CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

ausbil

Candriam Sustainable Global Equity Fund - Active ETF ASX: GSUS

Quarterly performance update

June 2026

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Market Review

Global equity markets advanced in the second quarter of 2026, supported by easing geopolitical risks and renewed strength in technology. Sentiment improved as Middle East tensions began to de-escalate, and Brent crude retreated sharply after reaching USD 120 per barrel in April. AI remained the dominant market theme, with investors focused on the infrastructure and data-centre capex cycle. Upgraded 2026 capex guidance from US hyperscalers reinforced confidence in the durability of AI investment, while earnings expectations for global equities were revised higher, led by information technology. Developed market equities gained 13.9%, while emerging markets rose 24%, their strongest quarterly performance since 2009, helped by heavy exposure to semiconductors and IT hardware. Growth outperformed value, and small caps also benefited from AI exposure. Bonds were mixed, with credit spreads supporting returns. Commodities declined, led by oil, while industrial metals rose on technology and infrastructure demand.

Key Stock Contributors and Detractors

During the quarter, at a stock level, the Fund derived positive performance from Credo Technology Group, Micron Technology and Exxon Mobil.

Credo Technology Group is a holding company that, through its subsidiaries, delivers high-speed connectivity solutions including IP and chiplets, line cards, optical DSPs and active electrical cables to customers worldwide. This quarter, the stock advanced by roughly 183.5%. The surge was driven by exceptional fiscal Q4 results—revenue of $437 million, up 157% year-over-year, with full-year revenue reaching $1.33 billion (up 205%)—alongside guidance for over 80% revenue growth in fiscal 2027. The $750 million acquisition of silicon-photonics specialist DustPhotonics expanded Credo into optical networking for AI data centres, while a wave of analyst price-target hikes (Needham to $275, Stifel to $350) and the broader AI infrastructure buildout—with Credo now engaged with five of six leading hyperscalers—propelled the shares higher. Candriam's ESG rating is 4.

Micron Technology manufactures and markets memory and storage products—including DRAM, SRAM, flash memory, semiconductor components and memory modules—through its subsidiaries. This quarter, the stock soared by approximately 213.8%. The rally was fuelled by record fiscal Q3 results, with revenue up 346% year-over-year to $41.46 billion and non-GAAP gross margin of 84.9%, driven by insatiable demand for high-bandwidth memory (HBM) used in AI servers. Multi-year Strategic Customer Agreements locking in at least $100 billion in cumulative revenue provided visibility, while blowout Q4 guidance ($50 billion in revenue) and analyst upgrades pushed the stock past a $1 trillion market cap into the S&P 500's top 10. Candriam's ESG rating is 4.

Exxon Mobil is a holding company that, through its subsidiaries, specializes in the production, liquefaction, shipping, marketing and regasification of liquefied natural gas, serving infrastructure, marketing and community customers worldwide. This quarter, the stock declined by roughly 15.0%. The pullback stemmed from Middle East production disruptions in Qatar and the UAE—about one-fifth of Exxon's 2025 output—which cut global oil-equivalent volumes ~6% and reduced upstream earnings by an estimated $300–500 million. Oil-price volatility and the unwinding of the "war premium" after the Strait of Hormuz reopened dragged crude and energy equities lower, while negative derivative timing effects pushed Q1 net income down to $4.2 billion—its lowest since 2021—prompting cautious analyst commentary. Candriam was UW over the period, generating relative outperformance. Candriam's ESG rating is 7.

Three stocks that contributed negatively to excess return during the period included Zoetis, Intel and Advanced Micro Devices.

Zoetis discovers, develops, manufactures and commercialises animal-health medicines and vaccines for both livestock and companion animals, marketing across North America, Europe,

Fund Characteristics

Returns[1] as at 30 June 2026

Period	Fund Return % Net	Benchmark[2] %	Out/Under Performance % Net
1 month	3.56	3.11	0.45
3 months	13.72	12.46	1.26
6 months	4.18	5.59	-1.41
1 year	14.81	14.78	0.03
2 years pa	16.80	16.61	0.19
3 years pa	17.02	17.66	-0.64
5 years pa	12.63	13.28	-0.65
7 years pa	14.03	13.94	0.09
10 years pa	13.18	13.96	-0.78
15 years pa	13.62	14.19	-0.57
20 years pa	8.21	9.07	-0.86
Since inception pa Date: December 2002	8.06	8.76	-0.70

Top 10 Stock Holdings

Holding	Country	Sectors	%
Apple	United States	Information Technology	6.27
Nvidia	United States	Information Technology	6.20
Microsoft	United States	Information Technology	4.42
Broadcom	United States	Communication Services	3.11
Alphabet - Class A	United States	Communication Services	2.89
Alphabet - Class C	United States	Communication Services	2.38
Micron Technology	United States	Information Technology	1.67
Mastercard	United States	Financials	1.50
Eli Lilly & Co	United States	Health Care	1.49
Novartis	Switzerland	Health Care	1.45

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.

Africa, Asia, Australia and Latin America. This quarter, the stock fell by approximately 38.7%. The decline was triggered when Zoetis cut its FY 2026 guidance and reported a Q1 miss (sales of $2.26 billion versus $2.31 billion expected), with U.S. segment revenue down 8% and companion-animal sales down 11%, sending shares down 21.5% in a single day to a 52-week low. Intensified competition and pet-owner price sensitivity eroded key franchises, while FDA safety warnings on Librela and competitive share losses to Elanco products (Credelio Quattro, Zenrelia) further weakened the Companion Animal portfolio. Candriam's ESG rating is 3.

Intel designs**,** manufactures and sells computer components including microprocessors, chipsets, embedded processors, memory, graphics, networking and related software and imaging products. This quarter, the stock surged by roughly 190.7%. The rally was ignited by a blowout Q1 beat—revenue up 7% to $13.6 billion and adjusted EPS of $0.29 versus $0.01 expected, with data centre and AI revenue up 22%—which drove a 23% single-day jump to all-time highs. Transformative partnerships—a preliminary Apple chip-manufacturing deal, an expanded Google AI/cloud collaboration and joining Elon Musk's Terafab project—reinforced the turnaround, alongside foundry progress (repurchasing the Fab 34 stake) and a series of analyst upgrades. Candriam was underweight over the period, generating relative underperformance. Candriam's ESG rating is 5.

Advanced Micro Devices produces semiconductor products and devices—including microprocessors, embedded processors, chipsets, graphics and multimedia products—supplying third-party foundries and offering assembly, testing and packaging services to customers worldwide. This quarter, the stock climbed by approximately 176.3%. The gains were driven by a blockbuster Q1—revenue up 38% to $10.25 billion with data centre revenue up 57% to $5.8 billion on accelerating AI demand for EPYC CPUs and Instinct GPUs. A wave of analyst upgrades followed (Goldman Sachs to Buy, nearly doubling its target to $450), while strategic AI partnerships—a multi-year deal to supply Meta custom MI450 chips and a $2.7 billion UK AI/quantum commitment—and strong sector momentum from TSMC and Intel results boosted sentiment. Candriam's ESG rating is 4.

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