Perpetual Investment Funds

PERPETUAL WHOLESALE INTERNATIONAL SHARE FUND

November 2022

FUND FACTS

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

FUND BENEFITS

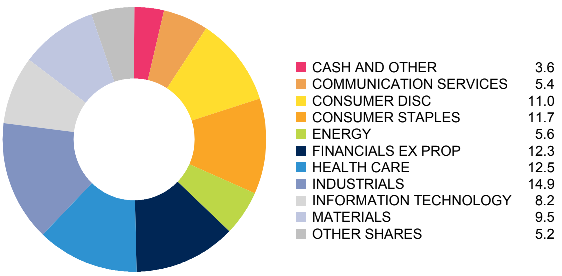
Provides investors with the potential for capital growth and income through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

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: April 1997
Size of Portfolio: $93.04 million as at 30 Sep 2022
APIR: PER0050AU
Management Fee: 0.99%*
Investment style: Active, fundamental, bottom-up, value
Suggested minimum investment period: Seven years or longer

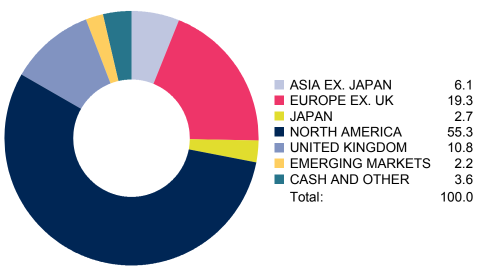
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Air Products and Chemicals, Inc.	4.3%
Merck & Co., Inc.	4.2%
Oracle Corporation	3.2%
BAE Systems plc	2.8%
Seven & I Holdings Co., Ltd.	2.7%

PORTFOLIO REGIONS



NET PERFORMANCE - periods ending 30 November 2022

	Fund	Benchmark #	Excess
1 month	3.65	2.12	+1.52
3 months	9.49	6.44	+3.05
FYTD	8.55	10.42	-1.87
1 year	7.68	-5.62	+13.30
2 year p.a.	14.12	9.29	+4.84
3 year p.a.	10.41	7.88	+2.53
4 year p.a.	12.69	11.62	+1.06
5 year p.a.	10.32	10.08	+0.24
7 year p.a.	10.23	10.15	+0.08
10 year p.a.	14.11	14.60	-0.49
Since incep.	6.39	7.37	-0.98

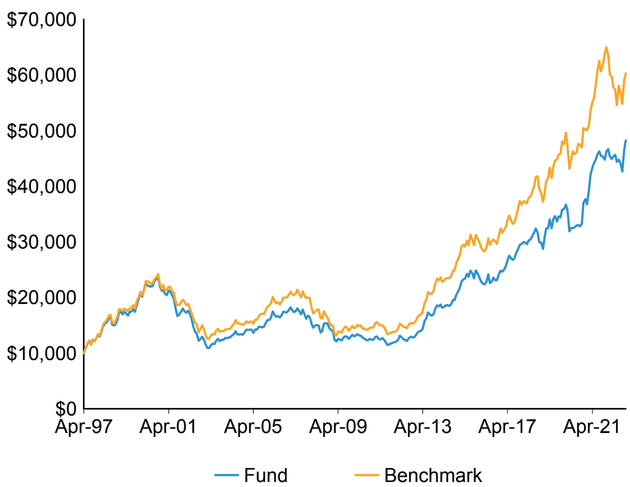
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	13.6	15.9
Dividend Yield*	2.9%	2.6%
Price / Book	2.1	2.6
Debt / Equity	68.8%	52.4%
Return on Equity*	15.9%	17.0%

^ 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

Equity markets continued to perform strongly in November, pulling both developed and emerging markets out of bear market territory year-to-date. Emerging markets posted very strong returns, up nearly 15% though they continue to trail their developed market peers year-to-date.

China was the key contributor to the strength in emerging markets, up nearly 30% in the month. The Chinese government's modestly softening stance on COVID restrictions gave the markets some hope that China may potentially begin to moderate its zero COVID policy. This bled over into broader Asia, as the MSCI Asia ex-Japan Index was also up nearly 15% in the month.

Within the U.S., October inflation readings coming in below consensus gave the markets hope that the U.S. Federal Reserve (the "Fed") may begin to slow the pace of rate increases. Jerome Powell did not disappoint this time, as he noted in a speech that the Fed is likely to slow the pace of rate increases from 75bps to 50bps at its next meeting. This produced a meaningful rally in the tech-heavy NASDAQ Index, which was up more than 4% on the last day of November. The US continues to be an area of strength as low unemployment and healthy consumer spending have continued to keep the economy afloat, and although inflation appears to be peaking, it remains too high for the Fed's comfort, and any pivot to reduce rates does not appear to be in the offering near-term.

Europe has not fared as well, as October inflation readings hit a new high, up 10.6% year over year, with higher food and energy prices being the primary drivers. At more than 11%, the U.K. saw even higher inflation rates. Although it appears that Europe has likely dodged significant energy shortages this winter (as gas storage levels are very high), a longer-term solution still appears to be missing for the challenges Europe faces in trying to lessen its dependence on imports from Russia.

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.

Air Products and Chemicals Inc. contributed positively to relative returns in November after the company posted strong results early in the month that were ahead of consensus. Additionally, the stock has benefitted from positive sentiment about its hydrogen projects which are being seen as strong contributors to the reduction of greenhouse gas emissions. With Air Products' leading edge in hydrogen, we believe the stock remains attractively valued.
Ping An Insurance (Group) Company of China, Ltd. Class H and Baidu, Inc. Class A contributed to relative returns in the month after being among the top detractors in October. Both benefitted from the strong rally in Chinese equities in November, as noted earlier. Ping An also benefitted in the month as it is more geared to the China re-opening trade and what appears to be policy support for the Chinese Real Estate sector.

Advance Auto Parts, Inc. detracted from performance in the month as the company missed earnings estimates on the back of higher SG&A expenses. The increase in SG&A expenses are being driven by inflation in wages and fuel. Additionally, the company reported an FX hit of $.20 per share and expects a further headwind in 4Q of $.10. Accordingly, the EPS range was lowered. Given the more challenging environment for Advanced Auto Parts, we chose to exit the position in the month.
Fidelity National Information Services, Inc. underperformed in the month, largely due to an earnings miss reported in the first week of November. The miss was quite significant but the initial reaction from the market was very harsh, as the stock performed strongly off the lows of the month but remained down for the entire month. The stock has a number of cost and macro headwinds, but with the introduction of a new CEO/CFO team, we believe the steps planned are constructive. Though the stock may remain under pressure in the short-term as they work through several headwinds, we believe the long-term value remains compelling, but we are continuing to monitor it closely.

OUTLOOK

With the continued market rally in November, markets have been very strong coming off the lows in early October. We are very pleased with the performance of our Global Value strategy, as it has not only kept pace with the broader market but has outperformed the market despite the strategy being tilted more defensively. As we noted in our prior commentary, we have seen a preponderance of cyclical stocks in our screens and our portfolio has continued to add more exposure to the cyclical areas of the market. Although the markets have seen strong performance of late, we remain cautious as we continue to see troubling signs of slowing economic fundamentals, which may be further compounded by the need for central banks to maintain tighter monetary policy as a result of higher inflation. Further, risks remain about whether global economies will tilt into a recession in 2023 as a result of central bankers being unable to provide monetary relief due to battling higher inflation. We do believe that slowing economies and cooling job markets should provide some relief for higher inflationary pressures as consumers are likely to spend less, though the timing of this relief is unknown. Despite the strong performance of equities, we continue to see very attractive ideas within the equity markets.

Management of this Fund: 09/09/2020 Barrow, Hanley, Mewhinney & Strauss, LLC, from 31/01/2015 to 08/09/2020 Perpetual Investment Management Limited, from 15/8/2011 to 30/01/2015 Wellington Management as sub-adviser, from 18/3/2005 to 14/8/2011 PI Investment Management Limited, from 21/4/1997 to 17/3/2005 Fidelity International Limited as sub-adviser.
The benchmark for the Fund prior to 31/1/2015 was the MSCI World ex Australia Accumulation Index. Returns shown reflect the Fund's benchmark during the period

MORE INFORMATION

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