

Santander AM Euro Equity

9 / 2023

Fund commentary

Global equity markets recorded their worst month of the year in September due to renewed fears of stagflation in Europe, the reiteration by all central banks of the "high for longer" message, and the deterioration of China's real estate crisis.

In this environment, all European indexes recorded negative results with the Stoxx 600 down 1.66%, the EuroStoxx 50 down 2.79% and the MSCI Euro down 3.32%. On an annual basis the indexes continue to perform strongly accretive with the Stoxx 600, EuroStoxx 50 and MSCI Euro up 8.52%, 12.60% and 10.23% YTD, respectively.

Regarding sectors in Europe (Stoxx 600), Energy (+5.35%), Basic Resources (+5.00%), Media (+2.92%) and Banks (+2.59%) were the best performers. Consumer Prod & Serv (-7.37%), Travel & Leisure (-5.87%), Technology (-5.64%) and Food, Bev & Tob (-4.64%) were the worst performers.

During the month of September Santander Euro Equity had a negative absolute return but outperformed its benchmark MSCI EMU Net Total Return.

Sector allocation was positive being long Telecoms and short Technology.

On the stock selection side, main contributors included being short Basf, Amadeus, ASML, Prosus, Flutter, Pernod, Heineken, Hermes and L'Oréal, as well as overweight positions in UMG, Sanofi, Eni and Shell. Main detractors were Saint Gobain, Airbus, Siemens, Cellnex, LVMH, Enel and RWE.

During the month of September, we sold Deutsche Boerse to increase the weight in the Insurance Sector.

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