

# Candriam Sustainable Global Equity Fund - Active ETF ASX: GSUS

Quarterly performance update

March 2026

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## Market Review

The first quarter of 2026 was marked by intense economic and geopolitical turbulence, driving significant market volatility and unwinding previously crowded trades. Escalating Middle East conflict proved the dominant catalyst, disrupting energy supply and sharply lifting oil and gas prices, with Brent crude surging 63% in March. This pushed the Bloomberg Commodity Index up 24.4%, while also raising grain prices due to supply route disruptions. Inflation concerns intensified, triggering a global bond sell-off—particularly at the short end—as expectations shifted from rate cuts to potential hikes. Equities reflected this shifting backdrop: value stocks outperformed growth, amid pressure on mega-cap tech and renewed tariff uncertainty following US policy changes.

## Key Stock Contributors and Detractors

During the quarter, at a stock level, the Fund derived positive performance from Comfort Systems USA, Western Digital Corporation, and Gilead Sciences.

**Comfort Systems USA** provides heating, ventilation, and air conditioning system installation, maintenance, repair, and replacement services. The Company's commercial and industrial markets include office buildings, retail centres, apartment complexes, hotels, manufacturing plants, and government facilities. Shares jumped by nearly 55% in Q1. The company posted record results and highlighted a backlog that surged to roughly \$12bn, with a growing share tied to technology/data-centre projects—investors treated that as proof the opportunity is structural, not just a normal construction cycle. Strong cash flow and operating leverage reinforced confidence that growth was profitable, not merely volume driven. Management's plans to expand modular capacity to meet demand added to the visibility story, even as valuation became an ongoing debate because the stock had already rerated sharply. Candriam's ESG rating is 4.

**Western Digital Corporation** is a global provider of solutions for the collection, storage, management, protection and use of digital content, including audio and video. The Company's products include hard drives, solid-state drives, and home entertainment and networking products. The share price this quarter was up 76%. Western Digital's Q1 2026 performance was largely explained by a clear cyclical upswing tied to AI-driven storage demand. The company delivered strong earnings print and issued upbeat forward guidance, reinforcing that data-centre demand and product mix were improving margins and cash generation. Candriam's ESG rating is 4.

**Gilead Sciences** is a research-based biopharmaceutical company that discovers, develops, and commercialises therapeutics to advance the care of patients suffering from life-threatening diseases. The Company primary areas of focus include HIV, AIDS, liver disease, and serious cardiovascular and respiratory conditions. In Q1, Gilead shares gained nearly 14%. Gilead's Q1 2026 news flow was a mix of "core durability" and "portfolio reshaping." On the positive side, the HIV franchise remained the anchor, helping the company deliver a solid quarter. Candriam's ESG rating is 4.

Three stocks that contributed negatively to excess return during the period included Microsoft Corporation, Capital One, and Automatic Data Processing.

**Microsoft Corporation** operates as a multinational technology company. The Company creates platforms and tools powered by AI to deliver solutions for productivity and business processes, intelligent

cloud, and personal computing segments. Microsoft serves customers worldwide. Shares were down nearly 22% in Q1. In Q1 2026, Microsoft's stock was pulled in two directions: fundamentals were strong, but the market's focus shifted to the cost of staying ahead in AI. The company posted a robust quarter powered by Azure and AI services, with cloud revenue hitting new highs and a very large commercial backlog that underscored demand. However, investors reacted negatively to the scale of AI/data-center capex, which surged and pressured free cash flow, raising questions about near-term returns and margins. Candriam's ESG rating is 4.

**Capital One** provides commercial banking services. The bank accepts deposits and offers personal credit cards, investment products, loans, and online banking services. Capital One serves customers in the State of Virginia. Stock price this quarter dropped by -23%. Capital One's Q1 2026 story was shaped more by macro/credit perception than by specific quarterly financial prints (with Q1 results scheduled for April). The stock faced pressure amid rising recession and consumer-credit concerns, with investors focusing on Capital One's exposure to riskier borrower cohorts and the potential for worsening charge-offs if conditions softened. A late-quarter positive headline was product/technology-oriented—new AI/data security capabilities—providing a bounce but not fully offsetting the broader credit-cycle anxiety that drove the quarter. Candriam's ESG rating is 3.

**Automatic Data Processing** is a global provider of business outsourcing solutions. The Company's services include a wide range of human resource, payroll, tax, and benefits administration solutions. Automatic Data Processing serves customers worldwide shares declined by -21% this quarter. ADP's Q1 2026 backdrop was "steady execution, but valuation debate." Operationally, the company delivered solid earnings beat and raised its outlook, reflecting resilient demand for payroll/HR services and strong profitability. Even so, the stock action looked more muted because the market increasingly treated ADP as fully valued: analyst commentary skewed cautious, with some target cuts and mixed ratings despite strong fundamentals. In short, ADP's quarter was driven by good results, but constrained by premium multiples and limited incremental upside surprise. Candriam's ESG rating is 4.

## Fund Characteristics

### Returns<sup>1</sup> as at 31 March 2026

Period	Fund Return % Net	Benchmark <sup>2</sup> %	Out/Under performance % Net
1 month	-2.98	-2.58	-0.40
3 months	-8.40	-6.11	-2.28
6 months	-5.33	-3.78	-1.55
1 year	7.88	8.18	-0.30
2 years pa	9.80	10.12	-0.32
3 years pa	14.76	15.90	-1.15
5 years pa	11.72	12.64	-0.92
7 years pa	12.61	12.87	-0.26
10 years pa	12.18	13.11	-0.93
15 years pa	12.50	13.07	-0.58
20 years pa	7.34	8.18	-0.84
Since inception pa Date: December 2002	7.55	8.31	-0.75

1. Fund returns are net of fees but before taxes, assuming the reinvestment of distributions. Past performance is not a reliable indicator of future performance.  
2. MSCI World Index (Net Dividends Reinvested) \$A - unhedged.



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## Top 10 Stock Holdings

Holding	Country	Sectors	%
Nvidia	United States	Information Technology	6.55
Apple	United States	Information Technology	6.21
Microsoft	United States	Information Technology	4.68
Alphabet - Class A	United States	Communication Services	2.73
Alphabet - Class C	United States	Communication Services	2.39
Mastercard	United States	Information Technology	1.80
Novartis	Switzerland	Health Care	1.68
TJX Companies	United States	Consumer Discretionary	1.48
Vodafone	United Kingdom	Communication Services	1.43
Eli Lilly & Co	United States	Health Care	1.42

## Fund Information

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



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