

Candriam Sustainable Global Equity Fund

Quarterly performance update

June 2021

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Market Review

Over the second quarter, equities rose as vaccination campaigns continued to accelerate in most developed economies, especially in Europe, which is now catching up with the UK and the US. Emerging economies continued to lag on the vaccination front but cases remain very low in China and seem to have peaked in India. 10-year Treasury yields dropped by 30 bps, falling to 1.45%, with the decline helping growth stocks to outperform value stocks. Governments in most developed markets continued to ease COVID-related mobility restrictions and activity levels picked up. Economic data over the last three months has generally been very strong, especially in the US, which posted an annualised growth rate of 6.4% in the first quarter. Although the Eurozone economy contracted by 0.6% in the first quarter, leading economic indicators, such as the purchasing managers' index (PMI) business surveys, have reached multi-year highs in many regions.

Key Stock Contributors and Detractors

During the quarter, at a stock level, the Fund derived positive performance from Biogen, Nippon Yusen and BlackBerry.

Biogen is an overweight position in Health Care due to its good scores on Earnings Reliability, Profitability and Valuation. Biogen address diseases such as multiple sclerosis, non-Hodgkin's lymphoma, rheumatoid arthritis, Crohn's disease, and psoriasis. The stock went up +15.9% in Q2 in relative terms. Biogen's controversial Alzheimer's disease therapy was approved by US regulators, a landmark decision that stands to dramatically change treatment for the debilitating brain condition. Candriam's ESG rating is Leading.

Nippon Yusen is an overweight position in Industrials due to its good scores on Valuation and Analyst Sentiment. Nippon Yusen mainly provides marine transportation services and transportation management solutions from international hub ports to both domestic and international ports. The stock went up +40% in Q2 versus the MSCI World index. The company boosted its net income forecast for the full year, with guidance beating the average analyst estimate. Candriam's ESG rating is In Line.

Blackberry is an overweight position in Information Technology due to good scores on Growth Potential and Market Sentiment. The company provides platforms and solutions for access to email, phone, SMS messaging, Internet, and Intranet-based applications. The stock went up +37% in Q2 in relative terms, as the software company joined a broader 'meme stock' rally with significant increase in trading volume driven by Reddit users. Candriam's ESG rating is Advanced.

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

Obayashi is an overweight position in Industrials due to good scores on Valuation and Low Risk. Obayashi Corporation is a general contractor operating nationwide and overseas. The company builds commercial, residential, and institutional buildings with earthquake-resistant technology. The stock decreased by more than -21% in Q2 versus the MSCI World as investors were disappointed by guidance missing analyst estimate. Candriam's ESG rating is Advanced.

Tesla is an overweight position in Consumer Discretionary due to good scores on Growth Potential. Tesla designs, manufactures, and sells high-performance electric vehicles and electric vehicle powertrain

components. The stock went down -6.1% in Q2 versus the MSCI World Index, despite a bounce in the month of March driven by a cryptocurrency rally and a broader turn in sentiment toward high-multiple tech stocks. Candriam's ESG rating is Leading.

Clorox is an overweight position in Consumer Staples due to good scores on Earnings Reliability and Profitability. The Clorox company manufactures and markets consumer products sold primarily through grocery and other retail stores. The stock went down by -14.1% in Q2 in relative terms after 'noisy' quarterly results and forecasts. Candriam's ESG rating is Leading.

Fund Characteristics

Returns¹ as at 30 June 2021

Period	Fund Return % Net	Bench- mark ² %	Out/Under performance % Net
1 month	5.22	4.64	0.58
3 months	9.19	9.31	-0.12
6 months	17.05	16.19	0.85
FYTD	28.54	27.52	1.02
CYTD	17.05	16.19	0.85
1 year	28.54	27.52	1.02
2 years pa	17.60	15.61	1.99
3 years pa	15.55	14.38	1.17
5 years pa	13.73	14.64	-0.91
7 years pa	12.68	13.82	-1.14
10 years pa	14.11	14.65	-0.54
15 years pa	6.77	7.70	-0.93
Since inception pa Date: December 2002	6.86	7.57	-0.71

Top 10 Stock Holdings

Holding	Country	Sectors	%
Apple	United States	Information Technology	4.50
Microsoft	United States	Information Technology	4.31
Alphabet	United States	Information Technology	3.01
Procter and Gamble	United States	Consumer Staples	1.47
Accenture	United States	Information Technology	1.46
Adobe	United States	Information Technology	1.43
Merck & Co	United States	Health Care	1.34
Verizon Communications	United States	Communication Services	1.32
McDonalds	United States	Consumer Discretionary	1.26
Wolter Kluwer	Netherlands	Industrials	1.24

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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A short notice on the COVID-19 public health event, and how it can impact investments

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