Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

February 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

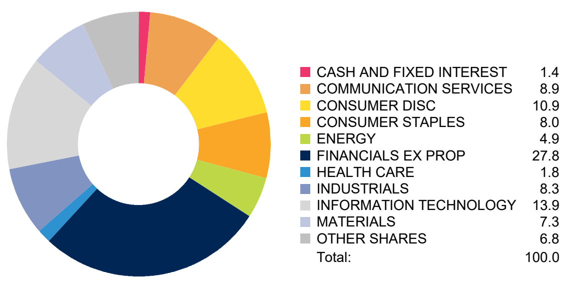
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return 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

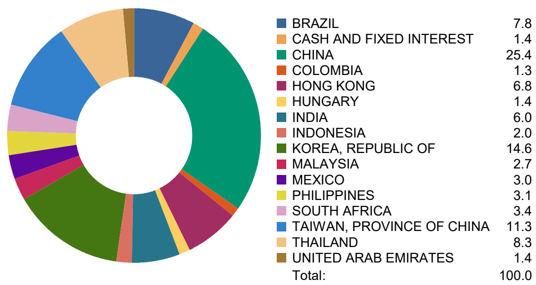
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
SK hynix Inc.	5.1%
Mediatek Inc.	4.0%
PTT Exploration & Production Plc	2.9%
LARGAN Precision Co., Ltd.	2.6%
Vibra Energia SA	2.6%

PORTFOLIO COUNTRIES

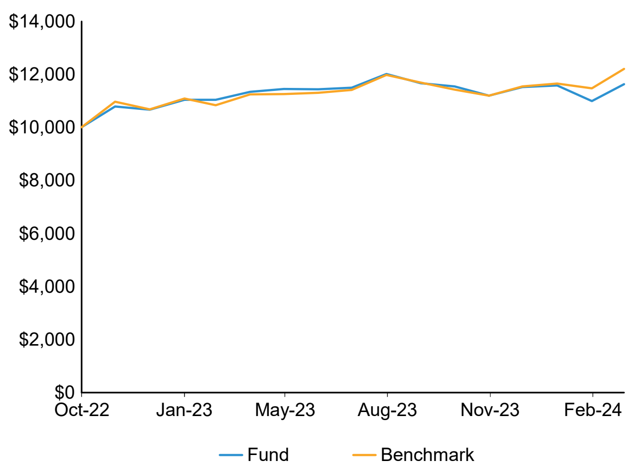


NET PERFORMANCE - periods ending 29 February 2024

	Fund	Benchmark	Excess
1 month	5.83	6.35	-0.52
3 months	0.97	5.70	-4.72
FYTD	1.19	6.93	-5.74
1 year	5.38	12.61	-7.23
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.	11.43	13.89	-2.46

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 descriptior of the Fund's performance fee is set out in the Fund's PDS.

MARKET COMMENTARY

The second month of 2024 marked a continuation of many themes observed over the past year. Global markets pushed higher, with the MSCI All Country World Index up 4.3%. This built on the sharp reversal from December that continued through January within the developed markets but we saw a complete reversal in emerging markets, which were down in the first month of the year and rebounded in February with the MSCI Emerging Markets Index up 4.8%. China was the best performing market in the month, reversing course from the prior months.

Over the period, we have seen mixed economic signs in China, with continued growth at a slower rate than before the pandemic. However, this is occurring against the backdrop of deflating producer and consumer prices and soft economic confidence – though in the month of February, we saw strong performance within the consumer sectors, as noted below. Economic stimulus is the policy area investors are watching most intently, as the government announced a GDP target growth rate of 5% going forward. Equity bears hoping for more details surrounding policy support or stimulus seized upon Premier Li Qiang's recent comments when unveiling China's target growth rate. Stocks are likely to trade more on sentiment than fundamentals until policy becomes clearer. The property market remains a concern and is worth monitoring to see how China addresses the weakness. Outside of the property market, we do continue to see improving fundamentals on top of historically cheap valuations and remain confident in our positioning within China.

The other reversal in the month was India, which lagged the broader index by 200bps. Although one month does not make a trend, we continue to believe that valuations in India have surpassed the underlying fundamentals, making it less attractive. The other large index weights, Korea and Taiwan, both outperformed the broader emerging market index, with Korea posting the stronger returns of the two.

PORTFOLIO COMMENTARY

The Barrow Hanley Emerging Markets Equity strategy modestly underperformed the MSCI Emerging Market Index in February. With the better performance in China equities, the strategy benefitted from effective selection within its China holdings along with its overweight to the region. Effective selection in Korea, Mexico, Taiwan, and Brazil added positively to relative returns. Challenging selection in India offset the benefit from being underweight the country. Additionally, Thailand continued to pressure performance both from being overweight the country and, to a lesser degree, challenging stock selection in the country. On a sector basis, effective selection in the Information Technology sector was offset by challenging selection in the Financials, Consumer Discretionary, Materials, and Real Estate sectors.

OUTLOOK

Emerging markets reversed course in February, almost overcoming the January's negative performance. As noted earlier in this commentary, China was the largest contributor in the month and appeared to do so quietly. As we have noted in the last few months, the question remains: will China provide stronger stimulus to help its ailing market? Comments from Premier Li have not given a clear indication of that as yet, but the few potential incremental signs we are seeing for market support will put a floor on how low Chinese equities will go. Further, we suspect, China is recognizing more clearly that it needs to address the challenges in the property market, as it does have a broader impact on consumer sentiment.What happens in one month never constitutes a trend, but we continue to believe that emerging markets, and especially China, remain very cheap relative to developed markets. This cheapness is a result of several headwinds working against emerging markets, many of which we have noted in this and prior commentaries. Further, the narrow markets we have seen across the globe also make it challenging for emerging markets as investors continue to push into what is currently working. We believe that as markets broaden by focusing on bottom-up fundamentals, emerging market companies should benefit, in particular those with improving fundamentals but which have remained cheap for sentiment reasons.

It is also worth noting that the strong U.S. dollar is another headwind against emerging markets as well as broader non-U.S. markets. 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. With the continued 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. However, we are starting to see some underlying softness in jobs revisions which we will monitor closely to see not only the impact to the U.S. but what this might mean for rates.

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.

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