



TRILLIUM GLOBAL SUSTAINABLE OPPORTUNITIES FUND - CLASS A

August 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

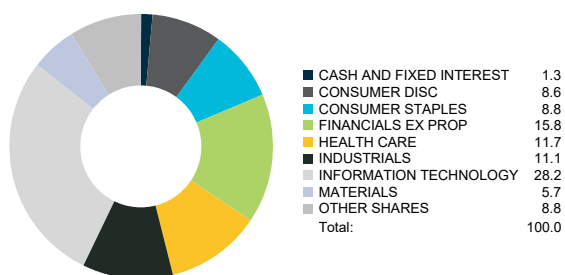
The diversified portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the high conviction approach to stock selection.

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: \$61.94 million as at 30 Jun 2024
APIR: PER4964AU
Management Fee: 0.99%*
Investment style: Thematic
Suggested minimum investment period: Seven years or longer

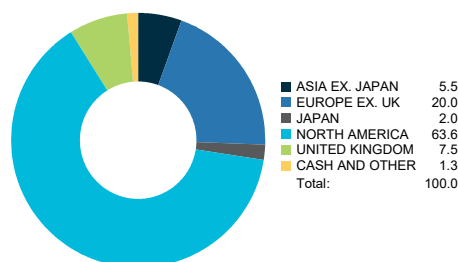
PORTFOLIO SECTORS



TOP 10 STOCK HOLDINGS

Stock Holding	% of Portfolio
Microsoft Corporation	5.5%
AstraZeneca PLC	4.1%
NVIDIA Corporation	3.9%
ServiceNow, Inc.	3.5%
Unilever PLC	3.3%
Mastercard Incorporated	3.3%
Roche Holding Ltd	2.8%
American Tower Corporation	2.8%
Adobe Inc.	2.7%
Alcon AG	2.5%

PORTFOLIO REGIONS



PERFORMANCE- periods ending 31 August 2024

	Fund	Benchmark	Excess
1 month	-0.71	-1.21	+0.50
3 months	4.07	4.46	-0.39
1 year	8.07	18.78	-10.70
2 year p.a.	9.35	20.56	-11.21
3 year p.a.	-0.29	9.58	-9.88
4 year p.a.	8.64	14.65	-6.02
5 year p.a.	-	-	-
7 year p.a.	-	-	-
10 year p.a.	-	-	-
Since incep.	8.72	14.85	-6.13

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

PORTFOLIO FUNDAMENTALS[^]

	Portfolio	Benchmark
Price / Earnings*	20.3	18.7
Dividend Yield*	2.1%	2.1%
Price / Book	3.1	3.1
Debt / Equity	51.3%	51.0%
Return on Equity*	17.2%	17.3%

[^] 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

During August, the heavy news flow continued, especially in the U.S. Global markets sold off during the first week of August due to a confluence of factors such as the yen carry trade unwind, multiples of richly valued technology stocks deflating, and a weak jobs report in the U.S. The U.S. continues its march toward elections in November, with more news, policy proposals, and headlines that fuel uncertainty in a tightly contested election. Further, soft economic data in the U.S. regarding jobs, job openings, and manufacturing output brought the word "recession" back into the realm of possibilities, as the notion of a soft landing seems less certain. Given this backdrop, the U.S. Federal Reserve (the Fed) indicated that it is time for a policy shift, and rates are likely on the way down after the next Fed meeting in September. Outside the U.S., central banks in Canada, the UK, and other western-oriented central banks are lowering rates while Japan has raised rates. Finally, China has continued to garner headlines for the wrong reasons as the economy has failed to recover post COVID on the back of underwhelming stimulus by the government with deflationary pressures still present.

PORTFOLIO COMMENTARY

For the month ended 31 August 2024, the Trillium Sustainable Opportunities Fund reported a return of -0.7% versus the benchmark, MSCI World Index, which reported a return of -1.2% over the same period. At month-end, the Fund's largest active overweight positions included AstraZeneca, ServiceNow, and Unilever. 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 AstraZeneca (+7.2%) contributed to relative performance. The company's stock performed well during the month following July's release of strong second quarter results and upgraded FY24 guidance as well as an increase to the interim dividend.

The overweight position in Bright Horizons Family Solutions (+12.6%) contributed to positive relative performance. The company relayed strong second quarter earnings and a positive outlook for the rest of the year as well as significant revenue growth and higher enrolment rates in its centres.

The overweight position in Intel Corporation (-34.2%) detracted from relative performance. The company faced challenges after reporting poor earnings including a gross margin miss, \$10 billion cost reduction plan, and dividend suspension. Operational missteps on foundry plans, guidance, and costs combined with increased competition in Intel's PC business have challenged the company's business model.

The overweight position in Wolfspeed Inc (-34.3%) detracted from relative performance. The company experienced a volatile month with its stock price dropping significantly due to underutilization costs and a challenging market environment. Coupled with the recent manufacturing challenges and surprisingly continued lack of U.S. government CHIPS Act funding for the company's semiconductor manufacturing plant, we find the risk/reward leaning unfavourable for the near-term.

OUTLOOK

Volatility remains elevated across financial markets given ongoing uncertainty created by economic weakness and related central bank policies, AI technology evolution, elections, and wars. In the US, economic data continues to decelerate with observed weakness in the consumer discretionary space, pockets in industrial, and general Labor market weakness. Interest rate expectations continue to change in concert with economic data and the first Federal Reserve cut this cycle is now widely expected on September 18th. While the U.K. government undergoes a significant change in policy and priorities under a new Labour's government leadership this past July, the U.S. faces an all-important Presidential election in less than 50 days. With this period of macro and geopolitical uncertainty, we are selectively taking advantage of price and valuation dislocations to initiate and add positions where we have the greatest conviction, while looking to lessen exposure to stocks that have unfavourable characteristics or recent developments that call into question their commitment to sustainability. Our commitment to our sustainability-focused investment process remains unchanged. We look to invest in quality companies, with proven business models that work to support environmental and social progress across their end markets, and with regard to their stakeholders.

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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

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