Trillium Asset Management

TRILLIUM ESG GLOBAL EQUITY FUND - CLASS A

June 2025

FUND FACTS

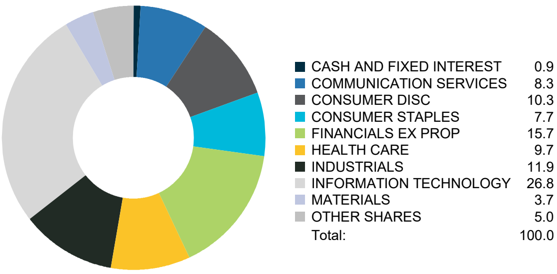
Investment objective: To provide investors with long-term capital growth through investment in quality global shares. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

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:	$21.01 million as at 31 Mar 2025
APIR:	PER2095AU
Management Fee:	0.89%*
Investment style:	Core
Suggested minimum investment period:	Seven years or longer

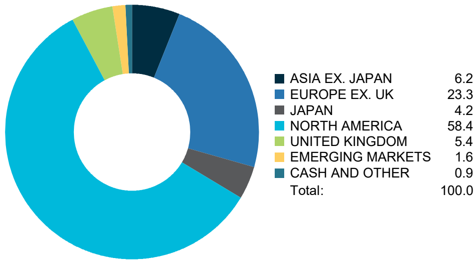
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Microsoft Corporation	5.9%
NVIDIA Corporation	5.0%
Alphabet Inc.	4.2%
Apple Inc.	2.7%
Visa Inc.	2.5%
Taiwan Semiconductor Manufacturing Co.	2.1%
Netflix, Inc.	1.7%
TJX Companies Inc	1.7%
Intercontinental Exchange, Inc.	1.6%
Unilever PLC	1.6%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 30 June 2025

	Fund	Benchmark	Excess
1 month	1.68	2.61	-0.93
3 months	7.19	6.05	+1.14
1 year	12.88	18.38	-5.50
2 year p.a.	12.20	18.68	-6.48
3 year p.a.	14.89	19.25	-4.35
4 year p.a.	7.98	11.75	-3.77
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	12.16	14.45	-2.29

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

PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	19.8	18.4
Dividend Yield*	2.0%	2.2%
Price / Book	4.0	2.9
Debt / Equity	40.9%	46.8%
Return on Equity*	21.2%	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 second quarter of 2025 will be remembered as a triumph for investor optimism. The sharp initial sell-off following the Trump tariff announcement was swiftly met with an equally sharp recovery. Yet again, value trailed growth, and broad market indexes pushed to all-time highs despite a steady stream of headlines that could have easily derailed the rally. The global outlook remains clouded by uneven growth, fragile geopolitics, and persistent trade uncertainty. This backdrop has created familiar dispersion for investors, with less cyclically exposed or risk-on areas trailing the artificial intelligence (AI)-centric and technology-driven sectors. Once again, a narrow group of companies dominated returns - only three of the eleven GICS sectors outperformed the broader MSCI World Index. Notably, this narrowness was largely U.S.-led; the MSCI ACWI ex-U.S. Index saw twice as many sectors outperform without the same tech-driven skew. While market volatility has become the norm, it continues to present opportunity. Many investors have returned to recent momentum-driven winners, but the breadth of potential disruption - from geopolitical realignment to the unravelling of decades-old trade frameworks - suggests a much more dynamic environment ahead. Market concentration remains a key feature of this cycle, with the Magnificent 7 continuing to dominate global returns. While enthusiasm for AI has driven extraordinary gains - NVIDIA alone surpassing $4 trillion in market cap - rising capital intensity and unclear monetization paths raise questions about the durability of these premiums. History suggests these stocks may need time for fundamentals to catch up to valuations.

PORTFOLIO COMMENTARY

For the quarter ended June 30, 2025, the Trillium Global Equity fund reported a return of 7.19% net of fees versus the benchmark, MSCI All Country World Index (ACWI), which reported a return of 6.05% over the same period. The Fund's largest overweight positions at quarter end included Alphabet, Microsoft, and Visa. 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 Broadcom.

The overweight position in Microsoft Corporation contributed to relative performance (+26.2%). Microsoft was a leading performer as the company remains well positioned across all major business segments. Strong earnings visibility and favorable demand drivers supported the stock, particularly within the Azure cloud computing segment where Microsoft continues to gain market share from Amazon's AWS business. The company's AI exposure through its Office365 franchise was also viewed favorably by investors.

The overweight position in Spotify Technology contributed to relative performance (+32.7%). Spotify was a very strong performer as monetization efforts look to be accelerating at the company. Revenue growth, subscriber metrics and margin expansion all continue to be positive catalysts for the stock.

The overweight position in American Water Works Company detracted from relative performance (-9.8%). American Water Works saw a run up in the previous quarter as investors sought safety from tariff and IRA uncertainty. The stock corrected this quarter as concerns around electric utilities and IPPs eased.

The overweight position in Lululemon Athletica detracted from relative performance (-20.2%). Lululemon underperformed as U.S. and China comparable store sales decelerated, provoking investor concerns that new product innovation has not re-ignited demand. This dynamic remains unclear given the challenging consumer backdrop.

OUTLOOK

With the budget bill now signed, tariff uncertainty looms large. While Trump's IEEPA authority faces court challenges (with a hearing scheduled for July 31), there are other, less sweeping laws and provisions that Trump can use. On July 7, Trump announced 25% tariffs for five countries, including Japan and South Korea, and 40% tariffs on Laos and Myanmar; other tariffs will follow. Markets are not discounting higher tariffs at this point despite levels not seen since World War II. We do not have clear insight into the feed-through into consumer demand or into capital goods costs. On a longer-term basis, we have already seen strengthening of ex-U.S. global trade relationships which may limit U.S. markets in the future. We have not yet seen a substantial effect on consumer prices, but we anticipate an increasing flowthrough. Soft indicators such as sentiment and new orders and job creation in goods-producing sectors have already weakened. However, the budget bill's expansionary effects via the retroactive business equipment deduction preceded most of the contractionary effects such as cuts in nutrition assistance and Medicaid, which are delayed until after the next election. We therefore do not expect the economy to fall into recession in 2025. We recognize the longer-term risks to the environment and civil society from current policies but acknowledge that the U.S. economy has proven to be quite resilient in the long term to shocks. Market pain often indiscriminately hits all stocks, including those for quality companies that are well run and have strong balance sheets that offer considerable resilience, offering opportunities to establish or increase positions in well-positioned companies. We continue to assess holdings across sectors to judiciously sift for good values and balance risk and reward across multiple dimensions.

MORE INFORMATION

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