

Candriam Sustainable Global Equity Fund

Monthly performance update

May 2021

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Market Review

Economic data has been very strong over the last month but markets have been more muted after an already strong start to the year. The ongoing vaccine rollout is allowing many economies to gradually reopen, which in combination with sizeable fiscal support – particularly in the UK and US – is supporting a big bounce in economic activity. Nevertheless, markets were constrained in May by concerns that upside data surprises may result in more persistent inflation, which could force central banks to bring about a premature end to the growth rebound. Developed market equities managed to gain 1.5% for the month.

Key Stock Contributors and Detractors

During month, at a stock level, the Fund derived positive performance from Amazon, AllState and Pandora.

Amazon is an underweight position in Consumer Discretionary. Amazon is an online retailer that offers a wide range of products. In May, the stock went down 8% in relative terms as tech companies (high valuation) corrected. Candriam's ESG rating is not in the SRI BIC Universe.

AllState is an overweight position in Financials due to its good scores on Capital Spending Discipline and Valuation. The Allstate Corporation, through its subsidiaries, provides property liability insurance as well as other types of insurance in the US and Canada. The stock went up 6.1% this month versus the MSCI World as Allstate's largest deal ever fuels fifth earnings beat in a row. The CEO said the purchase of National General Holdings Corp contributed to those gains. Candriam's ESG rating is In Line.

Pandora is an overweight position in Consumer Discretionary due to its good score on Earnings Reliability and Profitability. The Company offers rings, bracelets, necklaces and earrings. The stock went up nearly 18% in May, after the Danish jewellery maker reported 1Q earnings that beat the average estimate and upgraded its financial guidance for 2021 based on "a strong start to the year." Candriam's ESG rating is Advanced.

Three stocks that contributed negatively to excess return during the period included Tesla, Masco and Okta.

Tesla is an overweight position in Consumer Discretionary despite a good score on Growth Potential. Tesla designs, manufactures, and sells high-performance electric vehicles and electric vehicle powertrain components. Tesla went down 8.44% versus the MSCI World in May following the market rotation. Candriam's ESG rating is Leading.

Masco is an overweight position in Industrials despite a good score on Capital Spending Discipline. Masco Corporation manufactures and sells home improvement and building products. The stock went down nearly 7% in May in relative terms. Raw materials are key input costs for the building products sector and base metals increased strongly year-on-year. Specifically, copper, nickel, aluminum and zinc rose 12%, 10%, 10% and 4%, respectively. Candriam's ESG rating is Leading.

Okta is an overweight position in Information Technology despite a good score on Valuation. Okta develops internet applications software. Shares fell by 19.4% in May in relative terms. Indeed, a lack of clarity regarding contribution from the Auth0 acquisition and an unexpected CFO departure overshadowed the cybersecurity company's solid fiscal first-quarter results. Candriam's ESG rating is Leading.

Fund Characteristics

Returns¹ as at 31 May 2021

Period	Fund Return % Net	Benchmark ² %	Out/Under performance % Net
1 month	1.69	1.23	0.46
3 months	9.76	9.72	0.05
6 months	11.39	10.53	0.87
FYTD	22.16	21.86	0.30
CYTD	11.25	11.04	0.21
1 year	21.37	20.60	0.77
2 years pa	17.49	15.94	1.55
3 years pa	14.46	13.54	0.91
5 years pa	11.55	12.73	-1.18
7 years pa	11.90	13.15	-1.25
10 years pa	13.33	13.89	-0.56
15 years pa	6.58	7.48	-0.90
Since inception pa Date: December 2002	6.60	7.34	-0.74

Top 10 Stock Holdings

Holding	Country	Sectors	%
Apple	United States	Information Technology	4.13
Alphabet	United States	Communication Services	2.96
Procter & Gamble	United States	Consumer Staples	2.23
Allstate Corporation	United States	Financials	1.69
Tesla	United States	Consumer Discretionary	1.64
Microsoft	United States	Information Technology	1.30
Broadcom	Singapore	Information Technology	1.25
CBRE Group	United States	Real Estate	1.24
Starbucks	United States	Consumer Discretionary	1.21
Nestle	Switzerland	Consumer Staples	1.10

1. Fund returns are net of fees but before taxes.
2. MSCI World Index (net dividends reinvested).

Fund Information

Style	Core
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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