Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

December 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

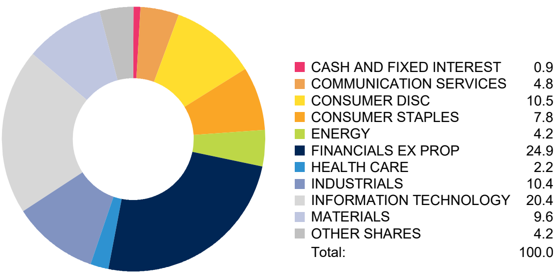
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return 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:	$2.44 million as at 30 Sep 2025
APIR:	PER6134AU
Management Fee:	0.99%*
Investment style:	Emerging Markets
Suggested minimum investment period:	Seven years or longer

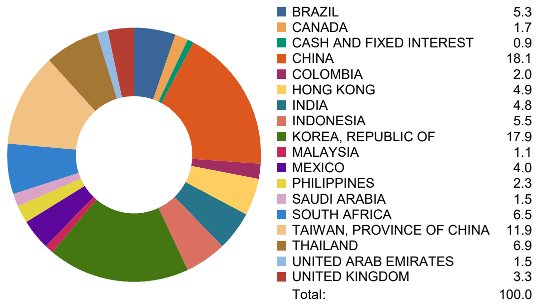
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
SK hynix Inc.	5.9%
Samsung Electro-Mechanics Co., Ltd	4.7%
MediaTek Inc.	3.2%
BizLink Holding Inc.	3.2%
Ping An Insurance (Group) Company of China,	2.5%

PORTFOLIO COUNTRIES

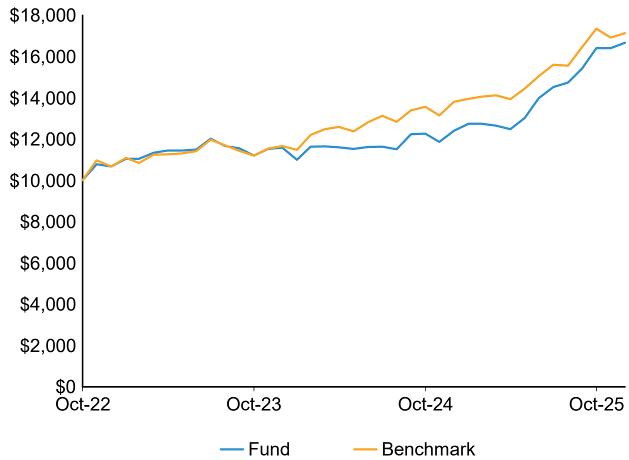


NET PERFORMANCE - periods ending 31 December 2025

	Fund	Benchmark	Excess
1 month	1.62	1.28	+0.34
3 months	8.14	4.09	+4.05
1 year	34.44	24.01	+10.43
2 year p.a.	19.98	21.21	-1.23
3 year p.a.	16.03	17.05	-1.02
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	17.10	17.46	-0.36

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

Looking back, the year ended risk-on as the fourth quarter capped a remarkable turnaround from the Liberation Day lows. After reaching a new high on February 17th, the MSCI All Country World Index fell ~16% to the lows of the year on April 8th. However, market exuberance and optimism took hold from there and sent the MSCI All Country World Index back up, nearly 40% off the bottom, to end the year at all-time highs up 22.3%, fueled by AI-levered names and lower quality areas of the market. Cyclical headwinds from the early year tariff announcement had started to abate through the middle of the year. However, the broadening of the market sputtered and the leadership that emerged in the second half was split between lower quality areas, AI beneficiaries, and the largest stocks - i.e., the mega caps. The continued global growth optimism, paired with global central bank rate cuts and AI-potential, fueled relatively strong returns across most asset classes in the year.

Investors remained fixated on the U.S. Federal Reserve (the "Fed") as the outlook for further rate cuts became less certain. After holding rates steady through the first half of the year amid tariff uncertainty, the Fed cut rates three times in the second half of the year: 25 bps each time in September, October, and December. The Fed cited cooler inflation and a softer labor backdrop as payrolls slowed and unemployment ticked higher. The most recent December Consumer Price Index (CPI) reading showed slowing to a 2.7% year-over-year pace, down from 3% earlier, while core CPI fell to 2.6% - the lowest since March 2021! Moderating inflation coincided with rates drifting lower through the year. Mortgage rates slid lower as well. Though if one is looking for an early nominee for "word of the year" during midterm elections, "affordability" in housing may be worth consideration.

The Fed's cuts were aligned with a broad global easing cycle that spanned across Europe, Asia, and Latin America. More than 60 central banks enacted more than 170 rate cuts in 2025, particularly in the fourth quarter, to buffer against slowing growth and support liquidity. The notable outlier was the Bank of Japan, which abandoned its Yield Curve Control policies and raised policy rates to 0.75%. This saw the yield on the 10-year Japanese Government Bond surge to roughly 2.10% - the highest level since 1999. The aggregate impact from the central bank actions helped fuel strong equity returns across both developed and emerging markets. The MSCI All Country World Index gained 22.3%, as noted earlier, while non-U.S. markets, represented by the MSCI All Country World ex.-U.S. Index, was among the top performers, rising 32.4%. The outperformance of ex.-U.S. indices was partially aided by a weakening of the U.S. dollar and driven by three main regions/countries: continental Europe (MSCI Europe ex.-UK Index 35.5%), the UK (MSCI UK Index 35.1%), and emerging markets (MSCI Emerging Markets Index 33.6%).

UK equities posted the strongest results in the quarter, up 7.0 %, ending a very strong year as noted earlier. The UK was exposed to some of the best-performing sectors in the quarter and year, benefitting from large weightings to Financials, mining, and defense (one year) companies. The UK further benefitted from pharmaceutical and electric utilities stocks, both up more than 20% in the quarter. A strengthening British pound helped over the full year, though the ~7% gain was far below the strength in the euro, which was up nearly 12% for the year versus the U.S. dollar.

Continental Europe was the best performing region of the year, though it slightly lagged the UK in the quarter. As noted, a stronger euro benefitted U. S. dollar-based investors. Similar to the UK, Financials, Health Care, and Utilities stocks were up meaningfully, as were Energy stocks. Performance over the one year was narrower, with the Financials (69%), Industrials (defense stocks 71% on average), and Utilities (56%) sectors being the only sectors to outpace the MSCI Europe ex-UK Index. Across Europe, manufacturing remains weak while services continue to be a bright spot. Germany, the big engine in Europe, was similarly mixed between manufacturing and services though the DAX posted record highs, benefitting from expectations of further stimulus and spending on infrastructure and defense. With inflation remaining under control, the European Central Bank is expected to remain accommodative.

PORTFOLIO COMMENTARY

In this market environment, the Barrow Hanley Emerging Market Equity strategy underperformed the MSCI Emerging Markets Index in the December quarter with the fund producing an 8.14% return while the Market rose 4.09%.

OUTLOOK

Global equity markets enter 2026 on a resilient footing, supported by moderating inflation, accommodative monetary policy, and improving breadth beyond the technology sector. The Federal Reserve's recent rate cuts and liquidity measures provide near-term support, while productivity gains and easing cost pressures create a favorable backdrop for growth without reigniting inflation fears. Cyclical sectors are beginning to show renewed strength, suggesting a potential rotation away from the narrow leadership of mega cap technology and AI-driven names that have dominated recent years. Emerging markets have rebounded sharply, aided by stabilizing rate expectations and firmer commodity prices. Against this backdrop, active management is well-positioned to capitalize on valuation disparities and structural inefficiencies, as concentration risk in passive strategies becomes increasingly evident.

This environment underscores the importance of disciplined, bottom-up investing. At Barrow Hanley, our approach focuses on identifying mispriced securities with strong fundamentals with a particular eye for the risk /reward dynamic presented by these stocks. With moderating inflation, accommodative central banks, and improving market breadth, we see compelling opportunities for value-oriented strategies to deliver strong risk-adjusted returns. By maintaining a long-term perspective focused on value investing, we aim to navigate uncertainty and capture inefficiencies—even in markets often perceived as efficient. Thank you for your continued confidence in our process and philosophy as we position portfolios for durable performance in 2026 and beyond.

MORE INFORMATION

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