

Barrow Hanley: How to own high quality AI-related stocks without overpaying

By Perpetual Asset Management

11 May 2026



Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our [Privacy Policy](#) for details

- Power demand is rising
- Value investor access to AI story
- Find out more about [Barrow Hanley Global Investors](#)

Barrow Hanley is finding AI-related opportunities outside big tech as data-centre power demand reshapes the earnings outlook for US utilities, says portfolio manager David Ganucheau.

Much of the market's focus on AI has been on the hyperscalers like Microsoft, Alphabet, Amazon and Meta, which are on track to spend hundreds of billions this year alone on data centres, chips and power.

But Ganucheau says investors do not have to pay big-tech multiples to get exposure to that build-out. He says the key for the hyperscalers now is finding data-centre sites that combine access to electricity with high-capacity fibre.

"If you look at the bottleneck for AI in the United States, we identified utilities that have land near fibre, and we made investments in them," Ganucheau says.

Power demand

Ganucheau says those utility investments are contributing to portfolio performance.

US utility Entergy has signed three large deals with hyperscalers, lifting its expected five-year rate-base growth from 5-6 per cent to 11-13 per cent.

"That's the incredible kind of upward and to the right we're seeing on these utilities that are set up to get these hyperscaler deals," he says.

"And there's more to come. They're going to need more power for these data centres."

Barrow Hanley's Global Value Equity portfolio held 8.9 per cent in utilities at 31 March 2026, compared with 2.9 per cent for the MSCI World Index. Entergy was a 1.7 per cent portfolio holding.

AI optionality

Ganucheau says AI demand is also supporting other technology holdings linked to data centres.

"A lot of our semiconductor stocks were working. We had a lot of optical networking stocks working," he says.

Barrow Hanley says the portfolio's technology holdings outperformed MSCI World technology

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

“I think it’s the market coming around and realising that they have a spot at the table, that they can feast on the AI and the data-centre trend,” he says.

“Businesses like Nokia, with its optical networking business, Sunny Optical, Qualcomm and Hewlett Packard Enterprise.

“Some of these things where we said there’s AI optionality – people are waking up to it and it’s starting to work.”

Software pressure

Still, Ganucheau remains cautious on software companies that have fallen sharply on AI disruption concerns.

He says many companies with valuations typically in the top third of the market are now appearing in the bottom third.

“I’ve never seen this many fallen angels at once,” he says.

But it is unclear if those companies still have durable competitive advantages.

“You’re seeing multiples get cut in half because people don’t know if they’re going to survive,” he says.

“We have to be very careful – there’s going to be more value traps in the software sector than there’s ever been.

“Even though they may have positive momentum in earnings, they’re never going to get the multiple.

“You can’t disprove the negative of rapid obsolescence when you have news items that say ‘Claude just replicated your business’.

“Lots of opportunity, but we’re not sure if it’s fool’s gold yet.”

About Barrow Hanley

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

[Barrow Hanley Global Share Fund](#) aims to provide investors with long-term capital growth

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details

Barrow Hanley is distributed by Perpetual Asset Management in Australia.

[Find out more here.](#)

The information on this website has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535 AFSL 234426 (Perpetual), as the issuer of the Barrow Hanley Global Share Fund (Fund) and Barrow Hanley Global Share Fund (Managed Fund) (ASX: GLOB) (ETMF). 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.

Barrow, Hanley, Mewhinney & Strauss (Barrow Hanley) is a 75% owned 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.

The product disclosure statement (PDS) and Target Market Determination (TMD) for the Fund and the ETMF, issued by PIML, should be considered before deciding whether to acquire or hold units in the Fund or ETMF. The PDS and TMD can be obtained by calling 1800 022 033 or visiting our website 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, ETMF or the return of an investor's capital. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance.

Improving user experience

We use Microsoft Clarity to understand how you use our website to improve your experience. See our Privacy Policy for details