

# Candriam Sustainable Global Equity Fund

Monthly performance update

May 2022

Ausbil Investment Management Limited  
ABN 26 076 316 473  
AFSL 229722  
Level 27  
225 George Street  
Sydney NSW 2000  
GPO Box 2525  
Sydney NSW 2001  
Phone 61 2 9259 0200  
Fax 61 2 9259 0222

## Market Review

May was yet another rollercoaster month for global markets. The first three weeks of the month were accompanied by strong day-by-day, and intra-day, volatility which saw the S&P500 enter technical bear market territory with a 20% drawdown from the early January peaks due to continued Fed hawkishness fears, a worsening COVID situation in China and high profile corporate earnings misses from US consumer & tech companies.

After a painful April, investors gained some respite with the MSCI All Country World rising by 0.2% in May. This was complimented by positive global bond returns of 0.3%. Value stocks were the best performing asset class returning 2.2% over the month.

May failed to provide the catalyst that markets are waiting for. Central banks are continuing to grapple with inflation. But they are now even more conscious of rising growth risks, which remain higher in Europe than the US.

## Key Stock Contributors and Detractors

During the month, at a stock level, the Fund derived positive performance from TotalEnergies SE, Electronic Arts Inc and Ryder System, Inc.

**TotalEnergies SE** is an overweight position in Energy due to its good score on Value and Sentiment. The Company produces, transports, and supplies crude oil, natural gas, and low carbon electricity, as well as refines petrochemical products. TotalEnergies owns and manages gasoline filling stations worldwide. In May, TotalEnergies shares went up by 16.6% versus the MSCI World in the period. Oil and gas stocks rose in Europe, bucking a decline in the broader market, as crude oil prices climbed, and even more after a report that showed a decline in US gasoline stockpiles. Candriam's ESG rating is In Line.

**Electronic Arts** is an overweight position in Communication Services due to its good score on Sentiment and Volatility. Electronic Arts develops, publishes, and distributes branded interactive entertainment software worldwide for video game consoles, personal computers, handheld game players, and cellular handsets. The shares this month was up 17.3% in relative terms after the video-game company reported its fourth-quarter results and gave an outlook. Candriam's ESG rating is In Line.

**Ryder System** is an overweight position in Industrials due to its good score on Value and Sentiment. Ryder System, Inc. provides a continuum of logistics, supply chain, and transportation management solutions worldwide. Ryder's shares jumped by 15.2% versus the MSCI World in May after HG Vora Capital Management LLC offered to buy the trucking company in a deal valued at about \$4.4 billion. Candriam's ESG rating is In Line.

Three stocks that contributed negatively to excess return during the period included Target Corporation, Prologis Inc and Okta, Inc. Class A.

**Target Corporation** is an overweight position in Consumer Discretionary due to its good score on Value and Volatility. The Company focuses on merchandising operations which includes general merchandise and food discount stores and a fully integrated online business. Share price this month lost 29.1% versus the MSCI World. Candriam's ESG rating is Leading.

**Prologis Inc** is an overweight position in Real Estate due to its good score on Sentiment. Prologis, Inc. is an owner, operator, and developer of industrial real estate, focused on global and regional markets across the Americas, Europe, and Asia. The stock performance this month was down by 20.6% in relative terms. Self-storage and industrial real estate investment trusts stocks slump. Candriam's ESG rating is Advanced.

**Okta Inc** is an overweight position in Information Technology due to its good score on Growth. The Company offers automated user management, integration, mobile identification, multifactor authentication, and reporting software. Okta serves customers worldwide. Shares suffered in May and went down by 30.5% after the Federal Reserve raised interest rates by half a percentage point and Chair Jerome Powell signaled the Fed would continue hiking at that pace. Candriam's ESG rating is Leading.

## Fund Characteristics

Returns<sup>1</sup> as at 31 May 2022

Period	Fund Return % Net	Benchmark <sup>2</sup> %	Out/Under performance % Net
1 month	-1.12	-0.86	-0.26
3 months	-5.41	-4.63	-0.78
6 months	-12.54	-10.30	-2.25
FYTD	-2.95	-1.85	-1.10
CYTD	-14.48	-11.79	-2.69
1 year	2.11	2.71	-0.60
2 years pa	11.32	11.29	0.03
3 years pa	12.12	11.35	0.77
5 years pa	9.91	10.54	-0.63
7 years pa	8.74	9.58	-0.84
10 years pa	13.85	14.46	-0.61
15 years pa	5.85	6.77	-0.93
Since inception pa Date: December 2002	6.36	7.10	-0.73

## Top 10 Stock Holdings

Holding	Country	Sectors	%
Microsoft	United States	Information Technology	4.41
Apple	United States	Information Technology	4.07
Alphabet Inc-CI C	United States	Communication Services	1.94
Alphabet Inc-CI A	United States	Communication Services	1.93
McDonalds	United States	Consumer Discretionary	1.65
Procter & Gamble	United States	Consumer Staples	1.49
Tesla Inc	United States	Consumer Discretionary	1.33
Accenture Plc	Ireland	Information Technology	1.25
Novo Nordisk A/S-B	Denmark	Health Care	1.25
Lvmh Moet Hennessy Vuitton Se	France	Consumer Discretionary	1.24

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

## Fund Information

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



CERTIFIED BY RIAA

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.

Ausbil Investment  
Management Limited  
Level 27  
225 George Street  
Sydney NSW 2000  
Australia

Toll Free 1800 287 245

Unless otherwise specified, any information contained in this publication is current as at the date of this report and is prepared by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (Ausbil). Ausbil is the issuer of the Ausbil – Candriam Sustainable Global Equity Fund (ARSN 111 733 898) (Candriam Sustainable Global Equity Fund, Sustainable Global Equity Fund or Fund). Candriam Belgium SA is the investment manager of the Fund. This report contains general information only and the information provided is factual only and does not constitute financial product advice. It does not take account of your individual objectives, financial situation or needs. Before acting on it, you should seek independent financial and tax advice about its appropriateness to your objectives, financial situation and needs. Securities and sectors mentioned in this monthly report are presented to illustrate companies and sectors in which the Fund has invested and should not be considered a recommendation to purchase, sell or hold any particular security. Holdings are subject to change daily. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Past performance is not a reliable indicator of future performance. Unless otherwise stated, performance figures are calculated net of fees and assume distributions are reinvested. Due to rounding the figures in the holdings, breakdowns may not add up to 100%. No guarantee or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained herein (any of which may change without notice) and should not be relied upon as a representation express or implied as to any future or current matter. You should consider the Product Disclosure Statement which is available at [www.ausbil.com.au](http://www.ausbil.com.au) and the target market determination which is available at <https://www.ausbil.com.au/invest-with-us/design-and-distribution-obligations/fund-tm-ds> before acquiring or investing in the fund. The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Ausbil Investment Management Limited adheres to the strict operational and disclosure practices and its staff undertake continuing professional development on responsible investment required under the Responsible Investment Certification Program for the category of Investment Management Service when delivering its Candriam Sustainable Global Equity Fund product. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Candriam's methodology can be found at [www.responsibleinvestments.com.au](http://www.responsibleinvestments.com.au), together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence. Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. Further information is available at [www.msci.com](http://www.msci.com).



Contactus@  
[ausbil.com.au](http://ausbil.com.au)

**ausbil**

## DISCLAIMER

Important Information: Australia, Canada, Denmark, Kuwait, Netherlands, Sweden, United Arab Emirates, USA, United Kingdom.

### General

Research provided to a client may vary depending upon various factors such as a client's individual preferences as to the frequency and manner of receiving communications, a client's risk profile and investment focus and perspective (e.g., market wide, sector specific, long-term, short-term, etc.), the size and legal and regulatory constraints.

This information is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located, in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Ausbil to any registration or licensing requirement within such jurisdiction.

This information is a general communication and is educational in nature; it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. By providing this document, none of Ausbil or its representatives has any responsibility or authority to provide or have provided investment advice in a fiduciary capacity or otherwise. Investments involve risks, and investors should exercise prudence and their own judgment in making their investment decisions. None of Ausbil or its representatives is suggesting that the recipient or any other person take a specific course of action or any action at all. By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient. The financial instruments described in the document may not be eligible for sale in all jurisdictions or to certain categories of investors.

The value of any investment or income may go down as well as up, and investors may not get back the full (or any) amount invested. Past performance is not necessarily a guide to future performance. Neither Ausbil nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the Information.

Prior to making any investment or financial decisions, any recipient of this document or the information should take steps to understand the risk and return of the investment and seek individualised advice from his or her personal financial, legal, tax and other professional advisors that takes into account all the particular facts and circumstances of his or her investment objectives.

Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. There is no representation that any transaction can or could have been effected at those prices, and any prices do not necessarily reflect Ausbil's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Ausbil or any other source may yield substantially different results.

No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in any materials to which this document relates (the "Information"), except with respect to Information concerning Ausbil. The Information is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. Ausbil does not undertake to update or keep current the Information. Any opinions expressed in this document may change without notice and may differ or be contrary to opinions expressed by other business areas or groups, personnel or other representative of Ausbil. Any statements contained in this Report attributed to a third party represent Ausbil's interpretation of the data.

Information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. In no circumstances may this document or any of the Information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes:

- (i) valuation or accounting purposes;
- (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or
- (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Values or of defining the asset allocation of portfolio or of computing performance fees.

By receiving this document and the Information you will be deemed to represent and warrant to Ausbil that you will not use this document or any of the Information for any of the above purposes or otherwise rely upon this document or any of the Information. Except as otherwise specified herein, these materials are distributed by Ausbil, to persons who are eligible counterparties or professional clients and are only available to such persons. The Information does not apply to, and should not be relied upon by, retail clients.

The information contained in this document is given by Ausbil Investment Management Limited (ABN 2676316473) (AFSL 229722) (Ausbil) and has been prepared for informational and discussion purposes only and does not constitute an offer to sell or solicitation of an offer to purchase any security or financial product or service. Any such offer or solicitation shall be made only pursuant to an Australian Product Disclosure Statement or other offer document (collectively Offer Document) relating to an Ausbil financial product or service. A copy of the relevant Offer Document may be obtained by calling Ausbil on +612 9259 0200 or by visiting [www.ausbil.com.au](http://www.ausbil.com.au). You should consider the Offer Documents in deciding whether to acquire, or continue to hold, any financial product. This document is for general use only and does not take into account your personal investment objectives, financial situation and particular needs. Ausbil strongly recommends that you consider the appropriateness of the information and obtain independent financial, legal and taxation advice before deciding whether to invest in an Ausbil financial product or service. The information provided by Ausbil has been done so in good faith and has been derived from sources believed to be accurate at the time of completion. While every care has been taken in preparing this information, Ausbil make no representation or warranty as to the accuracy or completeness of the information provided in this video, except as required by law, or takes any responsibility for any loss or damage suffered as a result or any omission, inadequacy or inaccuracy. Changes in circumstances after the date of publication may impact on the accuracy of the information. Ausbil accepts no responsibility for investment decisions or any other actions taken by any person on the basis of the information included. Past performance is not a reliable indicator of future performance. Ausbil does not guarantee the performance of any strategy or fund or the securities of any other entity, the repayment of capital or any particular rate of return. The performance of any strategy or fund depends on the performance of its underlying investments which can fall as well as rise and can result in both capital gains and losses.

**Canada** This document does not pertain to the offering of any securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities, and any representation to the contrary is an offence.

**Sweden** The information contained in the document is given by Ausbil and has been prepared for information and discussion purposes only and does not constitute an offer to sell or solicitation of an offer to purchase any security or financial product or service. It is provided to you as an institutional investor as that term is understood under Swedish law. By reading this document, you agree to be bound by these limitations, terms and conditions set out in the paragraphs above.

**United Arab Emirates & Kuwait** This information relates to a Fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund. Accordingly, the DFSA has not approved this or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Units to which this Report relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units. If you do not understand the contents of this document you should consult an authorized financial adviser. This information does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in Kuwait, UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the UAE Securities & Commodities Authority, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this Report has not been approved by or filed with the CBK, UAE Central Bank, the UAE Securities & Commodities Authority or Dubai Financial Services Authority.

**United Kingdom** This information may be issued in the United Kingdom to, and/or is directed at, only persons to or at whom it may lawfully be issued, or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) including persons who are authorised under the Financial Services and Markets Act 2000 ("FSMA"), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, or trustees of high value trusts. The services described in it are only available to such persons in the United Kingdom and this document must not be relied on or acted upon by any other persons in the United Kingdom. By reading this document, you agree to be bound by these limitations, terms and conditions set out in the paragraphs above.

**Australia** The information contained in this Report has been prepared for general use only and does not take into account your personal investment objectives, financial situation or particular needs. Ausbil is the issuer of the Ausbil Australian Active Equity Fund (ARSN 089 996 127), Ausbil Australian Geared Equity Fund (ARSN 124 196 407), Ausbil Australian Emerging Leaders Fund (ARSN 089 995 442), Ausbil MicroCap Fund (ARSN 130 664 872), Ausbil Australian SmallCap Fund (ARSN 630 022 909), Ausbil Balanced Fund (ARSN 089 996 949), Ausbil Active Dividend Income Fund (ARSN 621 670 120), Ausbil Australian Concentrated Fund (ARSN 622 627 696), Ausbil Active Sustainable Equity Fund (ARSN 623 141 784), Ausbil Global SmallCap Fund (ARSN 623 619 625), Candriam Sustainable Global Equity Fund (ARSN 111 733 898), Ausbil 130/30 Focus Fund (ARSN 124 196 621), Ausbil Long Short Focus Fund (ARSN 642 635 498), Ausbil Global Essential Infrastructure Fund (ARSN 628 816 151), Ausbil Global Resources Fund (ARSN 623 619 590) and MacKay Shields Multi-Sector Bond Fund (ARSN 611 482 243) (collectively known as 'the Funds'). The information provided is factual only and does not constitute financial product advice. It does not take account of your individual objectives, financial situation or needs. Before you make any decision about whether to invest in a financial product, you should obtain and consider the Product Disclosure Statement of the financial product.

The information provided by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) has been done so in good faith and has been derived from sources believed to be accurate at the time of compilation. Changes in circumstances, including unlawful interference and unauthorised tampering, after the date of publication may impact on the accuracy of the information. Ausbil Investment Management Limited accepts no responsibility for any inaccuracy or for investment decisions or any other actions taken by any person on the basis of the information included. Past performance is not a reliable indicator of future performance.

Ausbil Investment Management Limited does not guarantee the performance of the Funds, the repayment of capital or any particular rate of return. The performance of any unit trust depends on the performance of its underlying investment which can fall as well as rise and can result in both capital losses and gains. Consequently, due to market influences, no assurance can be given that all stated objectives will be achieved.

#### **United States**

AN INVESTMENT IN THE FUND IS SPECULATIVE AND INCLUDES A HIGH DEGREE OF RISK, INCLUDING THE RISK OF A TOTAL LOSS OF CAPITAL. INTERESTS IN THE FUND WILL BE ILLIQUID AND SUBJECT TO SIGNIFICANT RESTRICTIONS ON TRANSFER. PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE RISKS ASSOCIATED WITH SUCH INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. A PRIVATE OFFERING OF INTERESTS IN THE FUND WILL ONLY BE MADE PURSUANT TO THE FUND'S PRODUCT DISCLOSURE STATEMENT (THE "PDS"), AND RELATED DOCUMENTATION FOR THE FUND, WHICH WILL BE FURNISHED TO QUALIFIED INVESTORS ON A CONFIDENTIAL BASIS AT THEIR REQUEST FOR THEIR CONSIDERATION IN CONNECTION WITH SUCH OFFERING, WHO SHOULD CAREFULLY REVIEW SUCH DOCUMENTS PRIOR TO MAKING AN INVESTMENT DECISION. ANY INVESTMENT DECISION WITH RESPECT TO SUCH INTERESTS MUST BE BASED SOLELY ON THE DEFINITIVE AND FINAL VERSIONS OF SUCH DOCUMENTS.

The information contained herein will be superseded by, and is qualified in its entirety by reference to the PDS, which contains additional information about the investment objective, terms and conditions of an investment in the Fund and also contains tax information, information regarding conflicts of interest and risk disclosures that are important to any investment decision regarding the Fund. No person has been authorized to make any statement concerning the Fund other than as set forth in the PDS and any such statements, if made, may not be relied upon.

The information contained in this Report must be kept strictly confidential and may not be reproduced (in whole or in part) or redistributed in any format without the express written approval of AUSBIL INVESTMENT MANAGEMENT LIMITED (together with its affiliates, the "Firm"). Neither the Firm nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the Fund or any other entity. Except where otherwise indicated herein, the information provided in this Report is based on matters as they exist as of the date of the document and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof.

This Report has not been approved by the U.S. Securities and Exchange Commission (the "SEC"), the Financial Industry Regulatory Authority ("FINRA"), or any other regulatory authority or securities commission in the United States or elsewhere and does not constitute an offer to sell, or a solicitation of any offer to buy, any securities. This Report is not to be relied upon as investment, legal, tax, or financial advice. Any investor must consult with his or her independent professional advisors as to the investment, legal, tax, financial or other matters relevant to the suitability of an investment in the interests of the Fund. The reader is urged to read the sections in the PDS addressing risk factors, conflicts of interest and other relevant investment considerations.

PAST PERFORMANCE INFORMATION INDICATED HEREIN IS NEITHER A GUARANTEE NOR INDICATIVE OF THE FUTURE PERFORMANCE OR INVESTMENT RETURNS OF THE FUND AND ACTUAL EVENTS OR CONDITIONS MAY NOT BE CONSISTENT WITH, AND MAY DIFFER MATERIALLY FROM, HISTORICAL OR FORECASTED EVENTS OR CONDITIONS.

The interests in the Fund (the "Interests") have not been registered under the U.S. Securities Act of 1933 (the "Securities Act"), the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests will be offered and sold under the exemption from registration provided by Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, and other exemptions of similar import under the laws of the states and jurisdictions where the offering will be made. The Fund will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). Consequently, Interests are being offered to prospective qualified U.S. investors, and investors will not be afforded the protections of the Investment Company Act, or any other United States federal or state securities laws.