



TRILLIUM ESG GLOBAL EQUITY FUND - CLASS A

January 2025

FUND FACTS

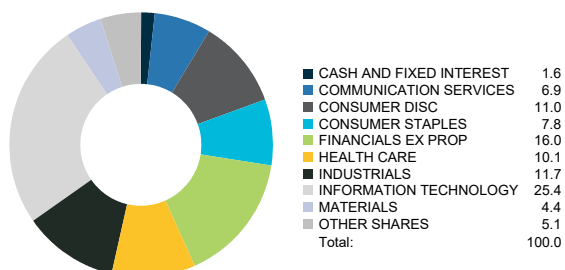
Investment objective: To provide investors with long-term capital growth through investment in quality global shares. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

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 AC World Net Total Return Index (AUD)
Inception Date: August 2020
Size of Portfolio: \$34.60 million as at 31 Dec 2024
APIR: PER2095AU
Management Fee: 0.89%*
Investment style: Core
Suggested minimum investment period: Seven years or longer

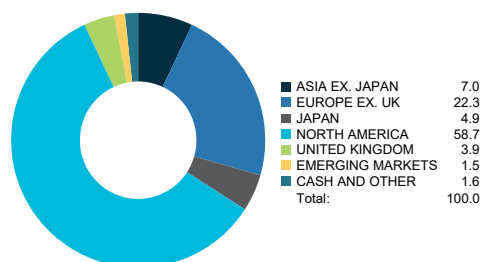
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

Stock Holding	% of Portfolio
Microsoft Corporation	5.2%
Alphabet Inc.	5.1%
NVIDIA Corporation	4.0%
Apple Inc.	3.3%
Visa Inc.	2.5%
Taiwan Semiconductor Manufacturing Co.	2.0%
TJX Companies Inc	1.8%
ServiceNow, Inc.	1.6%
Unilever PLC	1.6%
Bank of New York Mellon Corp	1.5%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 January 2025

	Fund	Benchmark	Excess
1 month	2.66	2.59	+0.07
3 months	7.68	9.93	-2.25
1 year	18.90	27.94	-9.04
2 year p.a.	18.05	25.07	-7.03
3 year p.a.	7.92	12.90	-4.98
4 year p.a.	11.65	15.42	-3.76
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	12.95	15.53	-2.59

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	19.3	18.3
Dividend Yield*	2.1%	2.2%
Price / Book	3.9	2.9
Debt / Equity	41.6%	45.9%
Return on Equity*	21.3%	16.4%

[^] Portfolio Fundamentals are compiled using our methodology and provided only for the purpose of illustrating Trillium's investment style in action. These figures are forecast estimates, calculated based on consensus broker estimates where available, and should not be relied upon. Dividend Yield is a dividend forecast of underlying securities for the portfolio and does not reflect the distributions to be determined for the fund.

* Forward looking 12-month estimate.

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

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

For the month ending January 31, 2025, the Trillium Global Equity Fund reported a return of 2.7% net of fees versus the benchmark, MSCI All Country World Index (ACWI), which reported a return of 2.6% over the same period. At month-end, the Fund's largest overweight positions included Alphabet, Visa, and TJX Companies. The Fund's largest underweight positions include Amazon.com and Meta, neither of which is held in the portfolio due to sustainability and ESG related concerns, and Tesla.

The underweight position in Apple contributed to relative performance (-6.5%). While the company reported strong earnings, it also experienced headwinds related to uncertainty in China and potential effects on the AI supply chain going forward, along with added volatility associated with the emergence of DeepSeek. Our underweight to the mega-cap stock helped the fund's performance relative to the benchmark.

The overweight position in Bank of New York Mellon contributed to relative performance (+11.5%). With a rebound in US banks, the company performed well during the period, reporting favorable financials for the current uncertain rate environment. The company also continued to show strength in their strategic initiatives, boosting the overall outlook of the company.

The overweight position in ServiceNow detracted from relative performance (-4.6%). Shares of the company fluctuated during the period after some deviations from expectations in their earnings report. However, we believe the company's growing opportunity in the AI space remains favorable in the near and long-term.

The overweight position in United Parcel Services detracted from relative performance (-10.2%). The company's decision to significantly reduce its delivery volume for Amazon, its largest customer, instead focusing on more profitable deliveries and cutting costs, resulted in a downbeat revenue forecast for 2025, which triggered investor concern over the company's long-term strategy.

OUTLOOK

Markets navigated a complex macroeconomic landscape in January, shaped by robust U.S. data, shifting monetary policy expectations, and evolving geopolitical risks. The U.S. economy remains resilient with stronger-than-expected job gains and moderating wage growth, while inflation data was mixed with December CPI coming in slightly above expectation, but core CPI coming a touch lighter than consensus. Core PCE remained in line with forecasts. The Federal Reserve held rates steady as expected, with Chair Powell signaling patience, reinforcing market expectations of a delayed rate-cutting cycle. Equities responded positively, with the S&P 500 and MSCI World Index reaching record highs and small caps showing strength as well. Political and trade-related uncertainties were key market overhangs. The Trump administration's tariff threats on Mexico and Canada created uncertainty around trade policy, with potential spillover effects on inflation and supply chains. Meanwhile, the AI sector experienced heightened volatility following the emergence of China's DeepSeek, which raised concerns over a potential escalation in the U.S.-China tech war. While fears of reduced AI capex initially pressured semiconductor and infrastructure names, market sentiment improved as U.S. tech giants reaffirmed their spending plans. Despite these headwinds, markets seemed to remain broadly constructive, supported by resilient corporate earnings and expectations for eventual Fed easing later in the year. As markets look ahead, the focus remains on incoming economic data, Fed policy signals, and evolving geopolitical developments that could shape risk sentiment in the months ahead.

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