

Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

August 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

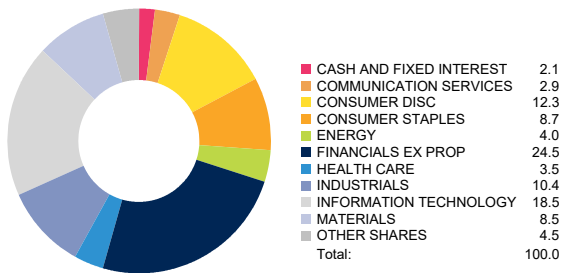
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return 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:** \$1.98 million as at 30 Jun 2025
- APIR:** PER6134AU
- Management Fee:** 0.99%*
- Investment style:** Emerging Markets
- Suggested minimum investment period:** Seven years or longer

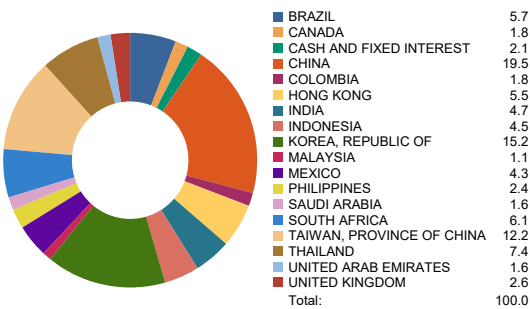
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

| | % of Portfolio |
|---|----------------|
| SK hynix Inc. | 4.9% |
| MediaTek Inc. | 3.6% |
| Samsung Electro-Mechanics Co., Ltd | 3.4% |
| BizLink Holding Inc. | 3.0% |
| Ping An Insurance (Group) Company of China, | 2.5% |

PORTFOLIO COUNTRIES

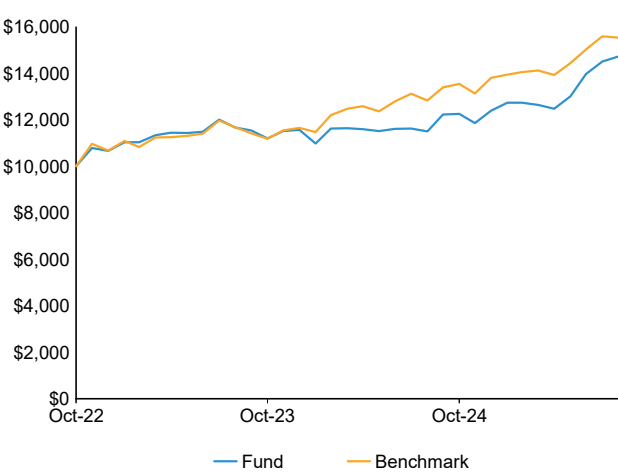


NET PERFORMANCE - periods ending 31 August 2025

| | Fund | Benchmark | Excess |
|-------------------|-------|-----------|--------|
| 1 month | 1.50 | -0.37 | +1.86 |
| 3 months | 13.19 | 7.63 | +5.56 |
| 1 year | 28.05 | 21.08 | +6.96 |
| 2 year p.a. | 12.38 | 15.33 | -2.94 |
| 3 year p.a. | - | - | - |
| 4 year p.a. | - | - | - |
| 5 year p.a. | - | - | - |
| 7 year p.a. | - | - | - |
| 10 year p.a. | - | - | - |
| Since incep. p.a. | 14.29 | 15.74 | -1.45 |

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

The month of August saw a continuation of themes driving market uncertainty such as persistent policy uncertainty, geopolitical tensions, and rapid shifts in economic data. Despite these headwinds, global equity markets continued to push higher, with the MSCI All Country World Index gaining 2.5%. While the S&P 500 underperformed other developed markets at 2.0%, it was supported by strength in value-oriented sectors. Driven by Europe and Japan, value outperformed growth by 146 basis points, reversing recent trends as the MSCI All Country World Value Index posted 3.24% versus 1.78% for growth. Outside the U.S., emerging markets lagged at 1.3%, though growth stocks led within that region. North American markets remained resilient despite persistent tariff overhang and relatively higher interest rates. The most significant development was a weak jobs report showing only 22,000 net jobs added against expectations of 75,000, putting average monthly employment growth under 30,000 for the past three months. This coincided with a notable tone shift from Fed Chairman Jerome Powell at Jackson Hole, opening the likelihood of a September rate cut. Markets now assign nearly 100% probability to a September cut, with growing speculation of an aggressive 50 basis point move rather than the typical 25. The passage of the One Big Beautiful Bill extended lower tax rates and enhanced CAPEX deductions, delivering fiscal stimulus expected to support growth into the latter half of the year. Trade policy continued making headlines, notably the punitive 50% tariff on India in response to Russian oil purchases, contributing to growing stagflation concerns among economists.

Japan was the standout regional performer at 7.0%, extending its multi-month rally and attracting strong foreign flows. Japan's momentum was sustained by expectations of U.S. rate cuts, a tariff agreement with the U.S. on auto exports, and robust GDP growth. Continental Europe (3.4%) and the UK (3.7%) outperformed despite fragile economic conditions, with the ECB holding rates steady but expectations for cuts shifting to December 2025 and March 2026. Inflation forecasts remain below the 2% target, reinforcing the case for eventual monetary easing. Within emerging markets, USD-sensitive countries were clear outperformers, benefiting from a weakening dollar and U.S. rate cut expectations. Brasil (10.3%), Chile (11.2%), Colombia (12.0%), and South Africa (6.7%) led gains, supported by strengthening commodities and improving domestic demand. China rebounded 4.9% following months of headwinds, helped by stimulus measures, green shoots in domestic consumption, and stabilizing real estate. Households showed clear signs of spending accumulated savings on discretionary goods and travel, while policy support boosted tech and AI companies.

Sector breadth was reasonable with five of eleven sectors outperforming the broad market. Materials (7.1%) and Communication Services (5.6%) were the strongest performers, followed by Consumer Discretionary (3.0%). Energy (-1.8%), Health Care (-1.5%), and Financials (-0.7%) all delivered negative returns. In emerging markets specifically, the Value Index (-0.2%) lagged both the broad market and the Growth Index (2.3%) by 250 basis points, while smaller and medium-sized companies outperformed large caps. The convergence of weakening employment data, shifting Fed rhetoric, and ongoing policy uncertainty creates an interesting backdrop heading into September, with markets increasingly positioned for monetary policy accommodation despite persistent structural challenges from elevated tariffs and geopolitical tensions.

PORTFOLIO COMMENTARY

The Barrow Hanley Emerging Markets Equity strategy produced strong absolute returns for the month of August and significantly outperformed the MSCI Emerging Markets Index despite a style headwind from its focus on value stocks. Similar to previous months, the bottom-up driven allocation to mid-cap companies trading at significant discounts to the index was a positive. Effective stock selection within Consumer Discretionary and Financials sectors, particularly within China, was a positive contributor to relative returns. Selection within the Industrials, Information Technology, Materials, and Real Estate sectors added further value. At the country level, the underweight to India and strong stock selection within Taiwanese industrials as well as no exposure to the larger index names in the Information Technology sector boosted relative returns.

OUTLOOK

Global political developments continue to shape market dynamics, with tariffs remaining a central theme. While the long-term implications of these policies are still unclear, the clash between ideology and political pragmatism is intensifying. The current market environment, marked by rapid equity movements and heightened tariff-driven volatility, differs notably from previous sell-offs and subsequent rallies that took longer to develop. Importantly, sentiment can shift quickly, as demonstrated by President Trump's recent 90-day tariff pause and subsequent deadline extensions for some countries. Markets broadly anticipate further rate cuts globally. Despite expectations for easing, resilient economic data and a strong labor market have led the Fed to hold rates steady, although that data is seemingly weaker now. Key areas to monitor include U.S. policy initiatives, trade negotiations, employment trends, capital expenditures, and the U.S. administration's geopolitical ambitions. While recent tax and spending measures could stimulate growth, investor sentiment remains mixed. While the USD showed a moment of strength in July, August saw a weakening of the USD once again. With increasing expectations in the market for the Fed to begin cutting rates, we can see more downside risk to the dollar than continued upside, which would support an ongoing appetite for emerging markets. Further, strength may be seen not only in emerging markets but also in developed non-U.S. markets as investors diversify and rebalance parts of their portfolios to more attractively valued securities in these markets.

Geopolitical tensions and events – from the war in Ukraine and Middle East conflicts to elections across Europe, the Americas, and Asia – continue to inject uncertainty into markets. The recent U.S.-Japan trade deal, which includes 15% tariffs and significant investment commitments, exemplifies the U.S. administration's strategy of country-specific, comprehensive agreements. Similar deals with Korea and the European Union also helped provide some certainty, even given the highest tariff level in generations. With trade/tariff deals with China and India outstanding, plenty of uncertainty remains. However, these agreements often validate higher baseline tariffs than previously expected, adding inflationary pressure and complicating growth forecasts. With many emerging market companies trading well below their levels in Trump's first term, it appears at this stage that tariff risks are largely priced into stock valuations. While unpredictable in the near term, this is likely more transitory. We expect the markets to continue to broaden as governments try to address below average GDP growth and provide support to the consumer challenged by higher inflation. As markets broaden, this should benefit those areas of the markets which have been out of favor, and we believe stock selection will remain key with market volatility offering skilled active stock pickers attractive entry points.

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