



TRILLIUM GLOBAL SUSTAINABLE OPPORTUNITIES FUND A CLASS

March 2021

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.

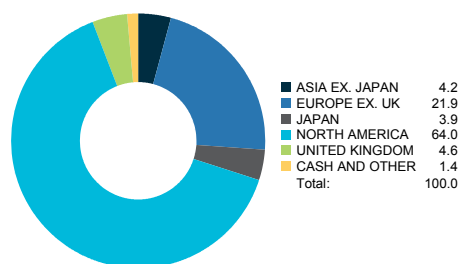
The portfolio has no fossil fuel exposure

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: \$14.92 million as at 31 Mar 2021
APIR: PER4964AU
Management Fee: 0.99%*
Investment style: Growth
Suggested minimum investment period: Seven years or longer

PORTFOLIO REGIONS

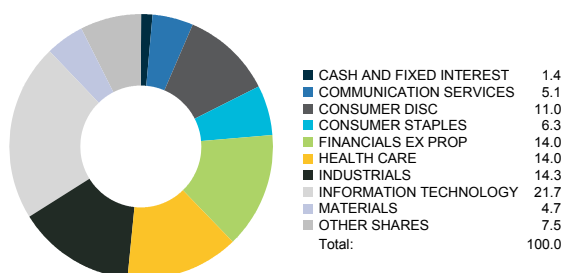


PERFORMANCE- periods ending 31 March 2021

	Fund	Benchmark	Excess
1 month	2.91	5.03	-2.12
3 months	5.45	6.30	-0.84
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.	21.96	14.03	+8.83

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

PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Mastercard Incorporated Class A	3.7%
Alphabet Inc.	3.3%
Unilever PLC	2.5%
Siemens AG	2.4%
KBC Group N.V.	2.4%
Trane Technologies plc	2.3%
NIKE, Inc. Class B	2.2%
Taiwan Semiconductor Manufacturing Co.	2.2%
SVB Financial Group	2.1%
Etsy, Inc.	2.1%

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	28.3	20.2
Dividend Yield*	1.8%	2.4%
Price / Book	4.1	2.8
Debt / Equity	38.4%	56.8%
Return on Equity*	14.7%	14.3%

[^] 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

Global share markets as a whole ended the March quarter higher, with the MSCI All Country World Net Total Return Index gaining 5.9% (in Australian dollar terms). US stocks hit a record high, assisted by solid December-quarter corporate earnings reporting and the passing of President Biden's US\$1.9b stimulus package, allowing the S&P 500 to gain 6.2%. Market sentiment improved across Europe on the prospect of relaxed lockdown restrictions after a mutated strand of the virus had much of the region in lockdown, leading to a 10.3% rise in the DJ Euro Stoxx 50 Price Index, and a 9.4% gain in the German DAX index. The UK FTSE 100 Accumulation Index also rose by 5.0%. The MSCI China Price Index, however, fell 0.2% on mixed economic data releases, while Japan's Nikkei 225 index rose by 2.0%, boosted by strengthening household spending and GDP growth exceeding expectations.

Confidence, however, was constrained as coronavirus cases continued to trend upwards with global infections surpassing 128 million despite the progression of vaccine rollout programs across most nations. The US led the case count at 31.1 million, while India and Brazil also saw major spikes over the quarter. Rising government bond yields throughout the quarter, driven by increased inflation expectations also spooked equity markets as the US 10-year treasury yield saw its largest increase since November 2016. This resulted in markets handing back a significant portion of their earlier gains on concerns of sooner-than-expected interest rate rises by central banks and their associated impact on equity valuations. Tech stocks with higher price/earnings valuations were particularly impacted, whereas resources stocks were supported by rallying commodity prices which benefitted from the increased reflationary trade.

The best performing sectors for the quarter, as measured from the MSCI All Country World Net Total Return Index, were Energy (+19.2%), Financials (+12.9%), and Industrials (+8.9%). The worst performers were Consumer Staples (+0.5%), Health Care (+1.8%), and Utilities (+1.9%). As a whole, value stocks (+10.1%) outperformed growth stocks (+1.4%) as measured from the MSCI World Value and MSCI World Growth indices, respectively.

PORTFOLIO COMMENTARY

The Fund's largest overweight positions at the end of the quarter included payments company Mastercard, Belgian bank KBC Group, and HVAC equipment company Trane Technologies. The Fund's largest underweight positions included Apple, Microsoft, and Amazon.com, all of which are not held in the fund.

In the quarter, medical device company Penumbra (+56.6%) rebounded after announcing a voluntary product recall in December that caused its stock to decline by nearly one third from mid-November to the end of December 2020. Penumbra's stock rallied after it reported materially higher than forecasted fourth quarter 2020 revenues and provided a better-than-expected revenue outlook for 2021.

With the 10-year US Treasury rate increasing and the yield curve steepening, investors moved into a range of interest sensitive Financials in calendar Q1, which included our holdings East West (+48.2%) a leader in providing banking services to clients in both the United States and China.

OUTLOOK

At quarter-end, equity markets continued to rise to new highs, with technology stocks rebounding somewhat after the sharp rotation into value earlier in the period. Continued progress on new infrastructure legislation in the US and expectations for continued post-pandemic economic rebound helped buoy bond yields, with the ten year Treasury bouncing around recent highs. As variants emerge globally, the push and pull between vaccine progress and renewed lockdowns creates continued uncertainty. That said, consumers are sitting on record savings and appear ready to resume shopping, traveling, and eating out. We believe that the consumer will help propel global growth, with the aid of economic stimulus measures globally, but we continue to worry about how equitably the rebound will unfold. We are also reminded that post-pandemic, there continue to be many simmering geopolitical hot-spots that could emerge as major market moving events, including China and Taiwan, Russia and Ukraine, and North and South Korea, particularly as nations consider testing the resolve of the new US administration to intervene. 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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