

Santander AM Euro Equity

2 / 2023

Fund commentary

After a strong start of the year, global stock markets rally started fading in February. Europe was the exception being the only major regional market to close the month higher helped by improving macro data and falling natural gas prices.

The Stoxx Europe 600 index ended the month up by 1.89% (8.78% YTD net total return), the Eurostoxx-50 by 1.90% (11.97% YTD net total return) and the MSCI Euro by 1.65% (11.43% YTD).

Regarding sectors, Autos (6.53%), Banks (6.49%), Media (5.51%), Food Retail (4.62%), Telecoms (4.29%), and Construction (4.06%) lead the pack while Real Estate (-2.89%), Consumer Product & Services (-1.56%) Healthcare and Technology (-1%) had a negative monthly return.

During the month of February Santander Euro Equity had a positive absolute return and outperformed its benchmark MSCI EMU Net Total Return.

Sector allocation was positive being long Banks and Telecoms, and short Technology and Real Estate. Negative contribution came from being short Consumer Staples and long Energy.

On the stock selection side, main contributors included overweight positions in Axa, Unicredito, Nordea, Santander, Stellantis, Linde, Acerinox Vinci and Saint Gobain as well as being short Basf. Main detractors were long Essilor, RWE, Sodexo, UMG and short Pernod, Heineken, Danone and Flutter Entertainment.

During the month of February, we sold Ahold and bought Carrefour, reduce Deutsche Post and LVMH and bought Kering and start a new position in Grifols.

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