Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

January 2024

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

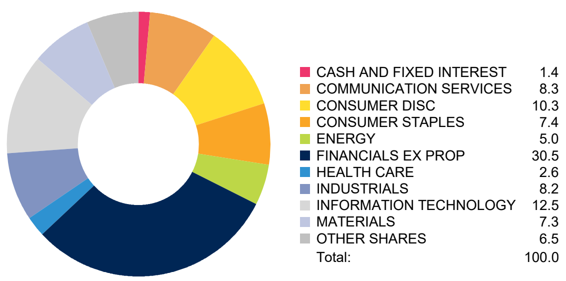
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return 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:	$1.68 million as at 31 Dec 2023
APIR:	PER6134AU
Management Fee:	0.99%*
Investment style:	Emerging Markets
Suggested minimum investment period:	Seven years or longer

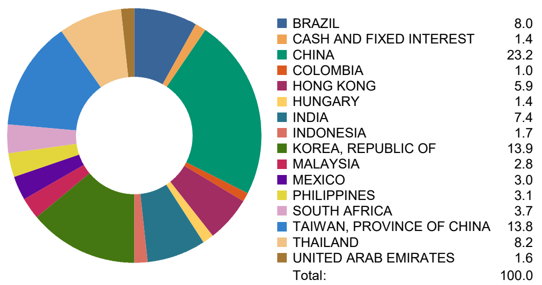
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
SK hynix Inc.	4.6%
Mediatek Inc.	3.6%
PTT Exploration & Production Plc	3.0%
Baidu, Inc.	2.6%
Vibra Energia SA	2.6%

PORTFOLIO COUNTRIES



NET PERFORMANCE - periods ending 31 January 2024

	Fund	Benchmark	Excess
1 month	-5.08	-1.57	-3.51
3 months	-1.91	2.50	-4.41
FYTD	-4.39	0.54	-4.93
1 year	-0.44	3.47	-3.91
2 year p.a.	-	-	-
3 year p.a.	-	-	-
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	7.46	9.58	-2.11

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

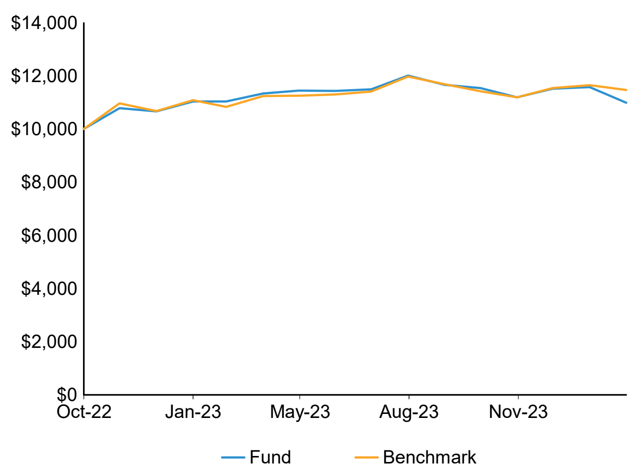
PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	8.8	10.7
Dividend Yield*	4.5%	3.6%
Price / Book	1.0	1.3
Debt / Equity	28.6%	29.5%
Return on Equity*	11.5%	12.4%

^ 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

The first month of 2024 marked a continuation of many themes observed in 2023. Global markets pushed nominally higher, with the MSCI All Country World Index up 0.6%. Emerging markets did not follow this trend, as the MSCI Emerging Markets Index was down 4.6% for the month with China once again pulling the index lower as it was down nearly 11%. However, it was not only China, as the fourth-largest country in the index, Korea, was also down 10% in the month, with not only the Information Technology stocks suffering in the month but also Consumer Staples, Materials, and Industrials. Taiwan, another tech-heavy country, did not suffer the same fate but was still down 1.2% in the month, helped by the breadth within the Information Technology sector and the fact that Taiwan Semiconductor Manufacturing Co. held up better than Samsung Electronics (both very large weights in the index). Conversely, India continues to see a melt up in performance, up more than 2% in the month, with only Consumer Staples, Financials, and Materials within India down in the month.

From a sector perspective, there was no real place to hide in January as only four of the 11 sectors outperformed the broader index and one of those, Information Technology, outperformed only by a fraction. The Energy, Financials, and Utilities sectors were the other three that outperformed in the month, propelling the MSCI Emerging Market Value Index ahead of the MSCI Emerging Market Growth Index. Value stocks within the Industrials and Consumer Discretionary sectors further helped value's outperformance while value stocks within the Information Technology sector were shunned in favor of their growth peers.

PORTFOLIO COMMENTARY

The Barrow Hanley Emerging Markets Equity strategy underperformed the MSCI Emerging Market Index in January. Challenging stock selection in the Financials, Consumer Staples, Industrials, Communication Services, and Information Technology sectors was the primary detractor to relative returns while an underweight to the Consumer Discretionary sector and an overweight to the Financials sector added modestly to relative returns. On a country basis, the strategy's underweight to India and stock selection within detracted from relative returns as did the strategy's positioning in China, but to a lesser degree. Finally, Taiwan proved challenging in the month, primarily in the Information Technology stocks wherein the lack of owning Taiwan Semiconductor Manufacturing Co. proved to be a meaningful detractor. Effective selection in Korea, Thailand, and Brazil modestly offset these shortfalls to add positively to relative performance.

OUTLOOK

Emerging markets continued the trend of 2023, lagging in the first month of 2024. As we noted last month, the question remains: will China provide stronger stimulus to help its ailing market? We are beginning to see incremental movements, whether in the equity markets or in the property market, in which regulators have lightened some rules regarding home ownership to help a large driver of China's growth. However, these moves have not been the "bazooka" stimulus that the market wants to see before moving China out of the "uninvestable" category. Further, India now seems to be getting this attention, along with other markets like Mexico, which may be seeing strength from supply chain diversification and near shoring. Further pressure is mounting on China, as not only is India beginning to show stronger growth but, with a weak yen, Japan is becoming more competitive, which we have seen in the strong performance of Japanese stocks, particularly those geared to the domestic market. Despite the very negative sentiment toward China, we remain patient for now, as we are seeing fundamental strength within our holdings and believe the market is acting more on sentiment and top-down macro beliefs versus underlying fundamentals. When these winds change and investors move back to focusing on fundamentals, we believe we will be well positioned for that change and performance will benefit accordingly.

The other headwind to emerging markets has been a strong U.S. dollar. With the U.S. Federal Reserve (the Fed) hyper-focused on ensuring there is no resurgence in inflation, there could be little relief on rates in the near future, though pressure is mounting for the Fed to begin cutting rates before pushing the U.S. economy into a recession. Rate cuts would be stimulative to the U.S. market and, in an election year, pressure from the incumbent party will increase on the Fed to push rates lower in an attempt to stimulate the market and make sure the economy does not enter recessionary territory in 2024. However, with the recent strong jobs announcements in the U.S. and with wages continuing to push higher, the Fed is likely to hold the line and Jerome Powell has alluded to that in recent comments. Despite the noise in the market, we continue to follow our disciplined, bottom-up, fundamental process and are positioning the portfolio where we currently see the best risk/return investments in the market. We believe the portfolio is positioned for strong future performance and we already have exposure to the markets that will benefit as investors warm to emerging markets once again.

MORE INFORMATION

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