

Candriam Sustainable Global Equity Fund

Quarterly performance update

June 2024

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Market Review

The economic momentum of the first quarter of 2024 continued into the second, and the last three months were another positive period for equity markets. Initially, investors aggressively dialled back expectations for central bank rate cuts, as the US overheating worries that had taken root towards the end of the first quarter meant strong April data was poorly received by markets. But as the quarter progressed the worst of these worries abated, and soft-landing hopes revived. Developed market equities delivered positive total returns of 2.8% over the quarter. Conversely, fixed-income investors had to endure another quarter of negative returns with global investment-grade bonds delivering negative returns of -1.1%.

Key Stock Contributors and Detractors

During the quarter, at a stock level, the Fund derived positive performance from NVIDIA, Apple and First Solar.

NVIDIA is an overweight position in Information Technology, due to its good score on Sentiment and Growth. NVIDIA designs, develops, and markets three-dimensional (3D) graphics processors and related software. The share price was up over 36% in Q2 benefitting from an overall tech sector continuous rally and first-quarter results that beat expectations and gave an outlook that was seen as strong. During this Q2, NVIDIA was up by 33.9% versus the MSCI World. Candriam's ESG rating is 5.

Apple is an overweight position in Information Technology, due to its good score on Value and Quality. This quarter, the share price increased by over 21%. In May, shares jumped after the iPhone maker reported second-quarter results that showed better-than-feared China sales. This June, shares increased significantly after the technology giant introduced its long-awaited new artificial intelligence features. Analysts didn't see anything unexpected in the event, but some did say the features could support an upgrade cycle for the iPhone. During this Q2, Apple was up by 20.2% versus the MSCI World. Candriam's ESG rating is 4.

First Solar is an overweight position in Information Technology due to its good score on Sentiment and Growth. The Company uses a thin film semiconductor technology to manufacture electricity-producing solar modules. The share price was up over 31% in Q2. Officials, board members and major investors in First Solar, donated at least \$1.5 million to Biden's successful 2020 bid for the White House. After he won, the company spent \$2.8 million more lobbying his administration and Congress. The strategy was a dramatic departure from the Arizona-based company's posture under then-President Donald Trump, whom corporate officials publicly called out as hostile toward renewable energy. It has also paid massive dividends as First Solar became perhaps the biggest beneficiary from \$1 trillion in environmental spending enacted under the Inflation Reduction Act, which Biden signed into law in 2022 after it cleared Congress solely with Democratic votes. During this Q2, First Solar was up by 30.77% versus the MSCI World. Candriam's ESG rating is 3.

Three stocks that contributed negatively to excess return during the period included Mitsui Fudosan, Dayforce and Broadcom.

Mitsui Fudosan is an overweight position in Real Estate due to its good score on Sentiment and Volatility. Mitsui Fudosan provides overall real estate services such as leasing, subdivision, construction, sales, and maintenance of office buildings and residential houses. Shares came down by nearly 11% this quarter as real estate sector suffered from rising interest rates and BOJ policies. During Q2, Mitsui Fudosan was down almost 18.9% versus the MSCI World. Candriam's ESG rating is 4.

Dayforce is an overweight position in Industrials, due to a good score on Value and Quality. The Company offers a platform for talent and workforce management, human resources, benefits, and payroll services that help to manage the entire employee lifecycle, from recruiting and onboarding, to paying people. Shares declined by -25% this quarter. Shares collapsed mid-May after the Schall Law Firm, a national shareholder rights litigation firm, announced that it is investigating claims on behalf of investors of Dayforce Inc. During Q2, Dayforce was down almost 27.9% versus the MSCI World. Candriam's ESG rating is 3.

Broadcom is an underweight position in Information Technology. The company is a global technology leader that designs, develops and supplies a broad range of semiconductor, enterprise software and security solutions. Broadcom does not score so well on ESG metrics. Our ESG team is not reassured by the management of two key stakeholders: the employees and the environment. The company lacks relevant strategies and does not report on pertinent KPIs and practices which is not the norm among peers in the sector. Due to this negative ESG opinion the company is not included in the portfolio. Candriam's ESG rating is not in the SRI BIC Universe.

Fund Characteristics

Returns¹ as at 30 June 2024

Period	Fund Return % Net	Benchmark ² %	Out/Under performance % Net
1 month	1.57	1.61	-0.04
3 months	0.50	0.29	0.22
6 months	13.68	14.17	-0.49
1 year	17.47	19.80	-2.33
2 years pa	19.56	21.10	-1.55
3 years pa	9.94	11.11	-1.17
5 years pa	12.94	12.89	0.05
7 years pa	12.36	13.10	-0.73
10 years pa	11.85	13.00	-1.15
15 years pa	11.83	12.49	-0.66
20 years pa	7.49	8.42	-0.93
Since inception pa Date: December 2002	7.28	8.05	-0.77

Top 10 Stock Holdings

Holding	Country	Sectors	%
Microsoft	United States	Information Technology	5.10
Apple	United States	Information Technology	4.69
Nvidia	United States	Information Technology	4.12
Alphabet - Class A	United States	Communication Services	1.90
Alphabet - Class C	United States	Communication Services	1.72
Visa	United States	Information Technology	1.53
Eli Lilly & Co	United States	Health Care	1.39
Mastercard	United States	Information Technology	1.35
Novo Nordisk	Denmark	Health Care	1.34
Novartis	Switzerland	Health Care	1.16

1. Fund returns are net of fees but before taxes.

2. MSCI World Index (Net Dividends Reinvested) \$A - unhedged



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Fund Information

Benchmark	MSCI World (net dividends reinvested) in A\$
NAV Calculation	Daily
Currency Risk	Unhedged



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Candriam Investors Group's sustainable management philosophy seeks to generate outperformance from two distinct sources. The first source is derived from identifying risks and opportunities linked to social, environmental and governance issues that are often out of the scope of traditional financial analysis but which can have a significant impact on long-term performance.

The second source results from detailed quantitative analysis of the sustainable universe coupled with a risk controlled portfolio construction process. Sector, region and style biases in the portfolio are minimised to ensure stock specific factors drive portfolio performance rather than predetermined investment themes.

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