

Wholesale Funds

PERPETUAL WHOLESAL INTERNATIONAL SHARE FUND

February 2021

FUND FACTS

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

FUND BENEFITS

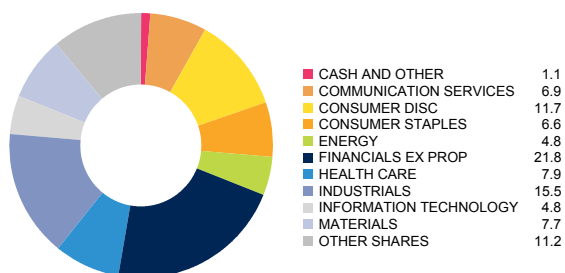
Provides investors with the potential for capital growth and income through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

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:	\$101.74 million as at 31 Dec 2020
APIR:	PER0050AU
Management Fee:	0.99%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Seven years or longer

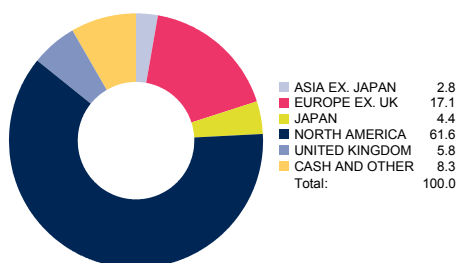
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Comcast Corporation Class A	3.6%
Seven & I Holdings Co., Ltd.	3.4%
SeaWorld Entertainment, Inc.	3.2%
Corteva Inc	2.8%
Oracle Corporation	2.7%

PORTFOLIO REGIONS



NET PERFORMANCE - periods ending 28 February 2021

	Fund	Benchmark #	Excess
1 month	6.54	1.64	+4.90
3 months	5.80	0.74	+5.06
FYTD	20.02	11.07	+8.95
1 year	9.73	7.72	+2.01
2 year p.a.	9.87	11.52	-1.65
3 year p.a.	9.44	11.01	-1.57
4 year p.a.	11.94	12.19	-0.24
5 year p.a.	11.71	12.28	-0.57
7 year p.a.	11.09	11.57	-0.48
10 year p.a.	11.65	12.55	-0.89
Since incep.	5.95	7.17	-1.22

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

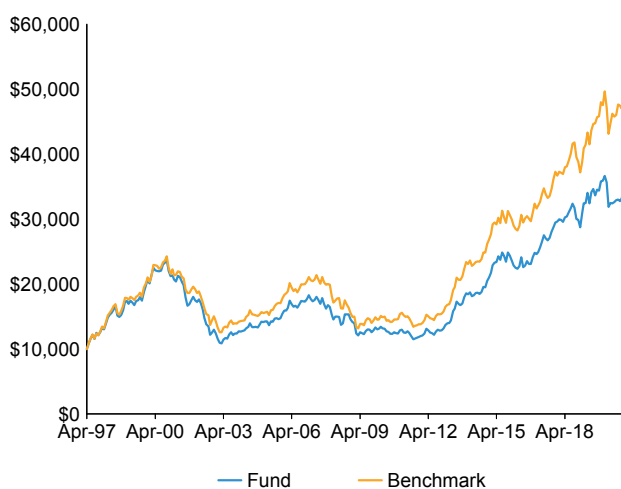
PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	16.1	19.9
Dividend Yield*	2.9%	2.5%
Price / Book	1.7	2.7
Debt / Equity	93.7%	57.2%
Return on Equity*	10.8%	13.9%

[^] 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

With positive returns across all regions, global markets changed course in February. Markets appear to be fixated on the effectiveness and breadth of a roll-out of vaccines and positive news on both fronts have helped push equities higher, despite challenges with the roll-out in some regions such as continental Europe. Not only did continental Europe struggle with vaccine roll-outs, but it also had to deal with the need for Italy to form a new government. Mario Draghi, formerly the European Central Bank president, was elected and bolstered confidence that Italy can avoid snap elections. The European parliament provided the go-ahead for the Recovery and Resiliency Plan, adding further to the positive news. Globally, manufacturing PMIs remain firmly in expansion territory, but services PMIs remain sluggish within some regions such as the eurozone while being strong in the U.S., highlighting the impact of differing levels of lockdowns.

In local currency terms, Japan was the strongest performing market on positive sentiment around re-opening and vaccine roll-outs, and some believe that 2021 economic growth may be poised to come in well above consensus. The U.S. market performed strongly in the month; small-cap stocks once again stole the show, as the Russell 2000 Index was up more than 6% in February. Even more impressive was small-cap value stocks' performance, up more than 9% in the month and now up more than 15% year-to-date.

Globally, value stocks outpaced their growth peers by more than 4%, with the MSCI World Value Index up 4.7% and the MSCI World Growth Index up 0.4%. This trend was similar across all regions. The shift to value was aided not only by the Information Technology and Consumer Discretionary sectors' lagging performance but also by the strong returns across the more cyclical areas of the market, with the MSCI World Energy and Financials sectors up 15.7% and 10.0%, respectively. Rising oil prices and interest rates were the key drivers pushing these sectors higher. Conversely, defensive sectors fared poorly and were down in the month, with Utilities (-5.8%), Health Care (-2.7%), and Consumer Staples (-2.5%) meaningfully lagging the broad market.

PORTFOLIO COMMENTARY

The Fund's largest overweight positions include convenience store operator Seven & I Holdings Co, theme park operator SeaWorld Entertainment, and video, internet, and phone service provider Comcast Corporation. The Fund's largest underweight positions include Microsoft, Amazon, and Apple, all of which are not held by the fund.

SeaWorld Entertainment, Inc., a theme park operator, was up nearly 80% (JPY) in February on the back of positive fundamental improvements in the business. The company's cost-cutting measures during the pandemic provide for strong profit growth going forward. Additionally, as of February, season pass sales for 2021 are only down 6% year-over-year from February 2020, highlighting that 2021 may return to normal sales levels with reduced costs.

AMERCO, a moving and storage business, reported a blowout quarter in February. Revenue was up 28% (10% ahead of consensus) and EBITDAR was up 78%. Earnings per share were ahead of consensus by 32%. Further, moving and storage revenues were up strongly in the quarter.

Exelon Corp. is a utility services company. Despite posting positive results in February, Utilities stocks lagged the broader market in the month given the risk-on environment. Further, with record-cold weather in the south, including Texas, concerns around cost increases to deal with the widespread power outages in Texas, pressured the stock.

Altice USA, Inc. Class A is a cable/broadband operator. The company posted positive results in February with in-line guidance. There was some weakness reported within broadband revenue and, after a strong performance coming into February, the stock price failed to keep pace with the broader market in the month.

OUTLOOK

February saw a strong reversal in trends; not only were the markets up, but there was clear leadership in value stocks. Markets continue to appear fixated on whether global economies can successfully roll out the approved vaccines in a timely manner and markets seem to trade around positive/negative news about these announcements. An underlying unknown is how much a return to normal is priced into the market, which continues to trade near all-time highs. We fully recognize that a disappointment on vaccines could cause a pull-back in the markets but, as long-term investors, we believe that, given the amount of government and monetary stimulus that has built up in the system (with more likely to come in the case of the U.S.), spending power is significant and will allow for a strong economic recovery once economies are allowed to reopen. We also recognize that this may all be for naught if a variant of COVID-19 takes hold for which vaccines are rendered ineffective. However, we continue to apply our time-tested value process by assessing company fundamentals, buying those companies that appear to have a pathway to increased valuations over the longer term despite short-term noise. We believe our portfolio, well balanced between cyclical and defensives, remains appropriate in the current market environment. Thank you for your continued support of Barrow Hanley and our Global Value team.

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.

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MORE INFORMATION

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