

## **Your Monthly Perspectives on the European Large Cap Strategies**

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**Investment  
Managers**

PART OF  
**BNP PARIBAS**  
GROUP

### **Europe Large Cap Strategies**





**Investor sentiment mixed due to pending tariffs and on-going negotiations with the US administration. The US bull behaviour didn't cross the Atlantic but European markets still outperform US market on a YTD basis**

Please find attached the latest monthly perspectives for the Europe/Eurozone Large Cap strategies.

You will also find attached a reminder of the key characteristics of our strategies, to be able to propose the right strategy for your client

#### **The speed-read:**

- **Pretty positive season results...but investors don't forgive to companies that miss their objectives**
- **Banks are still leading the YTD performance based on solid earnings**
- **European markets still outperform US market on a YTD basis, despite recent US bull rally.**

	AXA Euro Valeurs Responsables	AXA WF ACT Eurozone Equity	AXA WF Sustainable Eurozone	AXA WF ACT Europe Equity	AXA WF Europe Equity
Benchmark	Euro Stoxx TR Net			MSCI Europe TR Net	
	Liquidity filters (market size + daily liquidity)				
Investment universe definition	AXA IM Sectoral policies / ESG Standards				
	Selectivity on <b>ESG score</b> (MSCI)	Selectivity on <b>UN SDGs</b> (whole of them)	Selectivity based on <b>Environment score</b> (MSCI)	Selectivity on <b>UN SDGs</b> (whole of them)	Selectivity based on <b>Environment score</b> (MSCI)
ESG Approach	Best in Class	Best in universe			
SFDR classification	Article 8	Article 9	Article 8	Article 9	Article 8
ESG Label		 Toward Sustainability			
# easily connected	Generalist ESG 80% Sustainable Investments	Generalist ESG 100% Sustainable Investments	Net Zero +80% Sustainable Investments	Generalist ESG 100% Sustainable Investments	Net Zero +80% Sustainable Investments

## Market summary

July was marked by various and changing news and rumours concerning the level of tariffs that were expected to be announced by the US administration on August 1<sup>st</sup>. However, the transatlantic agreement announced on July 28 by Donald Trump and Ursula von der Leyen seemed to rule out the worst-case scenarios for companies in Europe. While awaiting the final decision, investors were reassured by the fact that European companies' results were generally solid. However, companies that disappointed, even slightly, were often severely punished. In both Europe and the United States, central banks left their key interest rates unchanged, despite strong pressure from Trump on the Fed chairman. European equity markets rose slightly in July, giving back some of the strong gains they had made since the beginning of the year relative to US equity markets for the second month in a row. At the sector level, banking stocks once again accentuated their outperformance since the beginning of the year, buoyed by a results season that exceeded market expectations, while media, retail and chemicals ended the month down significantly.

## Looking forwards

Now that the pricing framework has been more or less established and following the very strong performance recorded since the beginning of the year, investors may adopt a wait-and-see approach. Indeed, while half-year results did not really hold any negative surprises outside the sectors already under pressure, namely automotive and chemicals, most companies struck a cautious note regarding the future impact of customs tariffs and exchange rate effects, which could prove more significant in the second half of the year. With valuations slightly above long-term averages and earnings growth for 2025 eroded by the weak dollar and the introduction of tariffs, European equity markets could experience volatility in a market where trading volumes are falling sharply during the summer break.


In such a context, it is important to maintain a balanced exposure and focus on company fundamentals. We continue to favour companies offering good earnings predictability. Finally, we remain faithful to our investment strategy by favouring companies that combine the ability to adjust prices, visibility and/or growth prospects through exposure to long-term themes, as well as a solid financial structure.

## Performance table and movements :

### AXA Euro Valeurs Responsables

- Stock selection: Positive : BBVA, Société Générale, Erste Bank, Legrand, Prysmian, Essilor Luxottica, UCB - Negative: : Publicis, Symrise, Allianz, FinecoBank, Heineken, Inditex
- Holdings: In: Vinci, Deutsche Telekom / Out: Eiffage, Stora Enso

Performance table: Past performance is not a guide to future performance.

 (31/07/2025)	LUXEMBOURG SICAV						
	SI (7/1/13)	YTD 31/07/2025	Jul-25	2024	2023	2022	2021
AXA WF Next Generation (Gross)	133.9	-2.9	3.0	3.1	-0.4	-24.6	15.4
AXA WF Next Generation - I EUR (Net)	102.5	-3.5	2.9	1.9	-1.6	-25.5	14.1
S&P Global Small Cap Total Return Net	207.1	-1.5	3.8	15.1	11.5	-13.2	23.7

Source: FactSet & Morningstar as at 31/07/2025

The fund successfully navigated this challenging environment and recorded a performance in July that exceeded that of its benchmark index. Banks contributed positively to the monthly performance, thanks to a more favorable yield curve and the publication of strong semi-annual results (BBVA, Société Générale, Erste Group Bank), notably marked by good risk cost management. Some cyclical stocks also reassured investors about their outlooks (Legrand, Prysmian), while the solid results of EssilorLuxottica were also well received by the market. Finally, in the relatively battered pharmaceutical sector, concerned about the impact of measures taken by the US administration, UCB's psoriasis medication continued to be a success.

Conversely, the performance was weighed down by Publicis, despite satisfying results and new client gains; Symrise, which posted a good operating margin but revised its growth outlook downward; Allianz and FinecoBank within the financials; as well as Heineken and Inditex in consumer stocks.

During the month, the position in Stora Enso was sold to capitalize on the rebound linked to the study on the split of its forestry assets. In the construction/concession sector, the position in Eiffage was replaced with Vinci. Finally, a position in Deutsche Telekom was initiated to strengthen the fund's exposure to the defensive telecommunications sector.

### ACT Eurozone

- Stock selection : Positive : Prysmian, Legrand, Spie, Société Générale, Erste Bank, Intesa, EssilorLuxottica, and Acciona Energías - Negative: Publicis, Finecobank, Allianz
- Holdings: In: - / Out : Stora Enzo

Performance table: Past performance is not a guide to future performance



## LUXEMBOURG SICAV

	SI (8/11/10)	YTD 31/07/2025	Jul-25	2024
AXA WF ACT Eurozone Equity (Gross)	198.5	11.0	0.7	8.3
AXA WF ACT Eurozone Equity - A EUR (Net)	132.5	9.8	0.5	6.4
EURO STOXX Total Return Net	223.8	14.5	1.0	9.3

Source: FactSet & Morningstar as at 31/07/2025

The fund experienced an increase, albeit below that of its benchmark index. Several cyclical stocks (Legrand, Prysmian, Spie) provided reassurance following their semi-annual earnings releases, as did the banking sector holdings (Société Générale, Erste Group Bank, Intesa SanPaolo), which also benefited from a more favorable yield curve. Among the positive contributors, we also include EssilorLuxottica and Acciona Energías Renovables, both of which saw their results well received. Conversely, despite a solid earnings report, Publicis was penalized due to its dollar exposure and concerns over potential disruptions to the advertising agency model driven by the rise of artificial intelligence. Seb's results also disappointed the market, while Symrise revised downward its growth outlook. Additionally, Finecobank and Allianz were among the detractors from performance despite the release of satisfactory financial data.

During the month, within the banking sector, positions in Société Générale and Intesa SanPaolo were trimmed, while the position in ING was increased. Furthermore, the holdings in Danone and SAP were augmented, and the position in Stora Enso was closed to capitalize on the rebound related to the study of its forestry assets' spin-off.

### ACT Europe

- Stock selection: Positive: Prysmian, Legrand, AstraZeneca, Intesa, Danone – Negative: Publicis, Kerry, Symrise, Novo Nordisk, ASM International, ASML
- Holdings: In: - / Out: -

Performance table: Past performance is not a guide to future performance



## LUXEMBOURG SICAV

	SI (09/03/01)	YTD 31/07/2025	Jul-25	2024	Fees
AWF ACT Europe Equity (Gross)	219.6	4.4	-0.3	9.6	--
AWF ACT Europe Equity - A EUR (Net)	113.4	3.4	-0.5	7.7	0.60%
MSCI Europe Net	194.2	9.3	0.7	8.6	--

Source: FactSet & Morningstar as at 31/07/2025

AXA WF ACT Europe Equity underperformed its benchmark index over the month. The sector allocation had a negative impact due to an overweight position in the technology and communication services sectors, as well as the absence of exposure to the energy sector. Stock selection also contributed negatively to performance. Publicis declined significantly despite once again delivering very strong results that exceeded expectations. The group was adversely affected by its high exposure to the US dollar and negative sentiment regarding the potential risks posed by the rise of artificial intelligence to the business model of advertising agencies. Companies in the ingredients sector (Kerry, Symrise) were heavily penalized


due to disappointing growth. Novo Nordisk experienced a sharp decline following a warning on its 2025 results, primarily due to increased competition. SEB retreated after posting results below expectations in terms of growth and margins, coupled with a downward revision of its annual targets. Semiconductor stocks ASM International and ASML also declined, with ASM International citing a slowdown expected in the latter part of the year, and ASML issuing a cautious outlook for growth in 2026. Conversely, the fund benefited from strong performances within the industrial sector from two stocks exposed to the electrification theme: Prysmian and Legrand. The Italian cable manufacturer raised its operating profit forecasts following very strong semi-annual results, while Legrand reported over 10% organic growth in Q2, double market expectations. AstraZeneca's semi-annual results confirmed that the Swedish-British pharmaceutical group remains on track to achieve its target of \$80 billion in revenue by 2030. Within the banking sector, Intesa Sanpaolo once again demonstrated the resilience of its business model and even anticipates an increase in interest income in 2026, contrary to consensus expectations. In the professional events sector, Informa was rewarded for raising its 2025 targets and announcing an extension of its share buyback program. Lastly, Danone reported solid results.

There were few notable movements during the month, apart from profit-taking on Relx and a reduction of our exposure to Accor. Conversely, we increased our positions in stocks whose market reaction to earnings we consider exaggerated, such as Dassault Systèmes and the London Stock Exchange.

#### Sustainable Eurozone

- Stock selection: Positive : Intesa, BBVA, Société Générale, BNP Paribas, Heineken - Negative: : Prysmian, Asml, Publicis, Schneider
- Holdings: In: - / Out:

Performance table: Past performance is not a guide to future performance.

 (31/07/2025)	LUXEMBOURG SICAV				
	SI (15/10/08)	YTD 31/07/2025	Jul-25	2024	Fees
AXA WF Framlington Sustainable Eurozone (Gross)	352.2	10.5	0.9	5.9	--
AXA WF Framlington Sustainable Eurozone - I EUR (Net)	299.7	10.0	0.8	5.1	0.77%
EURO STOXX Total Return Net	223.8	14.5	1.0	9.3	--

Source: FactSet & Morningstar as at 31/07/2025


The fund recorded a performance slightly below its benchmark, primarily impacted by ASML and Publicis, the latter being heavily penalized despite an upward revision of its earnings outlook and low valuation due to concerns over upcoming disruptions driven by the development of artificial intelligence—though we do not share this view, as the group is actually a pioneer in its utilization.

Nonetheless, stocks such as Prysmian, Intesa Sanpaolo, BBVA, Legrand, Société Générale, EssilorLuxottica, and Acciona Energías Renovables, which benefited from strong semi-annual results, helped offset these disappointments.

## Europe Equity

- **Stock selection:** Positive: Prysmian, Legrand, AstraZeneca, Intesa, Reckitt Benckiser, Compass, Informa – Negative: Publicis, Kerry, Allianz, Novo Nordisk, Heineken
- Holdings: In: - / Out: -

Performance table: Past performance is not a guide to future performance.

	LUXEMBOURG SICAV				
	SI (15/10/08)	YTD 31/07/2025	Jul-25	2024	Fees
AWF Europe Equity (Gross)	346.6	5.4	1.1	7.0	--
AWF Europe Equity - I EUR (Net)	295.6	4.9	1.0	6.2	0.60%
MSCI Europe Net	259.9	9.3	0.7	8.6	--

Source: FactSet & Morningstar as at 31/07/2025

AWF Europe Equity outperformed its benchmark index over the month. The sector allocation had a negative impact due to overweight positions in two underperforming sectors: technology and communication services. However, this was more than offset by stock selection, particularly within the industrial and consumer discretionary sectors. In the industrials sector, two stocks heavily exposed to the electrification theme experienced significant share price increases: Prysmian and Legrand. The Italian cable manufacturer raised its operating profit targets following very strong semi-annual results, while Legrand reported over 10% organic growth in Q2, double market expectations. AstraZeneca's semi-annual results confirmed that the Swedish-British pharmaceutical group remains on track to reach its goal of \$80 billion in revenue by 2030. Unlike many of its peers in the consumer staples sector, Reckitt Benckiser exceeded expectations with over 5% organic growth for the quarter; its stock appreciated by more than 10% on the day of earnings release. Two other UK stocks were rewarded for raising their 2025 targets: Compass in contract catering and Informa in professional events. Within the banking sector, Intesa Sanpaolo once again demonstrated the resilience of its business model and even anticipates increased interest income in 2026, contrary to consensus expectations. Conversely, minor disappointments in quarterly results were heavily penalized by the market, affecting companies such as Kerry, Allianz, and Heineken. Publicis declined sharply despite delivering very strong results that exceeded expectations once again. The group was adversely affected by its high exposure to the US dollar and negative sentiment surrounding the potential risks of AI growth on the advertising agency business model. Novo Nordisk experienced a sharp decline following a warning regarding its 2025 results, primarily due to increased competition.

There were few notable movements during the month, aside from profit-taking on Tesco and Amadeus, and increased positions in stocks where we believe the market reaction to earnings was exaggerated, such as Michelin, Heineken, Dassault Systèmes, and Publicis.

The standard presentation will be updated soon within our [Core Investments Sharepoint](#)

All marketing content (brochures, articles etc.) for this strategy is available on the [Global Marketing Sharepoint](#)

Should you have any question, please let us know.

**Core Investment Specialists team**



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