



Trillium Asset Management

TRILLIUM GLOBAL SUSTAINABLE OPPORTUNITIES FUND - CLASS A

January 2024

FUND FACTS

Investment objective: To provide investors with long-term capital growth through investment in global companies driving the transition to a more sustainable economy. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

FUND BENEFITS

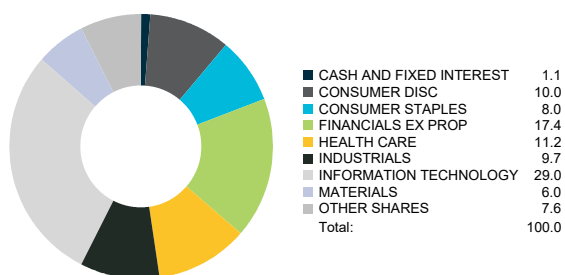
The diversified portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the high conviction approach to stock selection.

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 World Net Total Return Index (\$A)
Inception Date: August 2020
Size of Portfolio: \$56.11 million as at 31 Dec 2023
APIR: PER4964AU
Management Fee: 0.99%*
Investment style: Thematic
Suggested minimum investment period: Seven years or longer

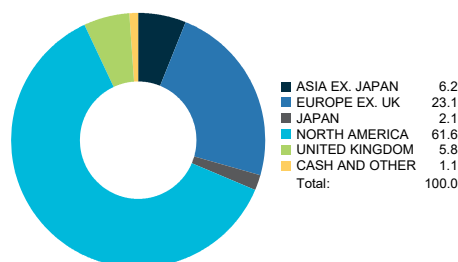
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

Company	% of Portfolio
Microsoft Corporation	4.9%
Palo Alto Networks, Inc.	3.9%
Mastercard Incorporated	3.4%
Adobe Inc.	3.3%
ASML Holding NV	3.0%
AstraZeneca PLC	3.0%
Unilever PLC	2.8%
American Tower Corporation	2.7%
Taiwan Semiconductor Manufacturing Co.	2.7%
ServiceNow, Inc.	2.7%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 January 2024

	Fund	Benchmark	Excess
1 month	1.90	4.46	-2.56
3 months	10.43	11.22	-0.79
FYTD	-2.56	9.61	-12.17
1 year	4.22	24.71	-20.50
2 year p.a.	-2.18	7.42	-9.60
3 year p.a.	2.78	13.56	-10.78
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	7.43	13.67	-6.25

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	19.1	17.8
Dividend Yield*	2.3%	2.5%
Price / Book	2.8	2.9
Debt / Equity	47.0%	49.9%
Return on Equity*	16.7%	16.8%

[^] 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

The first month of 2024 marked a continuation of many themes observed in 2023. Global markets pushed nominally higher with the MSCI World and MSCI All Country World indexes both up 1.2% and 0.6%, respectively. This built on the sharp reversal from December, but the returns were not evenly distributed across the globe. Unlike last quarter, growth stocks generally led value stocks, except in Japan and emerging markets. In the MSCI World Index, sector performance was mixed. The top performing sectors were in more growth-oriented sectors such as Communication Services, Information Technology, and Health Care. The worst performing sectors – Materials, Utilities, and Real Estate – are more interest rate-sensitive sectors, hurt by the realization that interest rates may fall slower than previously expected.

PORTFOLIO COMMENTARY

For the month ended January 31, 2024, the Trillium Sustainable Opportunities fund reported a return of 2.0% versus the benchmark, MSCI World Index, which reported a return of 4.5% over the same period. The Fund's largest active overweight positions included information technology company Palo Alto Networks, Adobe Incorporated, and Mastercard Inc. The Fund's largest underweight positions included Apple Inc., Alphabet Inc., and Amazon.com, all of which are not currently held in the fund.

The overweight position in information technology company Palo Alto Networks (+18.5%) contributed to relative performance. The company continues to outperform as a leader for cybersecurity software amidst a strong secular trend toward network security.

The overweight position in semiconductor equipment company ASML Holding (+18.6%) contributed to relative performance. Fourth quarter results show a strong order intake driven by advanced node transitions at Memory customers for AI applications. Investors remain bullish as the company's prospects for supplying next generation technologies remains firm.

The overweight position in HDFC Bank Limited (-14.7%) detracted from relative performance. HDFC Bank's stock was down during the month after reporting earnings that showed weaker than expected margins as investors continue to digest the entity's collective operations following the merger with Housing Development Finance Corp in 2023.

The overweight position in EDP Renovaveis (-17.5%) detracted from relative performance. The company gave back some performance in January after the renewable energy utility rallied in 4Q23 on falling yields and what appeared to be peak rates as the Fed made a dovish pivot at their December meeting.

OUTLOOK

Consistent with our recent commentary, a baseline expectation of continued equity and fixed income market volatility in CY24 is assumed, given lowering inflation rates, higher credit costs for companies and individuals (versus the prior five-year trends), increasing geopolitical risks (elections in US, UK, India, Taiwan, among other countries). While the Magnificent Seven stocks that performed so well in CY23 remain broadly in favor amongst investors, divergence within that group has begun to manifest and potentially continues that trend through H1/24. Given the extreme narrowness of the market, we continue to research and analyze companies with more compelling risk/reward profiles in line with our longer-term investment horizon.

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The PDS for the relevant fund, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS and Target Market Determination 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 or the return of any investor's capital. Total return shown for the fund(s) 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 contribution or withdrawal fees or taxation (except in the case of superannuation funds, as applicable). Past performance is not indicative of future performance.

MORE INFORMATION

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