



TRILLIUM
ASSET MANAGEMENT

Trillium Asset Management

TRILLIUM GLOBAL SUSTAINABLE OPPORTUNITIES FUND - CLASS A

February 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

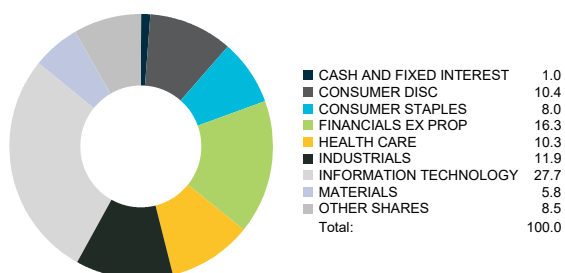
The diversified portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the high conviction approach to stock selection.

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

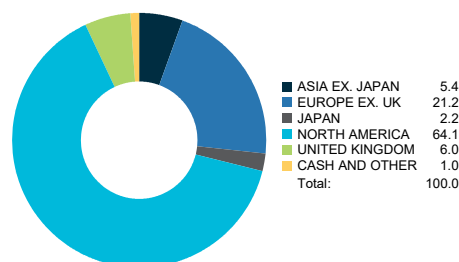
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Microsoft Corporation	5.9%
Mastercard Incorporated	3.5%
AstraZeneca PLC	3.3%
Adobe Inc.	2.9%
NVIDIA Corporation	2.8%
Eaton Corp. Plc	2.8%
Unilever PLC	2.7%
American Tower Corporation	2.7%
ASML Holding NV	2.6%
ServiceNow, Inc.	2.6%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 29 February 2024

	Fund	Benchmark	Excess
1 month	4.22	5.82	-1.61
3 months	9.30	12.69	-3.39
FYTD	1.55	15.99	-14.44
1 year	6.80	29.41	-22.61
2 year p.a.	2.44	13.60	-11.16
3 year p.a.	4.14	15.10	-10.96
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	8.51	15.16	-6.66

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	20.1	18.3
Dividend Yield*	2.2%	2.4%
Price / Book	2.9	3.0
Debt / Equity	55.4%	49.3%
Return on Equity*	16.1%	16.7%

[^] 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 second month of 2024 marked a continuation of many themes observed over the past year. Global markets pushed higher, with the MSCI World index up 5.8%. This built on the sharp reversal from December that continued through January. This continuation of strong performance in the month can be seen in the momentum factor: the stocks with the highest 12-month momentum (top quintile) are up nearly 20% year-to-date with no other quintile ahead of the MSCI World Index. Further, returns were not evenly distributed across the globe. Unlike last quarter, growth stocks generally led value stocks across markets, and sector performance remained mixed (albeit all sectors were positive during the month except Utilities). The top performing sectors in the MSCI World Index were the Consumer Discretionary, Information Technology, Industrials, and Communication Services sectors. The worst performing sectors – Utilities, Consumer Staples, Energy, and Real Estate – are more interest rate-sensitive sectors and were hurt by the continued market focus on the notion that interest rates may fall slower than previously expected.

PORTFOLIO COMMENTARY

For the month ended February 29, 2024, the Trillium Sustainable Opportunities fund reported a return of 4.3% versus the benchmark, MSCI World Index, which reported a return of 5.8% over the same period. The Fund's largest active overweight positions included AstraZeneca, Mastercard Incorporated, and Eaton Corporation. 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 Eaton Corporation (+19.2%) contributed to relative performance. Shares of the power management leader increased during the month after reporting strong earnings that beat Street estimates. The company continues to expand its manufacturing facilities to meet growing customer demand as their commercial and industrial end markets increasingly adopt sustainable energy solutions.

The overweight position in Taiwan Semiconductor Manufacturing (+15.7%) contributed to relative performance. Shares rose during the month as the demand rose for AI exposed chips. The chip manufacturer showed strong sales and reacted to bullish sentiment for chips stocks globally.

The overweight position in Adobe Inc. (-7.9%) detracted from relative performance. Shares dropped mid-month after OpenAI introduced a new text-to-video generator which presents competition for Adobe's Creative Cloud suite of products for creative professionals.

The overweight position in Dassault Systemes (-9.5%) detracted from relative performance. The company's shares decreased following the release of 4Q results that showed revenue modestly below expectations, driven by softness in licensing, while forward guidance was also below expectations.

OUTLOOK

Hotter than expected US inflation data & a still resilient labor market has left interest rates the main determinant of equity volatility with the market now pricing in 3-4 cuts over the next 12 months compared to 8 cuts just several months ago. In conjunction market breadth continues to deteriorate with investors remaining obsessed with a small number of growth companies benefiting from secular opportunities associated with the rapid development of AI. Continued volatility, driven in part by election-year dynamics across several countries, along with persistent market narrowness provides both a risk and opportunity for bottom-up, quality and diversified active managers. With elevated political risks we continue to research stocks ideas that meet our strict fundamental criteria and show the qualities of ESG leadership looking beyond the ebullient markets of today, though poised to benefit from and bring sustainability trends into the future.

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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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