BARROW HANLEY GLOBAL EQUITY TRUST

June 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.

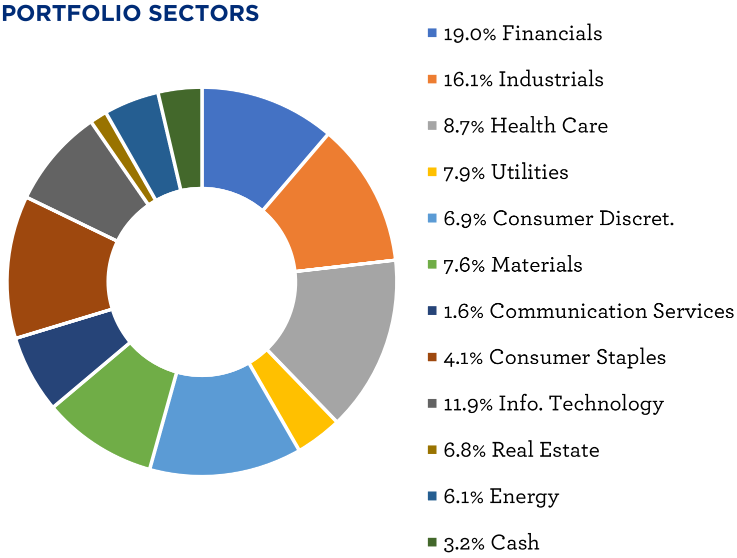
FUND RISKS

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:	ETL0434AU
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 June 30, 2025

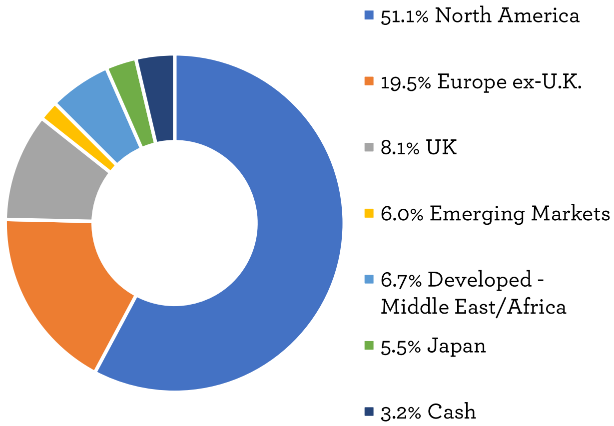
	Fund	Benchmark	Excess
1 month	1.4	2.5	-1.04
3 months	1.6	6.1	-4.53
FYTD	21.6	19.0	+2.64
1 year	21.6	19.0	+2.64
2 years	14.4	19.7	-5.23
3 years	15.7	20.8	-5.13
4 years	11.1	13.4	-2.32
5 years	15.7	16.2	-0.55
Since Inception	11.9	14.2	-2.27

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

TOP 5 STOCK HOLDINGS

	% of Portfolio
BANK OF NOVA SCOTIA	3.0%
MERCK & CO INC	2.9%
SANOFI SA	2.8%
RHEINMETALL AG	2.7%
BAE SYSTEMS PLC	2.5%

PORTFOLIO REGIONS



Looking back, the second quarter of 2025 will be remembered as a triumph for investor optimism. The sharp initial sell-off following the Trump tariff announcement was swiftly met with an equally sharp recovery. Yet again, value trailed growth, and broad market indexes pushed to all-time highs despite a steady stream of headlines that could have easily derailed the rally. The global outlook remains clouded by uneven growth, fragile geopolitics, and persistent trade uncertainty. This backdrop has created familiar dispersion for investors, with less cyclically exposed or risk-on areas trailing the artificial intelligence (AI)-centric and technology-driven sectors. Once again, a narrow group of companies dominated returns - only three of the eleven GICS sectors outperformed the broader MSCI World Index. Notably, this narrowness was largely U.S.-led; the MSCI ACWI ex-U.S. Index saw twice as many sectors outperform without the same tech-driven skew. While market volatility has become the norm, it continues to present opportunity. Many investors have returned to recent momentum-driven winners, but the breadth of potential disruption - from geopolitical realignment to the unravelling of decades-old trade frameworks - suggests a much more dynamic environment ahead. Market concentration remains a key feature of this cycle, with the Magnificent 7 continuing to dominate global returns. While enthusiasm for AI has driven extraordinary gains - NVIDIA alone surpassing $4 trillion in market cap - rising capital intensity and unclear monetisation paths raise questions about the durability of these premiums. History suggests these stocks may need time for fundamentals to catch up to valuations.

Given the meaningful reversal away from value stocks in the quarter, the Barrow Hanley Global Value Equity strategy underperformed the MSCI World Index though posted strong results against the MSCI World Value Index. The Fund returned 1.7% over the June quarter, with the MSCI world Index returning 5.9%

BAE Systems plc positively contributed to relative performance during the quarter, supported by a steady trading update and reaffirmed growth guidance. The UK based defence contractor emphasized strong order momentum across its portfolio. Management noted that most of its U.S. deliveries are produced domestically, insulating the company from potential tariff risks.

Microchip Technology Incorporated positively contributed to relative performance during the quarter as shares rebounded on signs of a cyclical bottom and improving fundamentals. The company reported March quarter results that exceeded revenue expectations despite a sequential decline, and issued a June quarter outlook that was well ahead of consensus. Management pointed to March as the trough in revenue declines, with bookings improving into April, and guided to sequential growth driven by inventory normalization and stronger demand.

Halliburton Company detracted from relative performance during the quarter as shares declined on expectations for a slowdown in global capital expenditures in the second half of 2025, driven by weaker oil. OPEC’s recent announcement to increase supply has improved the medium-term outlook, as higher activity levels will likely require replacing aging capacity and more services. While the timing of a recovery remains uncertain, Halliburton is well-positioned to benefit from a rebound in global oilfield activity.

Merck & Co., Inc. detracted from relative performance during the quarter due to a combination of macro and company-specific headwinds. Merck’s pipeline remains robust, with Winrevair showing strong early momentum and potential to become a multi-billion-dollar asset. While investor sentiment remains muted given the lack of near-term catalysts, Merck trades at 8.5x forward earnings with a dividend yield of 4%.

Global growth remains uneven, with the U.S. economy treading water amid conflicting signals. Recession fears have ebbed, but growth remains soft, and while tariffs were initially flagged as highly inflationary, their impact has so far been muted. While the first half has been challenging for value, the setup for the remainder of 2025 and beyond is encouraging. Fiscal stimulus, rate cuts, and a shift in market focus could reignite broader participation.

MORE INFORMATION
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