

Exane Equity Select Europe Fund

(share A, Euro)

Long equity

Universe: European Equity Fund

ISIN code: LU0719864208 | Inception date: 30th December 2011



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

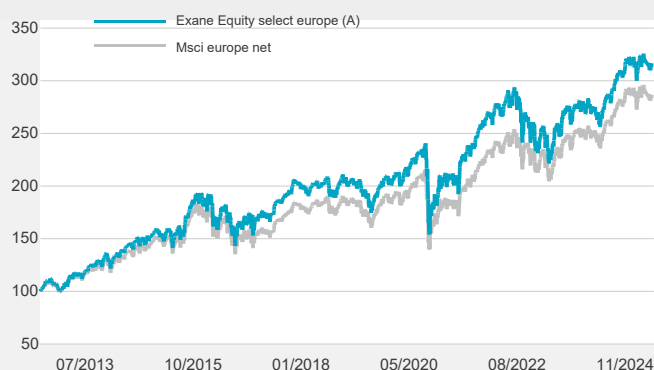
- ▶ The Exane Equity Select Europe fund underperformed marginally in November, reducing our overall 2024 outperformance, but nonetheless maintaining a relative year-to-date gain of around 1% above the benchmark index.
- ▶ The sector hit ratio was exceptionally disappointing during the month, with only 33% of our sectors outperforming and a perfect symmetry between positive and negative contributions (+8bps / -8bps).
- ▶ During November, we outperformed in the telecoms/media sectors and in building materials. On the other hand, the fund underperformed among banks, financial services, insurance stocks, utilities and luxury goods/business support services.

Key figures

- ▶ Monthly performance: **0.63%** / MSCI Europe : **1.06%**
- ▶ 2024: **10.17%** / MSCI Europe : **9.12%**
- ▶ Nav (€): **31 662,0**
- ▶ Net assets (Mio€): **612**

Performance

	12 months	3 years	5 years	Since inception
Cumulative				
exane Equity Select Europe (A)	14.61%	15.47%	40.22%	216.62%
MSCI Europe Net	13.17%	20.72%	41.25%	186.68%
Annualized				
exane Equity Select Europe (A)	14.61%	4.9%	7.0%	9.3%
MSCI Europe Net	13.17%	6.5%	7.1%	8.5%



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	11.0%	16.4%
Tracking-error	1.7%	2.7%
Information ratio	0,83	0,31

Fund managers commentary

Performance analysis

The Exane Equity Select Europe fund underperformed marginally in November, reducing the overall 2024 outperformance, but nonetheless maintaining a relative year-to-date gain of around 1% above the benchmark index. The sector hit ratio was exceptionally disappointing during the month, with only 33% of our sectors outperforming and a perfect symmetry between positive and negative contributions (+8bps / -8bps).

ESG review

The COP29 conference was held in the Azerbaijani capital Baku from 11 - 23 November. Although the conference closed over a day behind schedule, none of the attending parties were ultimately satisfied. For the time being, the planet remains committed to a global warming trajectory of between 2.6°C and 3.1°C based on the latest estimations. Changes to the portfolio during the month improved the fund's ESG risk score slightly, to 18.3 at the end of November vs 18.8 for the MSCI Europe index.

Main positive contributors:

- In the telecoms/media sector, our positions in Deutsche Telekom and Publicis generated further gains for the fund.
- Among building materials stocks, CRH and Saint-Gobain further outperformed their sector. CRH is perceived as a Trump-trade and the group also posted another set of healthy results.
- In the luxury goods/business services sector, we once again benefited from a zero weighting in LVMH, which further underperformed our picks.

Main negative contributors:

- In the luxury goods /business services sector, SGS was slightly disappointing, consolidating on a very strong year. The testing & certification sector appears to be perceived as incurring greater risks from customs tariffs, which could be announced in the US.
- In the food & beverages sector, our zero weighting in British American Tobacco weighed on the fund relative to the benchmark index. We permanently exclude the tobacco sector as part of our stringent ESG policy.
- In the insurance sector, AXA was weighed down by its exposure to France. We are expecting a buyback programme early next year however, or even a second larger stock repurchase in the context of the asset management business deal with BNP.
- Lastly, in healthcare, we believe that Sanofi was oversold following the nomination of Robert Francis Kennedy Jr as secretary of the Department of Health and Human Services, given his somewhat anti-vaccination profile. Meanwhile, AstraZeneca was hit by further setbacks in China. We believe that the selloff was also exaggerated in this case.

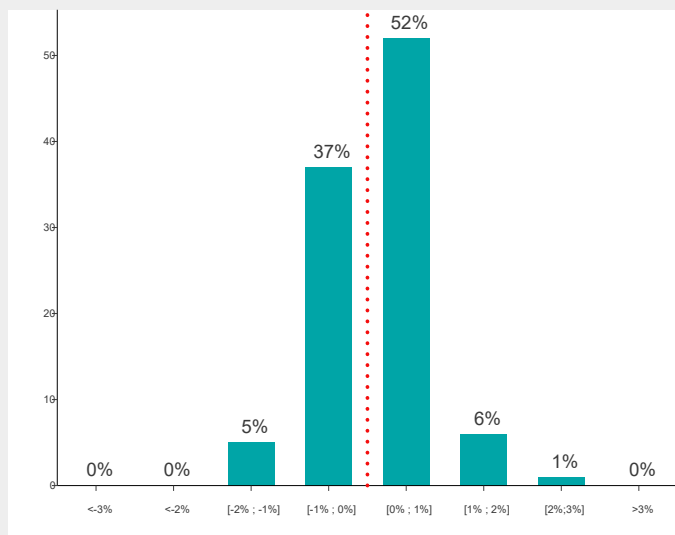
Key portfolio changes during the month:

- Among food & beverages stocks, we liquidated our Nestle holding. Investors were unnerved by the announcement at the capital markets day of an expected 18-month wait before volumes start to pick up. On the other hand, we set up long plays in Carlsberg and Pernod Ricard.
- In the energy sector, we began switching out of Shell and into BP. Shell contributed strongly, whereas BP was disappointing. We are anticipating a potential divestment plan which could reduce debt or capex.
- Among chemicals stocks, we sold Kerry to reinvest in Arkema.
- In the building materials & infrastructures sector, we sold Getlink and reduced our position in Saint-Gobain, which nonetheless remains one of our core convictions.
- Among banks, we sold BNP to reinvest in Société Générale. The new management appears to handle communication far more skilfully and the stock is also attractively valued. More defensively, we invested in ING and took profits in HSBC.
- In the financial services sector, we liquidated our residual LSE position and increased our UBS holding, amid positive tailwinds in the capital markets segment and given the stock's multiples compared to some of its US peers.
- Lastly in the insurance sector, we sold Direct Line, to reinvest in Swiss Re.

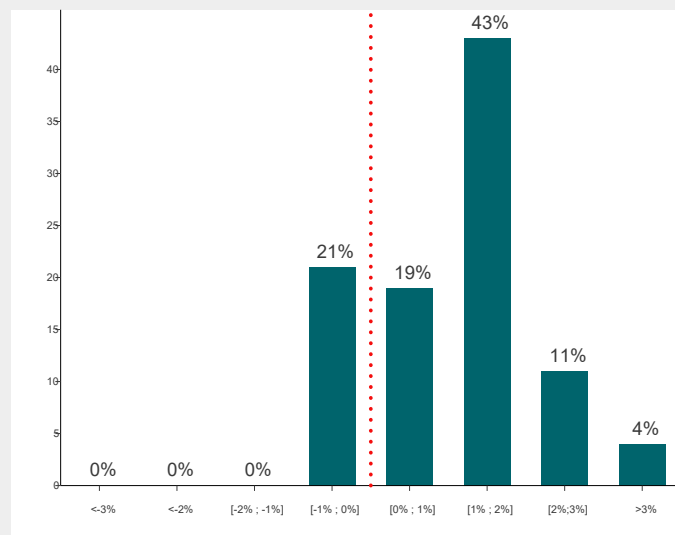
Risks and exposure

The percentage of holdings differing from the benchmark index this month (active share) is 61.10%

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)

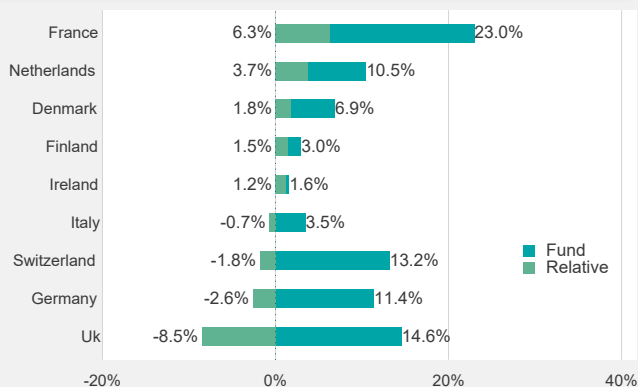
	capital weighted	Beta
Fund	100.1%	105.0%
Top 10 values	29.0%	-

Market capitalization (bn €)

	1,5-5	5-20	>20
Fund	1.9%	12.0%	86.2%
Relative	1.9%	12.0%	86.2%

Top exposure by country

(net in %, looking through index products)



Main positions by specialized universe

Universe	Stocks	Fund
Insurance & real estate	SWISS RE AG	1.8%
Automobile	STELLANTIS NV	0.7%
Banks and diversified financials	UBS GROUP AG-REG	2.5%
Chemicals	AIR LIQUIDE SA	2.0%
Consumer*	DANONE	2.6%
Construction	CRH PLC	0.5%
Energy	SHELL PLC-NEW COMMON STOCK	2.3%
Capital goods	SIEMENS AG-REG	2.8%
Healthcare	NOVO NORDISK A/S-B	3.3%
Utilities	ENEL SPA	3.1%
Technology	ASML HOLDING NV	3.6%
Telecoms	PUBLICIS GROUPE	2.4%

* Including commercial & professional services

Main overweights

Stocks	Universe	Relative
Enel Spa	Utilities	2.6%
Danone	Consumer*	2.2%
Publicis Groupe		2.2%
Assa Abloy Ab-b	Capital goods	2.1%
Nordea Bank Ab	Banks	2.0%
Relx Nv	Consumer*	2.0%

For more information: www.exane-am.com

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