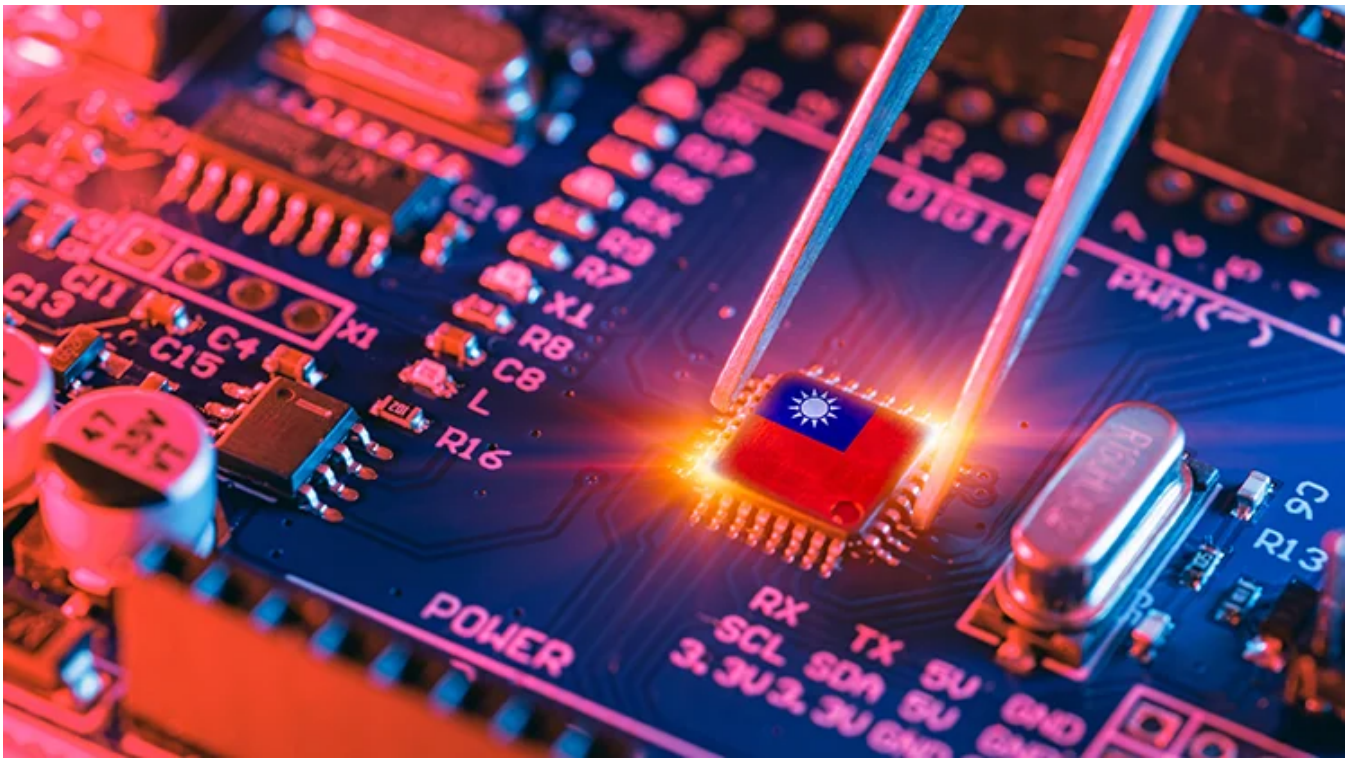
Perpetual

# Barrow Hanley: The overlooked opportunity in emerging markets

**By Perpetual Asset Management**

29 June 2026




**Emerging markets are being misread and mispriced, according to Barrow Hanley's DAVID FEYGENSON, and that means opportunity for savvy investors.**

- A decade of investing in Wall St tech has created EM opportunities
- Taiwan, ASEAN countries look attractive
- Find out about the Barrow Hanley Emerging Markets Fund

“Emerging markets are really a diverse set of countries and with higher economic growth rates than developed markets, trading at cheaper valuations,” Feygenson explains.

“They offer investors good diversification benefits and higher returns for the long term. More leading companies are coming out of emerging markets and becoming champions and dominating in fields like EVs, batteries, semiconductors, and solar.”

There is a substantial mismatch between the market cap of emerging market companies versus the GDP of their home markets.

Feygenson says emerging market stocks comprise just 12 per cent of the MSCI ACWI Index – which captures large and mid-cap representation across developed markets and emerging markets countries – yet 60 per cent of global GDP comes from those countries.

While Wall Street has “taken up a lot of the oxygen” over the past decade, emerging market leaders have been broadly overlooked, he says.

## Taiwan

Feygenson says Taiwan is interesting to investors well beyond Taiwan Semiconductor Manufacturing Company (TSMC).

“There are great names that are a part of the AI value chain and have done well such as MediaTek. Taiwan also has new growth areas – companies that provide tensor processing units (TPUs) to Google.”

TPUs are specialised semiconductors developed by Google specifically for accelerating machine learning tasks, particularly deep learning models.

“There's also a lot of companies in Taiwan that ... are making the nuts and bolts of AI, manufacturing, key components that go into the AI value chain,” Feygenson says.

## ASEAN economies

Indonesia's demographics, low banking and insurance penetration is too big to ignore, as is China's $11 trillion in savings that could drive consumer winners if sentiment improves, Feygenson says.

"The ASEAN group of countries are attractive. Coming out of COVID, they took a little longer to recover. They were impacted by higher interest rates, and more recently by the tariff wars as well as the war in the Middle East," he says.

"But that's led to low multiples across sectors. It's in consumer, it's in financials, it's in industrials, it's in utilities, it's in energy.

"For some companies, multiples are trading below COVID and GFC type valuations. But the earnings capability of these companies is not broken. The moats around those businesses are not broken, and they should be in a very good position to rally."

## About Barrow Hanley

Barrow Hanley is a global leader in value investing, managing assets for clients for more than 40 years.

Barrow Hanley Emerging Markets Fund aims to provide long-term capital growth through investment in emerging market shares.

Barrow Hanley Global Share Fund aims to provide investors with long-term capital growth through investment in quality global shares.

Barrow Hanley Global Share Active ETF (ASX:GLOB) is a unit class in the Barrow Hanley Global Share Fund.

Barrow Hanley is distributed by Perpetual Asset Management in Australia.

Learn more about Barrow Hanley

This report has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL 234426. It is not to be published, or otherwise made available to any person other than the party to whom it is provided.

Barrow, Hanley, Mewhinney & Strauss LLC (Barrow Hanley) is a subsidiary of Perpetual Limited and a related party of PIML. Perpetual Corporate Trust Limited (ABN 99 000 341 533, AFSL 392673) has appointed Barrow Hanley as its authorised representative (Representative number 001283250) under its Australian Financial Services Licence.

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 whether the information is suitable for your circumstances and we recommend that you seek professional advice.

The product disclosure statement (PDS) for the Barrow Hanley Emerging Markets Fund (Fund), issued by PIML, should be considered before deciding whether to acquire, dispose, 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.

References to specific securities in this report are for illustrative purposes only and are not stock recommendations. The securities may or may not be currently held by the Fund.

This report may contain information contributed or prepared by third parties. Any information contributed or prepared by third parties is believed to be accurate as at the time of compilation and is being provided in good faith without independent verification. PIML does not warrant the accuracy or completeness of any information provided by a third party.

To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. 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. All investing involves risk including the possible loss of principal.

Past performance is not an indication of future performance.