All Cap Core

The All Cap Core strategy generated a return of 7.5% net of fees, for the quarter ended June 30, 2021, compared to the benchmark S&P 1500 index, which returned 8.1% during the same period. At quarter-end, the portfolio contained 73 stocks, stocks, representing 10 of the 11 economic sectors comprising the benchmark S&P 1500 index, all except traditional, fossil-fuel based Energy. While we slightly shifted our positioning, as described below, the portfolio remained, on average during the quarter, most underweight in Communication Services (-2.5% on average) and Energy (-2.8%, as the strategy did not own Energy) and most overweight in Technology (2.6% on average, which includes some renewable energy exposure) and Health Care (1.1%).

Extremely volatile, hyper-cyclical, and smaller stocks dominated the market during the first quarter, while quality-centered stocks lagged behind. The theme for the second quarter was mean reversion, with dominance shifting throughout the quarter between large and small, growth and value, and risk-on versus risk-off stocks. Re-opening themes continued to be important. The best-performing sectors in the S&P 500 Index were the Real Estate, Information Technology, Energy, and Communication Services sectors, while Utilities and Consumer Staples, the two most defensive sectors, lagged. Larger stocks also took over the lead from smaller stocks, and profitability measures such as return on equity returned to favor. Growth themes dominated in April, value themes moved ahead in May, and growth forged ahead again in June. As this portfolio has a slight growth orientation, it outperformed in April and June and lagged in May.

While we were generally pleased with the portfolio's positioning, the main goals of trading mid-quarter were to continue to reduce the overweight to Information Technology and increase exposure to Consumer Discretionary. To do this, we again took profits from the position in semiconductor capital equipment manufacturer ASML, and closed our position in business software provider salesforce.com. The net impact of these trades left us more than 1% overweight to Technology. In Discretionary, we initiated a position in childcare provider Bright Horizons Family Solutions, which we believe will both benefit from and enable continued economic reopening and job growth. We also initiated a position in packaging manufacturer Ball Corporation, which is befitting from the continued migration to infinitely-recyclable aluminum beverage containers, and is adding capacity to address an industry-wide shortage.

Sector allocation was this quarter was detractive. Energy was tied with Real Estate as the strongest performing sector in the benchmark, while this portfolio has no exposure to traditional fossil fuel Energy. Under-exposure to Communications Services and over-exposure to Materials were also detractive.

Stock selection was slightly additive during the quarter. Selection was weakest in Information Technology, and strongest in Health Care and Consumer Discretionary.

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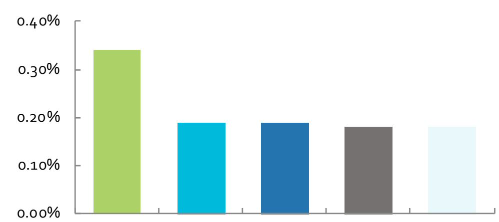
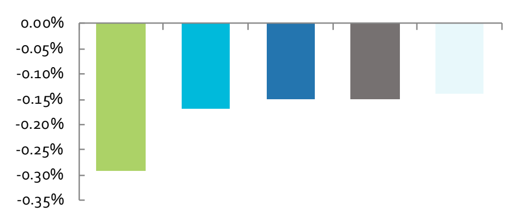
Top 5 Contributors (%)

	Average Weight	Portfolio Return	Relative Contribution
Alphabet Inc. Class A	5.45	18.39	0.34
IQVIA Holdings Inc	1.43	25.46	0.19
PayPal Holdings Inc	2.50	20.03	0.19
Target Corporation	1.69	22.45	0.18
Adobe Inc.	1.92	23.20	0.18



Top 5 Detractors (%)

	Average Weight	Portfolio Return	Relative Contribution
New York Times Company Class A	1.15	-13.85	-0.29
Cree, Inc.	0.98	-9.43	-0.17
Tetra Tech, Inc.	0.81	-9.93	-0.15
Travelers Companies, Inc.	2.01	0.11	-0.15
J.B. Hunt Transport Services, Inc.	1.32	-2.88	-0.14



The biggest detractor during the quarter was the New York Times (-13.9% during the quarter), which lagged as subscriber growth at the company slowed along with the overall strength of the news cycle. This has altered the trajectory for margin improvement and free cash flow generation at the company. While the digital transition at the company continues, we expect improvements in operating metrics going forward. Several of the other top detractors were victims of the continued rotation away from green economy related stocks and into more cyclically leveraged names. Cree Inc. (-9.4%) reported mixed quarterly financials, which was not a surprise given that the company is still in the build-out stage for its next generation Silicon Carbide factory in upstate New York. We expect stronger numbers when that facility comes on line, as global Silicon Carbide demand vastly outstrips supply for the key component used to make semiconductors robust enough for use in electric vehicles. Environmental consultancy Tetra Tech (-10%) fell victim to the same rotation, as underlying fundamentals remain strong. The company will benefit from continued, and potentially increased, spending under the Biden administration on water, sustainable infrastructure, renewable energy, and environmental related projects.

Overall, our large overweight position in the Class A shares of Google-parent Alphabet (+18.4% during the quarter) was our top contributing position, as e-commerce activity increased year-over-year. This trend drove significant pricing and volume improvements in the core search advertising business, leading to margin expansion and free cash flow conversion ahead of market expectations. Medical and clinical contract research service provider IQVIA Holdings (+25%) rose on the expectation that unrelated clinical trials that had been delayed because of Covid could begin to resume. Electronic payments processor Paypal (+20.0%) continues to benefit from global secular trends in e-commerce and digital payments, with stronger than expected quarterly results across all key geographies. Strong payment volumes, margins, and free cash flow provided evidence that strategic execution and financial performance has not been impacted due to economic pressures. Retailer Target (+22.5%) posted yet another blowout quarter, driven by digital growth which continued to exceed expectation, despite tough year-over-year comparisons. The company believes the momentum can continue from here, providing guidance well above expectations, including a meaningful increase in operating margin. Adobe (+23%) continues to report stronger than expected revenue, as demand trends for the company's creative, document, and experience cloud products remains very robust as secular trends in digital content creation show no sign of slowing.

Halfway into 2021, both equity and bond markets are feeling their way across unknown terrain. Investors make predictions about market behavior based on our past experiences, but the past year has upended the world in multiple ways. Extraordinary fiscal and monetary policy measures cushioned the market effects of the pandemic. Expected corporate profit growth is extremely high, reflecting economic reopening and recovery, but investors are frequently re-evaluating the prospects for inflation and interest rates and hence their prognosis on market positioning. A concerted effort on vaccination seems to have reached most of those willing to be vaccinated, but the substantial as-yet-unvaccinated population remains vulnerable to new viral strains. While the Biden Administration signals its desire to tackle the intersectional crises of climate change, structural racism, and wealth inequality, legislative gridlock will require extraordinary political skill by House and Senate leaders to fund Biden's priorities. We remain committed to our long-term focus and investment in high-quality and sustainability-centered companies seeking to meet the challenges of this year of recovery and transition, and beyond. Our belief in the importance of ESG is unabated, as we are convinced more than ever of the importance of integrating beyond-financial environmental, social and governance concerns into our investment decisions.

Contact Information

ContactUs@trilliuminvest.com
800-548-5684

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