



# RESEARCHIP

## Qualitative Fund Research

Trillium ESG Global Equity Fund

02 September 2022

 RESEARCHIP Rating



*The views and opinions in this document are considered valid from one year from the date published.*

# Qualitative Fund Research Contents

---

|   |    |
|---|----|
| Research Factor Weighting .....             | 3  |
| What We Look At? .....                      | 3  |
| Meet the Manager .....                      | 4  |
| Key Takeouts .....                          | 5  |
| The Fund .....                              | 5  |
| Using this Fund .....                       | 6  |
| What the Manager Says? .....                | 7  |
| The RIPPL Effect .....                      | 19 |
| About Research IP .....                     | 20 |
| Disclaimers, Disclosures and Warnings ..... | 21 |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

## Research Factor Weighting

| Research Process Category               | Model Factor Weight | Analyst Average Score | Maximum Factor Score |
|---|---------------------|-----------------------|----------------------|
| Corporate & Investment Governance       | 15%                 | 4.25                  | / 5                  |
| Investment Philosophy & Process         | 20%                 | 4.60                  | / 5                  |
| People                                  | 25%                 | 3.67                  | / 5                  |
| Portfolio Construction & Implementation | 15%                 | 3.67                  | / 5                  |
| Risk Management                         | 15%                 | 3.60                  | / 5                  |
| Investment Fees                         | 10%                 | 4.00                  | / 5                  |
| <b>Overall Average Score</b>            |                     | <b>3.96</b>           | <b>/ 5</b>           |

## What We Look At?

The qualitative rating of a fund is a function of the Research IP Research Factor Weighting process, which incorporates the following:



We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

## Meet the Manager

---

Perpetual is an ASX-listed, diversified financial services company which has been serving clients since 1886. A widely-recognised and respected financial services organisation, Perpetual is one of Australia's largest wealth managers, an expert adviser to high net worth individuals, families and businesses, and a leading provider of corporate trustee services.

Trillium Asset Management (Trillium), now part of the Perpetual Asset Management family, is an impact-driven, environmental, social, and governance (ESG) focused firm. Based in Boston USA, Trillium has been at the forefront of ESG investing for 40 years and was one of the first investment firms to align values with investment objectives. Trillium's investment strategies are designed to advance humankind towards a global sustainable economy, a just society, and a better world. Further information on the Manager can be found in its [online profile](#).



Trillium's [investment philosophy](#) believes that the incorporation of ESG factors into fundamental financial analysis can help identify companies that appear best positioned to deliver risk-adjusted, long-term investment performance. They seek to invest in strategic leaders with above-average operating fundamentals and growth opportunities managed with a longer-term and stakeholder-aware orientation.

Trillium is a signatory to the Principles of Responsible Investment. Trillium believes that [integrating](#) ESG factors into the financial analysis process can help identify the best companies positioned to deliver long-term risk adjusted performance. It is fundamental to Trillium's mission to engage with the companies that they hold on behalf of clients to press for positive change on any material ESG concern or opportunity that they believe will help protect or enhance shareholder value.

The Manager has provided [individual bios for the team](#).

Access the full range of [investment options here](#).



We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

## Key Takeouts

This is General Advice only and should be read in conjunction with the Disclaimers, Disclosures and Warnings at the end of this document.

**Quantitative Tear Sheet** - <https://platform.research-ip.com/funds/68619108>

Platform is FREE to access via registration – performance data updated monthly.

[Factsheet](#)

[Report](#)

[PDS](#)

[Articles / Views](#)

For important Fund Facts view the [RIPPL Effect](#)

## The Fund

| Fund Details                   | Trillium ESG Global Equity Fund   |
|--------------------------------|---|
| Investment Objectives          | The Trillium ESG Global Equity Fund: <ul style="list-style-type: none"> <li>aims to provide investors with long-term capital growth through investment in quality global shares using an integrated ESG approach.</li> <li>aims to outperform the MSCI All Countries World Net Total Return Index (before fees and taxes) over rolling 3-year periods.</li> </ul> |
| Benchmark                      | MSCI All Countries World Net Total Return Index   |
| Alpha Objective                | The strategy aims to outperform the stated benchmark (before fees and taxes) over rolling three-year periods  |
| Management Fee                 | 0.89% p.a.  |
| Performance Fee                | N/A   |
| Estimate of Total Fund Charges | 0.89% (inc GST) – 30 June 2021  |

The Trillium ESG Global Equity Fund (“the Fund”) is an actively managed, core diversified global equity portfolio with a fossil fuel free mandate. The investment approach is driven by bottom-up ESG-integrated fundamental analysis. The Fund seeks to invest in companies that have strong operating fundamentals and above-peer growth potential, are reasonably valued, and demonstrate leadership in managing material ESG risks and opportunities. As active owners, shareholder advocacy is also a key component of the Manager’s holistic approach.

| Factor                             | Lower Limit | Upper Limit | Reference |
|------------------------------------|-------------|-------------|-----------|
| No. of securities in universe      |             |             | 5000      |
| No. of securities fully researched |             |             | 260       |
| Typical number of holdings         | 70          | 150         |           |
| Expected Portfolio Turnover        | 15%         | 20%         |           |
| Cash                               | 0%          | 10%         | 10%       |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

## Using this Fund

---

This Fund would suit an investor seeking long term capital growth through an allocation to global equity within a diversified portfolio. The Fund seeks to invest in companies that have strong operating fundamentals and above-peer growth potential, are reasonably valued, and demonstrate leadership in managing material ESG risks and opportunities.

The most pertinent underlying risks affecting the Fund are sustainability (ESG) risk, equity risk, foreign securities and emerging markets risk, management risk, and market and regulatory risk. Accordingly, investors should therefore be aware that the Fund may experience periods of negative returns and that there is a risk of potential capital loss being incurred on their investment. Research IP believes an investor should have a minimum investment time horizon of 7+ years.

## What the Manager Says?

| Insight   | Manager view   | Research IP opinion  |
|---|--|--|
| <p><b>Who is accountable for managing the fund?</b></p> <p><b>Is the investment teams work history relevant to the funds they manage?</b></p> | <p>Trillium's 22-person investment team is led by John Quealy CPA, Trillium's Chief Investment Officer (CIO). The team comprises 10 Portfolio Managers, four of which also carry lead analyst responsibilities, nine lead analysts who divide their coverage by sector, one generalist associates that supports the lead analysts, and four ESG Research Analysts that support the firm's ESG research and proprietary scoring methodology. In addition to the investment team, Trillium's six dedicated shareholder advocacy professionals, led by Jonas Kron, Esq., actively engage companies on their ESG performance using all of the tools at our disposal: direct dialogue with senior company leadership, filing or co-filing shareholder proposals, working within multi-stakeholder institutions, convening company/stakeholder meetings, proxy advisory discussions, etc. In doing so, we encourage companies to take positive and impactful environmental and social actions that are consistent with company and shareholder interests.</p> <p>The Trillium ESG Global Equity portfolio management team is led by Matt Patsky (CFA). He is assisted by three Co-Portfolio Managers in Laura McGonagle (CFA), John Quealy (CPA), and Patrick Wollenberg (CEFA). The final investment decisions regarding each of the Fund's investments are made by a majority agreement of the portfolio management team. Matt Patsky initiates portfolio trading decisions and his sole responsibility is the management of the Fund.</p> | <p>Matt Patsky has ultimate accountability for management of the Fund. Patsky is the lead Portfolio Manager, so has final call on Fund holdings. However, there is rigorous debate about the final make up of the portfolio through debate with the three Co-Portfolio Managers, with majority agreement amongst the four of them being the goal before including a company in the portfolio.</p> <p>Research IP notes an example of this was with Disney where there was no majority agreement. Two out of four of the team liked it. There was a discussion around the timing of the purchase, not wanting to go too early. A few of the reasons why the company was attractive to Patsky was the cruise ship business, theme parks, safety and operations, rich entertainment content, and comparative strength of subscriptions against Netflix. Ultimately Patsky made the call to include it in the Fund. With this in mind, Research IP believes there is increased key person risk sitting with Patsky. Partly due to his multiple decades of experience and partly because there is no clear succession plan as to which co-PM will assume Patsky's final call on portfolio holdings.</p> <p>The investment team is largely based in Boston, though there is also one team member in Portland and one in Edinburgh.</p> <p>The investment team is well qualified, both in terms of experience and academic qualifications. The average industry experience of the fund managers is almost 30 years at the date of this report. The researchers/analysts average 15 years of industry experience.</p> <p>In terms of average tenure at the firm, this measures over 10 years for the fund managers, and over 7 years for the researchers/analysts. Research IP notes the departure of lead portfolio manager, Jim Madden, in 2021 to another firm focusing on sustainable investments.</p> |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|  |   | <p>Madden had been at the firm for almost 7 years.</p> <p>In terms of academic qualifications Research IP highlights the following outside of the traditional finance/accounting/economics degrees that broaden the Manager's ability to assess ESG risks and opportunities:</p> <ul style="list-style-type: none"> <li>• Paul Hilton - BA Master in Anthropology, CFA charterholder.</li> <li>• Elizabeth Levy - BS in Chemistry, Masters in Environmental Management and CFA charterholder;</li> <li>• Emily Lethenstrom - B. Environmental Studies &amp; Politics and M. Political Science.</li> </ul> <p>11/19 of the investment team involved in this strategy are CFA charterholders.</p> |  |  |                       |  |                       |                                       |                       |   |                      |  |
|--|---|---|--|--|-----------------------|--|-----------------------|---------------------------------------|-----------------------|---|----------------------|--|
| <p><b>Has the CIO/ PM personally invested in the Fund? Are they paying the same fees as other investors?</b></p> | <p>The portfolio management team is based in the US; as such, they cannot invest in the AUD Fund. However, they are invested in the Strategy via the US-domiciled, open-end mutual fund vehicle, as detailed in the table below.</p> <p>Trillium ESG Global Equity Fund (as of 30 June 2021)*</p> <table border="1" data-bbox="469 1122 940 1653"> <thead> <tr> <th>Portfolio Manager</th> <th>Dollar Range of Equity Securities Beneficially Owned</th> </tr> </thead> <tbody> <tr> <td>Matthew Patsky, CEO &amp; Lead Portfolio Manager</td> <td>\$100,001 - \$500,000</td> </tr> <tr> <td>Patrick Wollenberg, Co-Portfolio Manager</td> <td>\$100,001 - \$500,000</td> </tr> <tr> <td>Laura McGonagle, Co-Portfolio Manager</td> <td>\$100,000 - \$500,000</td> </tr> <tr> <td>John Quealy, CIO and Co-Portfolio Manager</td> <td>\$50,000 - \$100,000</td> </tr> </tbody> </table> <p>*Statement of Additional Information ("SAI") dated October 31, 2021.</p> <p>As our ESG Large Cap Core, ESG Small/Mid Cap Core, and ESG Global Equity strategies are available as mutual funds, Lead Portfolio Managers of these strategies are required to invest in their strategies. While it is not required that all other Portfolio Managers invest in their strategy, it is highly encouraged. Should an employee</p> | Portfolio Manager   | Dollar Range of Equity Securities Beneficially Owned | Matthew Patsky, CEO & Lead Portfolio Manager | \$100,001 - \$500,000 | Patrick Wollenberg, Co-Portfolio Manager | \$100,001 - \$500,000 | Laura McGonagle, Co-Portfolio Manager | \$100,000 - \$500,000 | John Quealy, CIO and Co-Portfolio Manager | \$50,000 - \$100,000 | <p>Whilst the Portfolio Managers are not invested in this specific product, Research IP believes the significant investment in the US-domiciled product still demonstrates strong alignment with investors, particularly the non-preferential treatment regarding fees. All four of the portfolio management team are invested in the ESG Global Equity strategy.</p> <p>Research IP believe the individual investments of the investment team into the Fund strategy is in line with best practice.</p> |
| Portfolio Manager  | Dollar Range of Equity Securities Beneficially Owned  |   |  |  |                       |  |                       |                                       |                       |   |                      |  |
| Matthew Patsky, CEO & Lead Portfolio Manager   | \$100,001 - \$500,000   |   |  |  |                       |  |                       |                                       |                       |   |                      |  |
| Patrick Wollenberg, Co-Portfolio Manager   | \$100,001 - \$500,000   |   |  |  |                       |  |                       |                                       |                       |   |                      |  |
| Laura McGonagle, Co-Portfolio Manager  | \$100,000 - \$500,000   |   |  |  |                       |  |                       |                                       |                       |   |                      |  |
| John Quealy, CIO and Co-Portfolio Manager  | \$50,000 - \$100,000  |   |  |  |                       |  |                       |                                       |                       |   |                      |  |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd



|   |   |   |
|---|---|---|
|   | <p>choose to open a personal account in this strategy, they would not be given preferential treatment over any other client.</p> <p>The portfolio management team members pay the same fees as other investors in the respective share class of the US domiciled mutual fund.</p>   |   |
| <p><b>Why would you allocate to this fund?</b></p>                                  | <p>Trillium Asset Management is one of the oldest investment firms in the United States exclusively dedicated to sustainable and impactful investing with over 40 years of experience delivering market-competitive investment solutions that align with the values and wealth objectives of our clients. The key competitive advantages of the ESG Global Equity Strategy are:</p> <ul style="list-style-type: none"> <li>• Innovators in ESG: at the forefront of ESG thought leadership and drawing from decades of experience focused exclusively on sustainable investing, Trillium uses a holistic, ESG- integrated fundamental investment process to uncover compelling long-term investment opportunities,</li> <li>• Experienced Portfolio Management Team: Team-based portfolio management approach led by four Lead and Co-Portfolio Managers with over 100 years of combined experience in the industry,</li> <li>• Active Ownership: Trillium has a dedicated shareholder advocacy team focused on engaging companies to press for positive change on key ESG performance drivers, and</li> <li>• Fossil fuel free since inception: The strategy has been fossil fuel free since inception in 1999.</li> </ul> | <p>As far as experience goes in ESG investing, Patsky's experience is extensive, going back decades. Patsky was the first sell side analysts to publish analysis on corporate social responsibility in 1994. Prior to this at Lehman, Patsky was a strong advocate for including environmental and social factors into company analysis.</p> <p>Further to Patsky's experience, the breadth of qualified professionals in the rest of the investment team adds to the broad expertise needed to integrate ESG into the investment decision-making process. The increasing constraints on natural capital facing the world today is a key driver of the investment selection process.</p> <p>Research IP highlights the extra lengths the Manager goes to regarding shareholder advocacy. The specific advocacy team demonstrates their dedication to active engagement with corporates. An overview of the Manager's proxy voting record is noted in the section "Describe the Manager's ESG, Corporate Sustainability policies and engagement."</p> <p>The Fund's benchmark is MSCI All Countries World Net Total Return Index. An allocation to the Fund could be a core allocation. The Manager aims for lower volatility and lower beta over a full market cycle, though naturally there will be periods of higher volatility. Anticipated turnover is 15-20%, with tracking error typically under 5% (though not targeted specifically).</p> |
| <p><b>What are key factors in the buying and selling decisions of the Fund?</b></p> | <p>The investment process for the Trillium ESG Global Equity strategy is comprised of four distinct areas:</p> <p><u>Idea generation</u></p> <p>Typical sources of ideas including one-on-one Company meetings or visits, industry/non-governmental organisation (NGO) meetings/conferences, along with</p>   | <p>Total number of stocks in the universe is around 5000. The universe is initially evaluated for financial metrics and ESG attributes, including:</p> <ul style="list-style-type: none"> <li>• ROIC, ROE, ROA</li> <li>• Revenue growth, margin performance and strong operating fundamentals</li> </ul>   |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|   |   |
|---|---|
| <p>third-party industry and company research providers. Internal sources of ideas include analysis/discussion with our Trillium team (Equity/Fixed income analysts; ESG/Advocacy professionals), output from Trillium's proprietary ESG materiality/benchmarking studies as well as quantitative screening.</p> <p><u>ESG analysis</u></p> <p>In addition to the primary ESG analysis process conducted by Trillium's equity research analysts (described below), the Fund maintains a strategy-specific and proprietary framework to assess each portfolio company considered on environmental merits. A comprehensive review of the ecological risk and opportunities analyse 7 categories implemented across all sectors. Data is gathered and analysed by the portfolio managers, equity research analysts and ESG research analysts, utilising a range of resources, including our 20+ years of proprietary ESG company datasets, governmental websites, and NGOs. Each company is scored accordingly and monitored to assess any material changes to this initial assessment.</p> <p><u>Fundamental research</u></p> <p>Our ESG-integrated fundamental research process efforts include both industry and in-depth company analyses, which cover both quantitative and qualitative considerations.</p> <p>In terms of industry reviews, we evaluate the respective secular &amp; cyclical dynamics, along with relevant national &amp; regional aspects of a company's operating environment. In terms of company-specific analysis, we consider strategic leadership (business model, competitive advantage, strategy, management quality etc.) and financial fundamentals (economic translation of that leadership, along with analysis of key quality characteristics including margin profile, cash flow, ROIC and net leverage, among others). Valuation is derived through a combination of a traditional P/E multiple approach and a discounted cash flow analysis (with a 3-stage model), depending</p> | <ul style="list-style-type: none"> <li>• Balance sheet strength and stability</li> <li>• Baseline business involvement and controversies screening</li> <li>• ESG transparency, policies and metrics including climate, diversity, and overall impact.</li> </ul> <p>The Fund has some hard screens, e.g. pornography and gaming amongst other. However, it can be difficult to draw a line when you look deeper below the sector level. For example, a hotel chain may generate some revenue from gaming but it might be insignificant as a whole.</p> <p>Likewise, screens that denote 'alcohol' may be too high level as well. An organic vineyard might be ok for investors. However, there are no publicly traded companies in this area, so is not relevant at the moment.</p> <p>The crux of it is that the Manager is assessing a company on its own merits, rather than relying on high level categories to select investments.</p> <p>The Fund identifies several negative screens, but time and effort is focussed more into finding positive ESG aspects of companies alongside quality financial metrics.</p> <p>Positive ESG aspects of a company analysed by the Manager include:</p> <ul style="list-style-type: none"> <li>• Limiting harmful pollutant and chemicals</li> <li>• Business model aligned with a low carbon economy</li> <li>• Fair wages for employees</li> <li>• Robust human capital management strategy</li> <li>• Diverse boards</li> <li>• Pays executives reasonable wages</li> <li>• Dedicated to corporate transparency</li> </ul> <p>With respect to the materiality/benchmarking part of the process, the Manager identified industry specific ESG characteristics and applies different weights according to the significance within that industry. For example, carbon emissions are more</p> |
|---|---|

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|   |   |  |
|---|---|--|
|   | <p>on sector, industry and other considerations.</p> <p><u>Portfolio construction</u></p> <p>Trillium's Buy List consists of all stocks that have been fully researched and ultimately approved by the Investment Management Committee (IMC), with ongoing reporting and analyses by our equity research analysts.</p> <p>By utilising the Trillium stock selection "Buy list", as well as the subset of companies that have also been evaluated and scored on environmental merits, portfolio managers identify companies with improving fundamentals, attractive valuation, impending catalysts for growth, and appropriate diversification. The portfolio is constructed to be a diversified global strategy, with a bias to core growth. Sector weights are +/- 50% - 200% except for energy, with no specific country weights or regional exposure ranges outside of the benchmark. The strategy has no market capitalisation constraints and generally holds 70-150 names. Cash is typically below 3% of assets under management.</p> <p>Our sell discipline is governed by portfolio strategy and stock-specific analysis; securities may be sold due to a breakdown in the investment thesis, negative change in sector or company fundamentals, a material deterioration in ESG characteristics, excessive relative valuation, active position weight or to upgrade quality characteristics.</p> | <p>important in the energy sector, or, hidden fees are more material in the financial services sector.</p> <p>When integrating the ESG factors into their investment decision making, the Manager is ultimately trying to project 5 years out on the ESG factors. This aligns with the low turnover of the Fund holdings, and makes sense in terms of some of the thematics involved within ESG e.g. regarding climate change, a transformational change to a business model that supports the transition to a lower carbon economy doesn't happen overnight.</p> <p>The investment team ends up with around 260 stocks to research fully. These stocks are then cut down to approximately 70-150. The max allowable position to a single stock is 5%, though the limit can be extended to 8% when price change occurs.</p> <p>Positions in individual stocks will be added or trimmed through time as the fundamentals and valuations change.</p> |
| <p><b>What are the key drivers of the Fund's performance?</b></p> | <p><u>Drivers or Performance</u></p> <p>The majority of the performance of the ESG Global Equity strategy is expected to be driven by stock selection (typically ~75%) with the remainder coming from sector allocations and other factors.</p> <p>The primary source of value add for the Strategy is expected to come from our actively managed investment approach that is focused on high-quality companies with strong ESG performance that are reasonably priced based on our proprietary ESG-integrated fundamental evaluation framework.</p>  | <p>The Fund is benchmark aware, though has plenty of flexibility around sector and regional level exposures. To give a view of the portfolio from the top down, the following sectors have consistently been above 10% of the portfolio over the last three years, which is mostly in line with the benchmark:</p> <ul style="list-style-type: none"> <li>- Information technology</li> <li>- Financials</li> <li>- Industrials</li> <li>- Health Care</li> <li>- Consumer Discretionary</li> </ul> <p>The most significant relative weightings against the benchmark to note are an overweight to industrials over 3% at Q2</p>   |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|   |   |   |
|---|---|---|
|   | <p>The primary drivers of risk are primarily stock specific in nature, as measured by the Strategy's historical beta (<math>\sim &lt; 1.0</math>) along with the monitoring of tracking error (<math>\sim 2-4\%</math> targeted) given the Strategy's intention to align with benchmark characteristics such as sector allocations (<math>\pm 50-200\%</math>). Additionally, geographic risks are considered as an outcome of our bottom-up investment process, with a historical, regional underweight to the United States.</p>  | <p>2022, and the 5% underweight to energy as part of the fossil fuel free mandate.</p> <p>The sector weightings above are an outcome rather than being part of the portfolio construction process. Accordingly, Research IP highlights this point so not to confuse the strategy with a high beta style strategy due to these sector weightings. The Fund is driven primarily by bottom-up fundamentals.</p> <p>Performance will be driven by stock picking over the market cycle, underlined by the depth of research undertaken by the team. A key aspect of this is the ability to identify quality companies. The Manager leverages an internal tool designed to measure a variety of financial ratios and metrics to help analysts get a picture of a company's financial health. Average annual turnover is expected to be between 15-20% which is low. Turnover recently has been as low as 7%.</p>  |
| <p><b>What are the risks of investing in this Fund?</b></p> | <p>With an emphasis on quality construction, this strategy is modestly defensive (with a 10-year beta under 1.0) and is expected to perform in markets that favour quality and growth, while lagging in low quality and value-driven environments. Currently, when excluding stock selection, our primary positioning risks are:</p> <ul style="list-style-type: none"> <li>• underweight the Energy sector, as a fossil fuel free strategy</li> <li>• overweight Europe, underweight US</li> <li>• overweight quality and growth underweight value, financial leverage and volatility</li> </ul> | <p>A key consideration for investors today is having a margin of safety in an environment of higher interest rates. Research IP believes the Manager demonstrates a sound awareness of valuations across the portfolio, though the main style bias across the portfolio is more growth orientated. The duration of the portfolio due to the focus on some of the longer dated ESG factors is also something investors should be cognisant of, though this could be said of any global equity allocation.</p> <p>The Manager is very much aware of liquidity within the global equity universe. Part of the initial screening process is targeting stocks with market cap greater than US\$2 billion and minimum daily average trading volumes of US\$10 million.</p> <p>The Fund is not typically overweight Emerging Market stocks. The Manager is especially careful around the exposure to China due to the lack of transparency and concern on governance. The exposure to China early in 2022 was around 0.6%, whilst the benchmark typically has exposure of over 3%.</p> |
| <p><b>On what basis are the fees charged justified?</b></p> | <p>The total management cost for the Fund comprises:</p> <ul style="list-style-type: none"> <li>• Management fee</li> </ul>   | <p>Research IP believes the Manager is transparent from a fees perspective. Fees are disclosed in the Product Disclosure</p>  |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|   |   |   |
|---|---|---|
|   | <p>We receive management fees for managing your investments in the Fund which includes providing administration and custodian services. Investment fees payable to Trillium are paid out of our management fees.</p> <ul style="list-style-type: none"> <li>• Indirect costs</li> </ul> <p>Indirect costs include both our expense recoveries deducted directly from the Funds and other costs incurred indirectly in underlying funds. Indirect costs may also be incurred if a Fund or underlying fund invests in derivatives.</p> <p>Please refer to the Fund's <a href="#">Additional Information booklet</a> – page 7-9 for detailed fees and costs explanations.</p> <p>We review fees annually and compare our fees with key competitors.</p>  | <p>Statement, with more information in the Additional Information booklet.</p> <p>Research IP observes that the Manager's basic fee is in the lower half compared to sector peer relevant funds in New Zealand.</p>   |
| <p><b>Describe the quality of the organisational and investment governance processes?</b></p> | <p>Our trading department executes trades out of our home office in Boston, MA. In addition, our traders have the ability to trade remotely from home. We use SS&amp;C Advent's Moxy® as our order management system (OMS) and trade stock at market value. We attempt to execute via FIX through our trading platform. Moxy has the ability to put on pre-trade restrictions to ensure alignment with investment guidelines.</p> <p>After agreement of the trade intent and respective amounts by the portfolio management team, a responsible portfolio manager routes the trades directly to the trading desk. Once the trader receives the orders, they will follow our trade rotation policy and direct the trades in that order to the respective brokers for execution.</p> <p>Most of the executions flow through to the trading system electronically. If fills are not received electronically, the trader will confirm final trade details via email. The trader will ensure all brokers have the correct client allocations before close of business on trade date. On trade date plus one, all broker confirms are reconciled against Trillium internal records and then Trillium creates any additional reports or trade notifications required by individual clients or funds. An example might be to send trade files to fund accounting.</p> | <p>Research IP believes the Manager is transparent on the governance processes and risk management frameworks applied within the organisation.</p> <p>The Manager uses the commonly used 'three lines of defence' risk management framework:</p> <ol style="list-style-type: none"> <li>1. Management – responsible for ongoing managing inherent and residual risk.</li> <li>2. Risk &amp; Compliance – overarching responsibility for risk oversight and monitoring.</li> <li>3. Internal Audit – responsible for providing objective assurance</li> </ol> <p>Perpetual Asset Management, International (PAMI) is the business division which oversees the operations of Trillium (the underlying manager of the Fund). PAMI is led by David Lane. This division is relatively new and demonstrates the parent organisation's (Perpetual Group) commitment to international asset management functions which include this Fund (Trillium).</p> <p>The overall governance framework includes delegation of specific responsibilities to sub-committees, with ongoing monitoring. Delegated responsibilities to individual Board committees include the Compliance Committee and the Breach Committee. Delegated responsibilities to individual Management committees include the</p> |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|   |  |   |
|---|--|---|
|   | <p>The investment process incorporates reviews and oversight of investments and various tolerances that we believe mitigate certain portfolio and strategy-level risks. The portfolio management team performs daily portfolio-level compliance tasks with Compliance and/or the CIO periodically reviewing certain portfolio requirements. Trillium regularly monitors portfolio-level compliance related to holdings, valuation and transactions. Trillium uses a combination of automated and manual control procedures to assure that the portfolio conforms to stated policy and the relevant mutual fund restrictions and guidelines. Our automated portfolio management and trade systems contain various controls and restrictions that assist in limiting the chances of varying from the stated objectives and guidelines.</p>   | <p>Asset Valuation Forum, Loan Valuation Forum, Investment Review Forum, Due Diligence Committee, and Conflicts Officers. Research IP observes the clear statement of responsibilities within these delegations.</p> <p>There are direct lines from the Board to the following groups within Perpetual Group Limited:</p> <ul style="list-style-type: none"> <li>- Fund Services</li> <li>- Group Compliance</li> <li>- Group Risk</li> <li>- Risk &amp; Compliance Business Partnering</li> <li>- Group Legal</li> <li>- Client Advocacy Company Secretariat</li> </ul> <p>The Manager uses a separate team to managed trading. This is industry best practice. Research IP highlights the separation of duties between the trading desk and the portfolio management team. Where relevant, online systems are used to track personal account trading and record gifts.</p>  |
| <p><b>Describe the Manager's ESG, Corporate Sustainability policies and engagement.</b></p> | <p>Trillium has been a signatory of UN PRI since January of 2007. Trillium was among the first 50 investment manager signatories of the UN PRI and among the first five based in the US.</p> <ul style="list-style-type: none"> <li>• Strategy &amp; Governance: A+</li> <li>• Listed Equity – Incorporation: A</li> <li>• Listed Equity – Active Ownership: A+</li> </ul> <p><u>Incorporating SRI/ESG Values</u></p> <p>Trillium's investment approach goes well beyond traditional exclusionary screening to focus instead on the positive integration of quantitative and qualitative ESG data alongside financial analysis. We evaluate and score companies on their ESG performance, which our analysts use to determine the companies available in our universe and the companies we wish to include in our buy-list. In addition to our ESG performance assessments based on various positive and negative screens, we consider shareholder advocacy, proxy voting, and public policy work as integral parts of our strategy.</p> | <p>The Manager has been a leader in corporate engagement over the last few decades when it comes to ESG. The Manager employs a specialist shareholder advocacy team.</p> <p>The shareholder advocacy team is involved in multiple aspects of the investment decision-making process. Research IP highlights the involvement of the team early on when ideas for the portfolio are initially generated. The shareholder advocacy team is at the table from the get-go, sharing ideas of what they're seeing. The team may talk about areas they want to campaign on before they include the company on the buy list. Through experience the Manager has learnt to be prepared if a company is not willing to take steps or engage in dialogue. For example, over hundreds of engagements with companies, only a dozen may end up with shareholder proposals to vote on.</p> <p>An example of the type of engagement the Manager has demonstrated was with Whole Foods Market. The company was a poster child for better labour and</p> |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|  |   |   |
|--|---|---|
|  | <p><u>Baseline business Involvement &amp; controversy Screening:</u></p> <p>Trillium avoids companies that derive significant revenues from producing, distributing or marketing firearms, tobacco, gaming, weapons, or pornography. We avoid companies that have demonstrated a systematic disregard for the environment, workers, and human rights. We avoid investing in companies with historic fossil fuel capacity without a demonstrated commitment to a business model designed to succeed in a low-carbon economy, including those with investment in new fossil fuel production or refining; new fossil fuel power generation capacity; or new nuclear power generation. We exclude from consideration companies with material involvement in businesses that have higher risk profiles.</p> <p><u>Positive ESG Criteria and Qualitative Considerations:</u></p> <p>Trillium integrates positive ESG criteria in the investment process. Relevant criteria for consideration tend to be industry or sector specific and is based on benchmarking corporate performance in the key ESG issues identified by analyst teams for each industry they cover. In addition to the ESG benchmarking process, meaningful insights can be gleaned into how well companies perform relative to their peers on the critical factors of implementing ESG principles. Trillium analysts also incorporate in-depth qualitative research and analysis, such as interviews with management or personnel from corporations, trade associations, non-governmental organisations and our own analysts' interpretations of secular trends into our proprietary equity research reports.</p> <p><u>Strategy Specific Considerations:</u></p> <p>The ESG Global Equity strategy is fossil fuel free and has no exposure to the energy sector.</p> <p>There is no regulated or universally accepted definition for fossil fuel free. We believe that fossil fuel free means:</p> | <p>sourcing. The Manager owned it from IPO. Since then, the Manager was prodding for change, trying to improve the company and make them better. The Manager called on them to identify any GMO products and label them properly for the consumer. The Manager wanted the company to establish a leadership position through better transparency and labelling. Ultimately the Manager was successful in achieving this. This became the industry standard over the subsequent ten years. Research IP believes change for good or betterment of an industry is a positive outcome, however, acknowledges it may not always be achieved.</p> <p>Other examples of engagement and advocacy include gender or ethnic pay inequities. The Manager is not trying to call companies out but rather is trying to help the company and make them better. An example of this was with Salesforce. The company ended up doing an analysis on it, which showed a 1.4% gender pay gap. Salesforce consequently closed the gap next quarter. In saying this, it is perhaps not that easy if the gap was a lot larger.</p> <p>The Manager targets a five-year holding period for any identified issues to be resolved.</p> <p>A good example of the utilising the above timeframe is the Manager's engagement with Meta on governance issues through dialogue with the general counsel office. One issue was the having the CEO and Board Chair as the same person. Despite the dialogue, the company did not move in the direction the Manager intended. Consequently, the Manager took it off their buy list and liquidated the position. In scenarios such as this one, the Manager doesn't require the portfolio managers to immediately liquidate the position due to other risk/return factors to consider. Instead, the rule internally is that the portfolio manager is given 90 days to liquidate the position. This internal rule applies to anything removed from the buy list.</p> <p>Research IP highlights the extensive 35-page Proxy Voting Guidelines document</p> |
|--|---|---|

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|  |   |   |
|--|---|---|
|  | <ul style="list-style-type: none"> <li>• No investments in any company with proven carbon reserves,</li> <li>• No investments in any company that explores for, extracts, processes, refines, or transmits coal, oil, and gas, and</li> <li>• No investments in any utilities that burn fossil fuels to produce electricity.</li> </ul> <p><u>External research</u></p> <p>Our internal research represents roughly 70% of our total research process. As part of the fundamental equity research, our analysts and PMs are encouraged to communicate directly with company managements, incorporate external research sources from sell-side specialist brokerage houses. We use recognized third-party ESG research providers, including both independent firms and sell-side teams. We use data from single-issue expert NGO sources, as well as communicate with leaders of advocacy organizations to follow emerging risks. We utilize government data and ESG data directly provided by companies. Listed below is a partial example of ESG data sources we have used. It is the job of our fundamental analysts to integrate this data into their comprehensive fundamental research process.</p> <ul style="list-style-type: none"> <li>• Company data: CSR Reports, 10-k and other SEC filings, company meetings</li> <li>• NGO resources: Center for Political Accountability, 350.org, SASB, US Green Building Council, Chemical Footprint Project, Banktrack</li> <li>• Government Data: FDA, EPA, National Labor Relations Board, Energy Star, International Energy Agency, the European Commission</li> <li>• Third-party research: MSCI, RepRisk, Bloomberg, ISS ESG, various sell-side firms</li> <li>• News/Surveys/Lists: Glassdoor.com, Access to Medicine Index, Fortune's Best Places to Work List, ENDS Europe. We use Institutional Shareholder Services (ISS) to</li> </ul> | <p>disclosed by the Manager. The document lists the breadth of potential voting topics and how the Manager would vote in each scenario. The broad categories of potential topics range from Board accountability, diversity and competence to takeover defenses, and shareholder rights, and social and environmental proposals.</p> <p>A breakdown of the Manager's voting record since the start of 2019 shows 2,243 / 5,927 "Against" votes (39%). Examples of reasons for these votes against were for lack of ethnic diversity, CEO compensation above direct peers, no ESG tied to performance compensation, total compensation &gt;50x the national median household income, &lt;40% women on the Board.</p> <p>In 2021, the proportion of proxy votes that were contentious (against management or ISS) was 49.8%.</p> <p>When it comes to assessing greenwashing and announcements made by companies like BP and Shell, the Manager looks at management and what they may have done elsewhere. If there is meaningful movement and a way forward in the energy transition then the Manager will take a deeper look.</p> <p>The Manager is encouraging regulators to standardise data where possible. This could allow quant products to develop strategies over time. 'ESG' won't be discussed in the future as it will all be incorporated. With standardised data sell-side analysts could be forecasting ESG data for a company. For example, a 20% reduction in GHG, but stalling on social metrics. More collaboration is needed.</p> <p>Regarding exclusionary screens, Research IP highlights the following note from the Manager as a more effective approach to responsible investing compared to simple blanket exclusions: <i>"Our risk-based, revenue and asset driven criteria only eliminate a small portion of the investable universe for each of our strategies. While we still consider this as an important risk mitigation step, we focus the vast majority of our analytical efforts on using ESG</i></p> |
|--|---|---|

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd



|  |   |  |
|--|---|--|
|  | <p>assist in administering proxy votes.</p> <p><u>Corporate Social Responsibility</u></p> <p>Corporate Social Responsibility (CSR) is woven into Trillium's mission as a firm. While Trillium does not currently have a specific policy, Trillium's philosophy and approach to CSR is described within the following:</p> <ul style="list-style-type: none"> <li>• Impact Reports, including firmwide</li> <li>• ESG Criteria</li> <li>• Trillium's Approach to Shareholder Advocacy</li> <li>• PRI Report &amp; B Corp Awards &amp; Reports</li> <li>• Trillium's Community Impact Investing</li> </ul> <p>Through their business practices, Trillium strives to demonstrate the strong ESG principles they seek in investment companies. Trillium has been a signatory of PRI since January of 2007. What's more, Trillium has historically been recognized by B Corporation for their social and environmental business performance, receiving 'Best for Workers' or 'Best for the World' honors every year since 2013. In an effort to be transparent about their SRI practices, Trillium makes publicly available the results of their B Corp Impact Assessment, as well as their Principles for Responsible Investment (PRI) Report. According to B Corp and PRI standards, the firm has historically performed well in areas such as Environmental Practices, Compensation and Benefits, Community Practices, Product &amp; Services, and Accountability.</p> <p><i>B Corp disclosure: The B Corporation award is not indicative of the future performance of Trillium Asset Management, LLC. Past performance is not a guarantee of future results. B Lab, a non-profit organization helping companies manage corporate social responsibility, recognizes businesses that have earned an overall score in the top 5% of approximately 4,000 Certified B Corporations in one of the impact areas assessed: community, customers, environment, governance, and workers.</i></p> | <p><i>information to help identify the best companies, not simply screen out the worst."</i></p> <p>An example of this can be demonstrated through an investment in Microsoft and a potential exclusionary screen on 'defense equipment, parts or products'. Microsoft sold components to the US Department of Defense, albeit a relatively small amount. These components were similar to what consumers use. A simple exclusionary screen may have meant no investment into Microsoft. Weapon systems are of more interest when looking at excluding 'defense equipment, parts or products'.</p> |
|--|---|--|

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

|   |  |  |
|---|--|--|
| <p><b>Is there alignment with the interests of investors through ownership of the Manager and/or remuneration of the investment team?</b></p> | <p>Investment professionals employed by Trillium are compensated with comprehensive benefits and competitive monetary compensation packages. Compensation for portfolio managers and analysts has both a fixed and variable component. The variable component depends on the profitability of the firm and individual contribution to the firm's business and is paid annually. Contribution to the firm includes investment performance, participation in advocacy and client or sales interactions as needed. Analysts and Portfolio Managers are reviewed using a combination of qualitative and quantitative measures based on their input to the investment management process and the overall success of the firm. Portfolio Managers have an additional quantitative factor due to the fact they can be measured on performance of their strategy vs. the benchmark and may also have some additional sales and marketing responsibilities. Trillium also compensates all employees via the firm-wide profit-sharing plan.</p> <p>Trillium is a wholly owned subsidiary of Perpetual Limited and part of the Perpetual Group, having been acquired by Perpetual Limited in June 2020.</p> | <p>The underlying manager of the Fund is Trillium Asset Management. Perpetual Asset Management, International (PAMI) is the business division which oversees the operations of Trillium (the underlying manager of the Fund). PAMI is led by David Lane. This division is relatively new and demonstrates the parent organisation's (Perpetual Group) commitment to international asset management functions which include this Fund (Trillium). Perpetual completed its 100% acquisition of Trillium in 2020.</p> <p>Research IP believes the various components of remuneration supports alignment with investors. The variable component includes a deferred portion for portfolio managers which is vested over three years. Research IP notes the importance of the benchmark when assessing the performance component for portfolio managers. In this case the benchmark is MSCI ACWI which is appropriate for the global equity strategy.</p> |
| <p><b>Comment on the assets under management, flow and capacity?</b></p>  | <p>As at 30 June 2022, Trillium's total AUM is AU\$7.5 billion. The AUD Trillium ESG Global Equity strategy's AUM is \$23.16 million.</p> <p>Trillium has the capacity to manage over US\$10 billion in assets in the Trillium ESG Global Equity strategy. At current size, there is significant room for the strategy's assets to grow. The overall strategy capacity limit will be reviewed as appropriate. Capacity-related considerations at the stock level are regularly monitored.</p>  | <p>Research IP observes that whilst the product itself is new, the strategy has been run by the Manager in the US since 1999. The Australian Unit Trust (AUT) version of the strategy has attained steady inflows since inception in 2020, averaging over AU\$1.1 million per month. The AUT is part of Trillium's global equity strategies which are considerable, totalling over AU\$1.5 billion. Trillium's total FUM is approximately AU\$8 billion which includes AU\$220 million under management in Australia and NZ.</p>   |

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

# The RIPPL Effect

---

For important Fund Facts, please view the **RIPPL Effect** report:



We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd

## About Research IP

---

Research IP has provided client focused qualitative and quantitative financial product and security research since 2015. Research IP was also the consultant to the NZX wholly owned subsidiary FundSource, providing investment research to the New Zealand market since 2015.

Research IP is a specialist investment research provider which is used and trusted by investors & financial advisers for investment, KiwiSaver, Superannuation and other Pension schemes throughout the Asia Pacific region.

Research IP has grown its team and footprint by utilising the specialist skills of its analysts which include;

- ❖ data scientists,
- ❖ equity, bond and alternative asset specialists
- ❖ portfolio managers
- ❖ asset allocation analysts
- ❖ and ratings specialists.

Our experience has been gained in well over 20 years of roles across different facets of the industry, so we understand the key drivers and challenges for managers, as well as the impact for investors and the Financial Advice industry.

By leveraging the skills of specialists, Research IP is able to provide innovative and tailored financial services solutions to the marketplace. Client focused outcomes are underpinned by the belief that the role of business model innovation and accelerating technological change opens up new possibilities, to put client interests at the centre of the financial services industry focus. We have strong philosophical alignment with John Hagel's work on the possibilities for "Disruption by Trusted Advisors" and John Kay's views in "Other People's Money: Masters of the Universe or Servants of the People".

Research IP delivers high quality quantitative and qualitative fund research to financial advisers and the broader financial services industry. Research IP works with a number of expert providers to source this data. Quantitative data is supplied by a variety of sources, including directly from the Fund Manager, while qualitative research is provided by Research IP.

Find all Qualitative Research announcements and subscribe for updates here:

<https://research-ip.com/news>

**Contact:**

[www.Research-IP.com](http://www.Research-IP.com)

Email: [info@research-ip.com](mailto:info@research-ip.com)

# Disclaimers, Disclosures and Warnings

## RESEARCH IP STRONGLY RECOMMENDS THIS DOCUMENT BE READ IN CONJUNCTION WITH THE RELEVANT PRODUCT DISCLOSURE STATEMENT OR INFORMATION MEMORANDUM.

**IMPORTANT NOTICE:** This document is published by Research IP Pty Ltd (Research IP) ABN 81 602 947 562, a Corporate Authorised Representative of AUSTRALIAN WEALTH HOLDINGS PTY LTD, AFSL 481674. Research IP is also a registered Financial Services Provider (FSP) in New Zealand : 710351. Please read the following before making any investment decision about any financial product mentioned in this document.

**Disclosure at the date of publication:** Research IP may have received a fee from the fund manager or product issuer(s) for researching the financial product(s) set out in this document, using objective criteria. Research IP may also receive a fee from the fund manager or product issuer(s) for subscribing to research content and other Research IP services. Research IP's fee is not linked to the rating(s) outcome. Research IP and/or its representatives and/or their associates may hold the product(s) referred to in this document, but details of these holdings may not be known to the Analyst(s). Research IP considers such holdings not to be sufficiently material to compromise the rating.

**Disclosure of Investment Consulting services:** Research IP may receive fees for providing investment consulting services to clients, which includes constructing model portfolios and approved product lists. Research IP may also receive fees from a fund manager or product issuer for consulting services. The investment consulting services are carried out under separate arrangements and processes to the research process adopted for the review of this financial product. Policies are available on request.

**Warnings:** This report does not constitute a recommendation to purchase, redeem or sell the relevant financial product(s). Before making an investment decision based on the rating(s), the reader must consider whether it is personally appropriate in light of his or her financial circumstances or should seek financial advice on its appropriateness. If the information in this report leads to the acquisition or possible acquisition of particular financial product(s), the reader should obtain and consider the Product Disclosure Statement, Information Memorandum, or Prospectus for each financial product before making any decision about whether to acquire a financial product. Research IP's research process relies upon the participation of the fund manager or product issuer(s). Should the fund manager or product issuer(s) no longer be an active participant in Research IP's research process, Research IP reserves the right to withdraw the document at any time and discontinue future coverage of the financial product(s). The rating in this publication relates to the fund outlined which may have related funds or be associated with other funds and platforms. The rating may only be applied to the fund outlined in this publication at first instance and whether it applies to related or associated funds and platforms should be investigated by your financial adviser before you make an investment decision in relation to the related or associated funds and platforms. You should be aware that the mandate, fees, underlying investments, the issuers of the related and associated funds and platforms may be different from the fund specified in this publication. You should satisfy yourself that the related and associated funds and platforms meet your financial circumstances, needs and objectives before making an investment decision.

**Disclaimer:** This document is for the exclusive use of the person to whom it is provided by Research IP and must not be used or relied upon by any other person. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information and third party sources, including fund managers, and is not necessarily verified by Research IP. Financial conclusions, ratings and advice are reasonably held at the time of completion but subject to change without notice. Research IP assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, Research IP, its Directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it.

**Copyright ©2022:** This report is subject to copyright of Research IP. Except for the temporary copy held in a computer's cache and a single permanent copy for your personal reference or other than as permitted under the Copyright Act 1968 (Cth). No part of this report may, in any form or by any means (electronic, mechanical, micro copying, photocopying, recording or otherwise), can be reproduced, stored or transmitted without the prior written permission of Research IP. This report may also contain third party supplied material that is subject to copyright. Any such material is the intellectual property of that third party or its content providers. The same restrictions applying above to Research IP copyrighted material, applies to such third party content.

**Analyst Disclosure and Certification:** Analyst remuneration is not linked to the research or rating outcome. Analyst holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their professional opinion about the matters and financial product(s) to which this document refers.

### For Australian investors and advisers:

Past performance is not a reliable indicator of future performance. Any express or implied rating or advice presented in this document is limited to "General Advice" (as defined in the Corporations Act 2001(Cth)) and based solely on consideration of the investment merits of the financial product(s) alone, without taking into account the investment objectives, financial situation and particular needs ('financial circumstances') of any particular person.

### For New Zealand investors and advisers:

Past performance is not a reliable indicator of future performance. Any information, opinions, views or recommendations in this report are 'regulated financial advice' under New Zealand law. Our publications, ratings products and services should be viewed as an additional investment resource, not as your sole source of information. Before making any decision to acquire a particular financial product, you should obtain and carefully consider the relevant product disclosure statement. This report should not be relied upon as a substitute for advice from your financial adviser.

**We recommend you obtain appropriate financial, legal and taxation advice before making any financial investment decision.**

© Research IP Pty Ltd 2022

We strongly recommend that potential investors read the Product Disclosure Statement or Information Memorandum. This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports and is considered valid for 12 months from the date of issue. This information is not personal financial advice and should not be relied upon as a substitute for detailed advice from your financial adviser. Research IP Pty Ltd ABN 81 602 947 562 Corporate Authorised Representative AFSL 481674. Research IP is a registered Financial Services Provider (FSP) in New Zealand: 710351. Copyright: Research IP Pty Ltd