, and political clarity with market friendly results in February snap elections. Continental Europe (down 4%) and the UK (+2%) saw diverging performance in the quarter as well.

In the U.S., investors caught in the crosswinds were also forced to endure a lengthy U. S. government shutdown and contemplate existential questions regarding the future of software as a service (SaaS) companies. A favorite recipient of private credit funding, SaaS companies, and by extension private credit lenders themselves, have faced growing scrutiny of these companies’ terminal value due to the exploding adoption and power of artificial intelligence (AI). This market overhang would have been the lead story but for the competition yet again from the geopolitical front. Another storyline pushed down the list of important quarterly developments is that the real economy is finally showing signs of life. After nearly three years of contraction, the Institute of Supply Management PMIs turned positive into the turn of the year, followed closely by the concurrent improvement in Bloomberg’s Leading Economic Indicators. Reminiscent of last year when tariffs derailed the momentum, the Iranian conflict has interrupted the improvements, raised uncertainty, and once again sent markets in the opposite direction.

Investors need to look no further than interest rates: investors once looking for most central banks to continue to cut rates in 2026, or at worst hold rates steady, now believe rate increases are likely in 2026. Inflation expectations and monetary policy narratives shifted abruptly on the heels of the Iranian escalation, unwinding the growing confidence that disinflation would allow central banks to ease multiple times in 2026, supported by falling yields, easing home price appreciation, and improving prices for goods. The energy surge was swift and quickly rekindled the inflationary concerns and also caused second order effects on transportation and consumer spending due to higher gasoline prices. Skepticism remains high whether the energy shock will force policy actions, i.e., rate hikes in the face of inflation.

## PORTFOLIO COMMENTARY

The Barrow Hanley Emerging Markets Equity strategy produced a 0.45% gain, outperforming the MSCI Emerging Markets Index, which lost investors 2.80% during the March quarter.

## OUTLOOK

Looking forward, investors remain fixated on oil, which has been monopolizing investors’ thoughts ever since the onset of the Iran conflict. For investors and consumers alike, still recovering from the hyper focus on inflation post COVID and the anxiety that accompanied it, the timing could not have been worse. Consumers’ expectations for inflation became notably higher and more volatile following not only 2020 and the COVID pandemic but also the invasion of Ukraine in early 2022 – and we are seeing similarities in today’s environment. The myopic focus on each tick of crude oil prices has seen equity markets become exceptionally inversely correlated. Days of escalation are met with selling while progress on a resolution sees sharp rallies higher. Regardless of how quickly a ceasefire or diplomatic solution might emerge, the damage has been done and rebuilding of both infrastructure and confidence will take time.

Market concentration unwinding has seemingly found the intersection of two major themes colliding: AI doomsday and private credit fears. Intertwined over the last decade, the Mag 7 and other software companies meaningfully underperformed during the quarter in the U. S. The double edged sword of AI potentially bringing a sharp increase in productivity also raised the specter of how many jobs might be lost as a result. Moreover, those concerns spread to private credit, which is a meaningful lender to the SaaS software industry, estimated at potentially north of \$400 billion in total exposure. Fear led to redemptions, which overwhelmed several funds backed by prominent private credit firms leading to a further loss of confidence. Whether AI fears lead investors to lose confidence in other areas of the market remains to be seen; however, this likely remains a driver for unwinding the narrowness in equity markets.

We have seen this unwinding story in the past, particularly in 2022, and as earlier noted, the current environment may follow a similar path given very similar drivers; war, higher oil, fear of rate hikes, lower consumer spending, recession fears, etc. As shown in Chart 5, the multiples in the market meaningfully collapsed in 2022 to more reasonable valuations. During this period, our portfolio held firm given a combination of good companies, above average balance sheet strength, and low valuations.

The recent sell off has improved valuations, which have become more attractive amid the belief that earnings estimates remain largely intact. For active managers, it continues to be an opportunity to identify and differentiate the winners and losers as leadership shifts from the technology arena to the rest of the market. Companies will weather the inflationary pressures differently, just as they did the last time a few years ago, and those who can maintain or accelerate their growth in such a backdrop will be rewarded. The consistent adherence to our value discipline has served our clients well over the long term, particularly during the changing and evolving times in which we find ourselves today. That discipline is key to capturing inefficiencies that arise and will continue to appear even in so called efficient markets. We maintain our discipline today, strengthened in our resolve by the decades of experience in delivering strong risk adjusted returns for our clients.

---

The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting [www.perpetual.com.au](http://www.perpetual.com.au). Neither PIML, ETSL nor any of their related parties guarantee the performance of any fund or the return of an investor’s capital. Total returns shown for the Perpetual WealthFocus Superannuation Fund have been calculated using exit prices after taking into account all of Perpetual’s ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

---

## MORE INFORMATION

Investor Services 1800 022 033

Email [PerpetualUTqueries@cm.mpms.mufig.com](mailto:PerpetualUTqueries@cm.mpms.mufig.com)

[www.perpetual.com.au](http://www.perpetual.com.au)

