

Emerging Markets Companies- *The Enablers of Green Energy Transition*

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Marketing communication intended for Professional Investors and Qualified Investors only

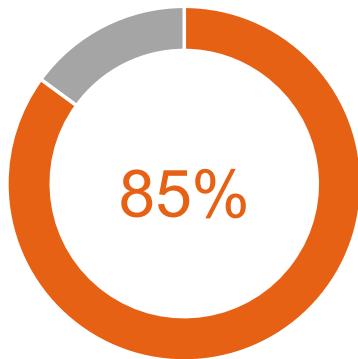




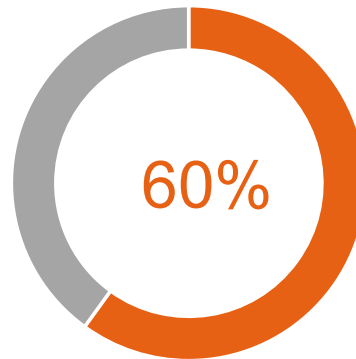
EMERGING MARKETS ARE KEY TO GLOBAL CLIMATE ACTION

Emerging Market economies, representing bulk of the global population & emissions

Population and GDP

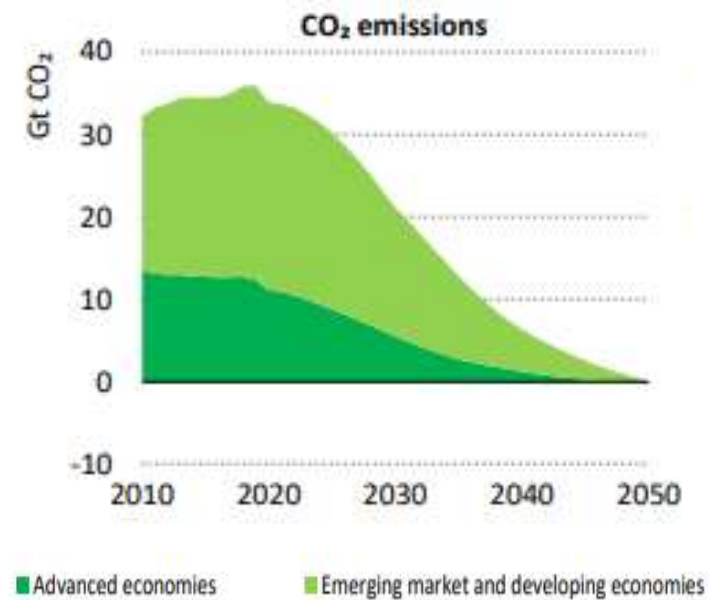


85% of the world's population live in an Emerging Markets



Emerging markets represent nearly 60% of total global GDP

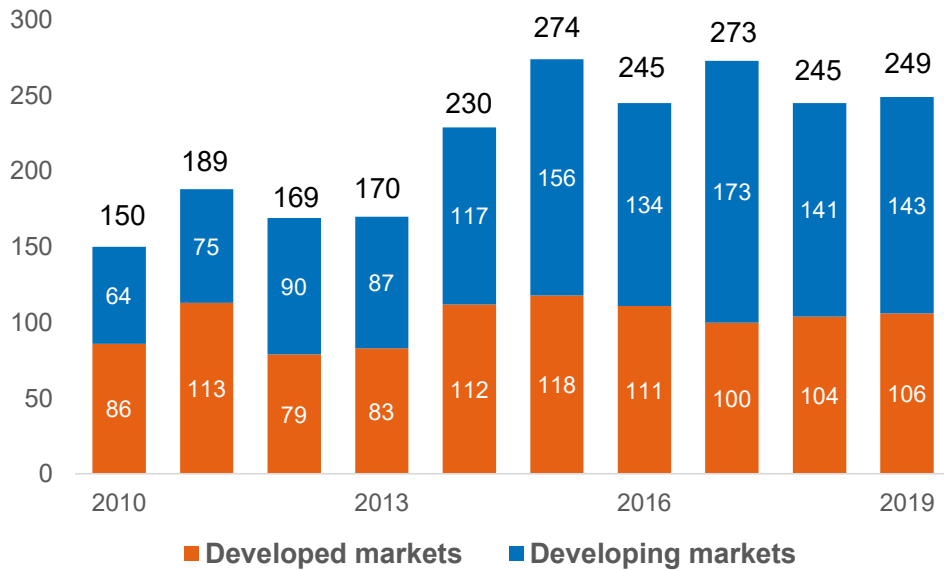
CO2 emissions



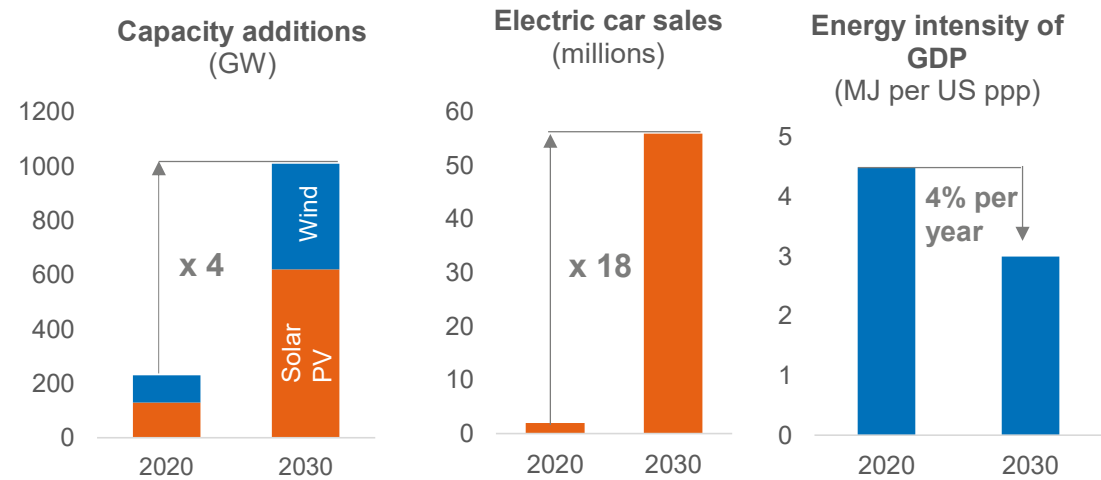
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Emerging Markets are leading in new-build clean energy asset finance, with huge investment opportunities

Global new-build clean energy asset finance, by market type



Key clean technologies ramp up by 2030

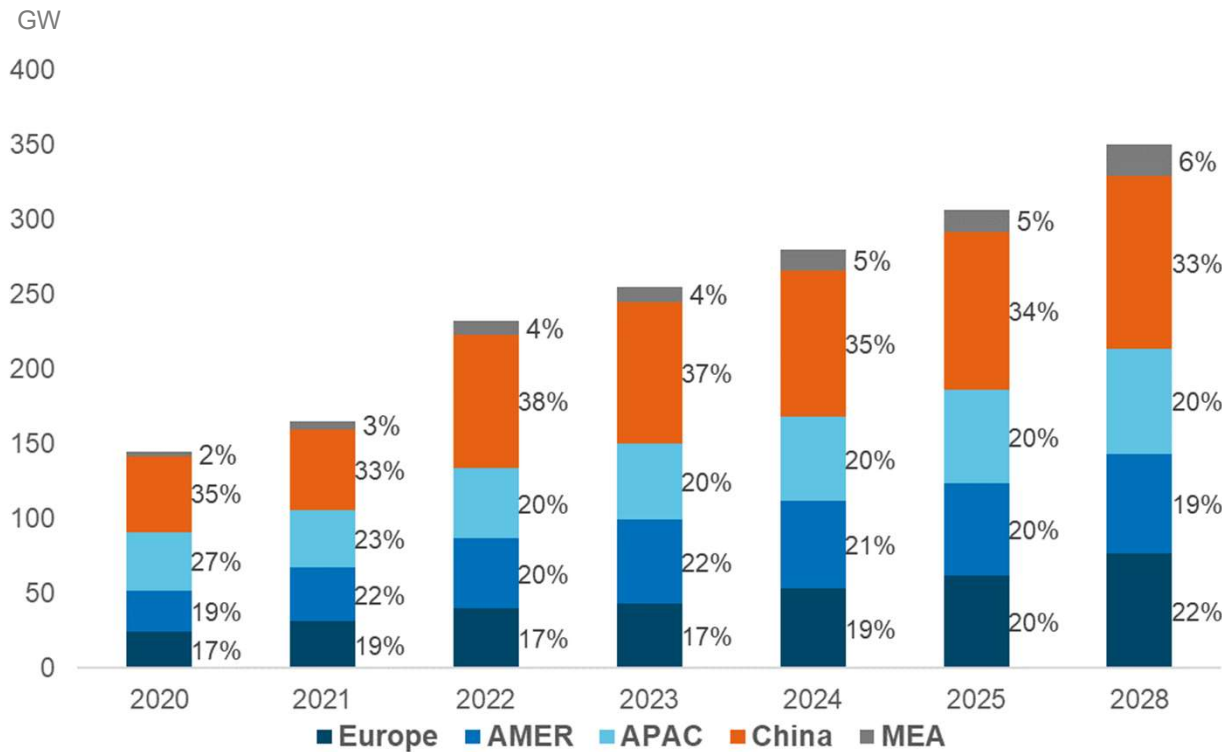


Note: MJ = megajoules, GDP= Gross domestic product in purchasing power parity

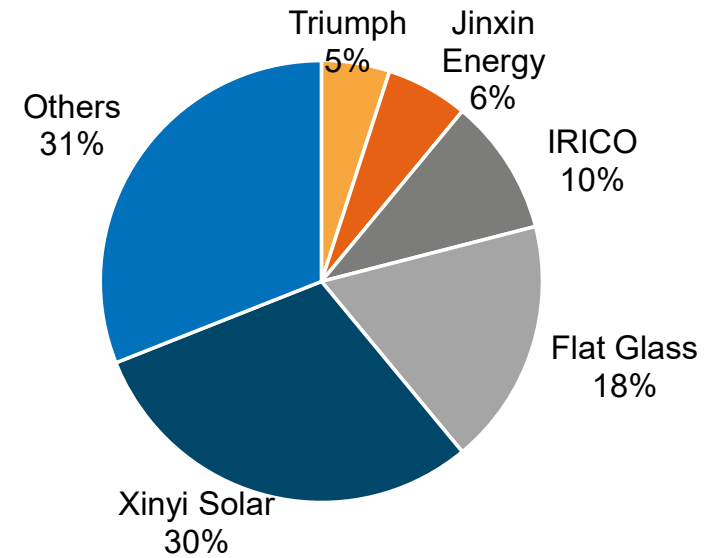
Sources: Bloomberg, NEF

Solar Energy in Emerging Markets

Solar power generation growth and market share by country



Chinese companies are leaders in Solar Globally
Global Solar Glass Capacity (2020)



Sources: SolarPower Europe, SCI99, Huatai HK Research

Xinyi Solar



Ginlong Technologies

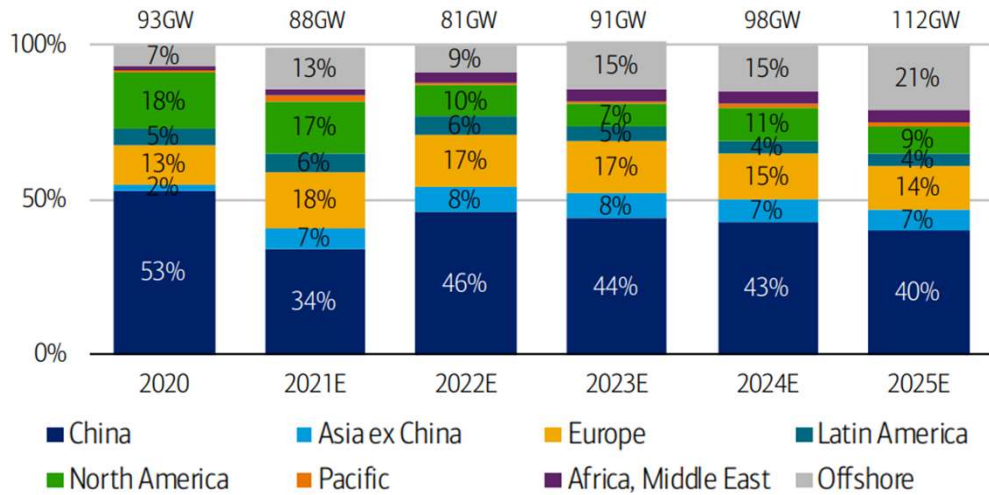


Longi Green

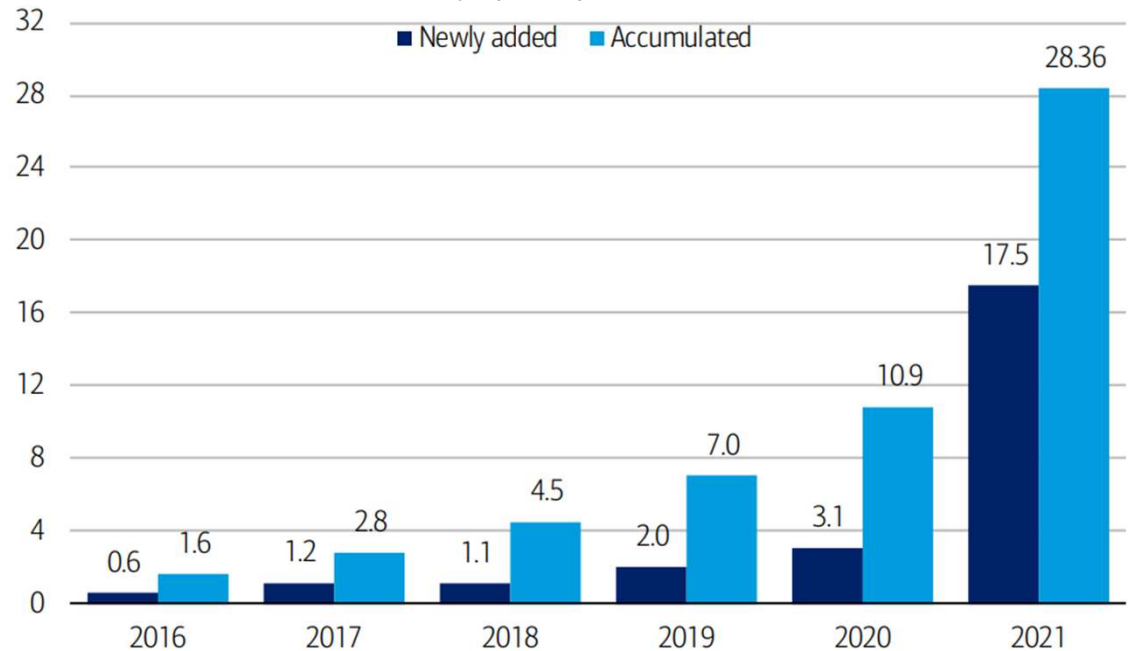


Emerging markets contribution to global wind energy production

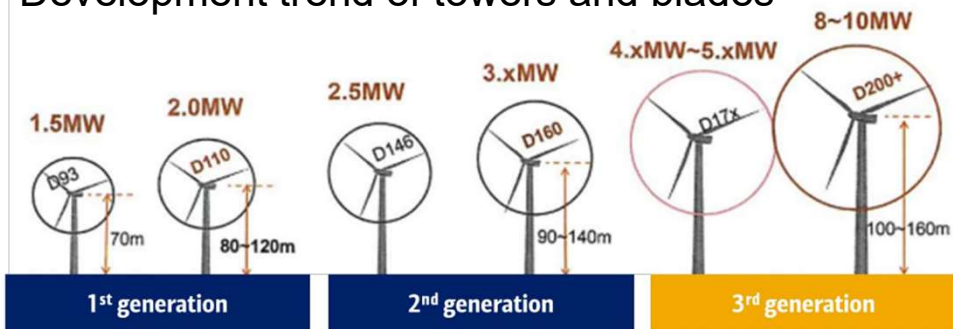
Global wind power new installation by region



China offshore WTG (Wind Turbine Generation) addition and cumulative capacity (GW)



Development trend of towers and blades



Sources: Global Wind Energy Council (GWEC), National Bureau of Statistics (NBS) - China

Mingyang Smart Energy

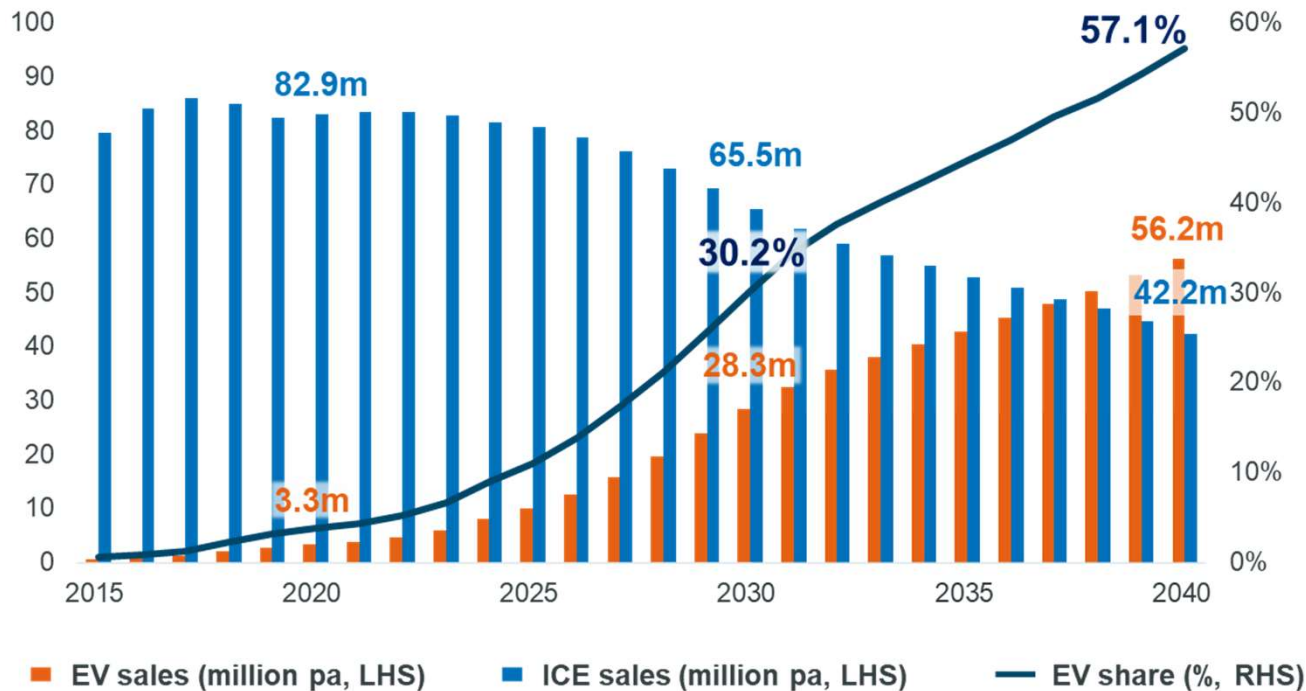


Ningbo Orient Wires & Cables



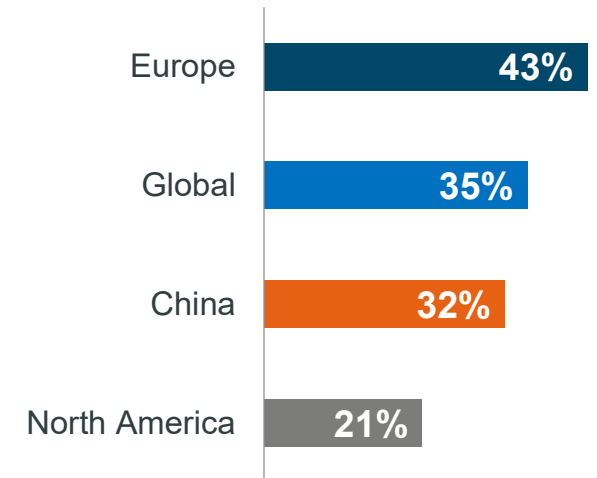
EV volume growth and penetration, cannot be done without EM players

Electric vehicle's market share will increase significantly



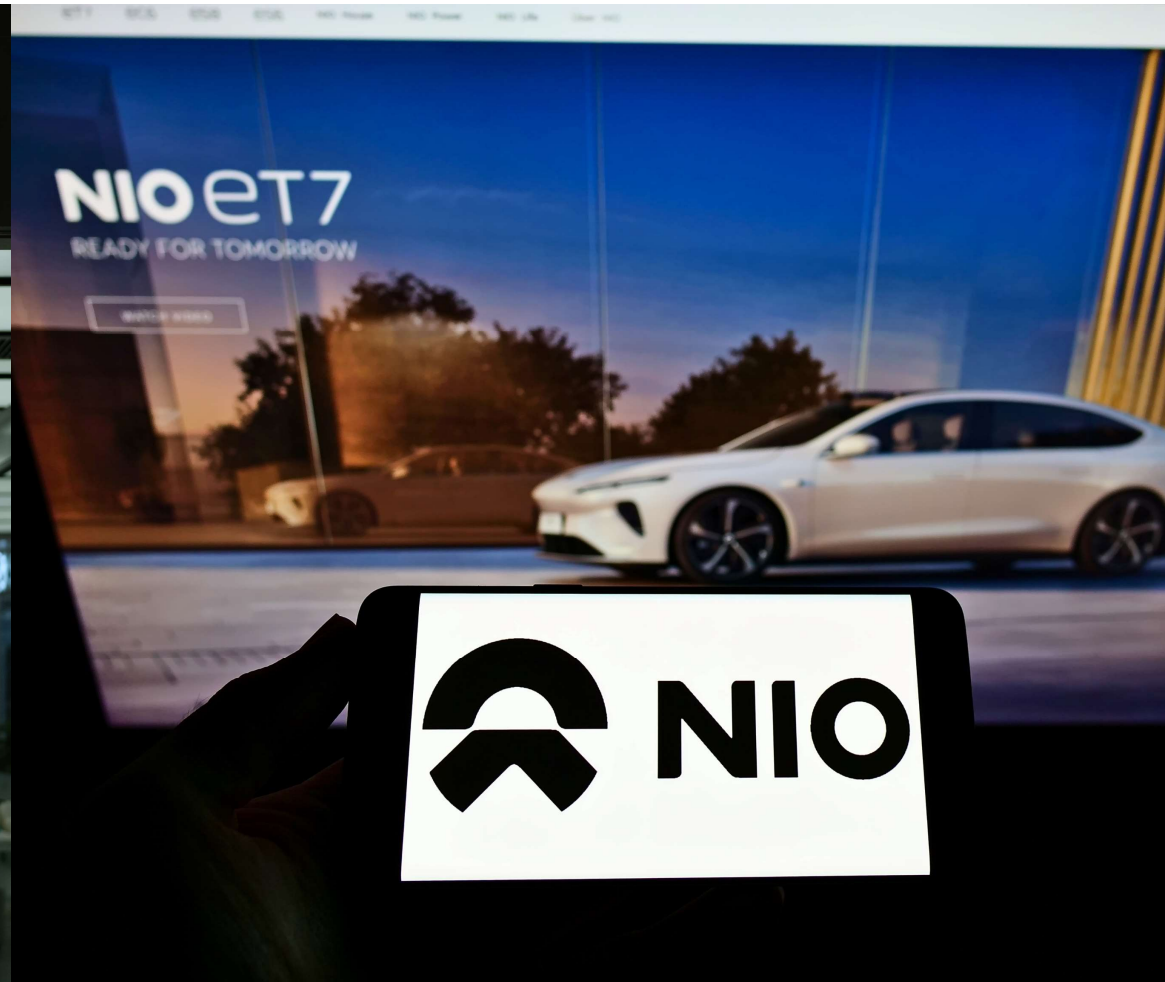
Estimated EV volume growth by region 2019-2025

% CAGR

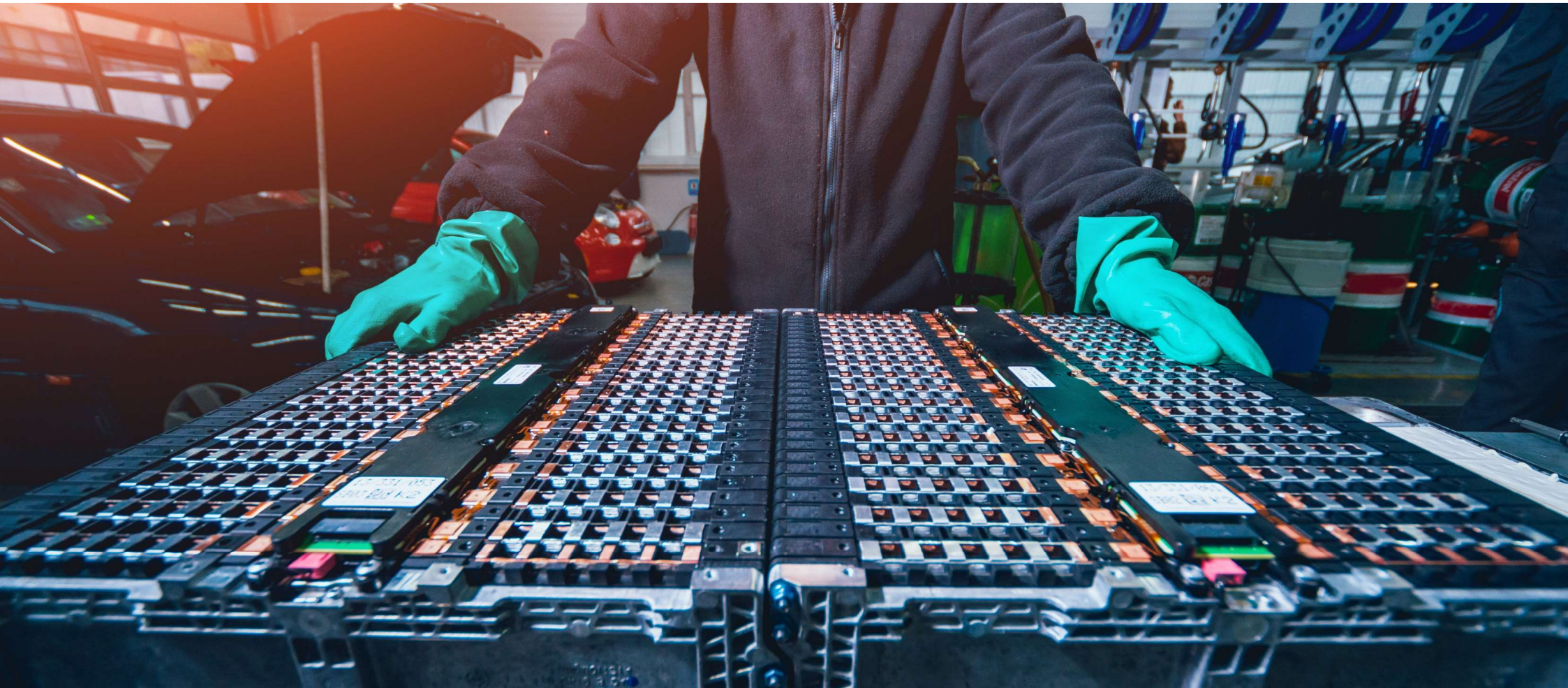


Sources: Candriam, BofA Global Research Estimates

BYD / NIO



CATL / Samsung SDI



SQM



The importance of Greenablers: The critical role of semiconductors

Growing demand for devices that reduce electricity consumption



Source: Goldman Sachs Global Investment Research

Sources: Goldman Sachs Investment Research, Thomson Reuters, Bloomberg©

Semis contribute to CO2 emissions avoidance

Semis contributed to **1-2bn tonnes of CO2 avoided in 2020**

We see potential for an **additional 2-5 bn tonnes of annual avoidance** by 2025

Goldman Sachs Global Investment Research

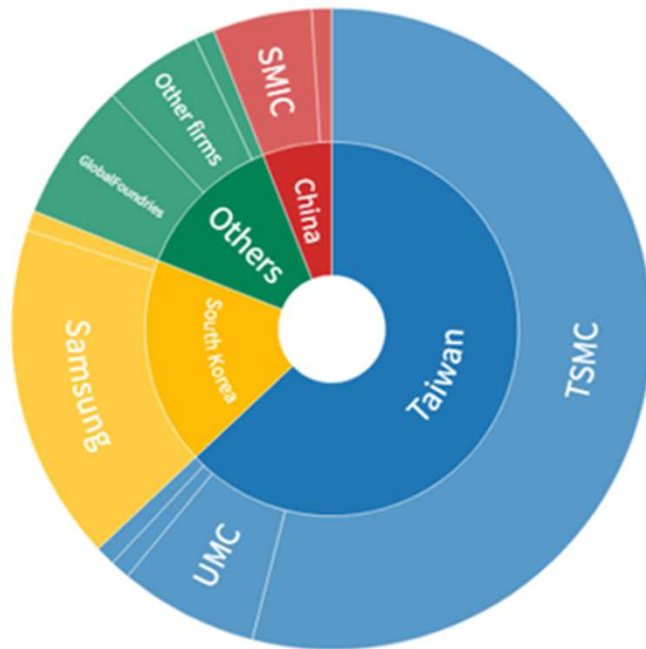
Semis helped avoid **5x more emissions** than they generated in **2019-2020** based on our estimates

Thomson Reuters, Bloomberg, Goldman Sachs Investment Research

The world depends on the Asian semiconductor industry

Semiconductor contract manufacturers by market share

Total foundry revenue stood at \$85.13 billion in 2020



SOURCE: TrendForce (March 2021)



- TSMC is a key Greenabler in the Semiconductor industry, as it is uniquely positioned in the industry as a leading foundry that has enabled innovations in leading edge semiconductor technologies.
- The company has exposure to various end-markets including high-performance computing (HPC), 5G, automotives, etc.
- TSMC estimates that for every kWh consumed to produce its products, it saves 4 kWh (4X energy benefit) for end customers through energy efficiency

Candriam Emerging Markets: Thematic Approach

E-commerce

- › Online Merchants
- › Technology enablers
- › Cybersecurity
- › Aggregators

AGING

- › CXO
- › Pharma
- › Bio Tech
- › Health Solutions
- › Insurance

COMMON PROSPERITY

- › Welfare
- › High-end manufacturing
- › Wealth management
- › Green Tech

GREEN ENERGY

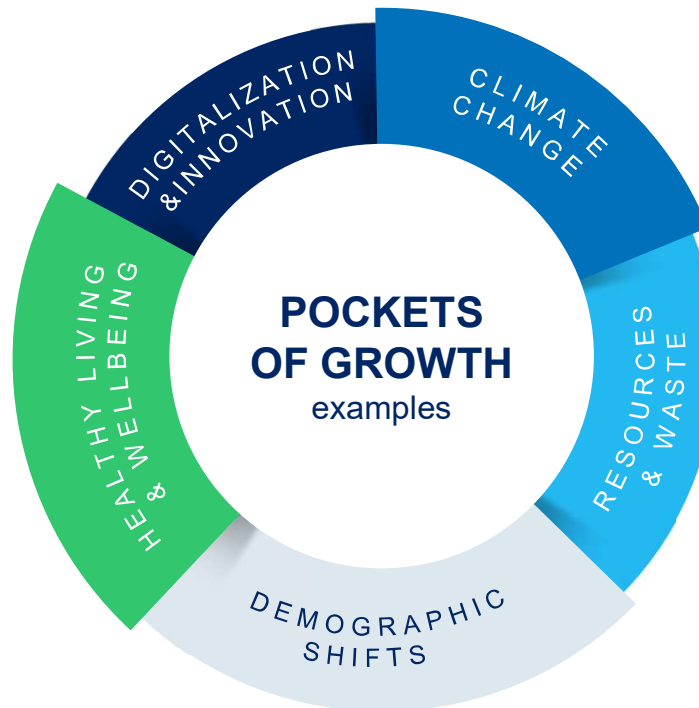
- › Smart Grids
- › Renewable
- › Energy storage

ELECTRIC VEHICLES

- › EV Battery Materials
- › EV Manufacturers
- › EV Battery Equipment

FINTECH

- › Day-to-day banking
- › Credit & insurance
- › Wealth management



Candriam Emerging Markets: Thematic Approach



CLIMATE CHANGE

- > green energy
- > electric vehicles
- > infrastructure



RESOURCE & WASTE

- > Recycling
- > Water waste
- > Plastic waste



DIGITALIZATION & INNOVATION

- > Connectivity-hardware mobility
- > Internet- big data
- > Fintech



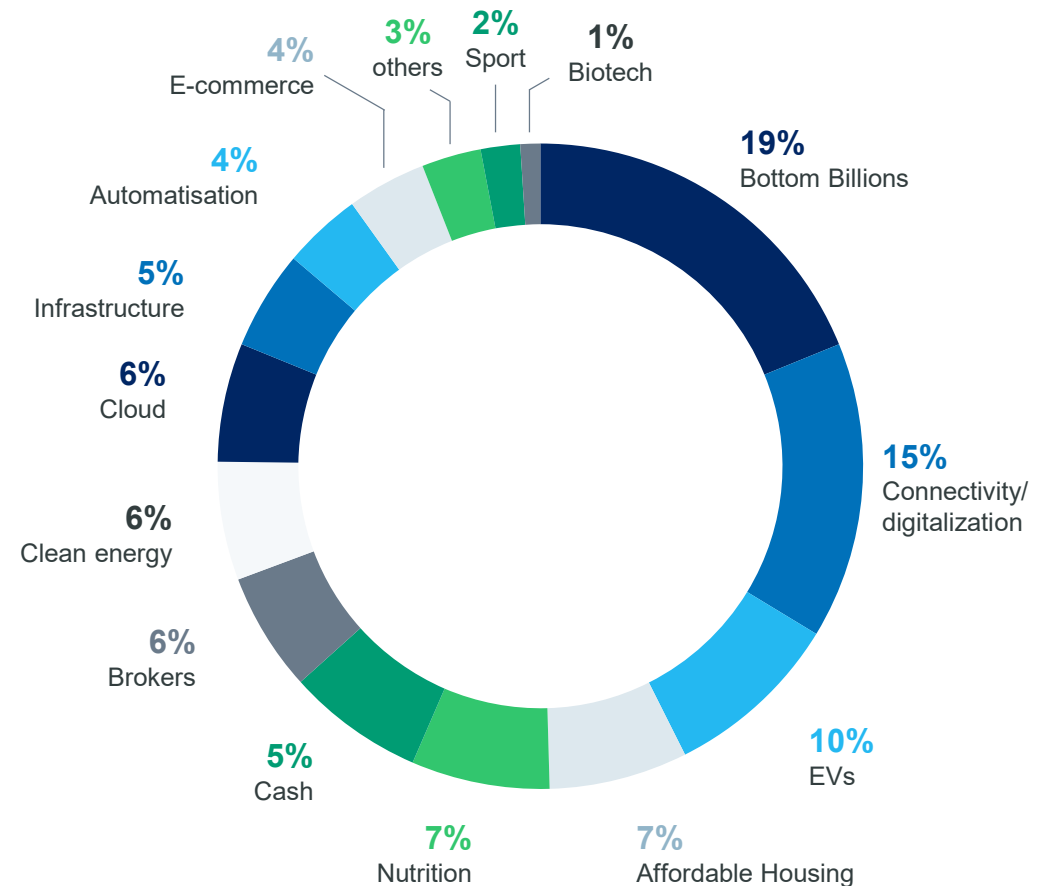
HEALTHY LIVING & WELL BEING

- > Biotech
- > Medical equipment -Hospitals
- > Covid



DEMOGRAPHIC SHIFTS

- > Ageing
- > Millennials
- > Bottom billions



Why select Candriam Sustainable Equity Emerging Markets?

Team

- Stable, experienced, multi-cultural & diverse, consensus driven emerging markets team

Strategy

- Focus on Thematics/Pockets of growth
- Dynamic screening system process and in-depth financial and ESG assessment

Investment process

- Our investment process blends a thematic approach of defining supportive trends and “pockets of growth”, with fundamental analysis to identify attractively priced quality companies with strong and maintainable growth.

Objective

- Benefit from the growth potential of the emerging equity markets with an investment in equities selected by the portfolio management team on a discretionary basis
- Outperform the benchmark.

Pioneer in ESG

- More than 20 years history in ESG, using proprietary sector-specific models and a unique best-in-class approach



To fully understand the fund's risk profile, we advise investors to carefully review the official prospectus and the description of the underlying risks: Risk of loss of capital, equity risk, foreign exchange risk, emerging markets risk, ESG investment risk, liquidity risk, derivatives risk, counterparty risk, risk associated with Chinese A equities, sustainability risk



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