Trillium Asset Management

TRILLIUM GLOBAL SUSTAINABLE OPPORTUNITIES FUND - CLASS A

June 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

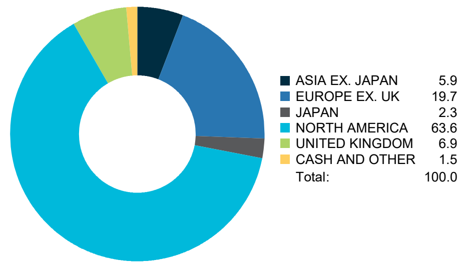
The diversified portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the high conviction approach to stock selection.

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:	$61.65 million as at 31 Mar 2024
APIR:	PER4964AU
Management Fee:	0.99%*
Investment style:	Thematic
Suggested minimum investment period:	Seven years or longer

PORTFOLIO REGIONS

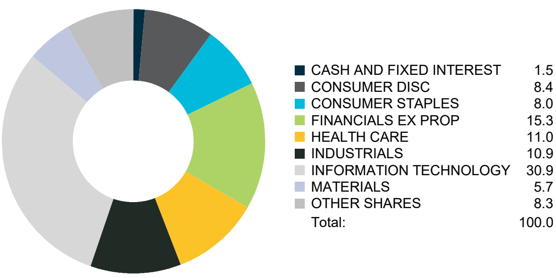


PERFORMANCE- periods ending 30 June 2024

	Fund	Benchmark	Excess
1 month	-0.38	1.61	-1.99
3 months	-1.01	0.26	-1.27
FYTD	2.09	19.80	-17.70
1 year	2.09	19.80	-17.70
2 year p.a.	9.39	21.10	-11.71
3 year p.a.	0.57	11.11	-10.54
4 year p.a.	-	-	-
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	7.90	14.72	-6.83

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

PORTFOLIO SECTORS



PORTFOLIO FUNDAMENTALS^

	Portfolio	Benchmark
Price / Earnings*	20.2	18.7
Dividend Yield*	2.2%	2.2%
Price / Book	3.0	3.1
Debt / Equity	54.8%	50.5%
Return on Equity*	16.6%	17.2%

^ 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.

TOP 10 STOCK HOLDINGS

	% of Portfolio
Microsoft Corporation	6.3%
NVIDIA Corporation	4.3%
AstraZeneca PLC	3.9%
Mastercard Incorporated	3.2%
Unilever PLC	3.0%
Adobe Inc.	2.8%
ASML Holding NV	2.8%
ServiceNow, Inc.	2.6%
American Tower Corporation	2.5%
Alcon AG	2.5%

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

Looking back, new all-time highs for the S&P 500 Index and MSCI World Index masked a much cloudier picture below the surface. Headline returns in the second quarter for the two indices were strong but were once again driven by a very narrow group of mega-cap technology stocks. In fact, the quarter saw the fewest stocks beating the broader S&P 500 Index – just three out of 10, one of the most narrow readings in the last 35 years. Similarly, other areas of the market were also weaker, including value stocks and small caps, which declined. Interestingly, earnings have followed a similar pattern to returns with the earnings growth of names like Nvidia overshadowing the broader moderation of corporate earnings growth taking place, perhaps due to the lagged effects of the monetary tightening cycle are finally appearing. In the MSCI World Index, sector performance was skewed to the downside, as just three sectors outperformed the broader index. Technology and Communication Services rose on the back of the Magnificent 7 and Utilities gained on hopes of growing power demand fueled by AI-related data center development. Cyclical areas took the brunt of the pain in the quarter: Materials, Industrials, and Consumer Discretionary were all in negative territory on concerns of slowing economic conditions. Should this continue to spread, valuation multiples remain at-risk of being compressed as growth projections are reigned in.

PORTFOLIO COMMENTARY

For the quarter ended June 30, 2024, the Trillium Sustainable Opportunities fund reported a return of (–1.01%) versus the benchmark, MSCI World Index, which reported a return of (0.26%) over the same period. The Fund's largest active overweight positions at June 30 included AstraZeneca, Unilever, and Mastercard Incorporated. 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 Taiwan Semiconductor Manufacturing (+25.2%) contributed to relative performance. Demand for the company's manufacturing services continues to remain very robust. The sell-through of AI (Artificial Intelligence) chips by key customers, including NVIDIA, is driving recent operational and financial outperformance as well as improving margins while providing above average visibility into year-end.

The overweight position in AstraZeneca (+12.5%) contributed to relative performance. After underperforming the broader market and its healthcare sector peers during the first quarter on weaker than expected fourth quarter operating and financial results, AstraZeneca outperformed its peers in the second quarter after reporting better first quarter 2024 results and holding an Investor Day in May during which it showcased its products in development and shared long term financial guidance that was higher than forecasts.

The overweight position in Intel Corporation (-31.2%) detracted from relative performance. Weaker than expected PC (Personal Computer) chip market results attributed to poor performance for the company. While investors clearly favor AI-centric secular growth stocks in the current environment, we note that new product launches in the latter half of the year are expected to be positive catalysts for this diversified chip provider.

The overweight position in NIKE, Inc. (-21.2%) detracted from relative performance. After reducing FY25 revenue outlook on a slowdown in sales of classic lifestyle products and a weaker outlook for China, the company's stock price suffered. This development pushes out the company's turnaround as it works to accelerate product innovation, reemphasize strategic wholesale partnerships, and pull back on inventory of popular franchises to drive brand heat and make room for innovative new products.

OUTLOOK

The market environment remains highly uncertain between the economic backdrop and associated interest rate expectations, artificial intelligence, and elections, not only domestically in the US but also abroad. The market continues to root for a Goldilocks soft landing macro scenario with a coming Fed easing cycle, disinflation, strong big-tech earnings, and AI optimism. However, we are concerned about the health of the consumer, the potential for rising unemployment, the impact of sticky services inflation, expensive valuations, crowded positioning, and extremely narrow market breadth. With this backdrop of macroeconomic uncertainty, we expect continued share price premiums for companies with secular growth stories, innovative products, strong market positioning, earnings and cash flow consistency, and management stability. We continue to avoid positioning for extremes and acknowledge that an economic slowdown, combined with high uncertainty about the exact course of that slowdown, means an increased likelihood of rapid rotation, particularly as investors lean heavily on small changes in weekly and monthly data releases. In such an environment, thoughtful analysis of company management, strategies, and prospects assumes added importance. Longer term, we believe that companies will be rewarded for the quality and integrity of their management, and by management's attention to evolving social and environmental considerations. We seek companies with business models that emphasize resilience across a range of scenarios, rather than ones that seek to maximize profit in a single best-case scenario. We expect companies held within our portfolios to act with purpose and to support or take leading roles in creating alternative mechanisms, through external or internal policies, to protect the needs and concerns of their employees, communities, and planet.

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