

Santander AM Euro Equity

6 / 2023

Fund commentary

Despite hawkish messages from central banks, global equity markets had a positive monthly return driven by increased optimism that the Fed can achieve a soft landing for the economy and market confidence in the potential of AI. The MSCI ACWI rose 5.8% in June and accumulates a YTD return of 14.26%. Developed Equity Markets outperformed Emerging Markets mainly due to the US (S&P500 +6.47%) and Japanese Markets (TOPIX +7.41%) performance.

In this environment, the Stoxx 600 index ended the month up by 2.45%, while the Euro Stoxx 50 rose by 4.34% and the MSCI Euro by 3.80%. This adds to the already solid year to date return, with the Stoxx 600 and Euro Stoxx 50 indexes up 10.85% and 18.39%, respectively, and the MSCI Euro up 15.29%.

Regarding Eurozone sectors, Retail (+9.96%), Banks (9.16%), Autos (+8.26%) and Media (+6.86%) lead the pack while Telecom (-2.06%), Energy (0.57%) Basic Materials (0.81%) and Food&Beverages (0.97%) were the laggards.

During the month of June Santander Euro Equity had a positive absolute return similar to its benchmark MSCI EMU Net Total Return.

Sector allocation was slightly negative being long Telecoms and short Industrials. Positive contribution this month being slightly short Technology.

On the stock selection side, main contributors included overweight in Eni, Shell, Linde, Enel, Infineon, Airbus, Unicredit, ING, D Boerse, Inditex and LVMH as well as being short Siemens Energy. Main detractors were short position in Schneider, L'Oréal, Hermes Prosus and Adyen.

During the month of June, we bought Spie, and Forvia reducing the exposure on Michelin.

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