Wholesale Funds

PERPETUAL WHOLESALE GLOBAL SHARE FUND CLASS A

June 2021

FUND FACTS

Investment objective: Aims to provide investors with long-term capital growth through investment in quality global shares.

FUND BENEFITS

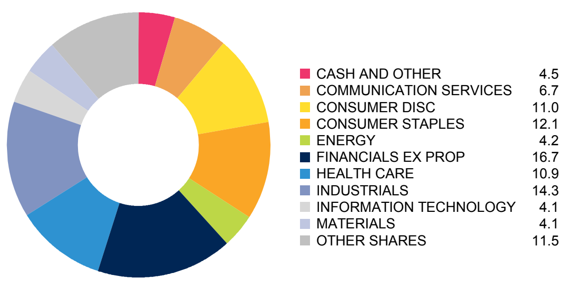
Provides investors with the potential for capital growth and income through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

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 Net Total Return Index ($A)
Investment Manager:	Barrow, Hanley, Mewhinney & Strauss, LLC
Inception Date:	August 2014
Size of Portfolio:	$327.19 million as at 30 Jun 2021
APIR:	PER0733AU
Management Fee:	0.99%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Seven years or longer

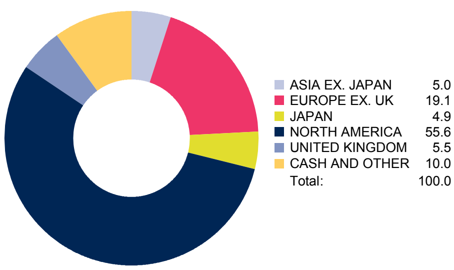
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
Seven & I Holdings Co., Ltd.	3.8%
Comcast Corporation Class A	3.5%
Oracle Corporation	3.0%
Advance Auto Parts, Inc.	2.4%
Wells Fargo & Company	2.4%

PORTFOLIO REGIONS



NET PERFORMANCE - periods ending 30 June 2021

Class A has been operating since August 2014. In September 2020, Barrow Hanley, Mewhinney & Strauss, LLC commenced as Investment Manager of the Fund.

	Fund	Benchmark	Excess
1 month	1.45	4.64	-3.19
3 months	6.73	9.31	-2.58
FYTD	37.46	27.52	+9.94
1 year	37.46	27.52	+9.94
2 year p.a.	14.62	15.61	-1.00
3 year p.a.	13.15	14.38	-1.23
4 year p.a.	13.55	14.62	-1.06
5 year p.a.	14.73	14.64	+0.09
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	13.43	13.87	-0.44

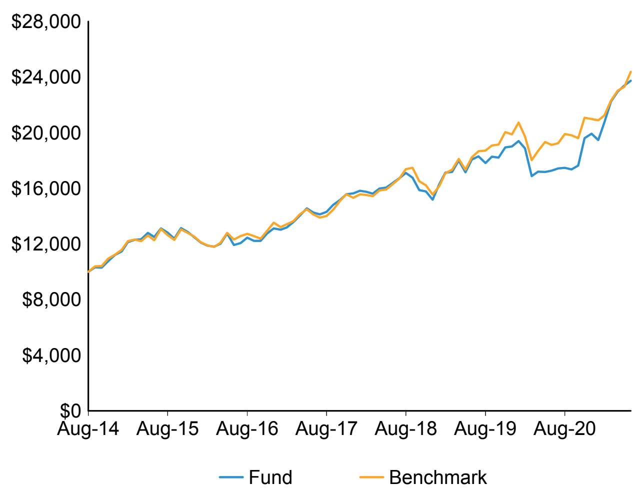
Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	15.5	19.8
Dividend Yield*	2.8%	2.3%
Price / Book	2.0	3.0
Debt / Equity	100.7%	55.2%
Return on Equity*	12.9%	15.5%

^ 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

Global markets ended the June quarter higher, with the MSCI World Net Total Return Index gaining 9.3% (in Australian dollar terms). Equity markets around the globe continued their climb higher as companies and consumers, awash in liquidity both borrowed and gifted by their spendthrift governments, enjoyed the fruits of the continual re-opening of economies. Most stock markets hit new highs in the past quarter on the back of the largest monetary and fiscal stimulus experiment in history, with emerging market stocks not far behind.

Large-cap stocks in the US led the way during the second quarter, followed by European stocks, where we see more effective vaccination rollouts versus Japan which was the weakest performing region in the quarter. Emerging markets were mostly positive in dollar terms but largely lagged their developed peers, mainly held back by the continued fight against COVID.

Value stocks continued their multi-quarter outperformance relative to growth stocks through early May but hit a speed-bump in June over fears of a faster than expected slowdown in the economy. This was despite this slow down resulting from a lack of supply of both goods and labour, rather than a lack of demand. Further, the market appears to be ignoring the trillions of dollars injected into the economy over the past year, with investors feeling that the higher inflation data points were mostly "transitory" in nature and that inflation had peaked. This was not unfounded given the dovish tone of the US federal reserve and other central banks, but it does ignore the significant amount of stimulus injected in the broader economies. However, the bond market agreed, and the US 10-year Treasury yield fell 50 basis points to around 1.40%, paving the way for investors to move back into the popular tech and internet-related stocks that led the last great bull-market to all-time highs in valuations.

PORTFOLIO COMMENTARY

The Fund's largest overweight positions include convenience store operator Seven & I Holdings Co, video, internet, and phone service provider Comcast Corporation, and computer technology company Oracle Corporation. Conversely, the Fund's largest underweight positions include Microsoft, Amazon, and Apple, all of which are not held by the Fund.

Seven & I Holdings Co., Ltd. (+19.9%) operates the largest convenience store network in Japan and the US, in addition to department stores, supermarkets, and hypermarkets in Japan. The shares outperformed during the quarter on the back of strong results relative to expectations, helped by the economic re-opening in the US along with solid execution. We also believe the market is starting to measure the impacts of its Speedway acquisition, which cements 7-Eleven as the leading convenience store operator in the US market, with large revenue and cost synergy opportunities in the coming years. We expect a significant earnings and dividend enhancement from this combination, in addition to accelerated market share gains going forward for scale convenience store players in the US market, of which 7-Eleven is the clear leader.

AerCap Holdings NV (-11.6%) underperformed following a strong run in the stock as air travel continues to improve. We believe the stock remains attractive at 70% of book value as (a) they are the largest lessor of the most fuel-efficient and in-demand new tech aircraft such as the A320neo and B787 that we believe will fly under any recovery scenario, (b) they are acquiring GECAS, another leading lessor, at a very attractive price of about half of book value, and (c) an investment-grade balance sheet with all-time high liquidity and continued positive free cash flow allows AerCap to weather bumps along the road to recovery.

Ralph Lauren Corporation Class A (-2.7%) delivered revenue and earnings well in excess of consensus expectations during the quarter, with revenue returning to year-over-year growth a quarter early as well as delivering strong gross margins and EBIT margins. Based on our assessment, management appears very bullish on the business and particularly the top-line outlook. Further, management reinstituted the company's dividend. However, similar to several quarters ago, when we saw a similar shortfall in the stock, the shortfall appears to be related to full-year guidance that seems low. We believe that management is being conservative given the uncertainty around the re-opening of economies. However, we continue to see improved operating fundamentals and believe as economies continue to re-open, Ralph Lauren stands to benefit further.

OUTLOOK

The market continues to over-react to short-term, less investable information like "transitory inflation" and under-react to what we believe are more critical factors around improving economic fundamentals resulting from the re-opening of economies around the world. We have noted this in better-than-expected earnings growth in 2021, but we also see this as we look at PMI data globally. The manufacturing and services components of PMI have rebounded strongly from their March 2020 lows, as one would expect as economies re-open. The manufacturing component has been strong across developed markets, ex-Japan, which has been seen in earnings growth for sectors such as Industrials, Energy, Materials. Although manufacturing PMIs are well above their pre-pandemic levels, largely catching up for the downturn in 2020, we believe that as economies re-open, manufacturing PMIs can be sustained above the expansionary level of 50. Looking at the services component, we have seen a solid upward trend for the US and UK as these economies have re-opened, along with the Eurozone beginning to inflect higher. However, emerging markets and Japan have not seen a similar trend due to challenges associated with its vaccine rollout. Upon an effective rollout, we would expect it to move higher. We also expect services to provide additional support to economic growth as PMIs continue to inflect higher. Finally, we believe that with value stocks continuing to trade at multi-year lows relative to their growth peers, value stocks continue to have a long runway for potential outperformance which should be aided by strong/improving PMIs. We are excited about the positioning of our portfolio to take advantage of this opportunity.

[1] The Perpetual Global Share Fund- Class A has been operating since August 2014. Barrow Hanley, Mewhinney & Strauss, LLC commenced as Investment Manager of the Fund on 9 September 2020. Prior to this, the Investment Manager was Perpetual Investment Management Limited.The return shown for Class A in the Total Return table & the Growth of $10,000 chart has been calculated using the performance of the A Class less the Management Fee and any historical Performance Fees, effective 1 October 2020 the performance fee of the Fund was removed. This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

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