exane asset management

Monthly report
October 2026
Data at 30/10/2026

Exane Equity Select Europe - UCITS ETF
Sub-fund of the SICAV Exane Funds 2 - UCITS

Net exposure to equities		
0%	30%	100%
Long/Short Equities Market Neutral	Long/Short Equities	**Long Only Equities**

Key numbers

NAV : 112,45 EUR

Fund AUM (€ millions) : 664

Performance	Monthly	YTD
Share class	-	-
Benchmark	-	-

Characteristics

Fund Management Team



Eric Lauri



Richard Pandevant

Multi PMs model

Fund

Registered countries :
FR, LU, DE, BE, IT, ES, CH, AT, PT

SRI Risk level

1	2	3	**4**	5	6	7

Inception date : 30 December 2011

Reference index :
MSCI Europe Net TR

Investment horizon : 5 years

Legal form :
Luxembourg SICAV - UCITS

SFDR : Article 8

NAV frequency : Daily

Publication of the NAV : D+1

Subscription/Redemption details :
Every Day (D) before 12 noon (Paris time).
Settlement in D+2

Eligible for the PEA : No

Investment strategy

A “core portfolio” strategy focused on European equities, combining active stock selection within each sector with a neutral stance on other risks relative to the benchmark index.

Fund Management analysis

Highlights and Performance Analysis

The Exane Equity Select Europe fund posted flat performance in October, while the market rose by +2.1%. Although this underperformance was particularly pronounced during the first three weeks of the month, the final week—which saw a flurry of companies' earnings releases — marked a stabilization, followed by a strong recovery in our relative performance in the first few days of November, which we will discuss next month. The stars do indeed seem to be finally aligning in favor of fundamental conviction-based management: midterm elections were received favorably, hopes for a de-escalation in Iran and the associated sharp drop in oil prices, talks on Ukraine, and above all, the beginning of an effort to rationalize valuations linked—directly or indirectly—to the theme of artificial intelligence and, along with that, the very early stages of a return to favor for quality companies that have been, at times, excessively neglected over the past few quarters. As we now turn our full attention to October, the main positive contributions came from the banking, healthcare, and telecommunications sectors— sector in which the redeployment of the active share is a recent development, which is encouraging. Conversely, negative contributions came from energy (which accounted for the vast majority of the month’s underperformance), consumer discretionary, and industrials.

Top positive contributors:

In the banking sector, the sector was generally under pressure amid concerns about France, with even a slight spillover effect on Italy. Our positioning in Nordic banks (DNB, followed by Nordea) paid off. In addition, Standard Chartered outperformed HSBC. Finally, we took advantage of a temporary dip in Santander (following Lula’s surprise election in Brazil, which accounts for 20% of the group’s business) to buy back into the stock. **In healthcare,** we benefited both from our overweight positions in Roche and GSK and from our underweight position in Novo Nordisk. Finally, **in telecoms,** we timed our moves well by redeploying active share immediately after the sector-wide decline linked to SpaceX. In addition, our initial stock picks proved successful (Telia in Sweden, KPN in the Netherlands, and BT in the United Kingdom), as did our underweight position in Deutsche Telekom. We will remain very vigilant regarding stock selection if the theme of AI challenges plays out, as this could benefit companies in the sector to varying degrees.

Major negative contributors:

In the energy sector, we saw two strong earnings releases, but also two negative individual announcements. Galp was impacted both by Lula’s surprise election victory in Brazil and, more significantly, by the breakdown of negotiations with Moeve—which was the primary catalyst for our investment thesis. In addition to damaging management’s reputation, this also reduces the stock’s appeal as a potential M&A target. Neste exceeded expectations in its earnings release (a 30% beat). At the same time, however, the group announced a further budget increase and a delay in the start of construction at the Rotterdam site. However, it seems to us that the consensus does not adequately reflect the impact of the group’s margins and improved industrial efficiency (a 97% capacity utilization rate in Q3 2026 compared to 77% in 2023). **In the consumer discretionary sector,** the luxury segment suffered overall, and LVMH (not included in our selection) held up somewhat better than Richemont and Hermès—our top holdings in the portfolio—which weighed on performance. Finally, **in the industrial sector,** Schneider Electric launched a takeover bid for the U.S.-based company PTC, requiring a capital increase. Although the capital increase was ultimately carried out successfully, the market reacted very negatively to the news. Safran reported results in line with expectations, whereas part of the market had anticipated an upgrade, leading to disappointment. The market is also concerned about rising capital expenditures, even though this reflects a well-filled order book. Conversely, we were—quite rightly—completely uninvolved in Alstom, whose stock fell as much as 30% during the trading session.

Key Changes Over the Month and Key Positions:

In the consumer staples sector, we sold Diageo (market headwinds are too strong) and reinvested in Danone while initiating a small position in Henkel. Danone, unsurprisingly, has posted the segment’s worst performance following the issues with infant milk earlier this year, but at these price levels, it offers good visibility over several quarters. Henkel is benefiting from smart acquisitions in adhesives and hair care.

In telecoms, we sold Swisscom after a 12% rebound.

In the energy sector, we sold half of our position in Galp and re-entered Shell, which, however, remains slightly underweight.

In banking sector, we sold DNB and bought Nordea.

In the chemicals sector, we sold Syensqo and invested in Kerry.

In construction, we sold Ferrovial and re-entered Vinci.

Finally, in financial services, we sold CVC and LSE, reduced our overall exposure in favor of banks, and invested in Banca Generali.

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Exane Equity Select Europe - UCITS ETF — LU3243965780

Share class

ISIN : LU3243965780

Currency : EUR

Inception date : 30 March 2026

Investor type : Retail

Dividend policy : Accumulation

Sub./Red. fees : None / None

Fix fees : 0.65%

Variable fees :
15% of the annual outperformance relative to the Benchmark Index, with application of a mechanism to compensate for past underperformance. A performance fee may be paid even in the event of negative performance

Performances

Fund performance since inception (Base 100)

As the share class of the fund does not have a 12-month performance history, performance data is not presented.

Risk statistics

	1 year	Since inception
Volatility	-	-
Tracking Error	-	-
Ratio Information	-	-

Cumulative performances	1 year	2 years	3 years	5 years	Since inception
Select Europe | UCITS ETF	-	-	-	-	-
Reference index	-	-	-	-	-
Annualized performances					
Select Europe | UCITS ETF	-	-	-	-	-
Reference index	-	-	-	-	-

Annual performance	2025	2024	2023	2022	2021
Select Europe | UCITS ETF	-	-	-	-	-
Reference index	-	-	-	-	-

Performance contribution

As the share class of the fund does not have a 12-month performance history, performance data is not presented.

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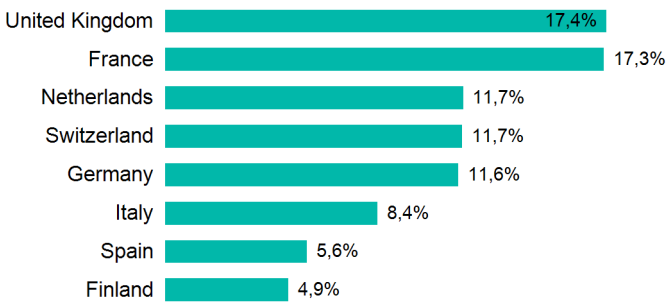
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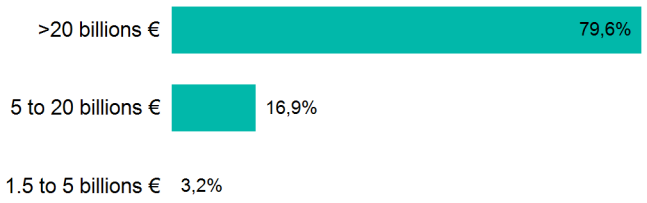
Portfolio structure

Sectoral breakdown	Fund weight	Weight in the index
Banks	15,4%	13,4%
Industrials	14,0%	14,3%
Health Care	13,8%	13,4%
Technology	9,7%	9,7%
Consumer & Business services	8,5%	8,7%
Food, Beverage	8,3%	8,4%
Insurance	6,2%	6,1%
Utilities	5,0%	5,0%
Energy	4,9%	6,2%
Financials	3,0%	4,5%
Chemicals	2,8%	2,7%
Construction	2,7%	2,6%
Telecommunications	2,3%	2,1%
Basics	2,2%	2,1%
Automobile & components	1,2%	0,9%

Main net exposures by country



Breakdown of net exposure by market capitalization



Main active share by sector		Active share
Banks	UNICREDIT SPA	2,6%
Energy	NESTE OYJ	2,1%
Insurance	UNIPOL GRUPPO SP	2,0%
Food, Beverage	DANONE	1,6%
Financials	BANCA GENERALI SPA	1,5%
Consumer & Business services	3I GROUP PLC	1,3%
Utilities	REDEIA CORP SA COMMON STOCK (SM)	1,3%
Health Care	LONZA GROUP AG-REG	1,2%
Industrials	SAFRAN SA	1,0%
Technology	ASML HOLDING NV	1,0%
Telecommunications	TELIA CO AB COMMON STOCK (SS)	0,6%
Construction	SIGMAROC PLC - LN	0,6%
Automobile & components	RENAULT SA	0,6%
Chemicals	KERRY GROUP PLC-A	0,3%

Main positions in the portfolio	Weight
ASML HOLDING NV	5,5%
ROCHE HOLDING AG - SW	3,6%
UNICREDIT SPA	3,4%
NESTE OYJ	2,2%
NOVARTIS AG-REG	2,2%
SAP SE	2,1%
SIEMENS AG-REG	2,1%
UNIPOL GRUPPO SP	2,1%
CIE FINANCIERE RICHEMON-REG	2,0%
SCHNEIDER ELECTRIC SE	2,0%

ESG commitments

ESG analysis coverage rate
100%

Improvement in ESG risk rating (funds vs. index)
-1,4 (16,9 vs 18,3)

% of positions with an ESG risk rating > 30
2,7%

Sustainable investment rate > 20%
40,8%

Source : Exane Asset Management, Sustainalytics

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Glossary

Information Ratio : The information ratio is an indicator of a fund's outperformance relative to its benchmark index. The higher the information ratio, the more value the fund creates relative to its index. It is calculated as follows:

Information Ratio = Annualized Relative Performance / Tracking Error

Tracking Error : A measure of the standard deviation of the difference in returns (performance spread) between the fund and its benchmark index. The lower the tracking error, the closer the fund's average performance is to that of its benchmark.

ESG Metrics

ESG Risk Score (Sustainalytics): An ESG risk rating assigned by Sustainalytics that measures the degree to which a company is exposed to unmanaged material environmental, social, and governance (ESG) risks. This score ranges from 0 to 100: the lower the score, the lower the ESG risk.

% of investments with an ESG Risk Score above 30 (Sustainalytics): The share of the portfolio, expressed as a percentage of net assets, invested in companies whose ESG Risk Score calculated by Sustainalytics is strictly above 30. This threshold corresponds to the "High Risk" category according to the Sustainalytics scale, indicating that these companies face significant exposure to unmanaged ESG risks that could materially affect their value. This indicator is monitored as a precautionary measure and aims to identify the portion of the portfolio requiring particular attention in the context of our engagement activity or investment decisions.

% of sustainable investments: The share of the portfolio, expressed as a percentage of net assets, invested in assets considered "sustainable" under SFDR. An investment is classified as sustainable when the underlying company contributes positively to an environmental or social objective, does not significantly harm other objectives (DNSH), and follows good governance practices.

Carbon Intensity: A measure of greenhouse gas emissions generated by a company, expressed in tonnes of CO2 equivalent per million euros of revenue (tCO2e / €m revenue). This indicator helps compare companies' carbon footprints regardless of their size and evaluate the overall carbon efficiency of the portfolio. The lower the fund's carbon intensity, the more the portfolio is aligned with a transition trajectory toward a low-carbon economy.

Main risks

We have classified this product in **Risk category 4 out of 7**, which corresponds to a medium-risk class. In other words, the potential losses linked to the product's future performance are at a medium level; if market conditions were to deteriorate, it is likely that the Sub-Fund's ability to make payments to you would be affected.

Main risks: Capital Risk, Equity Risk, Risks related to mid-cap equities, Currency Risk, Counterparty Risk, Discretionary Management Risk, Liquidity Risk, Sustainability Risk. For more information on risks, please refer to the UCITS prospectus.

Disclaimer

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Exane Asset Management – 11 rue Scribe, 75009 Paris

Portfolio management company authorized by the French Financial Markets Authority (AMF) under number GP 01-015

S.A.S. with capital of €3,000,000 – R.C.S. PARIS B 434 692 828