Trillium Asset Management

TRILLIUM ESG GLOBAL EQUITY FUND - CLASS A

March 2025

FUND FACTS

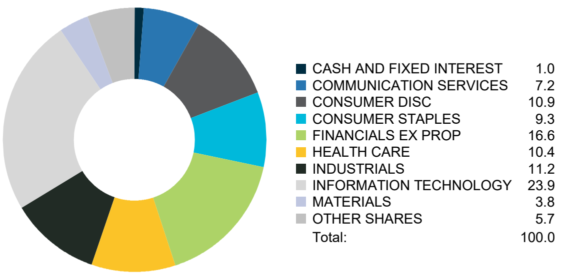
Investment objective: To provide investors with long-term capital growth through investment in quality global shares. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

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

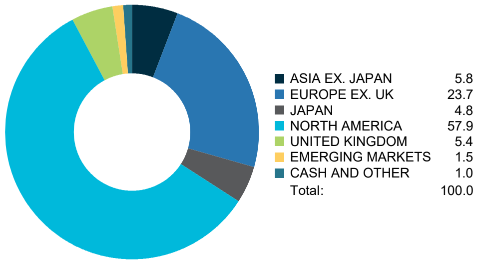
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Microsoft Corporation	5.0%
Alphabet Inc.	4.1%
NVIDIA Corporation	3.8%
Apple Inc.	3.3%
Visa Inc.	2.7%
TJX Companies Inc	1.8%
Unilever PLC	1.8%
Intercontinental Exchange, Inc.	1.7%
Taiwan Semiconductor Manufacturing Co.	1.7%
Bank of New York Mellon Corp	1.6%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 March 2025

	Fund	Benchmark	Excess
1 month	-4.77	-4.15	-0.62
3 months	-2.71	-1.96	-0.75
1 year	4.63	12.18	-7.55
2 year p.a.	11.67	19.12	-7.45
3 year p.a.	8.83	13.77	-4.94
4 year p.a.	8.78	12.51	-3.73
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	11.18	13.84	-2.66

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

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	18.1	17.0
Dividend Yield*	2.1%	2.3%
Price / Book	3.7	2.7
Debt / Equity	41.3%	45.5%
Return on Equity*	21.1%	16.3%

^ 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

Looking back, the first quarter of 2025 was the third worst start to the year for the S&P 500 since the Global Financial Crisis 15 years ago. What began optimistically ended with uncertainty—as market euphoria over deregulation and lower taxes promised by the incoming Trump administration was swiftly swept aside by widespread concerns over austerity, inflation, and tariffs. For the broad U.S. market, this marked a sharp reversal for the Magnificent 7, which dragged down the S&P 500 index given the high concentration in those names and leading to a new nickname entering investors' lexicon, the "Lag 7". The first quarter saw six consecutive weekly declines for the group of seven while six out of the seven underperformed the broader S&P 500 in the quarter. Given the magnitude of the runup leading to stretched valuations coming into this year, this unwind could still be in its early days. The resulting benefits to broader stocks and their far more reasonable valuations is an important reminder of the benefits of diversification and active management, as 62% of the S&P 500 stocks posted better returns than the index. While recent announcements in April have diverted investors' attention, the other material performance shift occurred in Europe, which outperformed the United States by more than 1000 basis points (bps) as measured by MSCI Europe's 10.6% return relative to the S&P 500's -4.3% return.

PORTFOLIO COMMENTARY

For the quarter ended March 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 -2.0% over the same period. The Fund's largest overweight positions at quarter end included Visa, Alphabet, and TJX Companies. The Fund's largest underweight positions included Amazon.com and Meta, which were not held in the portfolio due to sustainability and ESG-related concerns, as well as Apple.

The overweight position in Allianz contributed to relative performance (+23.2%). The company delivered solid operating results during the period and has a less economically sensitive balance sheet, allowing the stock to perform well against an uncertain economic backdrop.

The overweight position in Intercontinental Exchange contributed to relative performance (+15.1%). The company outperformed after experiencing robust trading volume in both equity and energy markets, which contributed to strong results. The potential for weakening economic conditions to drive interest rate cuts also led investors to anticipate more favourable future results within the company's mortgage tech business.

The overweight position in Alphabet detracted from relative performance (-18.7%). Alphabet underperformed as investors shifted money out of Magnificent Seven stocks and into safer sectors in the market. This was driven by increased market volatility and questions about the sustainability of AI related capital spending trends this year and next. Despite these issues impacting the stock in the quarter, we continue to the like the name long-term given the company's market position, technology advantage over key competitors, free cash flow generation, and overall focus on expense control discipline.

The overweight position in ServiceNow detracted from relative performance (-25.4%). ServiceNow was a bottom performer as investors rotated out of long duration, high price to earnings growth stocks within the technology space. Positive business fundamentals at the company remain unchanged. We continue to view this story favorably and believe the company is well positioned to take advantage of positive secular trends in cloud computing and business process automation. Service Now's strong balance sheet, revenue visibility and high return on invested capital also add to the margin of safety in this name.

OUTLOOK

Market conditions remain highly volatile and driven by headlines, with investor focus now turning to the implications of recently announced U.S. tariffs on individual stocks, sectors, and countries. Amid the uncertainty, we remain anchored to our long-term philosophy: investing in high-quality companies with strong sustainability attributes and reasonable valuations, aligned with our core themes—Climate Solutions, Economic Inclusion, and Healthy Living. The U.S. faces growing risks of stagflation, with rising inflation expectations complicating the Federal Reserve's response at a time when recession concerns were already building. The dollar has weakened, and markets are now pricing in a greater likelihood of rate cuts. Globally, tariffs were largely in line with expectations for the Eurozone and Americas, but significantly higher for China and broader Asia. Countries like Japan must now adjust just as growth momentum was improving. While near-term pain is evident, history suggests that such market dislocations can offer compelling entry points. We're proactively reassessing all portfolio positions, especially in sectors already under pressure from valuations and fundamentals. As reporting season unfolds and data clarity improves, we remain disciplined yet agile in navigating this complex environment.

The publication has been prepared and issued by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535 AFSL No 234426, as promoter for the Perpetual WealthFocus Superannuation Fund. The information contained in this document 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 information contained in this document is in addition to and does not form part of the product disclosure statement (PDS) for the Perpetual WealthFocus Superannuation Fund. The PDS for the Perpetual WealthFocus Superannuation Fund ABN 41 772 007 500, issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL 229757, RSE L0001458, should be considered before deciding whether to acquire or hold units. The PDS and Target Market Determination can be obtained by calling 1800 011 022 or visiting www.perpetual.com.au. Neither PIML, ETSL nor any of their related parties guarantee 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.

MORE INFORMATION

Adviser Services 1800 062 725

Investor Services 1800 022 033

Email investments@perpetual.com.au

www.perpetual.com.au/trillium

TRILLIUM ASSET MANAGEMENT