

Perpetual Investment Funds

PERPETUAL WHOLESALE INTERNATIONAL SHARE FUND

September 2023

FUND FACTS

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

FUND BENEFITS

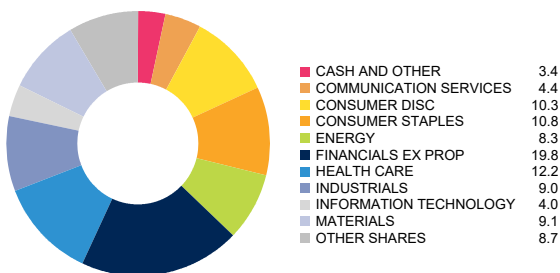
Provides investors with the potential for capital growth and income through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

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:	April 1997
Size of Portfolio:	\$92.74 million as at 30 Jun 2023
APIR:	PER0050AU
Management Fee:	0.99%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Seven years or longer

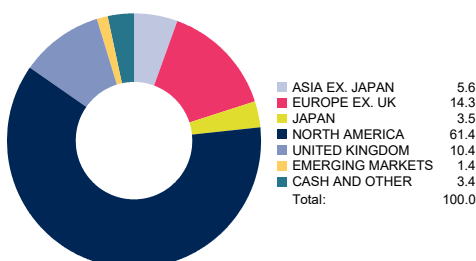
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Air Products and Chemicals, Inc.	2.9%
Comcast Corporation Class A	2.8%
HSBC Holdings Plc	2.7%
Cigna Group	2.7%
Merck & Co., Inc.	2.7%

PORTFOLIO REGIONS



NET PERFORMANCE - periods ending 30 September 2023

	Fund	Benchmark #	Excess
1 month	-2.69	-3.98	+1.29
3 months	-0.36	-0.43	+0.07
FYTD	-0.36	-0.43	+0.07
1 year	21.85	21.49	+0.36
2 year p.a.	6.89	4.74	+2.16
3 year p.a.	16.59	11.93	+4.66
4 year p.a.	10.75	9.86	+0.89
5 year p.a.	10.37	9.74	+0.63
7 year p.a.	12.27	12.01	+0.26
10 year p.a.	11.97	12.41	-0.44
Since incep.	6.49	7.53	-1.04

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

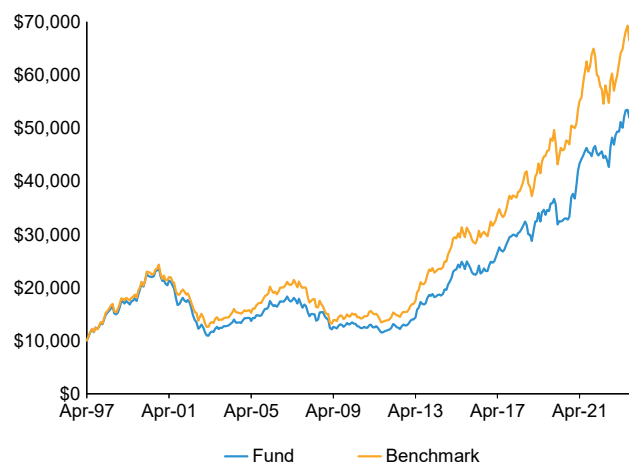
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	11.8	16.3
Dividend Yield*	3.7%	2.7%
Price / Book	1.6	2.6
Debt / Equity	60.8%	50.5%
Return on Equity*	14.5%	17.1%

[^] 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

September was a reminder that global economic risks remain in play and the desired soft landing may not be a given in a weakening economic backdrop; however, this weakness may help to tame higher inflation. With oil prices up 9% in the month and 28% in the third quarter, further declines in inflation may be harder to achieve. Higher inflation is also being compounded by the continuing strength in employment, which is keeping pressure on wages. Worker strikes are also starting to occur in the U.S., with the United Auto Workers going on strike and a recent announcement of the largest U.S. health care strike by Kaiser Permanente. It does appear that the excess savings built up over the pandemic have largely been spent down, some regions excepted, which could further pressure spending and company profits. All these factors are making for a very murky outlook, creating market jitters, and caused both equity and bond markets to fall in September.

PORTFOLIO COMMENTARY

The Barrow Hanley Global Value strategy outperformed the MSCI World Index in September. The portfolios' underweight to the Information Technology sector and overweight to the Energy and Financials sectors combined with effective selection in the Financials, Consumer Discretionary, Industrials, and Utilities sectors were the primary contributors to relative returns. Regionally, the portfolios' overweight to the UK and effective selection in the U.S. and continental Europe were primary drivers to the strong relative returns.

After underperforming in the month of August, HSBC Holdings Plc was among the top contributors in September. At several industry conferences, HSBC's management reiterated that credit costs related to the company's Chinese real estate loan portfolio should remain manageable. In addition, one-month HIBOR rebounded meaningfully, which should support loan yields and net interest margin going forward. Management continues to execute on simplifying the business and exiting non-core/lower-returning businesses while controlling expenses and returning excess capital to shareholders.

Cigna Group benefited from the strength in Health Care stocks in September, up strongly in a down market. Cigna noted in the month that health care utilization trends are tracking in line with expectations of its current guidance, likely helping to provide some positive sentiment around the stock. We continue to see Cigna trading at a meaningful valuation discount to its peers.

Southwest Airlines Co. underperformed in September as the company guided lower on higher fuel costs and lower revenue per available seat mile (RASM). During the month we reduced our position in the security as we look to monitor whether the headwinds Southwest is currently facing are temporary and adjustments being made by company management will be able to overcome these headwinds.

Oracle Corporation underperformed in September in sympathy with the Information Technology sector combined with its having reported a mixed quarter in the month. As the stock had been a very strong performer in the portfolio, we sold our position in the month.

OUTLOOK

Following on from weakness in August, September was a reminder that risks remain prevalent across the globe and the strong returns over the past year may have gotten ahead of the fundamentals. We appreciate that markets tend to be either too hot or too cold rather than just right. With inflation continuing to run above expectations and failing to return to the 2% target generally accepted by central banks, a new scenario of "higher for longer" is being recognized as a more likely outcome. However, a tail risk of even higher rates is not to be overlooked and could further impact markets negatively. Additionally, with central banks holding rates higher, at some point markets are likely to break, and recession is not an unlikely outcome. Add to this continued geo-political tensions, potential supply chain issues given striking workers, "higher for longer" wage pressure, etc., one would almost want to go away and wait for sunnier days.

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

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.

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.

MORE INFORMATION

Adviser Services 1800 062 725

Investor Services 1800 022 033

Email investments@perpetual.com.au

www.perpetual.com.au

