Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

May 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

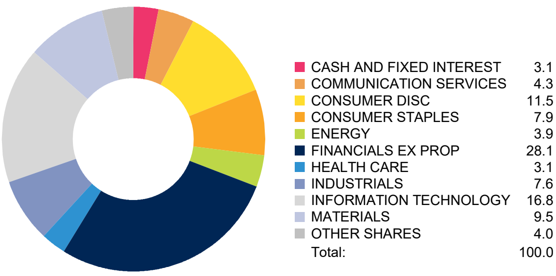
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return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

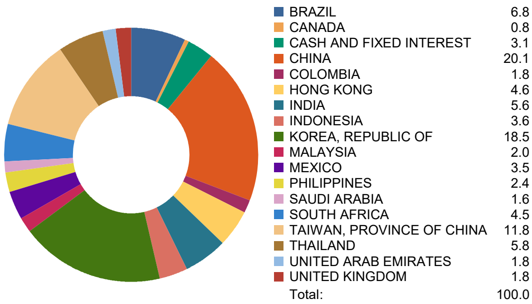
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
SK hynix Inc.	4.4%
Mediatek Inc.	4.0%
KOREA INVESTMENT HOLDINGS CO LTD	3.1%
Samsung Electro-Mechanics Co., Ltd	3.1%
UPL Limited	2.4%

PORTFOLIO COUNTRIES

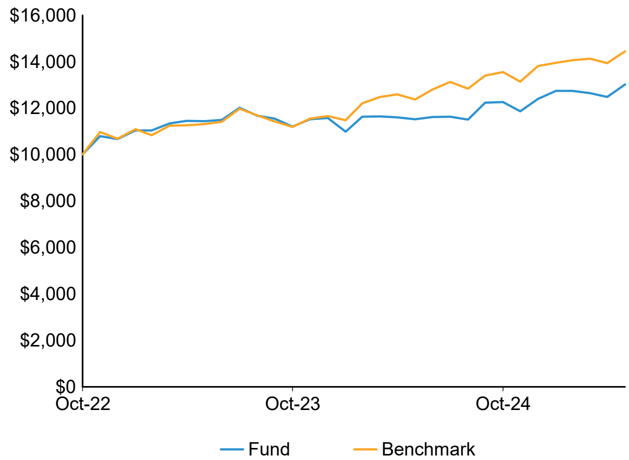


NET PERFORMANCE - periods ending 31 May 2025

	Fund	Benchmark	Excess
1 month	4.24	3.67	+0.57
3 months	2.17	2.72	-0.55
1 year	12.96	16.81	-3.85
2 year p.a.	6.65	13.03	-6.38
3 year p.a.	-	-	-
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	10.48	14.15	-3.68

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

The month of May continued with the trend of investors observing significant and shifting economic data, geopolitical headlines, and policy uncertainty – all of which are starting to look like the norm for 2025. The rapid news flow regarding U.S. tariffs was met with more muted market reactions than in April as investors are adjusting to some uncertainty. Even with the tariffs as a backdrop, global markets rallied, with the U.S. leading other developed regions. Additionally, growth continued to gain momentum from April and outperformed value, reversing the trend observed in the first quarter and erasing most of the large relative losses from the first three months. Another early year trend that took a pause was developed and emerging markets outperforming U.S. equities, given that the U.S. has a higher weight in growth sectors like Information Technology, although all major regions were up during the month. President Trump and his administration continue disrupting the status quo, causing market volatility to spike in conjunction with policy uncertainty. It is not surprising that in this environment, the largest country by weight, the U.S., is lagging the rest of the world year-to-date despite being a relative outperformer in May. For the month, the MSCI All Country World Index was up 5.8%. Similar to last month, value lagged growth in May as the MSCI All Country World Value Index underperformed its growth counterpart by more than 500 basis points (bps) in U.S. dollar terms, bringing the quarter-to-date total to ~950 bps. However, year-to-date outperformance persists, as the MSCI All Country World Value Index is still ahead of the MSCI All Country World Growth Index by nearly 300 bps.

The Trump administration appeared to reach a deal with China earlier in the month, as noted above, as tariffs were reduced from above 100% to 35%. However, the fate of the 90-day pause in extreme tariffs appears tenuous, as the rare earth minerals dispute between the two countries is heating up and is China's best way to defend itself against tariffs. At the time of this writing, however, the rhetoric does appear to be softening. Even a 35% tariff rate on all Chinese products, mixed with sectoral tariffs on steel of 50%, are still negative for China and certainly a drag on GDP, but fiscal, monetary, and moderate currency depreciation policies could potentially mitigate much of the impact, especially given the size of the Chinese economy. This started to show up in some numbers from Chinese as the YiCai High Frequency Economic Activity Index began to pick up during May (although the consumer goods trade-in program may start experiencing diminishing returns). The Chinese government has been shifting the economy toward domestic manufacturing, high-tech investments, and consumption support. Since September 2024, the government has pivoted to support growth through moderately loose monetary policy, proactive fiscal policy to stabilize the property market, and measures to boost domestic consumption. Interestingly, the Chinese equity market had been strong in the face of tariffs except during April, as the MSCI China Index is up 13.1% (USD) for the year and was positive for the month.

Information Technology (+9.8%) rebounded from index-like returns in April to be the strongest performing sector, followed closely by Industrials (+8.1%). As both sectors are more cyclical in nature, they benefitted from the market's optimism about the U.S.-China 90-day tariff truce, boosting sentiment about global trade and, particularly, potential easing on semiconductor restrictions. This is also reflected in country returns, with Taiwan (+12.5%), one of the standout outperformers with its global leadership in advanced semiconductors and strong performance from this sector led by Taiwan Semiconductor company (+13.7%) representing nearly half of the country index. Another significant driver of Taiwan's strong returns came from its currency strengthening against a weakening U.S. dollar. Korea (+7.8%) saw sentiment improving with greater political stability following recent elections following the impeachment of the former president. Strong performance was more broadly led across sectors (Technology, Energy, Financials, Utilities) and currency strengthening against the U.S. dollar boosted returns. Among smaller markets, Indonesia (+9.6%) was a standout performer, benefitting from easing global trade tensions as well as a rate cut in the month by Bank Indonesia that boosted sentiment.

PORTFOLIO COMMENTARY

In this market environment, the Barrow Hanley Emerging Market Equity strategy outperformed the MSCI Emerging Markets Index in May, adding to last month's strong relative return. The primary driver of outperformance was stock selection, with strong performance coming from positions within the Consumer Discretionary, Financials, Materials, and Utilities sector while the underweight to the Information Technology sector was a detractor despite strong returns from key holdings in the sector given the lack of exposure to the largest name in the index (Taiwan Semiconductor).

OUTLOOK

The persistent political changes across the globe continue to drive markets, with tariffs now topping the list. However, the long-term impacts are far from certain, as ideology will ultimately clash with political reality. The pace of change in equity markets mixed with high volatility from tariffs is a unique situation relative to previous market selloffs. In this case, all the negative news could change overnight if President Trump changes his mind on the direction of tariffs, which is what happened when he announced a 90-day pause. We continue to see a weakening of the U.S. dollar which has benefitted non-U.S. markets, especially emerging markets. As we have noted in prior commentaries, where the U.S. dollar goes from here will be important for risk assets. We believe the current geopolitical backdrop, including uncertainties about policies, and valuation dislocations, increases the attractiveness of assets outside of the U.S., including emerging markets. Emerging markets as an asset class can also present a good hedge against any U.S. dollar weakness going forward, adding to the benefit of diversification. Despite the recent pause in rate reductions by the Fed, the new U.S. administration would welcome a weaker dollar to help U.S. exporters, though it remains to be seen how the administration will achieve this with the current backdrop of strong growth and higher interest rates. We believe improving fundamentals in emerging markets combined with decade-low valuation multiples and an attractive structural growth backdrop in many markets continue to make this asset class a compelling investment opportunity. The portfolio continues to trade at a significant discount to the broad market, and we maintain high conviction in our current positioning.

MORE INFORMATION

Investor Services 1800 022 033
Email PerpetualUTqueries@cm.mpms.mufg.com
www.perpetual.com.au

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