

Exane Equity Select Europe Fund

(share B, Euro)

Long equity

Universe: European Equity Fund

ISIN code: LU0719899097 | Inception date: 28th September 2012

Fund management team : Eric Lauri et Richard Pandevant



Fund description

Our European equity long-only fund, Exane Equity Select Europe fund, has chosen alpha generation through intra-sector stock-picking as its sole performance driver. The fund's objective is to outperform its benchmark, the MSCI Europe index with net dividends reinvested, as regularly as possible.

Key points this month

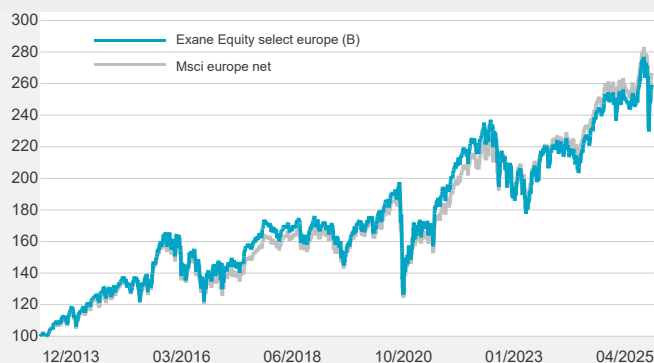
- ▶ The fund underperformed by 0.33% (A share class) vs the MSCI Europe index.
- ▶ We delivered a hit ratio, with only 33% of our sectors outperforming and no significant individual contributions or asymmetry between positive and negative contributors (+6bps / -6ps on average).
- ▶ The fund outperformed in the luxury & business services sectors and among tech stocks and our insurance picks. On the other hand, we underperformed among financial services, banks and healthcare stocks.

Key figures

- ▶ Monthly performance: **-1.23%** / MSCI Europe : **-0.82%**
- ▶ 2025: **4.66%** / MSCI Europe : **5.04%**
- ▶ Nav (€): **259,3**
- ▶ Net assets (Mio€): **587**

Performance

	12 months	3 years	5 years	Since inception
Cumulative				
exane Equity Select Europe (B)	6.82%	23.54%	68.25%	159.26%
MSCI Europe Net	6.94%	27.05%	76.08%	166.77%
Annualized				
exane Equity Select Europe (B)	6.82%	7.3%	11.0%	7.9%
MSCI Europe Net	6.94%	8.3%	12.0%	8.1%



The investment objective is to outperform, over the recommended investment horizon, its benchmark indicator the MSCI Europe calculated with net dividends reinvested.

Source : Exane Asset Management. Past performances are by no means a guarantee of future performance. Net of fees performances. All investments may generate losses or gains.

Risks

	12 months	Since inception
Volatility	15.0%	16.5%
Tracking-error	1.8%	2.7%
Information ratio	-0,07	-0,09

Fund managers commentary

Performance analysis

The Exane Equity Select Europe fund underperformed during the month, returning -0.33% (A share class). As a result, the fund's year-to-date 2025 performance is now in-line with our benchmark index.

We delivered a hit ratio, with only 33% of our sectors outperforming and no significant individual contributions or asymmetry between positive and negative contributors (+6bps / -6ps on average).

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ESG review

The OPEC decision to further increase production could certainly put further pressure on the price of crude oil. If the price remains durably depressed, at under \$50 per barrel for example, this factor could jeopardise the profitability of some renewable energy projects, or even threaten their viability. Even greater selectivity would then be required, particularly regarding the sustainability of project funding.

The fund's ESG risk score at the end of the month was 18.9, which is 0.2 points better than the MSCI Europe benchmark index at 19.1.

Main positive contributors:

- In the luxury & business services sector, our zero weighting in LVMH once again boosted the fund's performance. In a move to adopt a more defensive profile among luxury goods groups, we have maintained only our positions in Hermès and Richemont.
- Among healthcare stocks, we capitalised on our overweighting in Lonza. The market views the group as being capable of accompanying the pharmaceutical majors in relocating production to the US.
- Lastly, among consumer staples, we outperformed in Danone. The group announced organic growth of 4% which is significantly higher than the sector average. The stock should continue rerating.

Main negative contributors:

- Among financial services, our position in Allfunds weighed on the fund's performance. Although the group published reassuring results, given the periods of market volatility observed since the start of the year, Allfunds is a high beta stock as its business activity depends on the level of assets under management.
- In the healthcare sector, our positions in Sanofi and AstraZeneca contributed negatively to the fund's performance relative to the index, as Swiss pharmaceutical majors fared better during the month.
- Lastly, among staple consumer stocks, the fund was impacted negatively by our overweight positioning in Reckitt Benckiser and our zero weighting in L'Oréal. L'Oréal published results which beat certain forecasts and the stock immediately gained 15%, despite the group's organic growth potential remaining weak. Reckitt released a lacklustre set of figures, including particularly disappointing sales from some of its products. We are maintaining our holding however as a play on the divestment of certain assets.

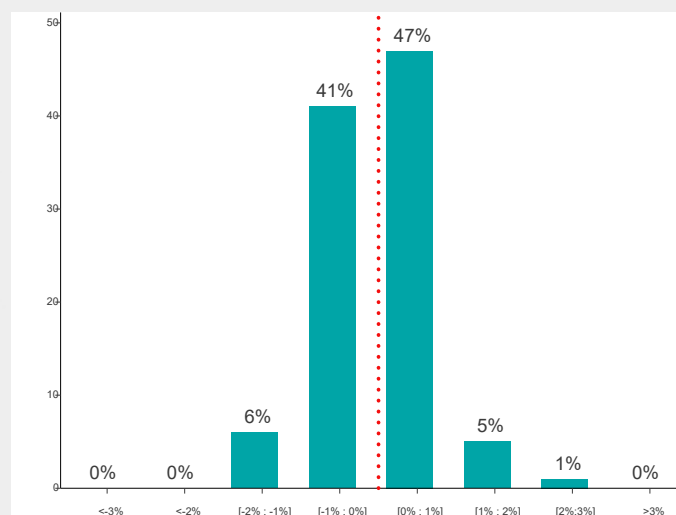
Key portfolio changes during the month:

- In luxury & business services, we initiated a position in Ferrari, which we now categorise in this segment, rather than in the automotive sector. We believe the stock offers the clearest visibility in the sector due to the group's lesser presence in China.
- Also in the luxury & business services sector, we switched out of Adidas and into Pandora.
- Among automotive stocks, we liquidated our positions in Forvia and Stellantis, and we invested in Renault. Visibility in the sector has been reduced almost to zero in the context of a highly unpredictable trade war launched by the Trump administration. Renault has a relatively low presence in China and the US. The group has managed to maintain its margins as the electric vehicle market has expanded. European regulations are also expected to become more positive for the stock. The company's balance sheet is now the most robust in the sector, alongside BMW, and its free cashflow yield is highly attractive.
- Among industrials, which weigh more than 12% of the index and therefore of the fund, in order to respect the balance between the three main subsectors, we set up a position in MTU in the aerospace & defence segment and also initiated a position in Legrand among electronic component stocks.
- In the banking sector, we sold DNB, taking profits following a very strong contribution to the fund's year-to-date performance, and switched into Nordea. We also liquidated our residual position in Santander and invested in Intesa instead.

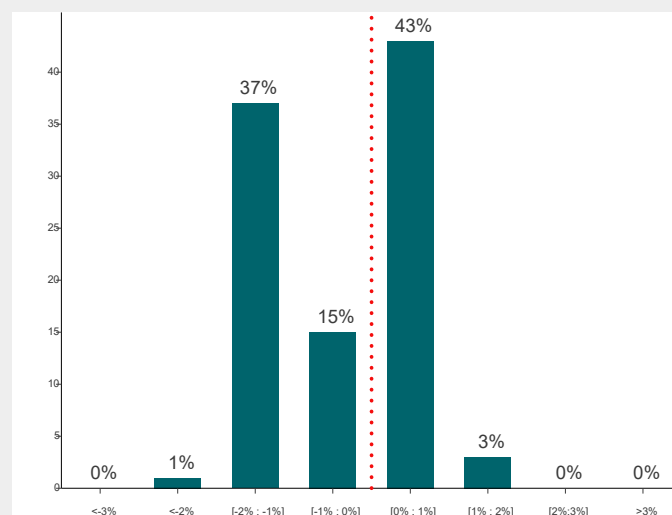
Risks and exposure

The percentage of holdings differing from the benchmark index this month (active share) is 61.91%

Monthly relative return distribution



5 year rolling relative return distribution



Source : Exane Asset Management. Past performances are by no means a guarantee of future performance.

Fund exposure

(in % of net assets)

	capital weighted	Beta
Fund	99.0%	103.0%
Top 10 values	29.8%	-

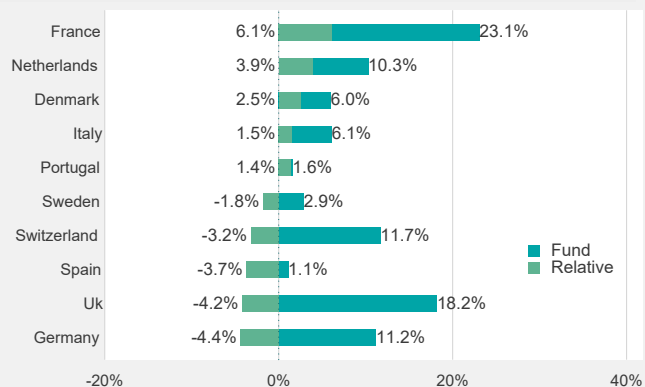
Market capitalization

(bn €)

	1,5-5	5-20	>20
Fund	2.0%	14.9%	82.1%
Relative	1.7%	0.3%	-2.9%

Top exposure by country

(net in %, looking through index products)



Main positions by specialized universe

	Stocks	Fund
Insurance & real estate	SWISS RE AG	2.5%
Automobile	RENAULT SA	1.4%
Banks and diversified financials	HSBC HOLDINGS PLC	2.0%
Chemicals	AIR LIQUIDE SA	1.8%
Consumer*	DANONE	3.0%
Energy	SHELL PLC-NEW COMMON STOCK	2.7%
Capital goods	SIEMENS AG-REG	3.1%
Basic resources	UPM-KYMMENE OYJ	0.8%
Healthcare	ASTRAZENECA PLC	3.9%
Utilities	ENEL SPA	3.5%
Technology	SAP SE	3.5%
Telecoms	PUBLICIS GROUPE	1.9%

* Including commercial & professional services

Main overweights

Stocks	Relative
Astrazeneca Plc	Healthcare 2.0%
Enel Spa	Utilities 2.9%
Danone	Consumer* 2.5%
Swiss Re Ag	Insurance & Real Estate 2.0%
Relx Nv	Consumer* 2.0%
Publicis Groupe	1.7%

For more information: www.exane-am.com

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