Trillium Asset Management

# TRILLIUM ESG GLOBAL EQUITY FUND - CLASS A

## September 2025

### FUND FACTS

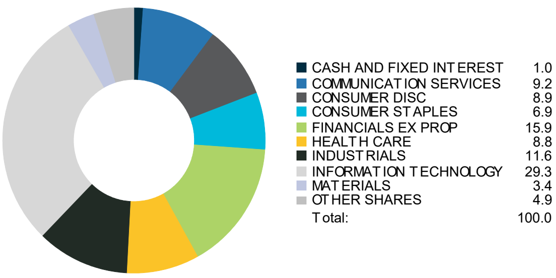
**Investment objective:** To provide investors with long-term capital growth through investment in quality global shares. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

### 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:** $22.29 million as at 30 Jun 2025
**APIR:** PER2095AU
**Management Fee:** 0.89%*
**Investment style:** Core
**Suggested minimum investment period:** Seven years or longer

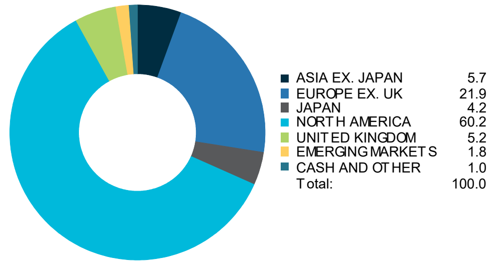
### PORTFOLIO SECTORS




### TOP 10 STOCK HOLDINGS

| | % of Portfolio |
|---|---|
| Microsoft Corporation | 6.0% |
| NVIDIA Corporation | 5.7% |
| Alphabet Inc. | 5.6% |
| Apple Inc. | 3.3% |
| Visa Inc. | 2.3% |
| TJX Companies Inc | 1.9% |
| Taiwan Semiconductor Manufacturing Co. | 1.9% |
| ServiceNow, Inc. | 1.9% |
| Bank of New York Mellon Corp | 1.8% |
| Prysmian S.p.A. | 1.8% |

### PORTFOLIO REGIONS




### PERFORMANCE- periods ending 30 September 2025

| | Fund | Benchmark | Excess |
|---|---|---|---|
| 1 month | 0.80 | 2.33 | -1.54 |
| 3 months | 2.55 | 6.42 | -3.87 |
| 1 year | 14.72 | 22.75 | -8.03 |
| 2 year p.a. | 16.24 | 22.66 | -6.42 |
| 3 year p.a. | 16.37 | 21.88 | -5.51 |
| 4 year p.a. | 7.42 | 12.71 | -5.29 |
| 5 year p.a. | 11.76 | 15.34 | -3.57 |
| 7 year p.a. | - | - | - |
| 10 year p.a. | - | - | - |
| Since incep. p.a. | 12.08 | 15.08 | -3.00 |

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

### PORTFOLIO FUNDAMENTALS^

| | Portfolio | Benchmark |
|---|---|---|
| Price / Earnings* | 20.3 | 19.2 |
| Dividend Yield* | 1.9% | 2.1% |
| Price / Book | 4.2 | 3.1 |
| Debt / Equity | 41.4% | 47.7% |
| Return on Equity* | 21.9% | 16.8% |

^ Portfolio Fundamentals are compiled using our methodology and provided only for the purpos of illustrating Trillium's investment style in action. These figures are forecast estimates, calculate 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 third quarter extended the remarkable rebound that began in April. Equity markets powered to fresh all-time highs despite a backdro that was anything but calm. In the U.S., returns were meaningfully positive—the S&P 500 advanced 8.1%, the Nasdaq surged 11.4%, and the Russell 20( jumped 12.4%, marking its best quarter since 2023. Non-U.S. developed markets continued their positive ascent for the year but lagged the U.S. with th MSCI World ex.-U.S. Index up 5.3%. Conversely, emerging markets was the strongest region, with the MSCI Emerging Markets Index up 10.6%, hitting new highs for the gauge of developing markets in what has been a strong year thus far.

As we have seen in past quarters, as markets focus more on growth and artificial intelligence themes, the market tends to narrow. We saw this again thi quarter not only on a sector basis, as noted further below, but also from an overall market basis. In the quarter the MSCI World Index returned 7.3% whil the MSCI World Equal Weighted Index returned 4.5%. Looking at a key theme that drove the market, AI/Big Data, the Indxx Artificial Intelligence and Bi Data Index was up 13.2% in the quarter, driving nearly half of its year-to-date return of 28.5%. With large index weightings in stocks such as Alibaba Gro Holding Limited (+63%), Tesla, Inc. (+40%), Alphabet Inc. (+37%), and Tencent Holdings Ltd. (+33%), the outperformance does not come as too much of surprise but the magnitude of the returns in one quarter for these securities is very meaningful and does plant in investors' minds the seed of "bubble" territory for the theme as a whole.

## PORTFOLIO COMMENTARY

For the quarter ending September 30, 2025, the Trillium Global Equity Fund reported a return of 2.55% net of fees versus the benchmark, MSCI All Country World Index (ACWI), which reported a return of 6.42% over the same period. At month-end, the Fund's largest overweight positions included Alphabet, Microsoft, and Prysmian. The Fund's largest underweight positions included Amazon.com, Meta, and Broadcom, all of which are not held in the portfolio v the first two due to sustainability and ESG related concerns.

The overweight position in Alphabet contributed to relative performance (+56 bps). Alphabet has been a strong performer given the company's role in funding the current artificial intelligence capital spending cycle. Stocks in this area have seen very strong investor interest. Company fundamentals in the core digital advertising business also remain robust, helping to support earnings growth and valuation.

The overweight position in Prysmian contributed to relative performance (+40 bps). Prysmian beat estimates and raised full year free cash flow guidance a the company continues to benefit from the increasing demand for power driven by the AI buildout.

The overweight position in Chipotle Mexican Grill detracted from relative performance (-35 bps). Chipotle underperformed this quarter as the industry leading quick- service restaurant finally started to see impact from more discerning consumer behavior, particularly amidst consumers' focus on absolu price points and high promotion in the restaurant industry. The company also faced challenging year-over-year comparisons in same-store sales.

The overweight position in Kerry Group detracted from relative performance (-28 bps). Kerry group reported weak first half revenue growth and lowere investor expectations for the rest of 2025 as consumer weakness weighs on their end markets and volume sold.

## OUTLOOK

As the Federal Reserve delivered a 0.25% cut, S&P 500 valuation increased to 22.8 times expected earnings for the next twelve months (vs. 20.0 times in Q2), reaching 1.8 standard deviations above its 30-year average of 17.0 times. The 12-month forward earnings yield of 4.4% is 2.6% above the 10-year Treasury Inflation Protected Securities (TIPS) yield of 1.8%, indicating a similar modest return advantage for equities over bonds as at the end of June 2025 However, the cyclically adjusted price-to-earnings (CAPE) ratio which references 10 years of inflation adjusted earnings, is more extended, at 38.9 times, c 1.7 standard deviations above its 30-year average of 28.4 times. Valuations continue to be quite elevated, with markets clearly on the side of greed versus fear even in the context of a U.S. government shutdown, an ongoing tariff shock, and a nearly stagnant labor market. The equity and corporate credit markets celebrate the resumption of interest rate cuts, the Administration's deregulatory agenda, generous OBBB incentives for capital expenditures, anc accelerated opportunities for AI, all of which could support more robust future growth. However, labor markets are stagnant, lower income consumers fac tariff pressures, and businesses are struggling with higher costs, lower demand, squeezed profit margins. The Treasury market is signaling caution, as grov expectations embedded in the 10-year yield have dropped by 0.24% since February, indicating an expectation for a slowing economy. As a baseline for individual portfolio decisions, we continue to slightly favor stocks over bonds as a strategic allocation, even in the context of considerable economic and political uncertainty. While bonds frequently provide a diversification benefit in portfolio construction, and stocks may have considerable additional risk o the immediate horizon, including from valuation, for investment horizons over ten years, stocks provide substantial protection against rising prices that bonds do not. We believe it is important to identify and invest in companies that acknowledge and manage environmental, social, and governance risks. These companies will be positioned to benefit from the continued importance of diversity, workplace satisfaction, and climate change to company financi performance. These issues continue to be important, and wise corporate leaders will be ever more committed to managing these risks.



MORE INFORMATION

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