

Santander European Dividend

3 / 2021

Fund commentary

In March, the fund delivered a positive performance in absolute terms, and it outperformed the European equity market. Year to date, the fund is also outperforming the European equity market despite having lower relative risk.

Going deeper into the monthly analysis, the main positive relative contributors were our positioning in staples (overweight, with BAT, Imperial Brands, Unilever outperforming), financials (neutral in banks, overweight in insurance, with ING, DNB and Nordea outperforming), construction (overweight, with ACS, Heidelbergcement and St. Gobain outperforming) and telecoms (overweight), together with our holdings in Publicis (M&A rumours) and Adecco (re-opening trade). On the negative side, the main relative contributors were our positioning in technology (no holdings due to its ultra-low dividend yields), chemicals (underweight due to low-dividend yields), consumer products and goods (no holdings in luxury stocks due to its ultra-low dividend yields), our stock selection in autos (no German automakers), together with our holding in Astrazeneca (negative news flow).

In terms of flows, this month the fund experienced €-1.6mn of net outflows, while over the last 12 months the fund had cumulative net outflows of €-16mn.

This month, we sold our holding in Brenntag and cut our exposure to Inditex.

Regarding positioning, the fund has a 92% exposure to equities, slightly up from the previous month and close to the low part of its investment range (90%-100%). We have overweight positions in energy, staples, insurance, telecoms, construction, media and banks, while we remain underweight chiefly in technology, consumer products & services, chemicals, industrials, healthcare, financial services, utilities, retail, travel & leisure, real estate and autos.

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This fund has a prospectus which is drafted in English and can be obtained from www.santanderassetmanagement.com

For product information, please contact SANTANDER ASSET MANAGEMENT LUXEMBOURG S.A. (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg) Management Company under the supervision of Commission de Surveillance du Secteur Financier (CSSF). The Depositary entity and administrator of the funds is JP Morgan Bank Luxembourg S.A. (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

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