

# 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

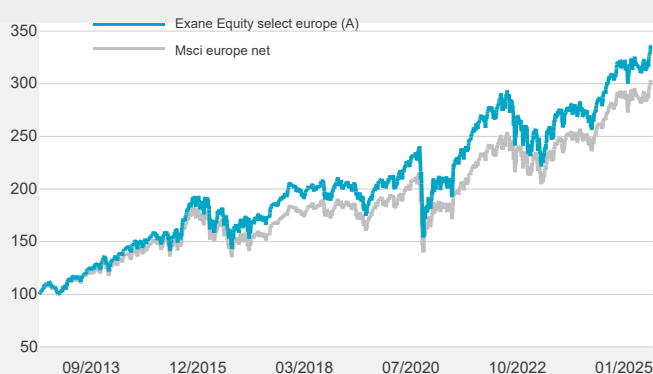
- ▶ The Exane Equity Select Europe fund slightly outperformed its benchmark index in January, which was a bullish but relatively challenging month for active investment funds. Highlights at the end of the month included the launch of DeepSeek, representing a potential "Sputnik" moment in artificial intelligence, and the announcement of initial customs tariff measures planned by the new US administration.
- ▶ Sector performance dispersion within the fund remained low, with an excellent sector hit ratio. Although 69% of our sectors outperformed, this factor was largely offset by slightly unfavourable asymmetry for the fund between positive and negative sectors (+8bps / -13bps).
- ▶ We outperformed in the luxury & business services sectors and in food & beverages, banks and tech stocks. On the other hand, we underperformed among industrials and financial services.

## Key figures

- ▶ Monthly performance: **6.66%** / MSCI Europe : **6.47%**
- ▶ 2025: **6.66%** / MSCI Europe : **6.47%**
- ▶ Nav (€): **33 663,1**
- ▶ Net assets (Mio€): **606**

## Performance

	12 months	3 years	5 years	Since inception
<b>Cumulative</b>				
exane Equity Select Europe (A)	15.23%	20.13%	48.32%	236.63%
MSCI Europe Net	13.82%	25.21%	48.49%	203.72%
<b>Annualized</b>				
exane Equity Select Europe (A)	15.23%	6.3%	8.2%	9.7%
MSCI Europe Net	13.82%	7.8%	8.2%	8.8%



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%	16.3%
Tracking-error	1.6%	2.7%
Information ratio	0,89	0,32

## Fund managers commentary

### Performance analysis

The Exane Equity Select Europe fund outperformed its benchmark index slightly in January, which was a bullish but relatively challenging month for active investment funds. Highlights at the end of the month included the launch of DeepSeek, representing a potential "Sputnik" moment in artificial intelligence, and the announcement of initial customs tariff measures planned by the new US administration.

Sector performance dispersion within the fund remained low, with an excellent sector hit ratio. Although 69% of our sectors outperformed, this factor was largely offset by a slightly unfavourable asymmetry for the fund between positive and negative sectors (+8bps / -13bps). We outperformed in luxury & business services and in food & beverages, as well as among banks and tech stocks. On the other hand, we underperformed among industrials and financial services.

### ESG review

The key highlight at the beginning of this year was the reinauguration of Donald Trump as US president. His positions on ESG issues appear relatively clear. He is strongly opposed to wind turbine power, particularly sourced from off-shore sites. He aims to ensure domestic energy independence and cheap supply and he is also opposed to several societal trends, particularly diversity. But however powerful the president of the world's leading power may be, he will nonetheless inevitably be confronted with complex global realities. Maintaining energy security and making cheap supply available at all times are two arguments in favour of a balanced mix, which also allows for energy transition, either to preserve the climate or the aspects that can still be saved, or in anticipation of a forced reduction in fossil fuels in the future.

DeepSeek potentially heralds much cheaper artificial intelligence and, more importantly, far less energy-consuming calculations. We will therefore continue to assess the positive or negative impact on all stocks on a sector-by-sector basis. The fund's ESG risk score at the end of the month was 0.3 points better than its benchmark index.

### Main positive contributors:

- In the luxury & business services sectors, our position in Richemont outperformed once again, after the group published Q4 sales which significantly beat consensus. The strong figures vindicate our scenario of the stock harbouring more dynamic growth potential than the rest of the luxury goods sector.
- Among industrials, we capitalised on our zero weighting in Schneider Electric at the end of the month. The stock was one of the collateral victims of DeepSeek. The announcement of a Chinese AI system which is almost as sophisticated as its American peers, but allegedly costing one-tenth of the price, sent Nvidia into a nosedive on the US market, with the stock losing 600 billion dollars of market cap in a single trading session. The news also hit Schneider Electric in Europe, which fell by 7% on the announcement, impacted by the datacentre theme, particularly as it is also probably a very widely-held consensual stock.
- Although there were no notable gainers among our banking and tech holdings, all of the stocks in both sector portfolios contributed positively.

### Main negative contributors:

- On the other hand, we lost ground in the industrial sector through Alstom. The company published above-consensus Q3 (fiscal year) sales data reflecting an acceleration in the most profitable businesses. However order backlogs, which are structurally more volatile, fell short of expectations. The company confirmed its full-year orderbook guidance, of over 20 billion euros, as well as free cashflow margin targets.

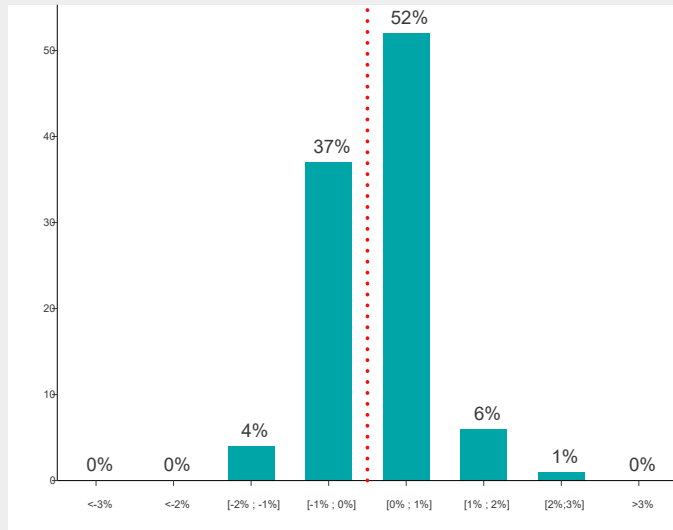
### Key portfolio changes during the month:

- In luxury goods & business services, we liquidated our SGS holding and refocused the portfolio on our other core convictions. Merger talks with Bureau Veritas, which ultimately collapsed, have clouded the visibility of the investment case.
- In food & beverages, we exited Pernod Ricard and reinvested in Carlsberg.
- In the energy sector, we sold Neste into a timid technical rally ahead of the results and given the uncertainties associated with the new US administration. We also increased our Shell weighting.
- Among banks, we switched out of BBVA and into Banco Santander. BBVA's exposure to Mexico may also be a source of fears triggered by Donald Trump's election. We also went back into UK banks, which had been weighed down during the month, investing in HSBC and Natwest.

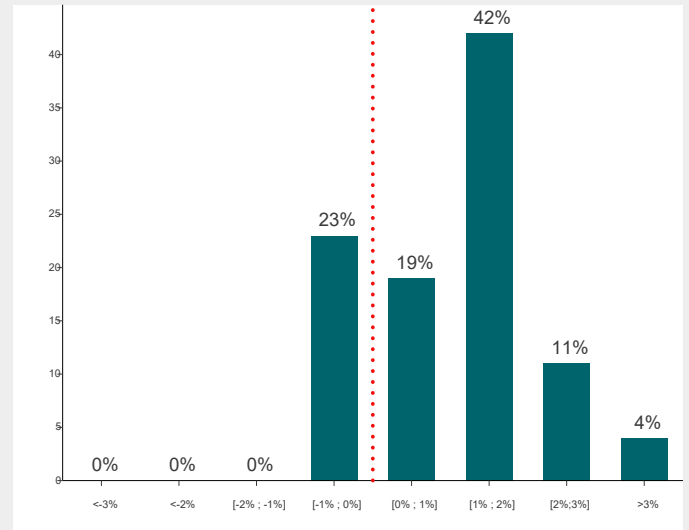
## Risks and exposure

The percentage of holdings differing from the benchmark index this month (active share) is 61.93%

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)

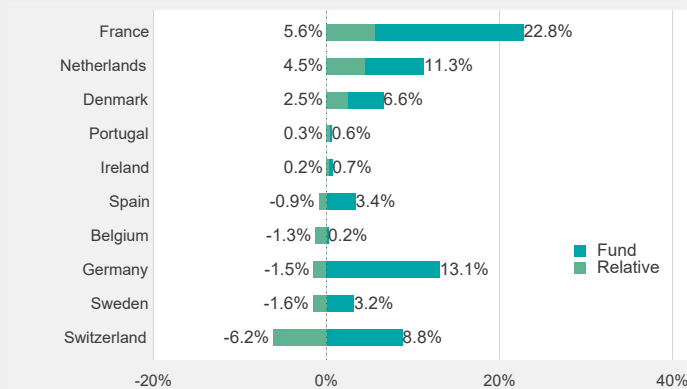
	capital weighted	Beta
Fund	98.8%	104.3%
Top 10 values	30.7%	-

Market capitalization (bn €)

	1,5-5	5-20	>20
Fund	2.8%	10.8%	85.2%
Relative	2.8%	10.8%	85.2%

Top exposure by country

(net in %, looking through index products)



Main positions by specialized universe

Universe	Stocks	Fund
Insurance & real estate	SWISS RE AG	2.1%
Automobile	STELLANTIS NV	1.3%
Banks and diversified financials	HSBC HOLDINGS PLC	3.5%
Chemicals	AIR LIQUIDE SA	2.0%
Consumer*	DANONE	2.6%
Construction	HEIDELBERGCEMENT AG	0.6%
Energy	SHELL PLC-NEW COMMON STOCK	2.8%
Capital goods	SIEMENS AG-REG	3.0%
Healthcare	ASTRAZENECA PLC	2.8%
Utilities	ENEL SPA	3.0%
Technology	ASML HOLDING NV	3.8%
Telecoms	PUBLICIS GROUPE	2.3%

\* Including commercial & professional services

Main overweights

Stocks	Universe	Relative
Hsbc Holdings Plc	Banks	1.8%
Enel Spa	Utilities	2.5%
Danone	Consumer*	2.2%
Publicis Groupe		2.1%
Swiss Re Ag		1.7%
Relx Nv	Consumer*	2.0%

For more information: [www.exane-am.com](http://www.exane-am.com)

warning: Net of fees performances. Past performances are by no means a guarantee of future performance. All investments may generate losses or gains. The present informative document does not constitute the full Open-ended investment fund prospectus and must not be considered as a commercial offer, an investment solicitation or support for investment advice. Any subscription to the Mutual fund can only be carried out on the basis of the full prospectus and based on the review of the KIID. Investors are invited to refer to the risk factors section of the prospectus. Exane equity select europe fund is registered in Luxembourg and does benefit from a European passport in France, Germany, Belgium, Italy and Switzerland. In particular, this Mutual funds cannot be offered or sold, directly or indirectly, in the United States in the profit or for one US PERSON, according to the definition of the "regulation S".