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

BLACKROCK

Omvang fonds

Waarde begin van de periode	€ 2,291,100
Waarde eind van de periode	€ 2,213,898

Rendement

%	Kwartaal	Jaar tot op heden	3-Jaars Ann.	5-Jaars Ann.	10-Jaars Ann.
Fonds	1.64%	8.07%	11.24%	6.18%	7.52%
Benchmark	6.20%	21.01%	14.70%	11.45%	8.71%

Investment Review

The fund underperformed its benchmark over the quarter.

Market Comment

European markets pushed higher in Q4, with recurrent 2025 trends continuing into the tail end of the year. The value factor rallied while quality companies – those with high returns on invested capital and low leverage, which are typically found in our portfolio – underperformed. Thematic, top-down narratives held a strong influence on outsized share price moves that were often disconnected to underlying company performance. Banks continued to spearhead the European rally. Momentum for the sector was sustained by strong earnings, including loan growth, yet this has not fed through to construction activity, which remains subdued. Furthermore, heightened volatility hit the aerospace and defence industry which de-rated on hopes for a ceasefire in Ukraine.

Sentiment regarding AI was the most influential theme over the quarter. Companies linked to semiconductors, power demand and data centre infrastructure initially benefitted from hyperscalers signalled increased AI capex spending. However, momentum stalled on signs of increased competition for OpenAI. Deals they have financed across the AI landscape exacerbate their need to succeed to support the interconnected ecosystem. In addition, companies bucketed as 'AI losers', such as software and information services businesses, continued to come under pressure as the market debated the disruption AI might have on their well established business models.

Attribution

The Fund returned +1.2% in Q4’25 (EUR, primary share class, net of fees), underperforming the MSCI Europe Index’s +6.3% return (EUR).

Defence holdings - Kongsberg, Thales - pulled back as volatility for the industry remains elevated. Expectations have risen as the market waits for the benefits of the defence spending boost to become evident. Geopolitical news, such as the possibility for a ceasefire in Ukraine, also continues to have a material influence on the share price. Thales reported decent Q3 numbers, however Kongsberg's earnings disappointed. Although orders beat by 9%, revenues and EBIT missed by 11% and 13% respectively. News of the demerger of their Maritime business was also taken negatively by the market. Kongsberg's portfolio remains one of the best in the sector, well geared to the demand for air defence equipment. Although near term volatility in the shares is likely to remain and it will take time for the market to digest the valuation of the split businesses, we do not see a change to the multi-year investment case for their defence division.

MTU was a detractor as, after an impressive run of share price performance over the past year, some concerns have risen regarding the longevity of the company's strong results. MTU delivered impressive Q3 earnings, including a 3% sales beat, a 16% EBIT beat and a guidance raise. We believe the company’s valuation remains attractive compared to civil aerospace peers and these concerns from the market have the potential to turn into alpha opportunities if the company continues to execute well.

Nemetschek and RELX continue to be a drag on returns as fears remain regarding the disruption AI may have on the long-term business models. This negative narrative is hard to disprove immediately and it will take the continuous delivery of solid earnings to disperse fears. We have reduced the weights of both holdings as shares are trading on full valuations and appreciate the time it may take for market sentiment to change. AutoTrader is another detractor bucketed as an ‘AI loser’, whilst also suffering from idiosyncratic issues linked to the rollout of their new ‘Deal Builder’ product.

Linde dragged as the company is still yet to see any volume growth or improvement in earnings as manufacturing end markets remain weak. This remains a good defensive business with an exceptional management team, however, share price performance remains restricted until there is a pick-up in volumes.

Shares in Ferrari fell after a disappointing capital markets day took place. Outlook was underwhelming and while we are used to Ferrari's management team embedding a high degree of conservatism into guidance figures, it posed questions around the long-term growth rate of the company. There has been exceptional growth in personalisation, benefitting the price mix, in recent years but this is expected to moderate going forward. Management communication was bearish and led us to review the valuation warranted for the company going forward. Ultimately, we exited the holding over the quarter.

European banks continue to dominate the list of top contributors with BBVA, Lloyds, AIB and Unicredit leading the way in Q4’25. Banks remain a key bet in the portfolio as we think it could well be the best performing industry in Europe again for the fifth year in a row.

A new position in Siemens Energy contributed to active returns as an 'AI winner'. The growing demand for AI capabilities means power demand, particularly in the US, is increasing. This benefits the company which is seeing substantial price increases and sales growth across their high voltage grid and gas turbine businesses.

A position in Inditex benefited the fund after a strong earnings report that saw the company beat consensus expectations across all lines – an impressive feat as consensus expectations had already been rising ahead of results. Organic sales grew 8.4% in Q3, with trading following quarter end accelerating to 10.6% vs expectations of 7-8% for an important period that includes seasonally large weeks, including Black Friday. The current trading result derisks Q4’25 and Q1’26 then follows with easier sales comparables. Q3 Margins were also impressive at 11.2% EBIT, 6% ahead of consensus.

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Portfolio positioning and changes

ASML was reintroduced to the portfolio at an underweight position, after exiting the holding earlier in the year. Sentiment towards the European WFE names has shifted over the past few months and there are signs that demand for memory investment is returning. There has also been some recovery for Samsung and Intel, two of ASML's three major customers, which provides increased competition for TSMC, the only customer which has been executing recently. However, questions remain as to whether ASML will outperform the WFE market, as they have in the past, hence the underweight position. A pullback in share price for Siemens Energy presented a buying opportunity, another company benefiting from the improving AI sentiment.

In industrials, Alfa Laval was switched to Sandvick, where we believe there is further potential for upside over the medium term. Sandvick is a leading mining equipment business and is well positioned for the current mining cycle.

A new position was also initiated in Novonesis, a Danish biotech company focussing on the development and production of industrial enzymes. This is an attractive R&D business with interesting opportunities in each of the company's divisions, creating good mid-term growth prospects. Shares have been soft on the back of broad sector pressures and weak demand, however we believe their differentiated products bring a strong penetration opportunity, allowing growth to outpace the end markets they are exposed to.

Weights were adjusted in consumer exposed businesses. 3i, a private equity company whose majority holding is European discounter Action, was exited on fears of a slowdown in France. We exited a position in Pandora, as tariffs and increasing raw material prices continue to put pressure on the company's profitability. As mentioned above, Ferrari was sold following the disappointing capital markets day in October and Hermes was trimmed. Proceeds were used to re-initiate a position in LVMH, a high-quality company where leading data is coming back into their favour and to add to Inditex where data also supports the continuing trend of strong revenue growth.

We built a new position in Erste Bank where we've seen accelerating loan growth, with synergies to come from a recent deal in Poland. We expect them to deliver teens EPS growth and high-teens ROTE with further upside potential should a Ukraine peace deal emerge. Holdings in BBVA and Commerzbank were trimmed to fund the new idea. We maintain significant overweight positioning in both holdings, however, are conscious of the increasing valuations given the strong run of late for both banks.

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

Outlook

We remain optimistic about the outlook for European equities, leading to the portfolio being constructively positioned as we enter the new year. Stock markets are discounting mechanisms which require investors to stay forward looking, hence we continue to ask ourselves what the picture looks like for earnings and cashflows 12-18 months from now. Conviction remains high on signs of optimism around key exposures in the fund – Defence, Civil Aerospace and AI capex – where spending streams continue to be strong and visible. Banks also remain a top conviction as the prospect of loan/deposit growth and cost cuts underpin the next leg of the rally, in addition to the strong capital return programmes already expected for 2026. We've continued to lean into the portfolio's pro-cyclical positioning, with action taken to reinstate small overweight positions in semis and luxury goods as we await confirmation of an improved picture.

Finally, 'stocks follow earnings' is an old stock market axiom that has passed the test of time. We expect greater market participation of sectors and stocks left behind in this recent market rally as earnings revisions turn positive, starting a new upgrade cycle among some of the laggards of this past year. We believe the portfolio is well positioned for that increased breadth, notwithstanding shorter-term drivers of volatility.

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