



TRILLIUM GLOBAL SUSTAINABLE OPPORTUNITIES FUND A CLASS

October 2020

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

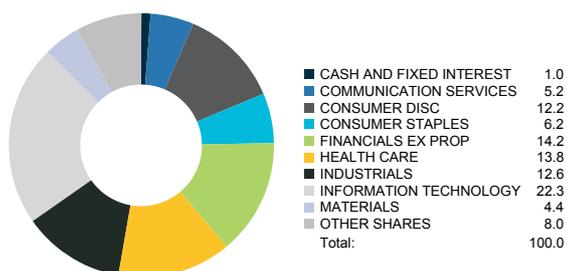
The diversified portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the high conviction approach to stock selection. The portfolio has no fossil fuel exposure

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: \$10.46 million as at 30 Sep 2020
APIR: PER4964AU
Management Fee: 0.99%*
Investment style: Growth
Suggested minimum investment period: Seven years or longer

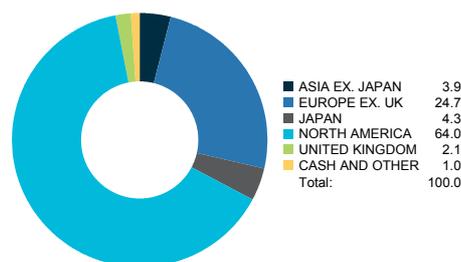
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

Stock Holding	% of Portfolio
Alphabet Inc.	3.5%
First Solar, Inc.	2.9%
Trane Technologies plc	2.8%
Mastercard Incorporated Class A	2.8%
Unilever NV	2.7%
Ormat Technologies, Inc.	2.6%
KBC Group N.V.	2.5%
salesforce.com, inc.	2.4%
Roche Holding AG	2.4%
Starbucks Corporation	2.4%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 October 2020

	Fund	Benchmark	Excess
1 month	2.07	-1.07	+3.14
3 months	-	-	-
FYTD	-	-	-
1 year	-	-	-
2 year p.a.	-	-	-
3 year p.a.	-	-	-
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	4.47	0.26	+4.51

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	25.5	18.9
Dividend Yield*	2.1%	2.8%
Price / Book	3.5	2.3
Debt / Equity	42.6%	61.1%
Return on Equity*	14.6%	13.0%

[^] 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

Global equity markets weakened as the MSCI All Country World Net Total Return Index fell 0.4% (in Australian dollar terms) during October. Investors were spooked as record-high coronavirus cases were reported across the US and Europe, with daily new infection rates surpassing those recorded in April and May. Announcements of refreshed lockdowns threatened economic activity, leading to downgrades in December-quarter Global GDP forecasts and resulting in a pull-back in sentiment across most developed markets. Stalled negotiations between the Republicans and the Democrats for a US multi-billion-dollar coronavirus stimulus package further suppressed confidence amongst investors, while narrowing US election polls and President Trump testing positive for the coronavirus exacerbated volatility. Corporate earnings results were mixed, yet disappointment across the big-tech firms saw the S&P 500 fall 0.7%.

Across Asia, Chinese GDP growth fell slightly below expectations, nevertheless improved investor sentiment saw a 7.5% rally in the MSCI China Price index. Confidence amongst the Japanese market similarly saw its Nikkei index rally by 2.1%. European markets, however, were hampered following a bleaker economic outlook as curfews were re-imposed across the UK, France, Spain, Italy, and Germany, while other European countries implemented softer mobility restrictions to combat a second wave of infections. The Euro Stoxx Index ended the month 7.9% lower, while The German Dax plunged 9.4%. Progress towards a Brexit trade deal saw a rally in the British Pound which further pressured UK equities, leading to a 4.7% fall in the UK FTSE 100 index. World emerging markets, however, managed to gain traction, rising 4.2% in Australian dollar terms.

The best performing sectors for the month, as measured from the MSCI All Country World Net Total Return Index, were Communication Services (+4.1%), Utilities (+3.8%), and Financials (+1.4%). The worst performers were Energy (-3.8%), Health Care (-2.7%), and Information Technology (-2.4%). As a whole, value stocks (-2.9%) underperformed growth stocks (-3.3%) as measured from the MSCI World Value and MSCI World Growth indices, respectively.

PORTFOLIO COMMENTARY

The Fund's largest overweight positions include solar company First Solar, industrial HVAC company Trane Technologies, and global staples company Unilever. The Fund's largest underweight positions include Apple, Microsoft, and Amazon.com, all of which are not held in the fund.

The overweight position in First Solar (+34.2%) rebounded this month on a robust quarterly earnings report and as investors anticipated that a new administration and Congress would be more favorable toward renewable technologies. The company is seeing solid bookings for its latest Series 6 product, with little expected interruption from COVID slowdowns. We believe the newly elected Democratic administration will help provide further catalysts for renewable energy names, despite the run we have seen thus far this year.

Vascular medical device company Penumbra (+3.17%) bounced back from safety concerns related to its newer aspiration catheter. The company posted strong numbers in its quarterly release as it demonstrates continued success in taking market share in stroke treatments, particularly as doctors gain confidence and familiarity with its evolving technology.

US credit card company Mastercard (-12.8%) fell on lower travel purchases and concerns about COVID resurgence across North America and Europe.

Japanese water company Kurita (-7.7%) also detracted from relative performance as sales were impacted by COVID related slowdowns, particularly from manufacturing customers who saw lighter production in the period.

OUTLOOK

The continuing resurgence of COVID cases globally followed by a resumption of lockdowns, including country-wide restrictions in Europe, pressured stocks for the month. Increased tension in front of the US election also increased volatility, due to the many unknowns around stock direction after either a clear or contested outcome. US GDP bounced back in the third quarter, but the lack of additional stimulus ahead of the election raises concerns about the longevity and quality of the bounce. Asia, and particularly mainland China, proved the bright spot, with industrial production and auto sales surging back to pre-crisis levels in that country. Several macro hot spots continue to create additional headwinds, including Brexit negotiations and continued tension between China and Hong Kong. With no clear direction for stocks until we have clarity on the direction of the pandemic from here, and possible mitigation from vaccine development, we expect markets will remain range bound. We anticipate that a clear election outcome in the US will at least provide some level of policy response, both in terms of addressing public health and economic reinvigoration. We continue to focus on high-quality companies with proven management, strong balance sheets, and astute management of ESG related risks and opportunities to provide stability through these heightened periods of uncertainty.

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