

Santander AM Euro Equity

4 / 2024

Fund commentary

After a great first quarter for equity markets, April was a month for profit taking with most markets in negative territory. This drop was caused by the return to the "high for longer" scenario, given the stronger than expected inflation data in the U.S. and the resilience of the economy, and fears of Middle East conflict escalation.

Emerging markets outperformed developed markets (0.73% vs. -3.25%) in April, thanks to the good performance of the Chinese market, driven by its exposure to commodities. Within developed, UK (FTSE100 2.72%) outperformed Eurozone (EuroStoxx 50 -2.44%), the US (S&P500 -4.11%) and Japan (Nikkei225 -4.86%).

In this environment, the EuroStoxx 50 was down 2.44%, the Stoxx 600 was down 0.97% and the MSCI Euro was down 1.92%. Despite this drop, YTD the indexes maintain a solid performance, with the EuroStoxx 50 and the MSCI Euro up 10.05% and 8.14% YTD, respectively.

Regarding sectors in Eurozone, Energy (4.76%), Banks (3.53%) and PC, Drug & Grocery Stores (1.95%) and Real Estate (1.83%) were the best performers. While Retail (-6.30%) Autos & Parts (-5.77%), Technology (-4.69%) and Chemical (-4%) were the worst performers.

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

Sector allocation was neutral, positive contribution being long banks and slightly short Technology, negative contribution being long Industrials.

On the stock selection side, main contributors included being short Ferrari, Hermes, Kering, Dassault, Cap Gemini and D Boerse, and long Adidas, Publicis, Coca Cola Europacific, Shell, Sanofi and Saint Gobain.

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Main detractors were Inditex, Accor, Vinci, Airbus, Stellantis, ASML, Allianz and Munich Re as well as short position in Phillips, Engie and Prosus.

During the month of April, we participated in two IPOs CVC Partners and Puig.

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