

TRILLIUM ESG GLOBAL EQUITY FUND - CLASS A

May 2025

FUND FACTS

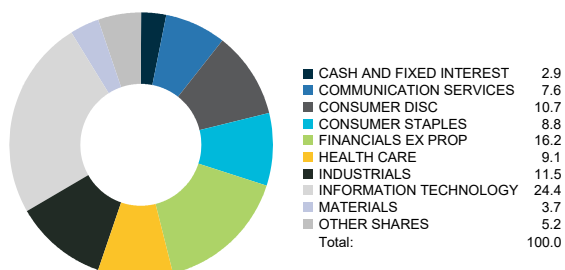
Investment objective: To provide investors with long-term capital growth through investment in quality global shares. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

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: \$21.01 million as at 31 Mar 2025
APIR: PER2095AU
Management Fee: 0.89%*
Investment style: Core
Suggested minimum investment period: Seven years or longer

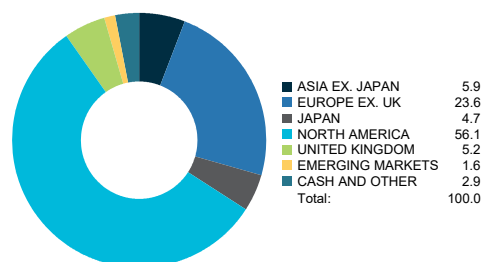
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

	% of Portfolio
Microsoft Corporation	5.6%
NVIDIA Corporation	4.3%
Alphabet Inc.	4.1%
Apple Inc.	2.7%
Visa Inc.	2.6%
Taiwan Semiconductor Manufacturing Co.	1.8%
TJX Companies Inc	1.7%
Unilever PLC	1.7%
Intercontinental Exchange, Inc.	1.7%
Netflix, Inc.	1.6%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 May 2025

	Fund	Benchmark	Excess
1 month	5.35	5.14	+0.21
3 months	0.39	-0.94	+1.33
1 year	11.80	17.45	-5.65
2 year p.a.	12.71	18.83	-6.12
3 year p.a.	12.71	16.44	-3.73
4 year p.a.	9.08	12.25	-3.17
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep. p.a.	11.99	14.11	-2.12

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	19.2	17.9
Dividend Yield*	2.1%	2.3%
Price / Book	3.9	2.8
Debt / Equity	42.4%	46.6%
Return on Equity*	20.8%	16.2%

[^] 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 month of May continued with the trend of investors observing significant and shifting economic data, geopolitical headlines, and policy uncertainty that is starting to look like the norm for 2025. The rapid news flow regarding U.S. tariffs were met with more muted market reactions than April as investors are adjusting to some uncertainty. Even with the tariffs as a backdrop, global markets rallied with the U.S. leading other developed regions. Additionally, growth continued to gain momentum from April and outperformed value, reversing the trend observed in the first quarter, erasing most of the large relative losses from the first three months. Another early year trend that took a pause was developed and emerging markets outperforming U.S. equities due to the fact that the U.S. has a higher weight in growth sectors like Information Technology, although all major regions were up during the month. The big news in North America was not economic data, but the continued ramifications of tariffs on the economies of the U.S., Canada, and Mexico. U.S. markets experienced volatility in May but ultimately posted gains as the S&P 500 Index recovered above its pre-tariff announcement level by early May. Markets were buoyed by the announcement of a 90-day trade agreement with China that significantly reduced tariffs on both sides, easing recession fears, that has since all but fallen apart over rare earth mineral disputes already disrupting the automotive market. As we have seen over the past two years, a growth month dampened market breadth with the three growthiest sectors with mega-cap champions – Consumer Discretionary (i.e., Amazon), Information Technology (i.e., Microsoft and NVIDIA), and Communication Services (i.e., Alphabet and Meta) – all outperformed the index.

PORTFOLIO COMMENTARY

For the month ending May 31, 2025, the Trillium Global Equity Fund reported a return of 5.35% net of fees versus the benchmark, MSCI All Country World Index (ACWI), which reported a return of 5.14% over the same period. At month-end, the Fund's largest overweight positions included Alphabet, Visa, and TJX Companies. The Fund's largest underweight positions included Amazon.com, Meta, and Broadcom, all of which are not held in the portfolio with the first two due to sustainability and ESG related concerns.

The overweight position in Microsoft contributed to relative performance (+16.01%). Microsoft marked its best monthly performance in years. The company's success was primarily driven by strong quarterly cloud revenue growth, with total revenue reaching \$70.1 billion, up 13%. Strategic AI initiatives, including partnerships with xAI, OpenAI, and Nvidia, strengthened Microsoft's market position. Additionally, the company's focus on software products rather than hardware provides some natural protection against tariffs.

The overweight position in Infineon Technologies contributed to relative performance (+17.81%). Although Infineon cut its fiscal 2025 outlook and provided lower-than-expected third quarter revenue guidance of €3.7 billion due to tariff uncertainty, it still beat both top and bottom lines for the second quarter, and management emphasized that order intakes were not slowing. The stock was further boosted by tariff de-escalation, Nvidia's strong earnings announcement, and by forming a strategic partnership with Nvidia to develop new power delivery infrastructure for AI data centers.

The overweight position in Daiwa House Industry detracted from relative performance (-7.13%). Despite reporting solid full-year results, several factors contributed to poor performance. The company's FY2026 operating income forecast of 470 billion yen implied a decline from the previous year's 546.3 billion. Also, Nomura downgraded the stock to neutral from buy, likely influencing investor sentiment.

The overweight position in Elevance Health detracted from relative performance (-9.26%). The stock declined in part due to a budget reconciliation bill that passed the House. The bill proposed stricter Medicaid work requirements and more frequent eligibility checks, which could remove millions from coverage. The legislation also signaled a shift toward tighter federal cost control. Investors worried that the bill could potentially shrink Elevance's Medicaid-related revenue and pressure the company's future margins.

OUTLOOK

Markets posted strong gains in May, fueled by better-than-expected earnings and hopes for tariff de-escalation, even as underlying macroeconomic signals remained mixed and geopolitical tensions re-emerged late in the month. The S&P 500 and Nasdaq had their best month since November 2023. European equities also surged, with the STOXX 600 having its best month since 1990. Asia broadly followed suit, led by gains in tech-heavy indices in Taiwan and South Korea. US Treasury yields rose across the curve, while Japanese yields spiked on reduced BOJ buying. The dollar index was flat, and gold fell marginally for the first time in five months. Markets rallied early in May after the US and China agreed to temporarily roll back tariffs (US to 30% from 145%, China to 10% from 125%), but momentum faded as the US imposed new export controls and visa restrictions and as Treasury Secretary Bessent acknowledged talks with China were "a bit stalled". Legal rulings on tariff authority added another layer of uncertainty, and US-EU negotiations also struggled. The macroeconomic landscape remained mixed, particularly in the US, where improved consumer sentiment and solid Q1 earnings (+12.9% y/y for S&P 500) were offset by slightly softening labor data and disappointing personal spending. Despite an increase of just 0.1% for core PCE inflation in April, signaling modest cooling, Treasury yields rose as investors responded to concerns over fiscal sustainability and shifting Fed expectations. The Fed held rates steady, but the statement acknowledged heightened risks of both inflation and unemployment. Overall, May felt like a temporary reprieve, rather than a resolution. Key points to watch include progress in trade issues, clarity on the Fed's next move, and the US Senate's deliberation of the reconciliation package passed by the House.

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