

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

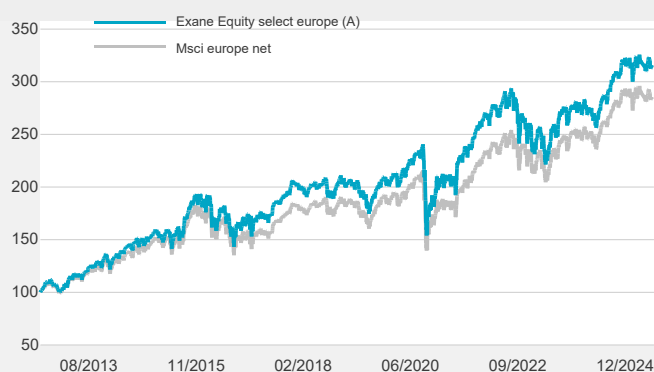
- ▶ Exane Equity Select Europe returned a strong performance in 2024, beating its benchmark index by more than 1.2% (A share class) net of fees, which ranks the fund in the first quartile of its category on the year, and in the first decile since it was launched 13 years ago.
- ▶ Although the sector hit ratio was unexceptional, with 47% of sectors outperforming, the strongly favourable asymmetry between sectors contributing positively and negatively (+46bps / -25bps) enhanced the fund's performance.
- ▶ We also outperformed in sectors with heavy weightings in the index and therefore in the fund, which further boosted our relative performance. These included luxury goods & business services and food & beverages, in particular, as well as building materials, energy stocks, industrials and telecoms/media. On the other hand, we underperformed in the automotive sector, which in contrast now only has a very low weighting in the European indices, and also among insurance and banking stocks.

Key figures

- ▶ Monthly performance: **-0.32%** / MSCI Europe : **-0.49%**
- ▶ 2024: **9.81%** / MSCI Europe : **8.59%**
- ▶ Nav (€): **31 560,9**
- ▶ Net assets (Mio€): **597**

Performance

	12 months	3 years	5 years	Since inception
Cumulative				
exane Equity Select Europe (A)	9.81%	9.24%	37.24%	215.61%
MSCI Europe Net	8.59%	13.84%	37.71%	185.27%
Annualized				
exane Equity Select Europe (A)	9.81%	3.0%	6.5%	9.2%
MSCI Europe Net	8.59%	4.4%	6.6%	8.4%



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	11.6%	16.4%
Tracking-error	1.7%	2.7%
Information ratio	0,71	0,31

Fund managers commentary

Performance analysis

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ESG review

During the year, the fund maintained an ESG risk score of 18.8 on average, which is better than the benchmark index 2024 annual average of 19.1. The average sustainable investment ratio was 36.1% on average over the year, exceeding the 20% target.

Main positive contributors:

- In the luxury & business services sector, we outperformed in LVMH, initially maintaining an overweight position, then adjusting to underweight for the rest of the year from May onwards, in a judiciously-timed switch. The group still has issues to be resolved in the short term. We therefore prefer Hermès, which remains the bastion of the sector, and Richemont, with its new CEO who was previously at Van Cleef & Arpels.
- In the building materials sector, our picks performed strongly overall, due chiefly to gains from CRH, Saint-Gobain and Ferroviai.
- In the food & beverages sector, the fund's performance was buoyed by our underweight in Nestlé relative to the sector. We remain unconvinced by the stock, having initially played this view through an overweight position in Unilever which we then sold at the right time, when it reached our target price.
- Among industrials, we capitalised on the strong rally by Alstom during the year.
- Lastly, among telecoms/medias, we generated gains in Deutsche Telekom, Publicis and Relx.

Main negative contributors:

- In the automotive sector, the fund was weighed down by Stellantis and Forvia, along with our zero weighting in Ferrari. Regarding Stellantis, the worst of the inventory issues in the US now appear to be behind us. In the case of Forvia, we believe that the arrival of the new CEO in March 2025 is a positive signal.
- Among banks, we underperformed in Nordea Bank, as we exited the position too late.
- Lastly, in the insurance sector, Prudential weighed on the fund's performance.

Outlook for 2025

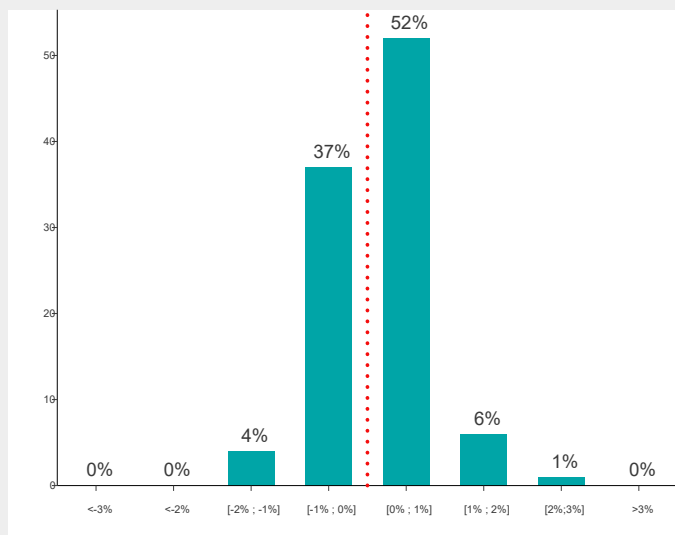
We are heading into 2025 with:

- A complete experienced sector investment team, which has been successfully built-up over the past 18 months;
- An investment process with a proven 13-year track record which we are constantly striving to optimise.

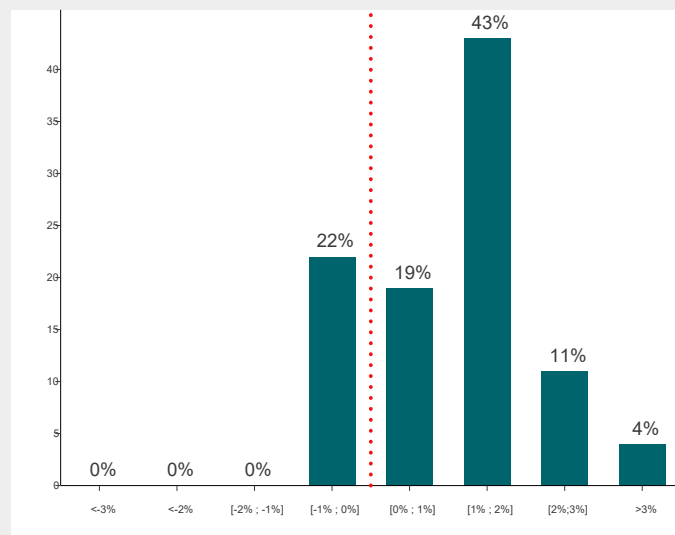
Risks and exposure

The percentage of holdings differing from the benchmark index this month (active share) is 61.74%

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)

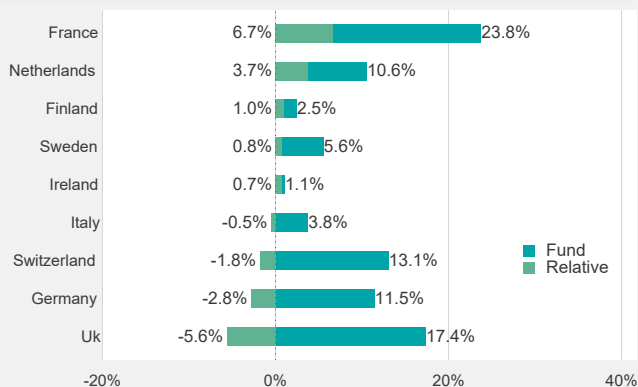
	capital weighted	Beta
Fund	100.5%	104.9%
Top 10 values	29.1%	-

Market capitalization (bn €)

	1,5-5	5-20	>20
Fund	1.7%	10.6%	88.2%
Relative	1.4%	-6.2%	5.5%

Top exposure by country

(net in %, looking through index products)



Main positions by specialized universe

Universe	Stocks	Fund
Insurance & real estate	AXA SA	1.8%
Automobile	STELLANTIS NV	0.7%
Banks and diversified financials	UBS GROUP AG-REG	2.6%
Chemicals	AIR LIQUIDE SA	2.0%
Consumer*	DANONE	2.7%
Construction	CRH PLC	0.5%
Energy	BP PLC COMMON STOCK	2.9%
Capital goods	SIEMENS AG-REG	2.9%
Healthcare	NOVO NORDISK A/S-B	2.7%
Utilities	ENEL SPA	3.2%
Technology	ASML HOLDING NV	3.8%
Telecoms	PUBLICIS GROUPE	2.5%

* Including commercial & professional services

Main overweights

Stocks	Universe	Relative
Enel Spa	Utilities	2.6%
Bp Plc Common Stock	Energy	2.2%
Danone	Consumer*	2.2%
Publicis Groupe		2.2%
Assa Abloy Ab-b	Capital goods	2.1%
Nordea Bank Ab	Banks	2.1%

For more information: www.exane-am.com

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