

# BARROW HANLEY GLOBAL EQUITY TRUST

April 2025



## FUND FACTS

**Investment return objective:** Aims to provide the trust with higher returns compared to the benchmark, while maintaining lower risk.

## FUND BENEFITS

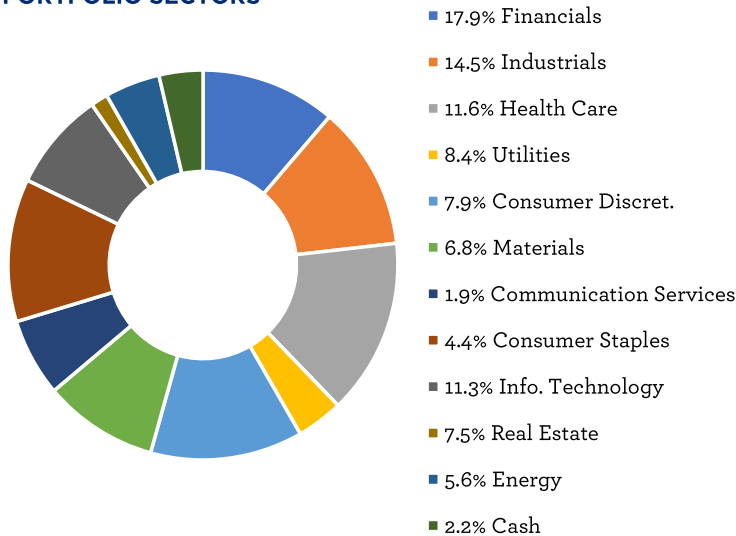
True traditional value portfolio concentrated in 50-70 stocks which focuses on undervalued companies with improving operating fundamentals identified by Barrow Hanley's screening process.

## 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 Index (Measured in AUD)
Inception date:	6/05/2016
Delegated Investment Manager:	Barrow Hanley Mewhinney & Strauss
APIR:	ETLo434AU
Management Fee:	0.99% p.a
Size of fund	\$ 292.06 million as at 31/03/2025
Suggested minimum investment period:	Five years or longer

## PORTFOLIO SECTORS



## NET PERFORMANCE - Periods ending April 30, 2025

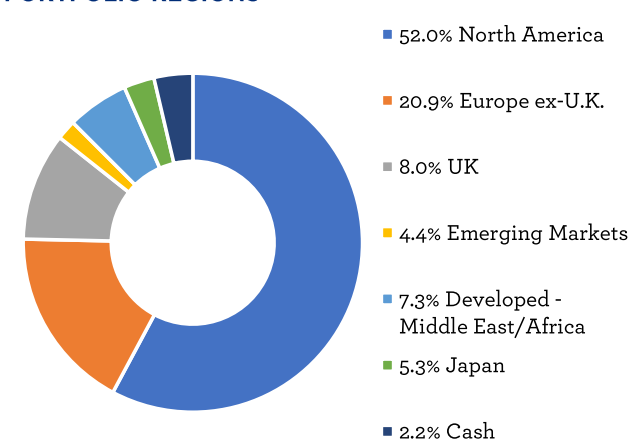
	Fund	Benchmark	Excess
1 month	-2.5	-1.7	-0.84
3 months	-0.5	-6.6	+6.04
FYTD	16.7	10.2	+6.46
1 year	14.4	14.3	+0.09
2 years	13.2	17.6	-4.48
3 years	13.3	15.6	-2.24
4 years	10.9	12.9	-2.05
5 years	14.7	15.0	-0.32
Since Inception	11.6	13.5	-1.87

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

## TOP 5 STOCK HOLDINGS

	% of Portfolio
SANOFI SA	3.4%
BANK OF NOVA SCOTIA	2.9%
MERCK & CO INC	2.8%
BAE SYSTEMS PLC	2.4%
STANDARD CHARTERED	2.3%

## PORTFOLIO REGIONS



April proved no different than the first quarter as investors experienced another month full of news that started off with “Liberation Day” jolting global equity markets on April 2<sup>nd</sup>. The rapid news flow regarding U.S. tariffs following the announcement roiled markets, leading to pandemic like selloffs in equity markets around the world. In spite of the initial selloffs, global equities ended in positive territory. However, it did reverse the trend of the first quarter as growth outperformed value, especially in the U.S. Conversely, a trend that remained from earlier in the year was developed market countries and emerging markets outperforming U.S. equities. President Trump and his administration continue in disrupting the status quo, causing market volatility to spike as policy uncertainty increases. It is not surprising that in this environment, the largest country by weight, the U.S., is lagging the rest of the world. Given the large weight of the U.S. in the indices, the MSCI World and MSCI All Country World indices were both up 0.9%. Unlike last quarter, value lagged growth in the month as the MSCI World Value Index underperformed its growth counterpart by over 450 basis points (bps) in U.S. dollar terms for the month. However, outperformance for the year remains as the MSCI World Value Index is still ahead of the MSCI World Growth Index by over 800 bps year-to-date.

In this market environment, the Barrow Hanley Global Value Equity strategy underperformed the MSCI World Index in April, a small giveback of the gains from March, while meaningfully outpacing the Value Index. Overweight positioning in the Energy sector detracted from relative performance, while an overweight to Utilities boosted relative performance. Regionally, allocation impacts were positive due to an overallocation to continental Europe and an underweight to the U.S. Stock selection within the U.S. was negative, while stock selection in the UK positively contributed to relative returns.

**Rheinmetall AG & BAE Systems PLC** positively contributed to relative performance during April, continuing an outperformance trend for European defense companies. The stocks have been strong following the U.S. presidential election given that leaders across Europe are calling for increased spending and reduced barriers to production and trade to create more self-sufficient defense environments. The diplomatic incident that occurred at the White House during Ukrainian President Zelensky’s visit should also benefit Rheinmetall.

**VINCI SA** positively contributed to relative returns in April, primarily driven by its trading statement. The release and guidance showed continued solid performance with group revenue of €16.1bn, up 4% year-on-year, driven by an 8% increase in concessions. Despite a 11% drop in order intake, the order book reached a record high of €72bn, up 8% year-on-year, and 2025 guidance for revenue and net income growth was confirmed.

**Hess Corporation and Halliburton Company** both detracted from relative returns in April. The companies were hurt by falling oil prices due to macroeconomic uncertainty driven by tariff news. The price of oil fell 21% during the month with Brent crude falling from \$77 to \$61 per barrel. In spite of the concerns, Halliburton did report quarterly results during the month in line with expectations. Hess continues to wait for its arbitration process to play out regarding its Guyana asset stake in order to complete a merger with Chevron later in the year.

**Avantor Inc.** reported quarterly results, and that CEO Michael Stubblefield is stepping down, which is a positive. While Q1 results showed slight revenue and margin misses, EPS was in-line and guidance was reiterated despite lower organic growth. NIH funding uncertainties impacted the Lab business, and increased competitive intensity reduced volumes with some customers.

The persistent political changes across the globe continue to drive markets, with tariffs now topping the list. However, the long-term impacts are far from certain, as ideology will ultimately clash with political reality. The pace of change in equity markets mixed with high volatility from tariffs is a unique situation relative to previous market selloffs. In this case, all of the negative news could change overnight if President Trump changes his mind on the direction of tariffs, which is what happened when he announced a 90 day pause. While that currently appears unlikely for China, the distribution of outcomes is significantly wider than initially expected. Markets continue to expect rate cuts going forward (except in the U.S. near-term), but the pace and magnitude remain a question, especially given the political context. A few areas to watch in the U.S. going forward are policy initiatives, tariffs, jobs, ambitions to project power abroad, and whether the labour market, trade policy, or economy take centre stage as the Fed idles.

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## MORE INFORMATION

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