

Santander AM Euro Equity

12 / 2023

Fund commentary

December continued the good trend seen in November, with significant gains in global markets except for China. This rise is supported by the increased likelihood that Central Banks have reached the peak of their policy tightening cycles, as inflation continued to fall globally alongside with commodity prices. Moreover, the good economic data released in the U.S. fuels hopes of a soft landing. As a result, positive performance on European indices during the month with Stoxx 600 up 3.84%, in the Eurozone the EuroStoxx 50 was up by 3.21% and the MSCI euro by 3.22%. On 2023, the indices perform exceptionally well, with Stoxx 600 up 15.83%, the EuroStoxx 50 22.23% and the MSCI Euro 18.78% YTD, respectively.

Regarding sectors in Europe, Travel & Leisure, Real Estate, Construction & Materials and Industrials were the best performers. Energy and Telecoms were the sectors with a negative print follow up by Food, Beverages & Tobacco.

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

Sector allocation was neutral. Positive contribution being long Industrials but negative contribution being slightly overweight Telecoms and Energy.

On the stock selection side, main contributors included being short Prosus and long Infineon, long Enel, Publicis, UMG, Coca Cola Europacific and Grifols. Main detractors were short position in l Oreal, Basf, Bayer, Philips and Arcelormittal, as well as being long Linde.

During the month of December, no main changes on the portfolio composition except for the sale of the position in Nokia.

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