



TRILLIUM ESG GLOBAL EQUITY FUND - A CLASS

March 2024

FUND FACTS

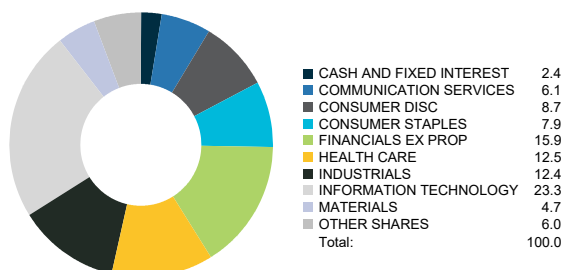
Investment objective: To provide investors with long-term capital growth through investment in quality global shares. To outperform the benchmark (before fees and taxes) over a rolling 3 year period.

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: \$26.41 million as at 31 Dec 2023
APIR: PER2095AU
Management Fee: 0.89%*
Investment style: Core
Suggested minimum investment period: Seven years or longer

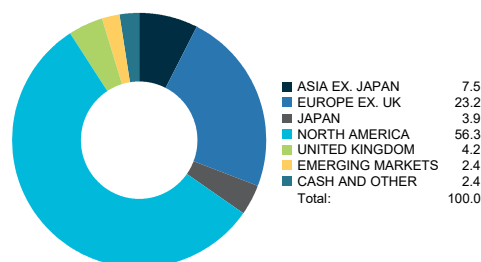
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

Stock Holding	% of Portfolio
Microsoft Corporation	5.2%
NVIDIA Corporation	4.0%
Alphabet Inc.	3.9%
Apple Inc.	2.4%
Taiwan Semiconductor Manufacturing Co.	2.2%
Visa Inc.	2.1%
Novo Nordisk A/S	1.8%
Merck & Co., Inc.	1.5%
Accenture Plc	1.3%
TJX Companies Inc	1.3%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 March 2024

	Fund	Benchmark	Excess
1 month	2.33	2.94	-0.61
3 months	10.51	13.16	-2.66
FYTD	12.25	18.40	-6.15
1 year	19.19	26.49	-7.31
2 year p.a.	11.00	14.58	-3.58
3 year p.a.	10.21	12.62	-2.41
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	13.04	14.30	-1.26

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	19.5	17.6
Dividend Yield*	2.3%	2.4%
Price / Book	3.6	2.7
Debt / Equity	47.8%	45.6%
Return on Equity*	18.7%	15.8%

[^] 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 quarter of 2024 took off from the starting line quick, adding another consecutive quarter of strong equity returns for global indexes with the MSCI World Index up more than 8%. A combination of continued hope for central bank rate cuts and declining fears over a recession fueled the global equity rally. Markets made new all-time highs not just in the U.S., but across Europe and Japan as well. While the top-level index returns were strong, under the hood, much of those gains were driven by a narrow handful of high momentum and mega-tech companies. Although some modest broadening occurred, the concentrated nature of the markets continued to reach greater extremes as the weight of the highest momentum stocks in the MSCI World Index reached new highs. Buoyed in part by the euphoria for artificial intelligence (AI), this small cohort continued to drive the overall U.S. and global indices even as most stocks have not kept pace with the torrid move higher to start the year.

PORTFOLIO COMMENTARY

For the quarter ended March 31, 2024, the Trillium Global Equity fund reported a return of 10.8% versus the benchmark, MSCI All Country World Index (ACWI), which reported a return of 13.2% over the same period. The Fund's largest overweight positions included Visa, Alphabet, and Taiwan Semiconductor Manufacturer. The Fund's largest underweight positions include Amazon.com and Meta, neither of which is held in the portfolio due to sustainability and ESG related concerns, and Apple.

The overweight position in NVIDIA Corporation (+90.8%) contributed to relative performance. NVIDIA was a top performer as AI related chip demand continues to push the company's financials to new heights. Revenue growth has been explosive along with excellent pricing. The combination of the above has sent margins to record highs. We continue to monitor the fundamentals for the company as we look to balance risk with reward in this critical technology stock.

The overweight position in Taiwan Semiconductor Manufacturing Company (+37.0%) contributed to relative performance. Taiwan Semiconductor Manufacturing was a top performer as overall market conditions for the global semiconductor market continue to improve. AI-related capacity constraints have also led to elevated pricing and strong margins for the company. Long term, we continue to view the company as a critical player in the production of leading-edge semiconductors. The company's strong management team and overall market position should also be noted.

The overweight position in renewable energy producer EDP Renovaveis (-30.8%) detracted from relative performance. The company's shares dropped during the quarter on a disappointing earnings report. Higher costs related to several non-recurring items helped send the share price lower. Higher interest rates remain a headwind over the near-term, but a well-proven track record of accomplishing operating efficiencies and delivering newly installed capacity targets help reinforce the company's long-term appeal.

The overweight position in Infineon Technologies (-13.7%) detracted from relative performance. Infineon was a bottom performer as overall market conditions continue to be lackluster in the automobile space. Results and guidance have generally been in-line, and while inventories have improved, visibility into top-line growth rates isn't great. Couple that with the loss of operating leverage given the depressed top-line and the company is exhibiting below mid-cycle earnings power, which has been the dominant factor impacting the stock performance. Long term, the company is well positioned globally, and we are willing to be patient as the cycle plays out.

OUTLOOK

We expect that for much of the next quarter recent themes will continue to dominate, notably interest rates, artificial intelligence, and elections. While interest rate and inflation expectations have fluctuated over the last few quarters, we've noted continued signs of disinflation traction coupled with stronger-than-expected economic conditions. We expect continued volatility in the markets related to changing expectations for rate cuts as the market continues to debate no landing, a soft landing, or a hard landing. In the meantime, the impact of higher for longer interest rates will continue to weigh more heavily on small businesses and consumers over the coming quarters. Whether or not these effects trickle up through the economy remains to be seen, and hence the market continues to follow interest rate policy closely. AI themes continue to drive robust global technology investment and market interest. We expect that most of the significant economic and societal benefits from AI remain years away and that the list of organizations experiencing the most intense benefits will evolve and broaden over the coming years, which presents an exciting opportunity for us as an active manager. We continue to have robust discussions internally relating to risks and opportunities with all our colleagues across the investment team, ESG, and advocacy and look forward to ongoing discussions with our portfolio holdings as the technology evolves. The upcoming U.S. congressional and presidential election is likely to start driving up volatility over the near-term as investors strategically shift capital in preparation for potential changes to fiscal policy and the regulatory agenda. As always, we continue to research stock 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.

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

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

Adviser Services 1800 062 725

Investor Services 1800 022 033

Email investments@perpetual.com.au

www.perpetual.com.au/trillium

