

# PERPETUAL BARROW HANLEY GLOBAL SHARE

August 2024

## FUND FACTS

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

## FUND BENEFITS

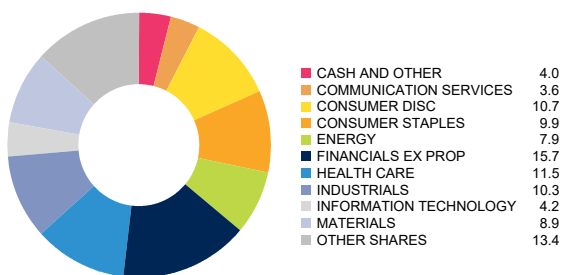
Provides investors with the potential for capital growth through a portfolio of global companies using Barrow Hanley's experienced investment team and disciplined investment process.

## 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)
- Investment Manager:** Barrow, Hanley, Mewhinney & Strauss, LLC
- Inception Date:** June 1995
- Size of Portfolio:** \$50.79 million as at 30 Jun 2024
- APIR:** PER0024AU
- Management Fee:** 0.99%\*
- Investment style:** Active, fundamental, bottom-up, value
- Suggested minimum investment period:** Seven years or longer

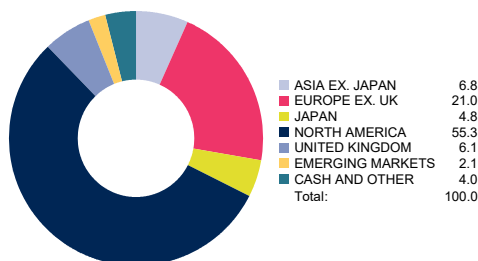
## PORTFOLIO SECTORS



## TOP 5 STOCK HOLDINGS

Stock Holding	% of Portfolio
Enbridge Inc.	3.1%
Sanofi	3.1%
Comcast Corporation Class A	2.8%
Bank of Nova Scotia	2.6%
Merck & Co., Inc.	2.5%

## PORTFOLIO REGIONS

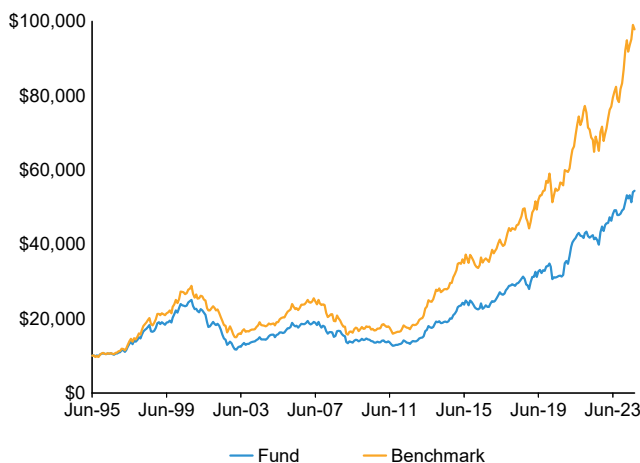


## NET PERFORMANCE - periods ending 31 August 2024

Period	Fund	Benchmark #	Excess
1 month	0.56	-1.21	+1.78
3 months	2.20	4.46	-2.27
1 year	10.68	18.78	-8.10
2 year p.a.	15.09	20.56	-5.47
3 year p.a.	8.11	9.58	-1.48
4 year p.a.	14.61	14.65	-0.04
5 year p.a.	11.02	12.95	-1.93
7 year p.a.	10.68	13.68	-3.00
10 year p.a.	10.94	13.20	-2.26

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

## MARKET COMMENTARY

During August, the heavy news flow continued, especially in the U.S. Global markets sold off during the first week of August due to a confluence of factors such as the yen carry trade unwind, multiples of richly valued technology stocks deflating, and a weak jobs report in the U.S. The U.S. continues its march toward elections in November, with more news, policy proposals, and headlines that fuel uncertainty in a tightly contested election. Further, soft economic data in the U.S. regarding jobs, job openings, and manufacturing output brought the word “recession” back into the realm of possibilities, as the notion of a soft landing seems less certain. Given this backdrop, the U.S. Federal Reserve (the Fed) indicated that it is time for a policy shift, and rates are likely on the way down after the next Fed meeting in September. Outside the U.S., central banks in Canada, the UK, and other western-oriented central banks are lowering rates while Japan has raised rates. Finally, China has continued to garner headlines for the wrong reasons as the economy has failed to recover post COVID on the back of underwhelming stimulus by the government with deflationary pressures still present.

## PORTFOLIO COMMENTARY

The Barrow Hanley Global Value Equity strategy posted strong results in August, delivering positive returns for investors while the MSCI World Index went backwards. Allocation impacts were modest, but the strategy’s underweight to the Information Technology and overweight to the Utilities and Consumer Staples sectors positively contributed to relative returns. Effective stock selection within the Consumer Discretionary, Industrials, and Financials sectors drove the majority of the outperformance. Challenging stock selection in the Health Care, Consumer Staples, and Communication Services sectors detracted from the positive monthly performance. Regionally, the strong performance in the month was driven by an overallocation to emerging markets and, to a lesser degree, stock selection in continental Europe and Japan.

Banco Bradesco SA Pfd positively contributed to relative performance during the month after reporting earnings in early August. The company beat profit expectations for the second quarter in a row, which drove the stock higher. While earnings remain depressed, the improving results were seen by the market as a positive for the relatively new CEO. The results also showed an improving growth rate that puts the bank closer to market rates of growth.

SharkNinja, Inc. contributed to relative performance during the month as the company released positive quarterly earnings that once again outperformed market expectations. The company has benefitted from solid execution and market discovery after the spinoff and U.S. listing. The stock has been a strong performer since its purchase. After positive earnings, the stock was sold as it neared its price target and the thesis had largely played out as expected.

Halliburton Company detracted from relative performance in August along with the broader Energy sector. Concerns that softening economic fundamentals could further contribute to a supply/demand imbalance in the energy market weighed on the stock. The company also experienced a cyberattack toward the end of the month; although services remain intact, this could require ongoing expense to determine its scope.

Hess Corporation detracted from relative performance in August along with the broader Energy sector. Concerns that softening economic fundamentals could further contribute to a supply/demand imbalance in the Energy market weighed on the stock.

## OUTLOOK

Given the muted market returns in July and higher volatility in August, a sentiment shift may be afoot, as we have seen material rotations over the past couple of months. Softening economic numbers and stagnant inflation over the last few months forced the Fed to admit the time to adjust policy is here, which likely means a rate cut in September. This will come on the heels of other central banks that have already cut. However, the issue regarding cutting rates is less about who is cutting and when that first rate comes, but more about why rates are being cut and by how much. If the Fed and other central banks have to move quickly in cutting historically high rates as a result of softening economic growth versus sufficiently tame inflation, it will pull the soft landing scenario off the table and we could continue to see a violent rotation away from high multiple stocks in favor of lower multiple stocks. This may be further aggravated if we do officially enter a recession.

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Management of this Fund: 09/09/2020 Barrow, Hanley, Mewhinney & Strauss, LLC, from 31/01/2015 to 08/09/2020 Perpetual Investment Management Limited, from 15/8/2011 to 30/01/2015 Wellington Management as sub-adviser, from 18/3/2005 to 14/8/2011 PI Investment Management Limited, from 21/4/1997 to 17/3/2005 Fidelity International Limited as sub-adviser.

# The benchmark for the Fund prior to 31/1/2015 was the MSCI World ex Australia Accumulation Index. Returns shown reflect the Fund's benchmark during the period

The publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426 and issued by Perpetual Superannuation Limited (PSL) ABN 84 008 416 831 AFSL No 225246 RSEL No L0003315. 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.

The product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by PSL, should be considered before deciding whether to acquire or hold units in the fund. The PDS and Target Market Determination can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital.

Total returns shown for the Perpetual WealthFocus Superannuation Fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

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## MORE INFORMATION

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