

Candriam Sustainable Global Equity Fund

Monthly performance update

October 2024

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

Market Review

October was a volatile month for markets, with equities moving lower after a strong rally during the first nine months of the year. Growth risks remained the primary concern for investors, despite signs of resilience, particularly in the US economy. Uncertainty was also heightened by the upcoming US election and the potential implications of a policy shift on inflation and interest rates. Developed market equities returned -2.0%. Growth stocks outperformed value stocks but remained down 1.8%. Small caps fell 2.7% due to slowing economic momentum. Japanese stocks led despite concerns over tighter policy, a stronger yen (that could impact export-oriented companies), and political uncertainty.

Key Stock Contributors and Detractors

During the month, at a stock level, the Fund derived positive performance from Nvidia, Societe Generale and Exelixis.

NVIDIA is an overweight position in Information Technology due to a good score on Sentiment and Growth. NVIDIA operates as a tech company. The company develops a platform for scientific computing, AI, data science, autonomous vehicles, robotics, metaverse, and 3D internet applications, as well as focusing on PC graphics. NVIDIA serves clients worldwide. This month, the share price jumped by over 8%, supported by tech outperformance ahead of elections and AI trends. This month, NVIDIA was up 11.3% versus MSCI World. Candriam's ESG rating is 5.

Societe Generale is an overweight position in Financials due to a good score on Value. Societe Generale provides commercial, retail, investment and private banking services. The Bank offers consumer credit, vehicle lease financing, information technology equipment leasing, life and non-life insurance, custodian, trade and project financing, currency exchange, treasury, financial and commodities brokerage services. Societe Generale serves customers worldwide. In October, shares jumped by 20% after beating 3Q estimates on the back of higher trading income and a rebound in the French retail business. During this month, Societe Generale was up 17.0% versus MSCI World. Candriam's ESG rating is 4.

Exelixis is an overweight position in Health Care due to a good score on Volatility. Exelixis operates as a development-stage biotechnology company focused on discovery and development of small-molecule therapeutics for the treatment of cancer and other serious diseases. The Company offers medicines to treat and defeat kidney and thyroid cancer and advanced melanoma. The Exelixis share price increased by nearly 28%. Shares jumped on 15th October already +15% after the maker of cancer drug Cabometyx won a court ruling against closely held rival MSN Pharma in the Delaware Federal Court. Then, on 30th October, shares extended their gains, up 15% after the company boosted its total revenue guidance for the full year, which beat the average analyst estimate. Exelixis ended up 29.9% versus MSCI World. Candriam's ESG rating is 4.

Three stocks that contributed negatively to excess return during the period included ASML Holdings, Centene and Aptiv.

ASML Holdings is an overweight position in Information Technology due to a good score on Quality and Volatility. ASML Holding develops, produces, and markets semiconductor manufacturing equipment, specifically machines for the production of chips through lithography. The Company services clients worldwide. After the second profit warning, ASML shares collapsed by nearly 18% in October. Indeed, ASML plunged after it booked only about half the orders analysts estimated in the third quarter and lowered guidance for 2025. During this month, ASML Holdings was down 16.7% versus the MSCI World. Candriam's ESG rating is 3.

Centene is an overweight position in Health Care due to a good score on Value. The Company provides multi-line healthcare solutions to individuals across all states and internationally. Centene's specialty services include medicaid and medicare health plans, treatment compliance, and nurse triage. This month, the share price performance disappointed and was down nearly 20% after the insurer cut its annual outlook, signalling wider problems in the sector that sent rival insurers' shares down. Not enough to recover for the loss, but worth noting that shares jumped after the health insurer's third-quarter profits exceeded Wall Street's expectations, a relief for investors braced for a tough quarter. During this month, Centene was down 15.3% versus the MSCI World. Candriam's ESG rating is 4.

Aptiv is an overweight position in Consumer Discretionary due to a good score on Sentiment and Volatility. Aptiv manufactures and distributes vehicle components. The Company produces connector wires, safety restraint systems, pin headers, and underwater towed arrays for automobile and commercial vehicles. Aptiv supplies original equipment manufacturers worldwide. Shares declined by 19.8% in October after the vehicle-component manufacturer cut its net sales guidance for the full year. The guidance missed the average analyst estimate. Aptiv ended down 19.1% versus the MSCI World. Candriam's ESG rating is 4.

Fund Characteristics

Returns¹ as at 31 October 2024

Period	Fund Return % Net	Bench- mark ² %	Out/Under performance %
1 month	3.51	3.81	-0.31
3 months	1.67	2.14	-0.46
6 months	10.75	10.17	0.58
1 year	29.59	29.22	0.37
2 years pa	18.93	20.08	-1.15
3 years pa	9.82	11.35	-1.53
5 years pa	13.17	13.17	0.00
7 years pa	12.69	13.01	-0.32
10 years pa	12.09	13.06	-0.97
15 years pa	12.02	12.71	-0.70
20 years pa	8.15	9.06	-0.91
Since inception pa Date: December 2002	7.47	8.23	-0.76

Top 10 Stock Holdings

Holding	Country	Sectors	%
Apple	United States	Information Technology	5.97
Microsoft	United States	Information Technology	5.60
Nvidia	United States	Information Technology	5.04
Alphabet - Class A	United States	Communication Services	2.04
Mastercard	United States	Information Technology	1.88
Alphabet - Class C	United States	Communication Services	1.84
Visa	United States	Information Technology	1.71
Eli Lilly	United States	Health Care	1.39
Nestle	Switzerland	Consumer Discretionary	1.31
Linde	Ireland	Materials	1.30

1. Fund returns are net of fees but before taxes.
2. MSCI World Index (Net Dividends Reinvested) \$A - unhedged

Fund Information

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



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

Toll Free 1800 287 245

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