Oriflex BP Regeling
Oriflex Europa
Stichting Pensioenfonds Atos Origin
Derde Kwartaal 2025

BLACKROCK

Omvang fonds

Waarde begin van de periode	€ 2,310,756
Waarde eind van de periode	€ 2,291,100

Rendement

%	Kwartaal	Jaar tot op heden	3-Jaars Ann.	5-Jaars Ann.	10-Jaars Ann.
Fonds	0.28%	3.03%	13.53%	8.40%	7.88%
Benchmark	3.85%	10.67%	15.95%	12.35%	8.63%

Investment Review

The fund underperformed its benchmark over the quarter.

Market Comment

European equities drove higher in Q3'25, however market leadership remained extremely narrow with only four sectors (Banks, Aerospace & Defence, Insurance and Utilities) contributing to over 80% of market returns in 2025 YTD. This narrowness was reflected in company earnings with few domestic sectors seeing upgrades and most global businesses seeing downgrades, primarily driven by FX headwinds from a weakening USD. Tariff agreements made over the quarter, including a 15% agreement between the US and EU, have removed some layers of trade uncertainty, however volatility remained elevated. Negative earnings revisions were particularly punished and the Q2'25 earnings season saw the second largest average moves post results in Europe since 2010, despite EPS surprises being historically low.

Sentiment surrounding AI was central to share price moves as the market is still speculating over the potential long-term impacts of this relatively new technology. Information services and software companies which were initially seen as beneficiaries of AI pulled back on fears of disruption to business models. We saw these outsized share price moves as an over reaction and continue to hold conviction in software companies with unique offerings, irreplicable by AI, that are delivering earnings growth. In September, there was an improved sentiment for semi-cap shares as hopes for a recovery were spurred by the Oracle/Open AI deal, rising memory chip prices, and perceived need for capacity build out. Oracle's impressive backlog and order numbers demonstrated the long duration nature of AI investment, which is favourable not only the semi-cap names, but second derivative beneficiaries involved in data centre rollout and energy efficiency.

Company communication through earning season and September conferences largely confirmed our existing view. In general, the economy has been resilient compared to the subdued expectations at the end of Q1, however, recovery has been illusive in end-markets exposed to the general industrial production, consumers, and autos. A rate cut from the Fed was constructive for sentiment and performance, with both the US and European markets hitting record highs towards the end of the quarter.

Attribution

The Fund returned +0.6% in Q3'25 (EUR, primary share class, net of fees), underperforming the MSCI Europe Index's +3.5% return (EUR).

RELX, Nemetschek and SAP were amongst the top detractors as they were impacted by the software sell off. Contrary to broad market concerns of AI disruption, these companies all released solid Q2'25 results, delivering revenue in line with, if not exceeded consensus expectations. Nemetschek, for example, delivered 22% organic year-on-year revenue growth, 5% ahead of expectations, and raised the full year revenue guidance range by 3% to 20-22%. These impressive results were then followed by an almost 15% drawdown in August, demonstrating the severe market reaction. When looking on a stock-by-stock basis, we believe these businesses operate in niches AI would struggle to disrupt. Nemetschek's software is critical for safe structural design and SAP's ERP services are paramount for the smooth running of business operations; replacing these systems with AI would be too high risk. AI would also not be able to replicate the breadth, depth and quality of RELX's proprietary data. In the long term we see the investment thesis for these companies as unchanged.

An improved sentiment for AI beneficiaries was the source of negative attribution for ASML which bounced off recent weakness after the fund's holding was sold earlier in the year.

Several businesses with exposure to consumer end markets dragged on relative returns, including Pandora, Adyen, and Hermes. Pandora's Q2 results were fine, yet, commentary on current trading running +2% compared to expectations for +4% in H2 weighed on shares. Management pointed to a weak end of season sales period and a timing effect where they are now comping last year's product launches while current year launches are set to come toward the end of Q3.

Chemical distributor IMCD detracted as reduced industrial activity persisted in the market. The company's Q2'25 results disappointed with sales 5% below consensus and gross profit a 4% miss. Despite these challenges, pricing remains positive, positioning the company well for an eventual recovery in volumes.

A position in Kongsberg detracted after the Q2'25 earnings results included a slight miss in orders and revenue, driven by weakness in the Maritime division. Despite the setback, the anticipated increase in defence budgets, and proportion being allocated to equipment, underpins Kongsberg's long-term growth potential.

UCB was the top contributor to active returns over the period. The biopharmaceutical company released a very strong set of H1'25 results and raised guidance for the full year, driven by strong sales for its main biologics drug Bimzelx. Bimzelx is an immunological drug used for the treatment of inflammation conditions, such as psoriatic disease and arthritis. It is the only treatment in the market using a dual-targeting approach which is believed to offer higher efficacy compared to other therapies targeting only one protein. The drug's differentiation was further exemplified after a competitor's phase III drug trial failed to beat Bimzelx's results, strengthening the conviction in the path ahead for UCB's prescription trends

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Positions in European banks – Commerzbank, UniCredit, AIB - contributed positively to alpha generation following another strong earnings season for the sector. Q2'25 reporting showed good progression on Net Interest Income (NII), underpinned by positive trends for deposit and loan growth, driving visibility of future earnings as banks go through the trough in the rates cycle. Beats on asset quality/provisions, costs and fees businesses demonstrated the ongoing duration of returns from banks. UniCredit reported Q2'25 adjusted Net Income 27% above consensus estimates, with both NII and fee based revenue in line, and upgraded their FY'25 and FY'27 Net Income target. The Italian lender also announced that capital distribution programmes were restarting following the withdrawal from the BPM bid, guiding for cumulative capital distribution between 2025-27 of at least EUR 30bn (c. 37% market cap).

CRH rose as shares were supported by Q2'25 results that included a consensus beat and raise on EBITDA and slightly higher midpoint on EPS guidance.

Portfolio positioning and changes

We participated as cornerstone IPO investors in Swiss Marketplace Group (SMG). SMG is an online classified platform operating across end-markets including real estate, autos, and general consumer-to-consumer platforms. We foresee attractive earnings growth, delivered against a lean capital base, as the company better prices for the value their platforms deliver to customers. Should the company succeed in closing the wide monetisation gap with their international peer group, and successfully navigate the Swiss regulatory landscape, the wealth creation potential is substantial from the IPO valuation level.

We initiated a new position in CTS Eventim as a drawdown post Q2'25 results offered an attractive buying opportunity. Shares fell as the Live Events division, a small contributor to profitability, disappointed on margins due to cost pressures. Our investment thesis focuses on the much larger Ticketing division which continues to perform well, benefitting from increasing concert ticket prices with limited price elasticity of demand.

A new holding in UK safety equipment company Halma was initiated. Their Plutonic business is expected to grow over 40% this year and reach 20% of sales. This equipment is used for data transfer and is an important product for hyperscaler customers. The Plutonic division's growth is backed by increasing hyperscaler capex, however this is not fully considered by consensus in the outer years, offering significant upside to estimates.

We added to mining equipment company Weir after a strong meeting with management. The company is well positioned to benefit from increasing commodity prices, in particular gold and copper. The recent acquisition of software company Micromine also has a lot of potential for cross-selling which is accretive to margin growth.

We made the decision to exit DSV after reducing the position size throughout the year. While we see long-term support from the recent DB Schenker deal, end-markets remain tough right now with global trade uncertainty. The business is trying to retain volume expected from the deal, yet competitive pricing against a weak backdrop is making this harder. Depressed manufacturing volumes also led us to sell Atlas Copco and trim IMCD.

Within our UK bank exposure, we switched a position in NatWest to Lloyds where we expect there to be faster growth and higher upside to earnings now that an overhang from a motor finance case has been lifted. The UK banking industry remains particularly depressed in anticipation of the budget announcement in November.

We exited a position in private equity firm Partners Group as the environment for deployment, exits and performance fee crystallisation has become more challenging since the start of the year. We also sold London Stock Exchange as confidence was lost in the in the company's growth trajectory. The opportunity for their partnership with Microsoft to accelerate growth has become less pronounced in time and an increase in competition has led to the company losing market share.

After decreasing the holding significantly over the year, the fund's position in Novo Nordisk was fully exited. The company's overall lack of shareholder focus, combined with changing fundamentals of the obesity market's growth potential led to this decision.

Pandora was trimmed as although management have executed well in a tough environment of tariffs and increased silver prices, there are limited levers left to pull to protect profitability. Finally, we initiated a position in Inditex. Trading had softened but has made a comeback into the autumn season. This bodes well for stabilisation in key measures such as like-for-like sales. We see a high-quality business with strong cashflow potential as we move through the weaker consumer backdrop.

At the end of the quarter, our bottom-up convictions resulted in the fund's largest overweight positioning to Industrials, Technology, and Financials. The biggest underweight positioning was in Consumer Staples, Healthcare and Utilities.

Outlook

To navigate periods of uncertainty we continue to ask ourselves what the picture looks like for earnings and cashflows 12-18 months from now. We expect to see inflation on a continued path of normalisation, central banks that provide easing financial conditions, a declining oil price – equivalent to a tax cut for global consumers – as well as employment levels that remain healthy both in the US and Europe. Adding to this, increased fiscal spend in Europe's largest economy in Germany and a trade agreement between Europe and the US all point to a much-improved investment environment for corporates over the coming quarters. Removing trade uncertainty should result in market leadership finally broadening out, which would be welcome news after a long period of exceptionally narrow markets. We believe the portfolio is well positioned for that increased breadth, notwithstanding shorter-term drivers of volatility.

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