



Blackfriars EU Tech MPS Portfolio Insight: September 2026

Market overview:

European technology equities experienced another volatile month in September, as renewed enthusiasm for AI infrastructure and semiconductor investment competed with rising bond yields, higher energy prices and tighter monetary policy. The European Central Bank raised interest rates by 25 basis points on 10 September, taking its deposit rate to 2.50%, while eurozone inflation accelerated to 3.8% from 3.2% in August. Technology shares nevertheless demonstrated resilience towards month-end, with the European technology sector gaining 2.5% on 29 September, supported by renewed AI optimism and strength in semiconductor stocks.

The underlying investment case remained supported by expanding AI infrastructure requirements and resilient European business activity. September's eurozone composite PMI reached 53.1, its highest level since April 2023, with IT-related services benefiting from AI investment. However, rising financing costs and energy prices intensified scrutiny of the capital expenditure required to develop AI computing capacity, particularly for companies dependent on external funding.

Within the portfolio, Nebius announced a strategic partnership with Palantir on 8 September to deliver sovereign AI infrastructure and software solutions, extending its commercial opportunities beyond computing capacity into enterprise AI deployment. Prysmian received US antitrust clearance for its proposed Atkore acquisition on 15 September and subsequently announced a long-term copper supply agreement with Aurubis, strengthening its electrical infrastructure supply chain. ASM International launched its new Flowable Carbon technology on 22 September, reinforcing its position in advanced semiconductor manufacturing. Legrand also attracted investor attention after raising its medium-term targets, highlighting continued opportunities in datacenter electrical infrastructure.

The investment case remains constructive but increasingly selective. AI-related demand continues to support semiconductor equipment, computing infrastructure and power-management businesses, while higher interest rates and energy costs create a more demanding environment for valuations and capital-intensive expansion. The portfolio remains focused on companies with differentiated technologies, sustainable competitive advantages and the ability to translate structural demand into earnings growth and free cash flow.

Blackfriars Asset Management Limited is the manager, with a team of portfolio managers led by Anastasia Levashova, PhD, and Ming Lam, CFA, supported by the Investment team & committee.

[Learn here more about our investment team.](#)



Anastasia Levashova, PhD
Portfolio Manager /
Investment Director

Key Events:

- AI infrastructure investment remained the central growth driver: Continued hyperscalers investment supported multi-year demand expectations across semiconductor equipment, advanced packaging, power management and datacentre connectivity. Investor attention increasingly shifted towards capital efficiency, financing requirements and the conversion of AI infrastructure spending into revenues and free cash flow.
- Nebius Group announced a strategic partnership with Palantir on 8 September to provide sovereign AI infrastructure and enterprise computing solutions. The agreement extends Nebius's commercial opportunities beyond GPU capacity into enterprise AI deployment, reinforcing its position in the European AI infrastructure market, although the capital intensity of its expansion remains a key consideration.
- ASML attracted renewed attention in September as leading semiconductor manufacturers advanced adoption plans for its next-generation High-NA EUV lithography systems, costing approximately US\$400m each. The technology enables increasingly complex chip manufacturing, with broader high-volume deployment expected from 2028, reinforcing ASML's strategic position in the global AI semiconductor supply chain.
- ASM International introduced its new Flowable Carbon technology on 22 September, targeting increasingly complex semiconductor patterning requirements. The launch strengthened its advanced deposition portfolio and exposure to next-generation semiconductor manufacturing, where rising chip complexity continues to drive demand for specialised equipment and materials.
- European industrial technology retained strategic support: Electrification, grid reinforcement and datacentre infrastructure continued to benefit from structural investment, while European technology sovereignty and domestic AI capabilities attracted additional policy attention.
- Prysmian received US antitrust clearance for its proposed Atkore acquisition on 15 September, removing an important regulatory obstacle to its expansion into broader electrical infrastructure solutions. The company also introduced lower-carbon aluminium cables for AI infrastructure and announced a long-term copper supply agreement with Aurubis, strengthening its exposure to datacentre electrification and power infrastructure investment.
- European AI sovereignty gained policy momentum: On 16 September, the European Commission welcomed an initiative involving 19 Member States to develop European AI computing infrastructure and industrial applications, supporting longer-term opportunities for domestic technology providers, software platforms and digital infrastructure companies.
- Rates and energy remained valuation constraints: September's inflationary pressures and tighter monetary conditions increased scrutiny of long-duration technology valuations and debt-funded AI infrastructure expansion. The investment environment increasingly favoured companies with strong balance sheets, differentiated technologies and the ability to convert structural demand into sustainable earnings and free cash flow.

Portfolio Highlights: Key Developments Across Top 5 Largest Holdings

	Company	Weight, %	Country	Investment Theme	Relative Attribution	Description	September 2026 actual:	October 2026 to watch
	Nebius Group NV	9.78%	Netherlands	AI	1.18%	Nebius Group is an Amsterdam-based AI infrastructure company focused on building full-stack cloud platforms for AI. Core business provides high-performance GPU computing, AI cloud infrastructure and developer tools for training and deploying AI models. Nebius also owns interests in autonomous driving, edtech and other AI-focused businesses. (Rents out high-powered computing capacity stuffed with Nvidia GPUs. Current demand is enormous as are capital requirements. That's the neocloud business in a nutshell.)	2 September – Announced participation in Goldman Sachs and Citi technology conferences. 8 September – Announced strategic partnership with Palantir to provide sovereign AI infrastructure and enterprise computing solutions. 10 September – Launched AI Builder Programme, providing developer credits, training and technical support. 22 September – Introduced dynamic GPU spot pricing for pre-emptible virtual machines to improve capacity utilisation. 23 September – Announced Platinum rating in SemiAnalysis ClusterMAX 3.0.	October – Monitor commercial progress with Palantir, new enterprise AI contracts, GPU capacity deployment and inference services monetisation. 1 October – Announced Inferize acquisition to strengthen Nebius Token Factory. Monitor integration, GPU utilisation, financing costs, cash burn, deployment of proceeds from August's approximately US\$5.75bn convertible-note financing and progress towards year-end ARR targets. No confirmed October earnings date.
	ASML Holding NV	8.48%	Netherlands	AI	0.39%	Global leader in semiconductor lithography systems and the sole commercial supplier of EUV lithography equipment used to manufacture leading-edge chips.	8 September – Announced collaboration with TSMC on larger 12-inch photomasks for High-NA EUV lithography, targeting advanced-node production readiness by 2033. 8 September – Expanded Samsung collaboration on High-NA EUV and next-generation DRAM manufacturing. 8 September – Intel reported more than one million wafers processed using High-NA EUV technology. 8 September – Began construction of a new industrial campus in Eindhoven with potential capacity for 20,000 workplaces. Share repurchases continued during September.	14 October – Q3 2026 results. Monitor order intake, net bookings, EUV and High-NA demand, gross margins and FY2026 guidance. Focus on TSMC, Samsung and Intel capital expenditure commitments, China exposure, export restrictions and customer adoption schedules. Assess progress against July guidance of €43–45bn FY2026 sales and 54–56% gross margin.
	Prismian SpA	6.57%	Italy	Datacentre & Power Infrastructure	0.06%	World-leading cable manufacturer supplying energy, telecom, grid interconnection and data-centre cabling systems.	11 September – Priced approximately €850m capital increase through placement of 7.02m new shares at €121 each to partially finance Atkore acquisition. 15 September – Received US antitrust clearance for proposed Atkore acquisition. 18 September – Introduced lower-carbon aluminium cable solutions for AI infrastructure. 23 September – Signed long-term copper wire rod supply agreement with Aurubis to strengthen supply security and support electrification demand. 29 September – Shareholders approved proposed amendments to company bylaws.	29 October – Q3/9M 2026 results. Monitor organic growth, adjusted EBITDA, margins, free cash flow, data-centre and power-grid demand and FY2026 guidance. Follow Atkore acquisition completion, financing, integration plans and expected synergies. Atkore shareholder approval announced on 7 October; remaining regulatory conditions and completion timetable remain important.
	ASM International NV	5.96%	Netherlands	Semiconductors	0.46%	Semiconductor equipment supplier specialising in wafer-processing technologies, particularly atomic layer deposition and epitaxy used in advanced logic and memory chips.	7 September – Announced plans to nominate Rutger Wijburg to Supervisory Board. 15 September – Completed €150m share repurchase programme launched in August. 22 September – Introduced Flowable Carbon PECVD technology for advanced semiconductor patterning, strengthening deposition portfolio for increasingly complex chip architectures and advanced logic and memory manufacturing.	27 October – Q3 2026 results. Monitor bookings, revenue, gross margins, leading-edge logic/foundry investment, DRAM and HBM-related demand and China exposure. Assess customer adoption of Flowable Carbon technology, progress in advanced deposition and management outlook for Q4 and 2027 semiconductor capital expenditure.
	ABB Ltd-Reg	5.83%	Switzerland	Industrial Automation & Robotics	-0.10%	Swiss-Swedish industrial technology group focused on electrification and automation, including robotics, motion, process automation and smart power systems.	24 September – Presented next-generation high-power data-centre solutions during AI datacentre technology webcast, including Infinitus source-to-rack direct-current power solution. Highlighted ABB's exposure to increasing AI computing power-density requirements, electrical distribution and infrastructure efficiency.	20 October – Q3 2026 results. Monitor orders, revenue growth, operating margins, cash conversion and FY2026 guidance. Focus on Electrification demand from AI datacentres, grid infrastructure and industrial customers, adoption of high-power DC solutions and performance of Motion and Automation. Assess conversion of AI-related orders into sustained revenue growth and profitability.

*Source: Blackfriars AM, Morningside. Data as of 30/09/2026. Past performance is not a reliable indicator of future performance.

Portfolio Analysis: Top 5 Contributors

	Company	Weight, %	Country	Investment Theme	Relative Attribution	Description	September 2026 actual:	October 2026 to watch
	Nebius Group NV	9.78%	Netherlands	AI	1.40%	Nebius Group is an Amsterdam-based AI infrastructure company focused on building full-stack cloud platforms for AI. Core business provides high-performance GPU computing, AI cloud infrastructure and developer tools for training and deploying AI models. Nebius also owns interests in autonomous driving, edtech and other AI-focused businesses. (Rents out high-powered computing capacity stuffed with Nvidia GPUs. Current demand is enormous as are capital requirements. That's the neocloud business in a nutshell.)	2 September – Announced participation in Goldman Sachs and Citi technology conferences. 8 September – Announced strategic partnership with Palantir to provide sovereign AI infrastructure and enterprise computing solutions. 10 September – Launched AI Builder Programme, providing developer credits, training and technical support. 22 September – Introduced dynamic GPU spot pricing for pre-emptible virtual machines to improve capacity utilisation. 23 September – Announced Platinum rating in SemiAnalysis ClusterMAX 3.0.	October – Monitor commercial progress with Palantir, new enterprise AI contracts, GPU capacity deployment and inference services monetisation. 1 October – Announced Inferize acquisition to strengthen Nebius Token Factory. Monitor integration, GPU utilisation, financing costs, cash burn, deployment of proceeds from August's approximately US\$5.75bn convertible-note financing and progress towards year-end ARR targets. No confirmed October earnings date.
	ASM International NV	5.96%	Netherlands	Semiconductors	0.59%	Semiconductor equipment supplier specialising in wafer-processing technologies, particularly atomic layer deposition and epitaxy used in advanced logic and memory chips.	7 September – Announced plans to nominate Rutger Wijburg to Supervisory Board. 15 September – Completed €150m share repurchase programme launched in August. 22 September – Introduced Flowable Carbon PECVD technology for advanced semiconductor patterning, strengthening deposition portfolio for increasingly complex chip architectures and advanced logic and memory manufacturing.	27 October – Q3 2026 results. Monitor bookings, revenue, gross margins, leading-edge logic/foundry investment, DRAM and HBM-related demand and China exposure. Assess customer adoption of Flowable Carbon technology, progress in advanced deposition and management outlook for Q4 and 2027 semiconductor capital expenditure.
	ASML Holding NV	8.48%	Netherlands	AI	0.58%	Global leader in semiconductor lithography systems and the sole commercial supplier of EUV lithography equipment used to manufacture leading-edge chips.	8 September – Announced collaboration with TSMC on larger 12-inch photomasks for High-NA EUV lithography, targeting advanced-node production readiness by 2033. 8 September – Expanded Samsung collaboration on High-NA EUV and next-generation DRAM manufacturing. 8 September – Intel reported more than one million wafers processed using High-NA EUV technology. 8 September – Began construction of a new industrial campus in Eindhoven with potential capacity for 20,000 workplaces. Share repurchases continued during September.	14 October – Q3 2026 results. Monitor order intake, net bookings, EUV and High-NA demand, gross margins and FY2026 guidance. Focus on TSMC, Samsung and Intel capital expenditure commitments, China exposure, export restrictions and customer adoption schedules. Assess progress against July guidance of €43–45bn FY2026 sales and 54–56% gross margin.
	Soitec	1.13%	France	Semiconductors	0.40%	French semiconductor materials company producing engineered substrates, including silicon-on-insulator wafers, for mobile, automotive, industrial and communications chips.	2 September – Published a trading update on business conditions. 17–18 September – Launched and successfully completed a €500m offering of convertible/exchangeable bonds (ORNANEs) due September 2033, strengthening financing flexibility while introducing potential dilution considerations. 22 September – Held its Silicon Photonics Workshop at ECOC 2026 in Málaga, highlighting photonics-on-SOI technology and opportunities in high-speed optical connectivity for AI datacentres. 27 September–2 October – Participated in ICSCRM 2026, focused on silicon carbide technologies and power semiconductor	13–15 October – Participation in SEMICON West 2026; monitor developments in advanced semiconductor substrates, silicon photonics and customer adoption. Focus on implications of the €500m convertible bond financing for liquidity, refinancing and potential dilution. Monitor recovery in automotive and industrial semiconductor demand, SmartSiC adoption, RF-SOI demand and growth opportunities in AI-related optical connectivity. Next scheduled half-year results: 18 November 2026.
	VAT Group AG	2.59%	Switzerland	Semiconductors	0.35%	Swiss manufacturer of high-end vacuum valves and related components used primarily in semiconductor fabrication equipment and other advanced industrial processes.	2 September – Participated in SEMICON Taiwan 2026, showcasing precision vacuum technologies for advanced semiconductor manufacturing. 17 September – Participated in SEMICON India 2026, highlighting vacuum technology applications and opportunities arising from semiconductor manufacturing investment in India. September – Continued positioning for semiconductor capital expenditure recovery following H1 2026 results showing 75% growth in order intake, supported by semiconductor and service demand.	15 October – Q3 2026 trading update. Monitor order intake, net sales, book-to-bill ratio, semiconductor equipment demand and customer investment in advanced logic, foundry and memory manufacturing. Focus on HBM and AI-related semiconductor capacity expansion, China exposure, utilisation of manufacturing capacity and supply-chain execution. Assess progress in integrating Atonarp following the July acquisition announcement and management's outlook for Q4 2026 and 2027.

*Source: Blackfriars AM, Morningside. Data as of 30/09/2026. Past performance is not a reliable indicator of future performance.

Portfolio Analysis: Bottom 3 Performers

Company	Weight, %	Country	Investment Theme	Relative Attribution	Description	September 2026 actual:	October 2026 to watch
 Spotify Technology SA	2.87%	Sweden	AI	-0.28%	World's largest dedicated audio-streaming platform, offering music, podcasts and audiobooks through subscription and advertising-supported services.	2 September – Announced co-CEO participation in the Goldman Sachs Communacopia + Technology Conference. 17 September – Announced expansion of the Spotify Partner Program into more than 35 additional markets, including Italy, Spain, Brazil and Mexico, extending video podcast monetisation through Premium revenue and advertising. 23 September – Announced integration with Meta's Muse AI agent, allowing users to search for and play content, create playlists and manage listening through conversational AI. 24 September – Confirmed Q3 2026 results date of 22 October.	7 October – Announced expansion of audiobooks from 22 markets to more than 180 by year-end, extending access to over 750m potential listeners; monitor rollout, engagement and monetisation. 22 October – Q3 2026 results. Focus on monthly active users, Premium subscribers, revenue growth, gross margins, operating profit, advertising trends and free cash flow. Monitor pricing, podcast monetisation, audiobook expansion, AI-powered personalisation and execution of the expanded share repurchase programme.
 SAP SE	4.73%	Germany	AI	-0.13%	Europe's largest enterprise software company, providing ERP, cloud applications, data platforms and business AI solutions.	2 September – Announced HARTING Technology Group's long-term RISE with SAP agreement, supporting migration to SAP Cloud ERP Private and enterprise AI adoption. 8 September – CEO Christian Klein participated in the Goldman Sachs Communacopia + Technology Conference. 15 September – Made TabPFN-3.5 Plus available in SAP AI Core for predictive analytics and business AI applications. 22 September – Unveiled new AI capabilities across SAP Signavio, LeanIX, WalkMe and Cloud ALM at the Transformation Excellence Summit, strengthening process intelligence, AI agent governance and enterprise automation. 28 September – Published further details of collaboration with NVIDIA on governance and security for enterprise AI agents.	6 October – Announced proposed acquisition of TechWolf, extending SAP's AI-powered workforce intelligence capabilities, and introduced further autonomous enterprise innovations. 21 October – Q3 2026 financial results. Monitor cloud revenue, Cloud ERP Suite growth, current cloud backlog, total cloud backlog, operating margins and free cash flow. Focus on RISE with SAP migration momentum, Business AI and Joule monetisation, AI agent adoption, competitive pressures and FY2026 guidance.
 Adyen NV	0.98%	Netherlands	Fintech & Payments	-0.16%	Dutch global payments platform providing acquiring, processing, risk management and embedded financial services to large merchants and digital businesses.	9 September – Reuters reported Adyen's plans to expand its Indian operations, supported by growing cross-border commerce, UPI payment infrastructure and local regulatory licences. 14 September – Announced integration with Guidewire Marketplace as an approved global payments partner for insurers, extending payment acceptance, premium collection and claims payout capabilities. 22 September – Nominated Niclas Neglen, formerly CFO of Klarna, as new CFO effective 1 February 2027, subject to approvals; financial objectives remained unchanged. 23 September – Announced strategic partnership with Flatpay to support SME payments expansion across seven European markets and potential embedded finance services. September – S&P Global Ratings revised Adyen's outlook to positive from stable while affirming its A- issuer credit rating.	7 October – Extraordinary General Meeting; monitor governance decisions and CFO appointment approval process. 28 October – Q3 2026 business update. Focus on net revenue growth, processed payment volumes, take rates, enterprise merchant expansion, regional performance and FY2026 guidance. Monitor integration of Talon.One and Orb acquisitions, adoption of Adyen Agentix and Intelligent Money Movement, expansion in India, Flatpay partnership execution and progress towards the 2028 EBITDA margin objective above 55%.

*Source: Blackfriars AM, Morningside. Data as of 30/09/2026. Past performance is not a reliable indicator of future performance.

This document has been prepared by Blackfriars Asset Management Limited ("Blackfriars"), which is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. Retail clients should not rely on this performance update and should seek professional advice before making any investment decision as this MPS Portfolio solution is designed for clients of Professional Advisors only. Past performance is not necessarily a guide to the future. The value of shares in the Portfolio and the income derived therefrom may go down as well as up. The rate of currency exchange may cause the value of overseas investments (and any income derived from them) to go down as well as up. This document is for illustrative purposes only, and the information contained in this document does not constitute investment advice or an offer or solicitation to buy or sell any investment, fund or other security. The information and opinions contained in this document have been compiled, or arrived at, from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made to their accuracy, completeness or correctness. Any data, research, analysis, opinions or other information published in this document is provided as general commentary and for commercial communication purposes only and represents the views of Blackfriars at the time of preparation and may be subject to change. Blackfriars have taken all reasonable care to ensure the information contained and stated herein is accurate and reliable but make no representation, guarantee, or warranty that it is wholly accurate and complete. The information contained herein has not been independently verified and no liability is assumed by Blackfriars for any direct, indirect, or consequential losses arising from its use. Blackfriars Asset Management Limited is registered in England and Wales, company no. 03173991. Registered office: Landmark 4th Floor, 78, Cannon Street, London, England, EC4N 6HL and is authorized and regulated by the Financial Conduct Authority with Firm Reference Number (FRN) 180892.