BARROW HANLEY GLOBAL SHARE FUND (MANAGED FUND)

ASX code: GLOB

January 2025

FUND FACTS

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

FUND BENEFITS

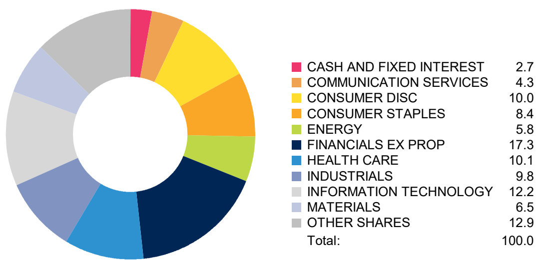
Provides investors with the potential for capital growth through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

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)
Inception date of strategy:	August 2014
ASX commencement date:	06 June 2022
Distribution Frequency:	Half-Yearly
Management Fee:	0.99%*
Investment style:	Active, fundamental, bottom-up, value
Suggested minimum investment period:	Seven years or longer

PORTFOLIO SECTORS

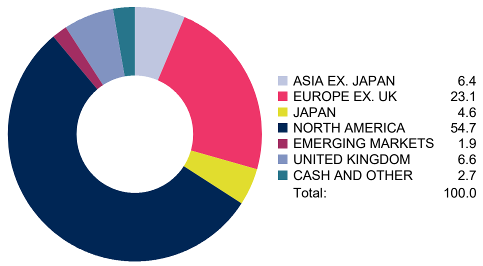


TOP 5 STOCK HOLDINGS

	% of Portfolio
Sanofi	3.4%
Bank of Nova Scotia	3.0%
Merck & Co., Inc.	2.9%
Danone SA	2.4%
Carnival Corporation	2.4%

*Information on management costs is set out in the relevant PDS

PORTFOLIO REGIONS



NET PERFORMANCE - periods ending 31 January 2025

	Fund	Benchmark	Excess
1 month	2.83	2.77	+0.07
3 months	6.67	10.74	-4.07
1 year	21.96	28.66	-6.70
2 year p.a.	16.43	26.67	-10.24
3 year p.a.	-	-	-
Since incep. p.a.	15.33	20.92	-5.59

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

MARKET COMMENTARY

January was an eventful month packed with impactful geopolitical headlines mixed with macroeconomic developments. The freshly inaugurated President Trump and his administration hit the ground running with a flurry of activity addressing myriad issues which resulted in gyrating markets. In spite of all the headlines generating uncertainty, January proved to be a strong month for global equity markets that finished mostly higher. Like last year, there was a notable difference in styles. Unlike last year, it is value leading the charge as the MSCI World Value Index outperformed its growth counterpart by roughly 200 basis points (bps) in U.S. dollar terms for the month. Global investors are all wondering what the impact of Trump 2.0 means for the globe, and maybe the style shift and broader market in January is an indicator. The growth levels of high momentum and AI related stocks became a source of controversy after the release of DeepSeek, a Chinese AI model reported to be developed at a fraction of the cost of comparable American products. The cost effectiveness claims could prove to be a deepfake but for now the long-term spending on AI-related CAPEX is up for debate.

PORTFOLIO COMMENTARY

In this market environment, the Global Value Equity strategy outperformed the MSCI World Index in January as value stocks rallied. Allocation impacts by sector were a positive, but to a lesser degree than the negative allocation impact from last month. An underweight to the Information Technology sector was a large driver of positive relative returns, while an underweight to the Communication Services sector was a slight drag. Regionally, allocation impacts were slightly positive due to an overallocation to continental Europe.

Rheinmetall AG positively contributed to relative performance during the month 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.
Sanofi positively contributed to relative returns during the month as there was a positive reaction to the earnings release driven by strong pipeline execution and in-line guidance for the fourth quarter and 2025. Key highlights include the ongoing sale of its consumer (Opella) stake, expected to generate significant proceeds by mid-year, with a portion returned to shareholders through a planned buyback. Despite initial EPS dilution from the Opella sale, the transaction boosts growth potential for the remaining company. The fourth quarter results met expectations, showing solid top-line growth driven by new launches.

Comcast Corporation detracted from relative performance during January. The same issue remains as weakness stems from broadband net subscriber losses, even as average revenue per user is in their target growth range of +3% to 4%.
The Bank of Nova Scotia detracted from relative performance in January on light news during the month. The stock was down slightly after announcing the transfer of its operations in Colombia, Costa Rica, and Panama, resulting in a 20% ownership stake in the combined entity and an after-tax charge of approximately $980 million.

OUTLOOK

The persistent political changes across the globe continue to drive short-term tactical repricing, but the long-term impacts are far from certain as ideology will ultimately clash with political reality. What does stand out is the juxtaposition of continued U.S. economic strength and tepid economic growth in Europe. Markets continue to expect rate cuts going forward (except in the U.S.), but the pace and magnitude remain a question, especially given the political context. While the market expected more cuts, the interplay between economic strength and the labor market led the Fed to pause rate cuts. A few areas to watch in the U.S. going forward are policy initiatives, tariff threats, ambitions to project power abroad, and whether the labor market or economy take center stage as the Fed idles. We are also mindful that, given the geopolitical factors which are ever present, i.e., war in Ukraine, Middle East conflicts, recent elections in Europe, the U.S., and South America, markets are likely to remain more volatile as they adjust to changing economic conditions and policy goals. We believe that markets are likely to remain in this pattern until there is some visibility for several of these issues. As macro issues tend to swing markets up and down, it is important to remember that the best time to find value is when markets are either fearful or exuberant about a small opportunity set and are ultimately overlooking good companies with solid operating fundamentals.

MORE INFORMATION

Adviser Services 1800 062 725
Investor Services 1800 022 033
Email investments@perpetual.com.au
www.perpetual.com.au