

Santander European Dividend

2 / 2026

Fund commentary

Equity markets had a very diverse performance during February and a clear rotation in market leadership. While emerging markets, Japan and the UK posted strong gains, the S&P 500 ended the month in negative territory, weighed down by volatility in large-cap technology stocks and increased scrutiny over the return on AI-related capex. In Europe, performance was positive and more balanced, supported by a rotation toward “value” segments and a stable macro and monetary environment.

In this context, emerging markets significantly outperformed developed markets (+5.50% vs. +0.73% in USD). Among developed markets, Japan led the way (Nikkei 225 +10.41%), followed by the UK (FTSE 100 +7.04%), the euro area (EuroStoxx 50 +3.31%) and the United States (S&P 500 -0.79%).

In Europe, the main indices also closed firmly in positive territory. The EuroStoxx 50 and the Stoxx 600 rose by +3.31% and +3.86%, respectively, extending the positive trend seen at the end of last year and bringing year-to-date gains to +6.16% and +7.20%.

At a sector level in Europe (Stoxx 600), February once again showed significant dispersion. The best performers were Telecoms (+15.65%), followed by PC, Drug & Grocery Stores (+10.47%), Food, Bev & Tob (+9.38%), Energy (+8.72%) and Basic Resources (+8.66%). On the downside, Media (-5.83%), Financial Services (-1.93%), Banks (-1.12%) and Technology (-0.92%) lagged.

From a geographical perspective, all European markets closed the month in positive territory, led by the UK (+7.04%), followed by Sweden (+6.55%) and Switzerland (+6.26%). The more modest gains were seen in Spain (+2.70%), the Netherlands (+2.82%) and Germany (+3.04%).

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In the month of February, the fund had a strong positive absolute return and outperformed its benchmark MSCI Europe High Dividend Yield.

Sector allocation was neutral. Positive contribution being long utilities, telecoms and staples as well as short financials. Negative contribution being short energy and basic materials.

Positive performance on the stock selection side, main contributors included ABI, Imperial Brand, CCEP, JMT, Roche, AstraZenca, Fresenius, Michelin, Orange and Enel as well as being short Publicis and Partners Group. Main detractors were short positions in Ahold, Novartis, Shell, Swiss Re and Zurich Insurance.

During the month of February, we took profits on ABI and bought Carlsberg.

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