

The background of the entire page is a photograph of a wind farm. Several wind turbines are visible, silhouetted against a bright, hazy sky at sunset or sunrise. The foreground is a field of golden-brown crops, likely wheat or corn, with some green vegetation in the lower left. The overall scene is peaceful and represents sustainable energy.

Sustainability Report

Centuria Global Equities

Q1 2024



Sustainable Philosophy

Core Beliefs

Our active approach to the stewardship of investments ensures sustainability commitments

We emphasize active ownership to influence positive change and progress

The integration of sustainability factors is key to our long-term investment research process

Prioritising pro-active engagement rather than excluding and divesting

Investing responsibly is aligned with superior risk-adjusted long-term returns

Our actions

Engaging directly with and voting on investee companies

Researching sustainability factors is fully integrated into our overall investment approach

Materiality ensures that we prioritise what matters most

Extensive screening to ensure norm-based alignment

C WorldWide Centuria Global Equities

Quarterly Comments

Can AI bridge the gap in ESG data transparency and measurability, thus offering a solution to the longstanding challenges faced by investors?

For years, Sustainability-related data has been discussed for its opacity and lack of comparability, potentially hindering effective decision-making and risk management. However, with the advent of AI, we find ourselves at a crossroads, presented with an opportunity to reassess the way we source and analyse Sustainability-related information.

At its core, AI has the potential to empower investors by extracting actionable insights from complex datasets, thereby enabling more informed decision-making processes. Through advanced algorithms, AI can uncover patterns and correlations within Sustainability data, providing a deeper understanding of companies' performance. AI-driven analytics offer the potential to enhance the reliability and accuracy of Sustainability ratings and assessments.

Nevertheless, as we embrace the potential of AI, it is essential to stay mindful and aware of potential challenges. The black-box nature of AI algorithms raises concerns regarding accountability, fairness, and ethical implications. Bias in data collection and algorithmic decision-making can exacerbate existing inequalities and perpetuate systemic injustices. The increasing reliance on AI can, therefore, inadvertently lead to a sense of complacency, where human judgment and intuition are overshadowed by algorithmic outputs.

While AI can enhance decision-making processes, it should not replace human judgment and intuition entirely. A balanced approach that combines AI capabilities with human expertise and judgement is crucial for maximising the benefits of data analytics.

We are tasked with navigating these uncharted waters with caution and foresight. Our commitment to innovation and progress compels us to explore the potential of AI in enhancing our efforts in integrating material sustainability-related risks and opportunities. However, we must also remain vigilant, ensuring that our pursuit of technological advancements is guided by principles of transparency, accountability, and ethical integrity.

One thing seems sure. The convergence of AI and Sustainability represents a paradigm shift in the way we approach sustainable finance.



Investment Screenings

Sanctions Screenings

All investments are screened against Refinitiv World-Check sanctions-screening covering all known sanction bodies.

Norms-Based Global Standards Screenings

Convention Breach screenings, compliance with UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Investment Exclusions

None of the companies within the portfolio exceeds a certain level of involvement in the activities specified

- 0% Controversial Weapons
- 5% Small Arms
- 5% Adult Entertainment
- 5% Gambling
- 5% Tobacco Products
- 5% Oil Sands
- 5% Shale Energy
- 10% Thermal Coal
- 25% Oil & Gas Production

Portfolio Changes

Ryan Specialty Holdings

Ryan Specialty Holdings is a service provider of speciality products and solutions for insurance brokers, agents, and carriers in the excess & surplus insurance market. The company offers distribution, underwriting, product development, administration, and risk management services. From a sustainability perspective, the company is heavily focused on diversity and inclusion, while the SASB framework has not identified environmental topics as material for the company, but it is implementing environmental efforts where possible. The company lacks reporting in line with international frameworks and integrated sustainability-targets in the remuneration structure, explaining the medium risk level received by Sustainalytics. The company is not committed to SBTi.

Direct Engagements

HOYA

2024-03-11: In person meeting

Main topic: Corporate Governance & SBTi

HOYA is a global medical technology company that specialises in healthcare and information technology. During the meeting, several topics were discussed, including the company's focus on sustainability.

HOYA has 12 divisions that run independently, but it has recently been split into three virtual companies: MedTech, IT, and Health. This new structure helps share knowledge across divisions and will help streamline the sustainability processes.

In terms of sustainability, HOYA is working with the Science Based Targets initiative (SBTi) to address difficulties with measuring Scope 3 emissions. The new organisational structure allows for better collection of Scope 3 data, but there are still challenges and limited data within clients and suppliers. HOYA has good coverage in materials and transport and aims to have full Scope 3 coverage in 12-18 months.

Proxy Voting

The beginning of 2024 has been marked by notable voting activity, with several Annual General Meetings (AGMs) taking place throughout the quarter.

Bank Central Asia Tbk PT

We For the proposed directors' and commissioners' fees, we voted against the proposal due to excessive bonus, in line with Glass Lewis and against management.



Cooper Companies, Inc.

We voted against the proposed election of Robert S. Weiss, and thus voted against management and in line with Glass Lewis. For Climate Action 100+ focus list companies, as well as those where SASB has determined that GHG emissions represent a material risk, the ESG Policy will vote against the chair of the board when the company has failed to produce reporting that is aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (“TCFD”). For all other companies, the ESG Policy will vote against the chair of the board when they have not produced reporting that is aligned with SASB or if they have not responded to the CDPs climate survey, such as this company.

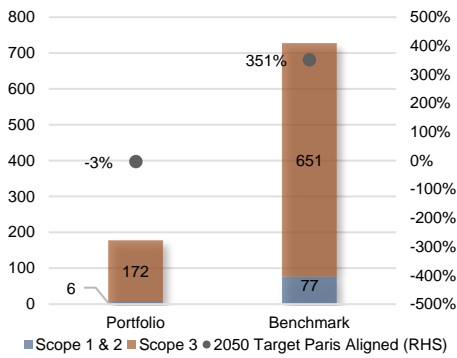
PTC Inc.

We voted for the proposed advisory vote on executive compensation and thus voted with management and against Glass Lewis. When a company does not provide any environmental or social considerations in its remuneration scheme, the ESG Policy will vote against the proposed plan, such as this one, if the company has not adequately incentivised executives to act in ways that mitigate a company’s climate impact. The grants under the long-term incentive plan are not sufficiently performance-based. The minimum vesting period for awards granted under the plan is too short. We do not believe that is a sufficient criterion to vote against.

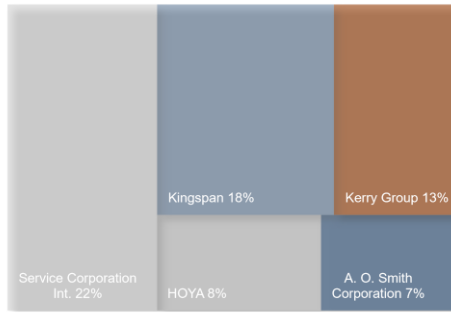
A full list of all meetings voted is available upon request or can be retrieved directly from the C WorldWide website.

Sustainalytics Portfolio Risk Rating: Low
Benchmark: MSCI All Country World Index

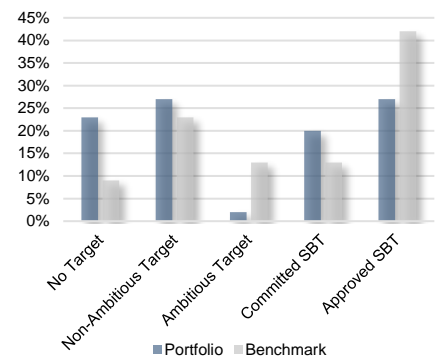
Emissions Exposure & SDS (tCO₂e)



Top 5 Contributors to Portfolio Emissions



Climate Target Assessment



The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot against the allocated carbon budget until 2050.

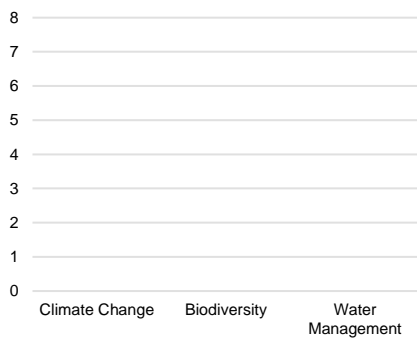
Carbon Intensity (tCO₂e/mill. USD revenue)



The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 31st of March 2024

Direct Engagement Topics Environment



Social



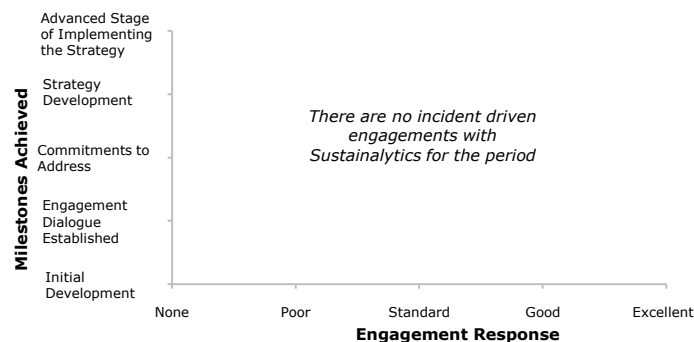
Governance



Total direct company engagements for the portfolio: 1

Throughout the quarter, we conducted several direct engagements with the portfolio companies. Our ESG engagements have most often incorporated an aspect of each subject E, S, and G. The above graphs show the top three engagement topics within environmental, social and governance aspects. There are several sub-topics within each category that can overlap within one engagement.

Collective Engagement



The above graph illustrates our collective engagements with Sustainalytics. The companies are shown within what milestone they have reached thus far and rated according to their communication in relation to the specific engagement topic.

Source: Sustainalytics. Portfolio as of 31st of March 2024

Proxy Voting

Meetings Voted	100%	5
Proposals Voted	100%	55
Meetings with at least one vote against management	9%	
Proposal Categories (Top 3)	60%	Board Related
	16%	Audit/Financials
	15%	Compensation

We utilise proxy voting to emphasise the topics discussed with the investee companies in our ongoing engagement with them and to vote on key issues important to the governance of the investee companies. The table above shows key topics and how votes have been cast during the quarter.

Source: Glass Lewis Proxy Voting. Portfolio as of 31st of March 2024

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Active Investments

C WorldWide Asset Management Fondsmæglerselskab A/S is a focused asset manager. Our objective is to deliver consistent, long term capital growth for clients through active investments in listed equities on global stock exchanges.

Our clients are primarily institutional investors and external distribution channels. Our product range includes discretionary asset management services and commingled fund products.

The combination of a unique investment philosophy based on careful stock picking and long-term global trends coupled with a stable team of experienced portfolio managers, has since 1986 resulted in world-class investment performance.

Please find more of our Sustainability Reports on cworldwide.se

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