

# MANDARINE GLOBAL TRANSITION R



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Global Equity ISIN LU2257980289

MONTHLY REPORT SEPTEMBER 30, 2024

## Risk profile

1 2 3 4 5 6 7

<b>+2.3%</b> Performance 1 month Bench. +1.5%	<b>+13.7%</b> Performance YTD Bench. +17.4%	<b>11.9%</b> Volatility 1 year Bench. 11.4%
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Adrien DUMAS



Marcelo PRETO



Alexandre JOMEAU

The global equity markets made gains in September and the fund outperformed its benchmark index. The highlight of the month was Jerome Powell's decision to launch the Fed's cycle of interest rate cuts, lowering them by 50 basis points. Macroeconomic indicators are buoyant, especially in the USA: the ISM indices (manufacturing and services) and retail sales have risen a little. On the inflation front, the consumer price index (CPI) fell by 2.5% in August. China also drew the market's attention by announcing a fresh series of stimulus measures aimed primarily at boosting the property sector and lowering financing costs.

The top contributors to the portfolio's performance were GE Vernova and Trane Technologies, both benefiting from the vibrant US economy, along with CATL and BYD in China's electric vehicles segment, boosted by the country's stimulus measures. Conversely, our positions in the waste management segment underperformed, one example being Republic Services which has inflation-indexed contracts. The main portfolio movements included our decision to reduce our exposure to analogue semiconductors by selling our position in NXP due to weakness in the industrial, automotive and smartphone markets, and to increase our positions in water services, power grids - benefiting from lower interest rates - and manufacturers with high levels of exposure outside Europe.

On the geopolitical front, we expect the markets to remain volatile. The US presidential election remains a close race with seven swing states that could still determine the outcome, offering voters a binary choice owing to the candidates' diverging views on climate and trade policies. In addition, the escalating conflict in the Middle East increases the risk of a rise in oil prices. Europe's main topic of concern is the political situation in France.

### Main transactions over the month

LEGRAND HOLDING SA	XYLEM INC
(+) CIA SANEAMENTO BAS...	KEYENCE CORP
VERALTO CORP	NXP SEMICONDUCTORS NV

(+) New holding (-) Sale

### Major contributors/detractors over the month (%)

GE VERNOVA INC	+0.4	REPUBLIC SERVICE...	-0.1
CONTEMP. AMPEREX	+0.4	XYLEM INC	-0.1
BYD CO LTD-H	+0.2	ENPHASE ENERGY	-0.1

Mandarine Global Transition aims to finance and capture the growth momentum of actors in the ecological and energy transition, towards a low-carbon economy.

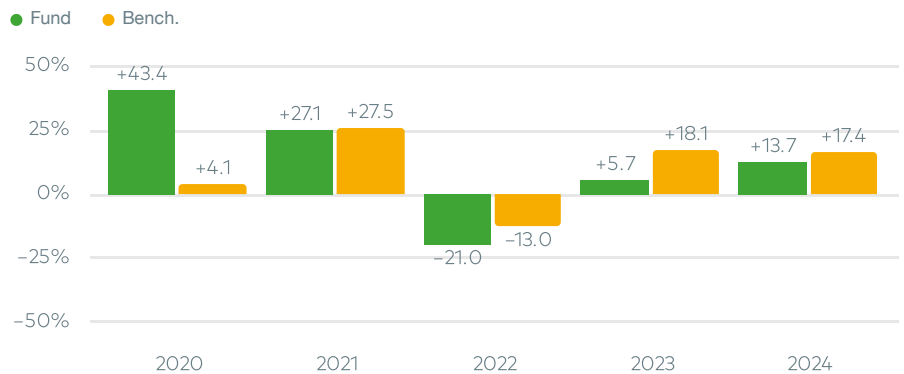
## PERFORMANCES AND RISKS

The data presented relates to past periods, past performance is not an indicator of future results. Statistical indicators are calculated on a weekly basis. Benchmark: MSCI All Countries World Index NR EUR

### Evolution since inception



### Annual performances



### Rolling / annualized performances

	Rolling performances					Annualized performance			
	1 month	YTD	1 year	3 years	5 years	Inception	3 years	5 years	Inception
Fund	+2.3%	+13.7%	+22.6%	+4.4%	-	+73.1%	+1.4%	-	+12.4%
Bench.	+1.5%	+17.4%	+25.0%	+31.1%	-	+60.1%	+9.4%	-	+10.6%
Diff.	+0.8%	-3.7%	-2.4%	-26.8%	-	+13.0%	-8.0%	-	+1.9%
Quartile*	2	1	1	2		1			

\*Morningstar - International Equity - Ecology Sector

### Risk indicators

	Fund volatility	Benchmark volatility	Tracking error	Information ratio	Sharpe ratio
1 year	11.9%	11.4%	5.9%	-0.6	1.4
3 years	15.0%	13.2%	7.6%	-1.1	-0.1

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## PORTFOLIO STRUCTURE

### Main holdings

TETRA TECH INC	3.8%	Consulting / United-States
WABTEC CORP	3.2%	Rail / United-States
TRANE TECHNOLOGIES PLC	2.9%	Green Building / Ireland
SCHNEIDER ELECTRIC	2.8%	Energy Efficiency / France
REPUBLIC SERVICES INC	2.7%	Waste Management / United-S...
AMERICAN WATER WORKS	2.7%	Water Treatment / United-States
VEOLIA ENVIRONNEMENT	2.7%	Waste Management / France
XYLEM INC	2.7%	Water Treatment / United-States
E.ON AG	2.6%	Grid Infrastructure / Germany
SYNOPSIS INC	2.4%	Architecture, Engineering and ...

### Theme

Low carbon world	20.1%
Clean Transport	12.2%
Renewable Energy	12.2%
Natural Capital	11.1%
Circular Economy	9.6%
Smart Infra.	9.5%
Digitalisation	7.5%
Sustainable Cons.	7.0%
Environmental Serv.	5.5%
Alternative Fuels	0.3%
Cash & Others	5.0%

### Sector

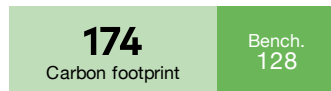
Industrials	49.8%
Utilities	16.3%
Technology	11.9%
Materials	8.3%
Cons.Discretionary	7.5%
Real Estate	1.2%
Cash & Others	5.0%

## FUND PROFILE

### Key figures at September 30 2024

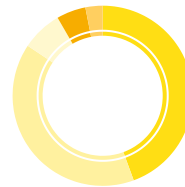
Asset under management	369.8M€
Equity exposure	95.0%
Number of holdings	65
Active share	93.5%
Average capitalisation (Bln €)	145
EPS growth (Next 12 M./Last 12 M.)	+12.8%
PE (Next 12 Months)	21.5x

### ESG profile



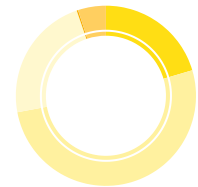
\*Tonnes of CO2e/M€ invested, Direct (scope 1-2) + First tier indirect

### Geographical areas



North America	44.4%
Europe	40.0%
Asia	7.3%
Emerging	5.3%
Cash & Others	3.1%

### Capitalisation



Mega Cap	20.4%
Large Cap	51.6%
Mid Cap	22.7%
Small Cap	0.2%
Cash & Others	5.0%

## CHARACTERISTICS

ISIN LU2257980289	Bloomberg code MAGTREA LX Equity	Inception of the fund 28/01/2020	Shareclass inception 28/01/2020
Legal Status Sicav Lux.	Shareclass currency EUR	Investment horizon 5 years	Management company Mandarine Gestion
Depository BNP Paribas	Valuation Daily	Cut-Off 13h00	Settlement D+2
Management Fee 1.95%	Performance Fee 15% of the outperformance over the benchmark if perf > 0	Initial charge 2.00%	Redemption Fee 0%

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### RISK PROFILE – RISKS ASSOCIATED WITH THE PRODUCT

Risk of capital loss, equity market risk, risk linked to the ownership of small and midcaps, interest rate risk, credit risk and discretionary management risk, and to a lesser extent emerging market risk, counterparty risk and exchange rate risk. The descriptions and details are included in the complete prospectus of the UCITS. Investors are invited to read the prospectus in order to obtain detailed information regarding the risks to which the fund is exposed prior to any investment decision. This product does not offer any guarantee as to returns or the capital invested, which may not be entirely returned.



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# MANDARINE GLOBAL TRANSITION

SFDR Article 9

09/30/2024

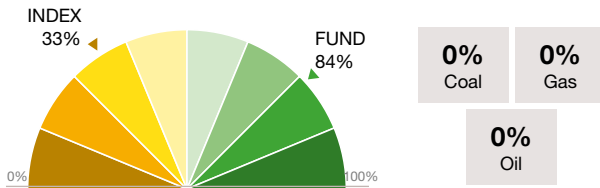
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## CLIMATE ANALYSIS



### Green Share

Average % of revenue of companies eligible for the European Green taxonomy (coverage ratio: fund 100% / index 100%)

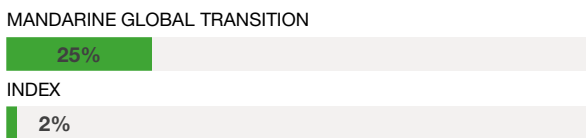


### Green Share profile of main holdings

TETRA TECH INC	Low Carbon / Transition
WABTEC CORP	Enabler
TRANE TECHNOLOGIES PLC	Enabler
SCHNEIDER ELECTRIC	Enabler
REPUBLIC SERVICES INC	Low Carbon / Transition
AMERICAN WATER WORKS	Low Carbon / Transition
VEOLIA ENVIRONNEMENT	Low Carbon / Transition
XYLEM INC	Enabler
E.ON AG	Enabler
SYNOPSIS INC	Enabler

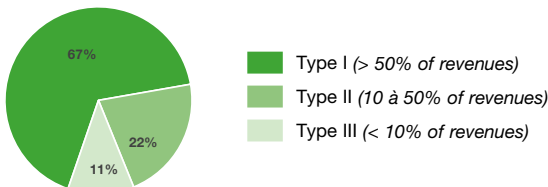
### Alignment with the taxonomy

Average % of company revenues aligned with the European green taxonomy (coverage ratio: fund 93% / index 15%)



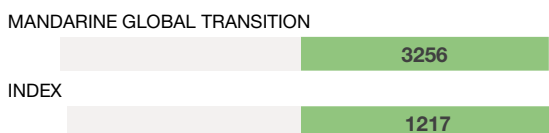
### Greenfin Intensity

Portfolio breakdown as a function of the percentage of revenues of companies linked to eco-activities as defined by the French Greenfin label (coverage ratio: fund 100%)



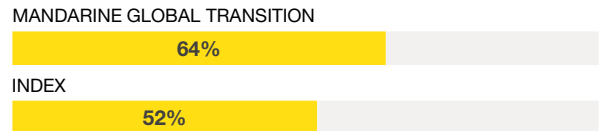
### Biodiversity

Mandarine Biodiversity Score® : taking into account by companies of risks linked to the erosion of biodiversity (Coverage ratio: fund 95% / index 99%)



### 2°C alignment scenario

% of companies having submitted a scenario respecting the 2°C alignment trajectory set in Paris Agreement

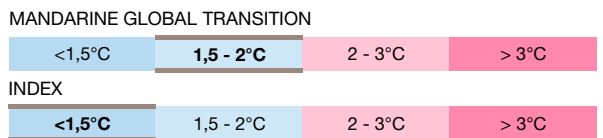


### Top "2°C Alignment" companies



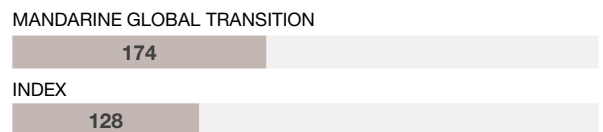
### Temperature

Current alignment trajectory of investments (Coverage ratio: fund 91% / index 94%)



### Carbon footprint

Metric tons of CO2e / €m invested, scopes 1+2 + leading suppliers (Coverage ratio: fund 91% / index 96%)



### SFDR

SFDR classification	Minimum sustainable investments	Accounting for PAIs
Article 9	90%	Yes

### Sustainable Development Goals

Principal Sustainable Development Goals (SDG) of the UN covered by companies held by the fund





## UNDERSTANDING THE CLIMATE CHALLENGE

### Definitions & acronyms

#### DESCRIPTION OF INDICATORS

##### Green Share

The green share of the portfolio corresponds to the percentage of revenues of companies eligible for the European taxonomy. This green taxonomy establishes criteria to orient finance in favour of climate-compatible activities. Three types of activities and six major environment objectives are identified:

Three types of activities identified		
<b>Low carbon activities</b> already compatible with a carbon neutral economy in 2050	<b>Transition activities</b> contributing to a carbon neutral economy in 2050	<b>Activities making possible carbon neutrality</b> with steep reductions in GHGs*
Six major environmental objectives		
Climate change mitigation	Adaptation to climate change	
Sustainable use / protection of water and marine resources	Fight against pollution (prevention & control)	
Transition to a circular economy, elimination of waste, recycling	Protection of healthy ecosystems	

\*GHG: greenhouse gas

An activity is defined as green when it makes a substantial contribution to one of the six objectives without significantly impairing another objective and when it is in conformity with minimal social guarantees and the selection criteria.

##### Greenfin typology

Created by the French ecological and solidarity transition ministry, the Greenfin label guarantees the green quality of investment funds and is meant for financial players that work to promote the common good through transparent and sustainable practices. This label defines eco-activities that are part of the energy transition. These activities produce goods and services involving environmental protection or natural resource management that are designed to measure, prevent, limit or correct environmental damages to water, the air and soil and problems relating to waste, noise and ecosystems in favour of human wellbeing (OECD and Eurostat international definition). For each issuer, the eligible revenues are analysed on the "precision" level of the Greenfin label standards (annex 1 of the standards).

ENERGY	BUILDING CONSTRUCTION	CLEAN TRANSPORTATION	INFORMATION AND COMMUNICATIONS TECHNOLOGIES
WASTE MANAGEMENT AND POLLUTION CONTROL	INDUSTRY	AGRICULTURE AND FORESTS	ADAPTATION TO CLIMATE CHANGE

**Exclusion:** all fossil (exploration, production, exploitation) and nuclear (extraction of uranium, concentration, refining, radioactive waste management, conversion and enrichment of uranium, decommissioning) fuels. **Partial exclusion** (>33% of revenues): storage and landfill without GHG capture, incineration without energy recovery, logging (except for sustainable operations).

##### Carbon footprint

The carbon emissions indicator represents the direct emissions (scope 1) and the "First Tier Indirect" emissions (scope 2 + emissions relating to leading suppliers) of companies held in the portfolio. The unit of measurement used to measure the carbon footprint is metric ton of CO<sub>2</sub> per million of euros invested (tCO<sub>2</sub>e/€m).

##### Alignment scenario and temperature

The *Science Based Targets* (SBT) initiative enables companies to define and submit their greenhouse gas reduction objectives (scopes 1 and 2 + Scope 3 if this represents more than 40% of emissions) in order to respect the Paris Agreement on Climate Change (signed in 2015), whose objective is to limit global warming to under 2°C compared to the pre-industrial era and to pursue efforts to limit warming to 1.5°C. Over 900 companies throughout the world have already submitted their scenarios to the SBT. The list can be consulted on the <https://sciencebasedtargets.org/companies-taking-action> website.

##### Biodiversity / Mandarin Biodiversity Score

The *Mandarin Biodiversity Score*, created in-house by Mandarin, enables the evaluation of the biodiversity score and risk of companies based on three elements: company disclosures (biodiversity strategy, management of natural resources and waste, climate scenario), the pressure it exerts on ecosystems (CO<sub>2</sub> and pollution emissions, consumption of natural resources) and finally, the double materiality (impact / dependence of the company on biodiversity).

##### Alignment with the taxonomy

The data regarding the alignment of revenues with the taxonomy are supplied by Sustainalytics. The share of revenues allocated to the taxonomy is calculated through a four-step process: 1/ identification of activities eligible for the taxonomy, 2/ respect of the activity with the technical criteria of the taxonomy, 3/ respect of the DSNH (Do no Significant Harm) principle, i.e. no prejudicial impact on the other environmental objectives of the taxonomy, and 4/ guarantee of minimum social standards. The figures are derived from annual reports or estimates provided by the supplier of ESG data.

#### GLOSSARY

##### GHG / Greenhouse gas

The GHGs are gaseous components of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation. These gases are responsible for the warming of the atmosphere. By way of example, the lifetime of greenhouse gases in the atmosphere is approximately 100 years for carbon dioxide (CO<sub>2</sub>), 120 years for nitrous oxide and up to 50,000 years for the halocarbons (*source: ADEME*).

##### SBT / Science-Based Targets

SBT is a set of methodologies with a shared principle of identifying the remaining carbon budget in order to avoid exceeding 1.5°C in global warming looking out to 2100 and allocates this carbon budget to different sectors of activities. This initiative was launched by the WWF (World Wildlife Fund), WRI (World Resources Institute) and CDP (Carbon Disclosure Project), with the latter now integrating the SBT concept in its ratings.

##### SDG / Sustainable Development Goals

The sustainable development goals are a call to action by all countries in order to promote prosperity while protecting the planet. They go hand in hand with strategies for the development of economic growth and respond to a series of social needs while at the same time protecting the environment and fighting against climate change.