Perpetual Investment Funds

BARROW HANLEY EMERGING MARKETS FUND

October 2026

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

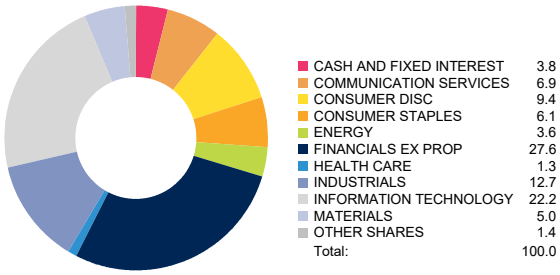
Provides investors with the potential for capital growth through a portfolio of emerging market shares using Barrow Hanley's experienced investment team and disciplined investment process. The Barrow Hanley team focuses primarily on fundamental securities analysis, valuation, and prospects for a return 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: $3.21 million as at 30 Sep 2026
APIR: PER6134AU
Management Fee: 0.99%*
Investment style: Emerging Markets
Suggested minimum investment period: Seven years or longer

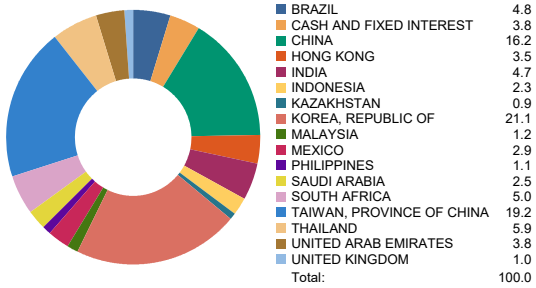
PORTFOLIO SECTORS



TOP 5 STOCK HOLDINGS

	% of Portfolio
MediaTek Inc.	4.8%
Samsung Electro-Mechanics Co., Ltd	3.7%
SK Inc.	3.4%
Pegatron Corporation	3.3%
SK hynix Inc.	2.9%

PORTFOLIO COUNTRIES

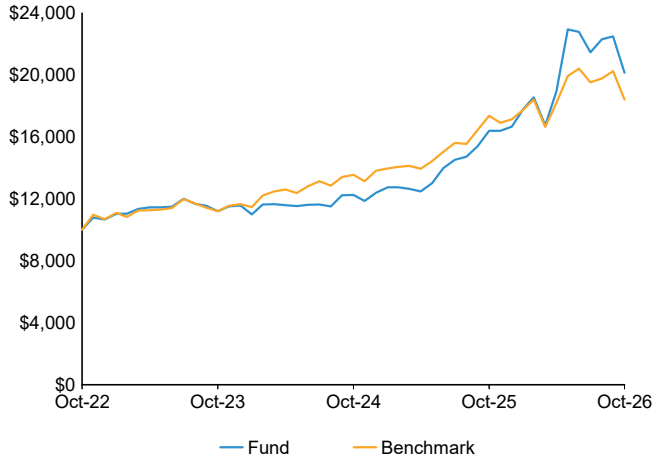


NET PERFORMANCE - periods ending 31 October 2026

	Fund	Benchmark	Excess
1 month	-10.38	-9.07	-1.31
3 months	-6.09	-5.64	-0.45
1 year	22.85	6.13	+16.71
2 year p.a.	28.20	16.55	+11.65
3 year p.a.	21.61	18.06	+3.55
4 year p.a.	19.13	16.49	+2.65
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	18.79	15.71	+3.08

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

Emerging markets fell sharply in October, returning -8% in U.S. dollar (USD) terms. Investors questioned AI monetization, information technology and AI-related company valuations, and the sustainability of AI-related capital expenditure (capex) growth, including data center build-out, as sentiment toward hyperscalers once again turned to worry. The financing backdrop also shifted as higher rates became a reality, with rising global bond yields coinciding with companies increasingly relying on debt markets and external funding to finance their capex build-out. The resulting weakness was concentrated in Asia, particularly in the large, AI-heavy markets of Korea and Taiwan, where semiconductor stocks that had clearly benefited over this cycle gave back some of their strong gains. A surprise presidential election outcome in Brazil added further pressure to asset class returns.

Korea (-15.6%) was the worst-performing market in the index as technology-related names sold off and investors rotated out of the country's key AI beneficiaries, a complete reversal from September. Fears of competitive pressure on Samsung Electronics and SK Hynix from China's CXMT in the server memory space further weighed on returns. Taiwan (-8.4%) held up better than Korea but faced similar pressure on its technology names amid global concerns about downward revisions to the scale of future AI investment. China (-7%) outperformed the broad market but faced similar selling pressure in its technology-related companies, including internet platforms. Investor scrutiny of valuation levels, competitive pressure, and AI capex spending, along with continued concerns about weak domestic economic growth, all weighed on returns.

While most other Asian markets ended the month well ahead of the MSCI Emerging Markets Index, Indonesia (- 13.8%) remained highly volatile as MSCI's reassessment of the country's index status took another turn. MSCI raised the possibility of assigning Indonesia Standalone status rather than downgrading it to the Frontier index, which further intensified the selling pressure seen over the last few months. Brazil (- 12%) was the worst-performing market outside Asia. Strong returns in the prior month had been driven by right-wing candidate Flavio Bolsonaro's rise in the polls and first-round election victory, which raised expectations of more market-friendly policies. The surprise final outcome, with incumbent President Lula securing a fourth term, triggered a sharp reversal in sentiment and renewed concerns over government spending and fiscal discipline.

PORTFOLIO COMMENTARY

The Barrow Hanley Emerging Markets Equity strategy underperformed the MSCI Emerging Markets Index in October, giving back some of its gains from earlier in the year.

OUTLOOK

It has been a year of heightened volatility in the asset class, characterized by ongoing geopolitical conflicts, higher energy costs and related inflationary pressures, trade policies, a narrow group of market winners and, more recently, widespread central bank rate hikes, all of which have created a challenging backdrop for active investors to navigate.

We do not expect volatility to subside for the remainder of this year, and the market is likely to continue reacting to headlines. One key takeaway for investors should be the benefits of diversification as we navigate sharp turns in sentiment and the recent correction in many companies that were priced for perfection. This serves as a good reminder that having diverse sources of alpha across styles and regions can help mitigate the concentration risk of following market indices at historically high concentration levels.

The recent weakness of the emerging markets asset class relative to its developed markets peers may offer an attractive entry point for investors who feel they missed the opportunity. Overall valuations remain attractive, particularly relative to the U. S. and other parts of the world. We continue to believe a long-term allocation to emerging markets will prove beneficial to long-term alpha generation. As discussed in prior commentaries, emerging markets are home to some of the world's leading companies. These businesses stand to benefit not only from the build-out of AI infrastructure but also from broader economic growth. An expansion of global growth beyond a small group of AI companies would further support the potential for strong returns.

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