BARROW HANLEY GLOBAL EQUITY TRUST

December 2024

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	$ 260.83 million as at 30/09/2024

Suggested minimum investment period: Five years or longer

NET PERFORMANCE - Periods ending December 31, 2024

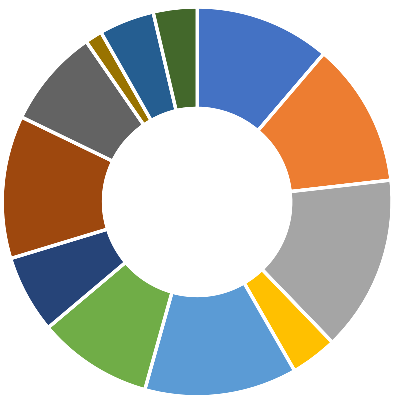
	Fund	Benchmark	Excess
1 month	0.7	2.5	-1.83
3 months	6.3	12.0	-5.66
FYTD	14.0	14.8	-0.73
1 year	20.2	31.4	-11.13
2 years	16.9	27.4	-10.50
3 years	11.5	12.7	-1.20
4 years	14.2	16.8	-2.61
5 years	10.3	14.6	-4.29
Since Inception	11.8	14.6	-2.77

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

TOP 5 STOCK HOLDINGS

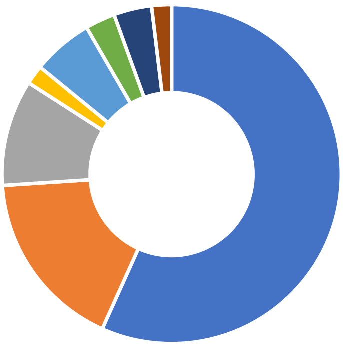
	% of Portfolio
BANK OF NOVA SCOTIA	3.3%
MERCK & CO INC	3.0%
COMCAST CORP	2.7%
DANONE	2.4%
CARNIVAL COR	2.3%

PORTFOLIO SECTORS



- 15.9% Financials
- 9.3% Industrials
- 10.0% Health Care
- 7.5% Utilities
- 12.8% Consumer Discret.
- 7.0% Materials
- 4.6% Communication Services
- 8.0% Consumer Staples
- 9.9% Info. Technology
- 5.4% Real Estate
- 8.0% Energy
- 1.5% Cash

PORTFOLIO REGIONS



- 54.4% North America
- 22.6% Europe ex-U.K.
- 6.5% UK
- 5.6% Emerging Markets
- 4.8% Developed - Middle East/Africa
- 3.7% Japan
- 1.5% Cash
- 1.0% Asia/Pacific ex-Japan

The fourth quarter capped another strong year for asset class returns, particularly in equities. The MSCI World Index rose 19% in 2024, driven by U.S. markets, where the S&P 500 gained 25% and surpassed 6000 in mid-December. Despite solid performances from China (+19%) and tech-focused Taiwan (+34%), emerging markets underperformed their developed counterparts, with the MSCI Emerging Market Index returning a more modest 8%. Outside the third quarter, a narrow group of stocks, including the Magnificent 7, drove markets higher, fueled by growth, momentum, and mega-cap factors. This trend was especially pronounced in the U.S., which recorded its best two-year period since the late 1990s, driven by a handful of technology-related stocks at increasingly high valuations. This narrow market environment has left many sectors undervalued, presenting compelling opportunities for value investors. In Europe, 2024 results were mixed. Germany (+10%) and Italy (+11%) posted strong gains, the UK saw moderate returns (+8%), and France struggled (-5%). We have observed a clear shift from value to growth stocks since early 2023, spurred by expectations that interest rates had peaked, easing inflation, and normalizing supply chains. However, only a narrow set of AI/tech-related stocks and Financials delivered outsized returns, as investors avoided more controversial areas of the market.

The Barrow Hanley Global Value Equity strategy (+6.21%) did not keep pace with the MSCI World Index (+11.87%) over the quarter, in line with our expectations given the market backdrop of preference for a narrow set of stocks or higher momentum stocks. The strategy's underweight to the Information Technology and Communication Services sectors in favor of the Materials, Real Estate, and Utilities sectors detracted from relative returns.

Carnival Corporation positively contributed to relative performance during the quarter as cruise demand trends remain robust. In late December, Carnival also reported strong earnings with continued execution from the relatively new CEO. Despite the recent outperformance, we still see good value in Carnival as it trades at 14x forward earnings for a business that is still likely under-earning following the COVID recovery.

Rheinmetall AG positively contributed to relative performance during the fourth quarter as the German defense manufacturer released 2027 guidance that exceeded market expectations for growth and margins. The stock was also strong after the U.S. election given leaders across Europe are calling for increased spending and reduced barriers to production and trade in order to create more self-sufficient defense environment. The company continues to deliver results, which will be important in a higher demand environment.

Metals miner Newmont Corporation detracted from relative performance in the fourth quarter as the market remains concerned with costs. In spite of exceeding market expectations on realized price, volumes, and outlook, Newmont sold off as some legacy mines produced less than expected. The market is concerned about this issue in spite of management's insistence that it has a fix for the problem.

Banco Bradesco SA Pfd underperformed in the fourth quarter primarily relating to the more negative than expected trajectory of financial markets in Brazil amid a missed opportunity from the Lula administration to adequately address the fiscal position of the government going forward. Bradesco's third quarter earnings release was essentially in line with expectations and we continue to see a gradual improvement in asset quality as well as profitable credit extension as the bank's turnaround under new management progresses. However, the deprecation of the Brazilian real and higher interest rates have led investors to de-risk from Brazilian equities generally and cyclical companies especially, seeking the security from nearly 15% fixed income returns.

Looking forward, 2025 begins as a year with as much promise as uncertainty. One thing is known – the consensus forecast is likely to be wrong – but in what direction remains to be seen. Clarity that had begun to emerge regarding the path of global central banks now appears far less certain as inflation may not quite yet be fully tamed, particularly in the U.S., as job markets remain robust and economic growth could spur a subsequent period of re-inflation. Instead, the risk that seemingly has been assuaged is that of economic growth. We are very excited about how the Barrow Hanley Global Value Equity portfolio is positioned because the valuation discount of the strategy relative to the broader market is greater than in early 2020, which preceded a period of strong performance. Further, the strategy continues to own companies with good fundamentals with positive catalysts that we believe will support strong performance going forward.

MORE INFORMATION

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