

EQT RESPONSIBLE INVESTMENT GLOBAL SHARE FUND – CLASS B

FUND OBJECTIVE

The investment objective of Equity Trustees' Responsible Investment Global Share Fund – Class B (the Fund) is to provide investors with exposure to a diversified investment in international share markets and strong capital growth over the long-term.

The Fund aims to outperform its Benchmark over a rolling 5-year period, after taking into account Fund fees and expenses

RESPONSIBLE INVESTMENT

A multi-manager offering targeting managers that possess superior capability in investment process and a demonstrated focus on integrating responsible investing principles such as ESG integration, corporate engagement, proxy voting and negative screening.

Sustainable equity funds are viewed favourably in the manager selection process. Higher scores and priority are assigned to managers with a demonstrated and consistent process in selecting sustainable companies that have positive contribution to one or more of the United Nations Sustainable Development Goals (SDGs).

RIAA CERTIFICATION



This Fund is certified by the Responsible Investment Association of Australasia (RIAA). The Certification Symbol signifies that a product or services offers an investment style that takes into account environmental, social, governance or ethical considerations.

The symbol also signifies that the Fund adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product Provider. The Certification Symbol is a Registered Trademark of RIAA. Detailed information about RIAA, the Symbol and the Fund's methodology, performance and stock holdings can be found at <https://www.responsiblereturns.com.au/>, together with details about other responsible investment products certified by RIAA



FUND PERFORMANCE

PERFORMANCE ¹	EQT RESPONSIBLE INVESTMENT GLOBAL SHARE FUND		3 YEARS	5 YEARS	SINCE INCEPTION
	3 MONTHS	1 YEAR	(P.A.)	(P.A.)	(P.A.) ²
Distribution return	0.00%	0.91%	7.17%	7.06%	5.26%
Growth return	7.34%	21.11%	-0.76%	2.06%	1.52%
Total net return	7.34%	22.02%	6.41%	9.12%	6.78%
Benchmark return ³	11.87%	30.78%	12.19%	14.03%	8.82%
Active return	-4.53%	-8.76%	-5.78%	-4.91%	-2.05%

Table 1

¹ Performance: distribution return is the return due to distributions paid by the Fund, growth return is the return due to changes in initial capital value of the Fund, total net return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

² The EQT Responsible Investment Global Share Fund was previously known as EQT Core International Equity Fund. The Fund was repositioned in September 2022 to have a Responsible Investment focus, resulting in a change in the investment manager line up. Inception date of the Fund is 31 January 2006.

³ Benchmark return is the MSCI World Index net dividends reinvested (AUD).

Past performances should not be taken as an indicator of future performance. Results greater than one year are annualised.

PERFORMANCE SUMMARY

The Fund recorded a total net return of 7.34% for the December quarter, underperforming the benchmark by 4.53%. The December quarter return was impacted by underperformance by all four managers (as shown in Table 2).

Over the last 12 months, the Fund recorded a total net return of 22.02%, underperforming the benchmark by 8.76%. Over this time period three of the four managers underperformed the benchmark with Coopers Investors performance weighing heavily.

MANAGER SUMMARY

MANAGER PERFORMANCE ¹	1 MONTH	3 MONTHS	1 YEAR
	RETURN	RETURN	RETURN
Vontobel Global Equity Fund	2.6%	9.6%	22.7%
Alphinity Global Sustainable Equity Fund	0.8%	8.9%	30.9%
Orbis Global Equity Fund	-2.4%	5.7%	24.6%
Cooper Investors Global Endowment Fund ²	1.2%	6.9%	14.4%
Benchmark Return ³	2.5%	11.9%	30.8%

Table 2

¹ Manager returns are total gross returns before the deduction of ongoing fees and expenses.

² Coopers was a hedged strategy prior to 1 November 2022.

³ Benchmark is the MSCI World Index net dividends reinvested (AUD).



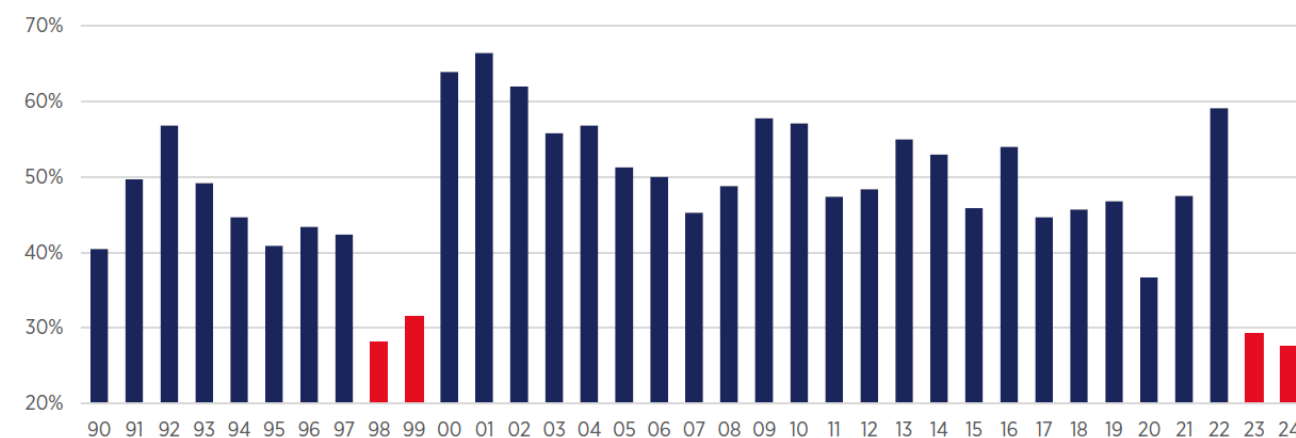
Orbis Global Equity Fund

The Orbis Global Equity Fund is actively managed with a contrarian long-term investment approach. Their style may often see their portfolio positioned considerably different to the benchmark providing strong diversification benefits to traditional core managers.

The Fund has recently been impacted by the strong outperformance of US equities and the mega-cap names where they are underweight relative to the index. Their lower ownership of a narrow set of high growth stocks that have driven gains has impacted their relative performance. The chart below shows that very strong market gains in 2023 and 2024 have been achieved by a handful of stocks. However they believe this sets the scene for active managers to sharply excel (as seen in 2000-2004). However some cycles can persist, therefore one may need to be patient.

Fewer companies are outperforming in the U.S.

% of stocks in the S&P 500 outperforming the index since 1990 by year



Source: BofA Global Research, S&P Capital IQ, Orbis. Data for 2024 has been extended to the full calendar year period from the original source.

Cooper Investors Global Endowment Fund

The Cooper Investors Portfolio operates two pools of risk, 'Grow' and 'Protect'. The portfolio current is positioned 52% in the 'Protect' bucket and 44% in 'Grow' (with 4% in cash). The Portfolio looks to invest in quality companies with a strong value proposition and aims to have lower volatility than the global equities market and to outperform the market during periods of market weakness. Given this philosophy, it is not hard to see why the portfolio has relatively underperformed the global equities market that has soared over the last two years. In particular, the portfolio has suffered from its underweight position in US equities and to large technology names.

The manager notes that equity market concentration is a multi-decade high and that there has been an unprecedented level of outperformance by the US S&P500 market-cap weighted index versus the S&P500 equal weighted index. While the earnings growth of the Mega-tech stocks has been stronger than expected, there has also been a solid PE re-rate in many of the names leaving them potentially vulnerable should earnings expectations not be met.

By diversifying via sources of value latency, the portfolio seeks to compound investor capital whilst aspiring to have less correlation to global equity markets. The manager notes that given the investment style and portfolio construction the returns will differ materially to the index, but aim to steadily compound over time whilst protecting capital on the downside.



FUND HOLDINGS

MANAGER ALLOCATION

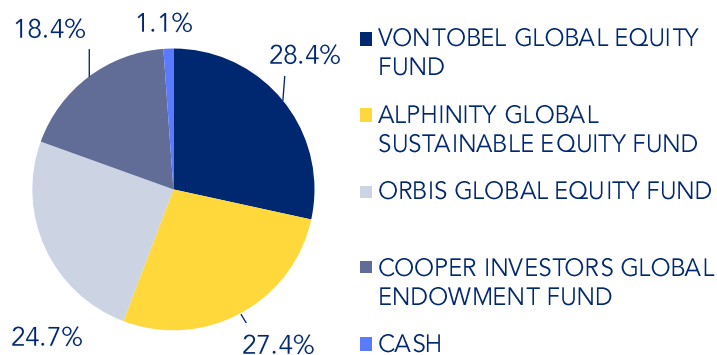
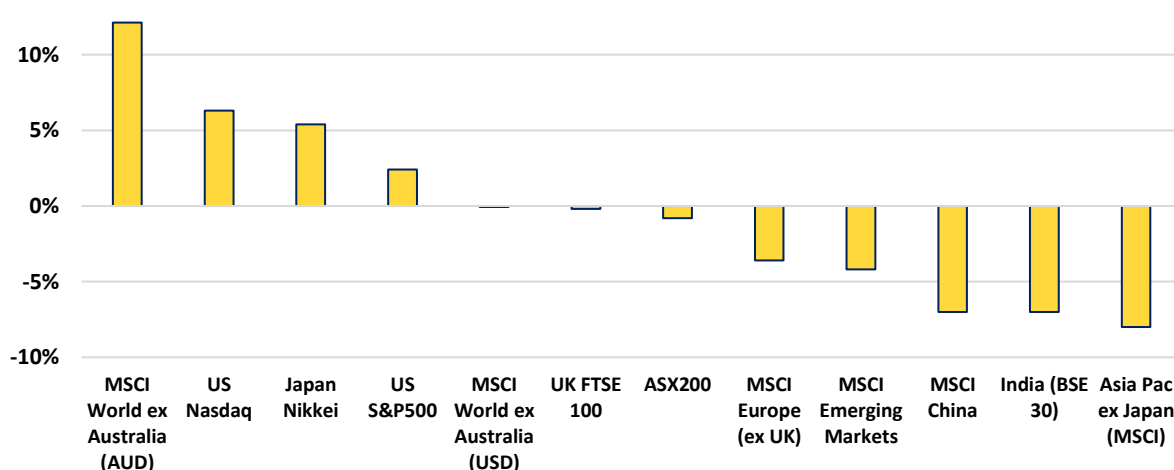


Chart 1

MARKET SUMMARY

The MSCI World ex Australia was flat in USD terms but rose 12% in Australian dollar terms. In local currency terms the Japanese Nikkei 225 (+5.2%) and US S&P500 (+2.1%) outperformed during the quarter. Conversely, the MSCI Europe (-3.6%), Emerging Markets (-4.2%) and Asia-Pacific ex Japan (-8%) lagged.

Dec Quarter Equity Market moves - Local Currency %

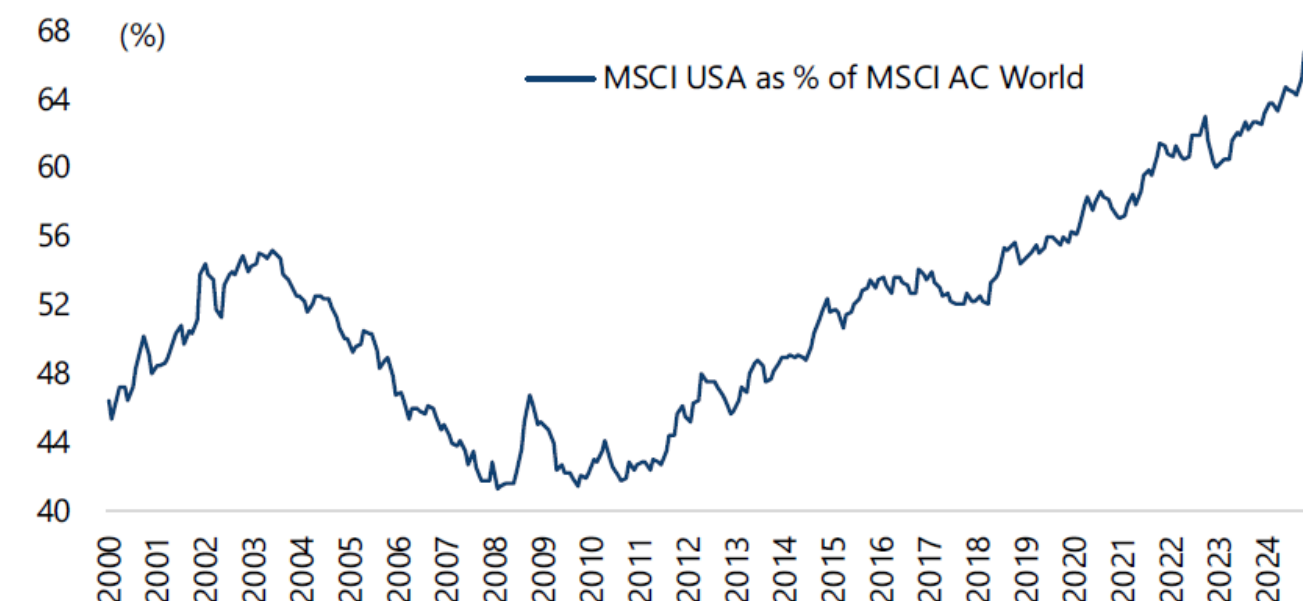


Source: Equity Trustees

US equity market dominance continued in the December quarter. Within the US market, Consumer discretionary, Communication Services and Financials performed best, while Materials and Healthcare underperformed. In late December, the US market reached an all-time high as a percentage of the MSCI All Country World Index.



MSCI USA as % of MSCI AC World Index



Note: Month-end weightings up to 31 December 2024. Source: MSCI, FactSet, Jefferies

Exposure to high quality technology companies, robust corporate results (especially from major tech companies), rate cuts, productivity gains and ongoing solid economic activity supported the US equity market. The Trump election victory has further spurred gains. Trump's policies are seen as equity market friendly in the near term. Tax cuts, deregulation and tariffs are seen helpful to US corporates. However, they are also likely to lead to higher inflation. US bond yields increased as did the US dollar. Higher bond yields, signs of sticky inflation and increasing concerns about funding the US position put the brakes on equity gains in December. The S&P500 ended the quarter trading on 22x price-earnings.

Japanese stocks finished the year strongly supported by speculation the Japanese Government Pension Investment Fund could raise its allocation to Japanese equities along with reports that major US allies such as Japan will be exempt from US semiconductor restrictions on China. The Bank of Japan also offered a more dovish outlook relative to the US Federal Reserve leading to Yen depreciation. Yen depreciation along with robust global economic activity supported Japanese exporters. Economic normalisation has been continuing in Japan. Further, corporate reforms and market reforms have given investors greater confidence in the outlook for the Nikkei. Market valuations, earnings growth forecasts and fund flows have been supportive also.

Emerging Markets have struggled in the face of a strong US dollar and Chinese headwinds. Asia-Pacific (ex-Japan) markets struggled in the December quarter as concerns about a Trump 2.0 world grew. Slowing global trade, higher tariffs, a strong USD and heightened geo-political uncertainty all weighed particularly on the more export focused countries.

China has continued to progressively ease policy restrictions. In December, the Central Economic Work Conference (CEWC) called for "more proactive" fiscal policy and "moderately loose" monetary policy. There appears to be an increased focus on improving domestic demand and consumption as well as investment efficiency. Further, details of the Chinese governments stimulus package in November focused on the central government local government debt swap to alleviate local government funding pressures. Encouraging the ailing property sector saw an improvement in residential property transactions in the December quarter with more property easing expected.



RESPONSIBLE INVESTMENT SPOTLIGHT – INSIGHTS FROM THE MANAGER

Equity Trustees Asset Management view active ownership as a key element of the responsible investment process and a valuable tool in generating long term value for our clients. The underlying investment managers within the EQT Responsible Investment Global Share Fund share the same view and each quarter we highlight the stewardship activities undertaken by one of the managers.

VONTOBEL: BIODIVERSITY CAMPAIGN

Our biodiversity campaign continues to dominate the team's bandwidth given the broad exposures we have across the staples, consumer discretionary and health care sectors. The EU is rolling out regulations that will require companies to report on their biodiversity impacts as well as the impacts of their supply chains.

We met with Nestle again as part of our ongoing biodiversity campaign, with a focus on their progress towards full compliance with the EU Deforestation Regulation. They have been focused on the negative impacts of deforestation since 2010 and believe they are way ahead of many of their peers. However, they are still struggling to address their sizable exposure to cocoa, which structurally is a commodity most exposed to deforestation and modern slavery. They have made progress in mapping the source of the cocoa to specific farms however, the bigger social challenges remain in the third-party processing plants. They are working on ways to consolidate their purchasing as well as DNA tracing to help resolve this issue.

We also engaged with L'Oréal and discussed efforts to reduce the deforestation impact from the use of key commodity inputs as well as their preparedness for the upcoming EU deforestation regulation, which the company is confident they will be able to adequately comply. We discussed investments to improve supply chain visibility, involvement of the board and executive team and auditing and reporting functions.

Abbott Labs was also part of our biodiversity campaign where we discuss their approach to managing and reducing the company's supply chain risks. Abbott's exposure is primarily through the use of dairy as an input to infant formula. The company indicated that while they are working on it their main ESG focus is in areas where they can have the most impact, primarily human health and access to affordable health care around the globe.

OUTLOOK AND STRATEGY

Overall, investment returns for growth assets in 2024 were very strong, led by strength in the US economy and ongoing market leadership of the "Magnificent 7" technology stocks. Equity markets rallied as the odds of a soft-landing scenario increased with ongoing resilience in US consumer demand, solid productivity gains and moderating inflation being supported by interest rate cuts by the US Federal Reserve.

We expect US GDP growth to slow but remain resilient supported by Trump's pro-growth agenda and interest rate cuts. Markets in the December quarter moved to price in the new US President's stated policies and arguably protectionist agenda. While this saw equity markets initially rally, the US Dollar has also strengthened considerably, and bond yields have soared (despite the US Fed entering a rate cutting cycle) highlighting concerns that the new policies will be inflationary. The US Federal Reserve now only expects rates will be cut twice in 2025. Trump 2.0 policies are likely to be market friendly overall, it will also arguably be a period of greater policy volatility and uncertainty.

Higher bond yields led to equity markets retracing in the final weeks of December and will remain a cap to US equities in the face of unchanged or lower growth expectations. US equity market earnings growth should remain supported in the near term by ongoing strength in Mega-technology company earnings and a broadening of growth in the market as interest rate cuts feed through the economy.



APOLLO

Very unusual behavior in long rates after the Fed started cutting in September 2024



While US growth has been resilient and may remain supported by lower taxes, increased deregulation and fiscal spending, growth in other major countries is less positive. European growth is subdued, while the Chinese have faced a two-speed economy with solid exports and manufacturing activity offset by depressed domestic demand and a subdued property market. Policy stimulus is yet to have a major impact on growth and the threat of increased US tariffs remains a key risk.

Our current tactical asset allocation views are to hold a modest underweight to growth assets offset by a modest overweight in defensive assets. We remain modestly underweight equity markets as we believe the marketing is pricing in an already optimistic view of the path ahead. Elevated valuations leave little scope for adverse surprise or disappointment. The relative valuation appeal to bonds is also not as attractive as it has been in recent years.

While aggregate market valuations in global **equities** are above historic levels and leave little room for further re-rating, expectations are for solid earnings growth (~10%). The commencement of Central bank rate cuts has helped sentiment; however we believe the slower and shallower rate cutting cycle will prove a headwind to

We continue to note that while macro factors are important, in more challenging economic conditions it is beneficial to focus on basic micro factors as to what makes a good business and investment. We believe that active management in the right areas can contribute to strong overall returns.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence. Australian Executor Trustees Limited ("AETL") (ABN 84 007 869 794), AFSL 240 023, is the Responsible Entity for the EQT Responsible Investment Global Share Fund - Class B. AETL is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

The Investment Manager for the Fund is Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975. This publication has been prepared by Equity Trustees, to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither AETL, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it.

Past performance should not be taken as an indicator of future performance.

You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. The Fund's Target Market Determination is available here <https://www.eqt.com.au>. A Target Market Determination is a document which describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.