

Perpetual Investment Funds

BARROW HANLEY GLOBAL SHARE FUND - CLASS A

March 2023

FUND FACTS

Investment objective: Aims to provide investors with long-term capital growth through investment in quality global shares.

FUND BENEFITS

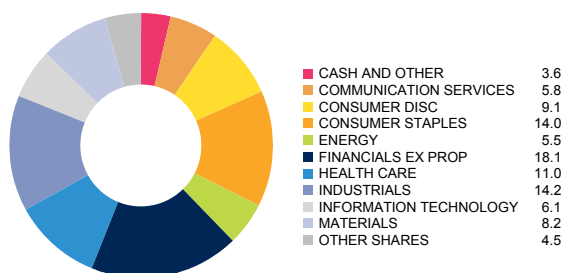
Provides investors with the potential for capital growth and income through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

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 World Net Total Return Index (\$A)
Investment Manager: Barrow, Hanley, Mewhinney & Strauss, LLC
Inception Date: August 2014
Size of Portfolio: \$784.80 million as at 31 Mar 2023
APIR: PER0733AU
Management Fee: 0.99%*
Investment style: Active, fundamental, bottom-up, value
Suggested minimum investment period: Seven years or longer

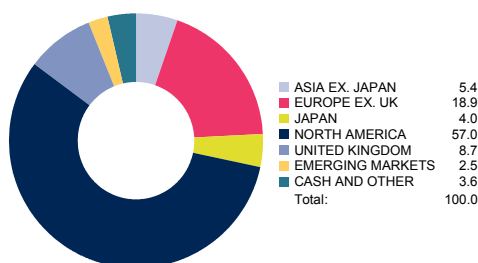
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

Stock Holding	% of Portfolio
Merck & Co., Inc.	3.9%
Oracle Corporation	3.5%
Air Products and Chemicals, Inc.	3.0%
Seven & I Holdings Co., Ltd.	2.9%
National Grid PLC	2.8%

PORTFOLIO REGIONS



NET PERFORMANCE - periods ending 31 March 2023

Class A has been operating since August 2014. In September 2020, Barrow Hanley, Mewhinney & Strauss, LLC commenced as Investment Manager of the Fund.

	Fund	Benchmark	Excess
1 month	0.02	3.80	-3.78
3 months	5.26	9.08	-3.82
FYTD	11.32	13.90	-2.58
1 year	10.19	4.25	+5.94
2 year p.a.	8.55	7.91	+0.65
3 year p.a.	15.80	12.96	+2.85
4 year p.a.	11.15	10.65	+0.50
5 year p.a.	10.91	10.98	-0.07
7 year p.a.	12.06	11.93	+0.13
10 year p.a.	-	-	-
Since incep.	11.84	11.72	+0.12

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

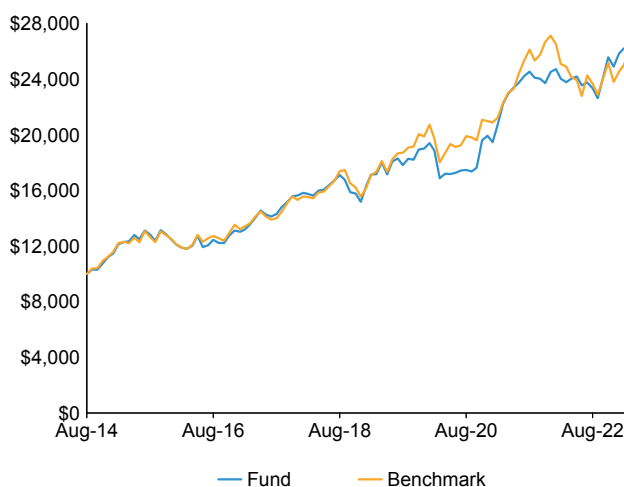
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	12.7	16.3
Dividend Yield*	3.1%	2.7%
Price / Book	1.8	2.6
Debt / Equity	65.5%	49.5%
Return on Equity*	14.6%	16.3%

[^] Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating the Fund's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.

* Forward looking 12-month estimate.

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 March quarter saw considerable volatility as early gains gave way to concerns over the need for incremental monetary tightening, only to culminate with an old-fashioned run on a bank. Equities, however, largely posted positive gains in the quarter as weakness proved short-lived. The rally was led by expensive growth and technology stocks, while traditional value and cheaper areas, including financials and cyclical, were much more challenged. When breaking out the performance by valuation, dividend yield, and beta, the most expensive, lowest dividend-paying stocks and highest beta far outpaced the broader index in a reversal of what was seen all last year. Further, the highest beta stocks that outperformed were largely in the growth areas of the market, i.e., Information Technology, Communication Services, and Consumer Discretionary, which is atypical in most environments.

US Inflation remains one of the biggest battlegrounds for investors. The most recent consumer price index (CPI) prints for February and March were relatively in line with expectations. This did not dissuade the Federal Reserve (the Fed) or European central banks from raising rates during the quarter. Their efforts to maintain price stability continue to be challenged by the strength in employment, the housing market, and continued service sector strength.

While much has and will be written on Silicon Valley Bank's collapse, equities and markets, appear to have settled out after just a few short weeks as systemic concerns calmed. Outside of the US, the reverberations were felt hardest in Europe. The Swiss regulators orchestrated the takeover of Credit Suisse amid the turmoil, a casualty of systemic fears from the last crisis. Elsewhere, there appeared to be little lasting impact. As a result, emerging markets saw similar strength to the US, with the MSCI EM Index up 4.1%. China's effort to reopen continued during the quarter, providing additional support outside of the US to those markets.

PORTFOLIO COMMENTARY

The Fund's largest overweight positions include Merck & Co., Inc., Oracle Corporation, and Air Products and Chemicals, Inc. Conversely, the Fund's largest underweight positions include Apple Inc., Microsoft Corporation, and Alphabet, Inc. Class A, all of which are not held in the Fund.

Rheinmetall AG is one of the leading defense contractors in Europe. The stock continued its outperformance in the first quarter following several positive events. Toward the end of last year, Rheinmetall announced an accretive acquisition of Spanish ammunition manufacturer Expal. This further increases its exposure to its highest-margin business wherein demand is also very strong. Rheinmetall also saw a pick-up in orders as strong demand is starting to convert to new business, and on the back of strong share price performance, the stock was included in the German DAX index in March.

Baidu, Inc. Class A is the largest search engine in China and leader in new technologies such as AI and autonomous driving in China. The stock outperformed during the quarter on stronger December quarter results with a positive outlook for 2023 on improving macro and recovering in advertising spend post-COVID. In addition, Baidu also launched its version of the Chatbot and will integrate its AI capabilities across operations to help boost search and expand market share and size in the future. Although its Chatbot is still early in development and monetisation, investors were excited about Baidu's leadership in the space and the potential additional opportunities this could generate in the future.

Fidelity National Information Services, Inc. was a detractor during the quarter after providing initial earnings guidance below expectations. This was exacerbated by concerns surrounding the banking industry broadly, given the collapse of two US regional banks. The company is a technology solutions provider for banks and capital markets institutions, and therefore any concerns about banks and potential future bank spending can weigh on the stock. However, we believe these concerns specifically for the stock have been more than priced in, as no customer accounts for more than about 1% of their revenue, and over 80% of the revenue within their banking segment is recurring.

Insurance companies American International Group, Inc. and Allstate Corporation were among the top detractors in the quarter, following the path of other industries within the Financials sector, specifically banks. We believe that fears in the market about available for sale and held to maturity securities at banks was read through to insurers who typically have large investment portfolios but do not have "run on the bank" liquidity risk. Given the recent sell-off in these stocks and the lack of material new news, we believe the risk/reward of the insurance companies is very compelling at current levels.

OUTLOOK

As we wrote last quarter, we continue to believe investors need to reconsider their approach to equity allocations as stock returns normalise in tandem with the economic backdrop. Both active and value remain neglected, offering a differentiated source of alpha as markets unwind the effects of easy monetary policy from the last decade. Simply owning a passive investment being driven by a handful of stocks will no longer be sufficient to achieve client return objectives. Stock selection will continue to provide an additional lever in generating excess returns, and the time remains highly compelling to find differentiated businesses, in dislocated areas of the market, with the unique combination of cheapness and change that can deliver outperformance. Over the last 40+ years, our strict adherence to our value discipline has served us well in similar periods in history and we continue to see parallels in the market environment and our outlook today. Multiple decades of experience continue to strengthen our resolve that our high active share portfolios are well-positioned for the continuation of the secular value cycle underway.

¹ The Perpetual Global Share Fund- Class A has been operating since August 2014. Barrow Hanley, Mewhinney & Strauss, LLC commenced as Investment Manager of the Fund on 9 September 2020. Prior to this, the Investment Manager was Perpetual Investment Management Limited. The return shown for Class A in the Total Return table & the Growth of \$10,000 chart has been calculated using the performance of the A Class less the Management Fee and any historical Performance Fees, effective 1 October 2020 the performance fee of the Fund was removed. This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It 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.

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The PDS for the relevant fund, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS and Target Market Determination can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of any investor's capital. Total return shown for the fund(s) 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 contribution or withdrawal fees or taxation (except in the case of superannuation funds, as applicable). Past performance is not indicative of future performance.

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