

## ESG Matters - Global

**Bull market phenomenon? Quite the contrary**

Thematic Investing

**“ESG is a bull market luxury” say the critics**

A critique of the recent, intense focus on environmental, social and governance (ESG) attributes in investing is that this framework is a “nice to have” and not a “need to have” feature of investors’ noblesse oblige; but that in times of stress, investors and companies will reallocate all resources to simply staying afloat. Our contention has been that ESG is even more critical during a downturn, and recent evidence supports this.

**5-10ppt alpha in US & Europe since peak; ESG inflows**

From the S&P 500’s peak to today, stocks in the top quintile ESG ranks outperformed the market by over 5ppt. And this was not just due to less Energy or small cap exposure; we saw nearly identical results on a sector- and size-adjusted basis. In Europe, ESG indices outperformed their benchmarks year-to-date (YTD), and the top 50 most overweighted stocks by ESG funds have outperformed the most underweighted by more than 10ppt YTD. Moreover, ESG funds are still tracking YTD inflows versus [record outflows in equity ETFs](#).

**In Asia, COVID-19 containment trumps ESG scores**

ESG performance has not correlated to better scores in Asia, which is largely explained by country biases: Greater China and India have outperformed Australia and Japan, despite having lower scores, perhaps in part due to COVID-19 timing/containment, as some argue that an emphasis on human rights may be a detriment to efficient quarantine measures. Our analysts also found evidence that [factors](#) like age cohorts, smokers, hospital beds etc. are stronger drivers of COVID-19 management than traditional governance scores.

**Higher EPS cuts for riskier stocks across all regions**

Regardless of performance, lower-ranked ESG companies in the US, Europe and Asia have seen larger downward earnings revisions for 2020 / 2021 expectations than higher ranked companies. This was particularly evident in Discretionary, Tech, REITs & Utilities.

**The “S” matters during social distancing pandemics**

Social factors appear to carry heightened importance today: a track record of good employer/employee relations; safe, reliable branded products, and good workforce policies (including aspects like leave and childcare) have driven stock dispersion, more than good governance (which was most critical in the 08/09 financial crisis). Employee satisfaction is also important – possibly a signal of loyalty during a downturn – where stocks with high Glassdoor.com ratings outperformed by 5ppt in the recent selloff.

**In a credit crunch, Green bonds, sovereigns show strength**

In the recent selloff, green bonds have fallen less than their Euro-denominated Single A counterparts, with outperformance driven by the green bonds in the top quartile of ESG ratings. And in emerging market (EM) sovereign debt, higher ESG scores have exhibited much lower price volatility. ESG ranks are very correlated with sovereign ratings, and improving ESG often means improving credit stories – a critical factor in bear markets.

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**Refer to important disclosures on page 14 to 16.**

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# ESG = a bear market phenomenon

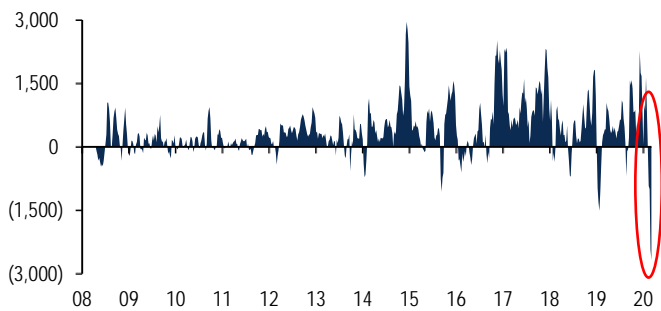
A critique of the recent, intense focus on Environmental, Social and Governance (ESG) attributes in investing is that this framework is a “nice to have” not a “need to have” feature of investors’ noblesse oblige; but that in times of stress, investors and companies will reallocate all resources to simply staying afloat. Our contention has been that ESG (especially sector/region-specific) factors are more critical drivers of risks during a downturn than during rosier periods.

ESG factors have been reliable signals of bankruptcy risk in prior crises. See [ABCs of ESG](#).

Recent flow trends indicate that ESG may be more of a bear market phenomenon: our BofA Securities client flows data indicated [record ETF selling](#) over the last few weeks (Chart 1), but ESG funds have seen inflows for ten straight weeks (Chart 2). Even after the market selloff, ESG ETF assets under management (AUM) are still up nearly 5% year-to-date, while S&P 500 ETFs have seen AUM decline by over 30%. In Europe, ESG funds have seen persistent inflows including recent weeks, even amid EU stock outflows.

**Chart 1: Record ETF selling...**

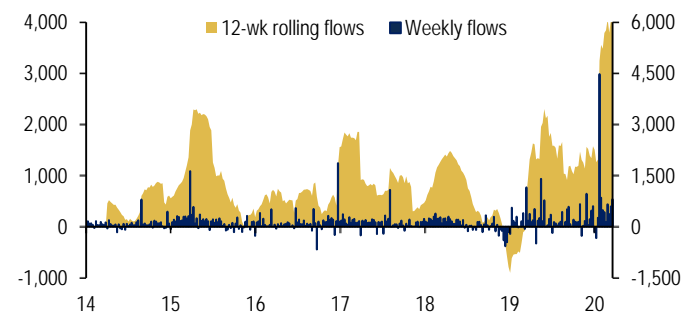
BofA Securities clients' rolling 4-wk ETF flows (\$mn, Jan 2008-3/20/2020)



Source: BofA Securities, BofA Global Research

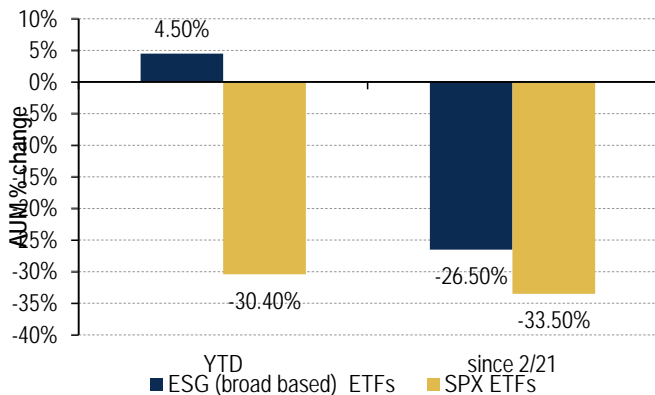
**Chart 2: ...except in ESG funds**

Weekly and rolling 12-wk flows into ESG funds (\$mn, 1/2014-3/18/2020)



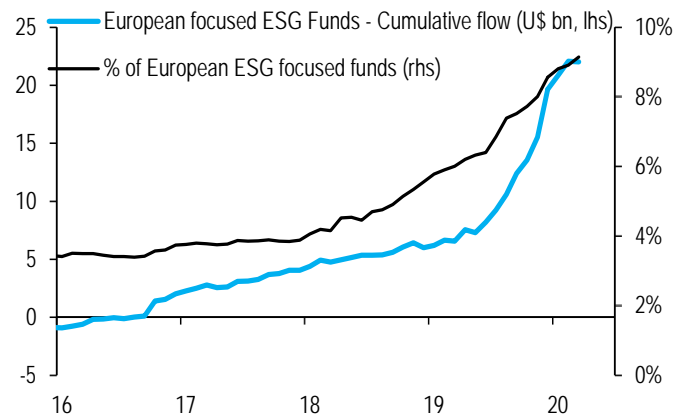
Source: BofA US Equity & Quant Strategy, SimFund

**Chart 3: ESG ETF assets under management are still up YTD and with less outflows in the selloff**



Source: BofA Global Research, Bloomberg

**Chart 4: European-focused ESG funds continue to gain assets even during the downturn**



Source: BofA European Equity Strategy; EPFR

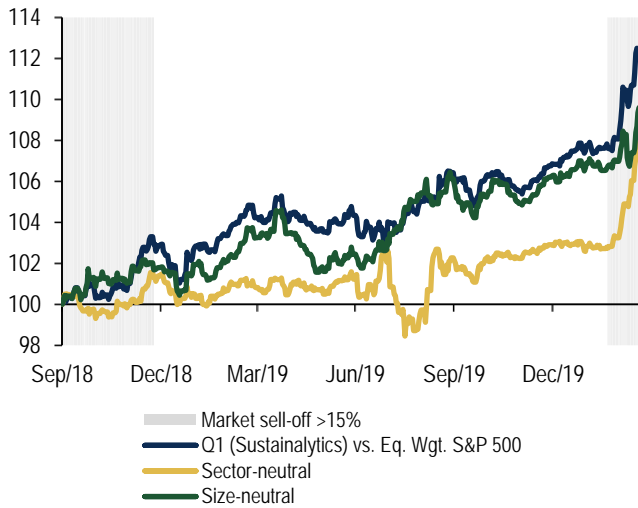


# ESG = alpha in a downturn

ESG can also generate alpha during market selloffs. Stocks ranked highly on ESG (top quintile) outperformed those that ranked poorly during both the market selloff in 4Q18 and today (Chart 5). Since the S&P 500's peak in February, stocks in the top quintile by ESG ranks outperformed the market by over 5ppt. Even adjusting for size and sector performance, highly-ranked ESG stocks outperformed the S&P 500 by 3-4ppt. In Europe, ESG indices outperformed their corresponding benchmarks year to date, and the top-50 most overweighted stocks by ESG funds have outperformed the most underweighted by more than 10ppt YTD, especially during the selloff.

**Chart 5: Highly-ranked ESG stocks have outperformed the S&P 500....**

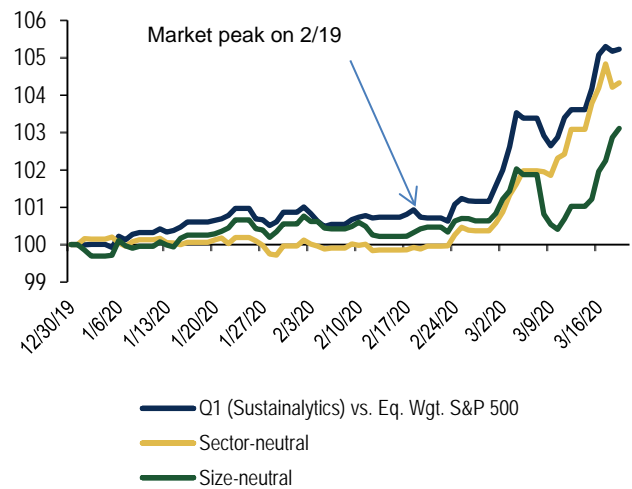
Performance of top quintile ESG-ranked stocks (Sustainalytics) vs. the equal-weighted S&P 500 universe since 4Q18



Source: Sustainalytics, FactSet, BofA US Equity and Quant Strategy  
 Back tested performance is hypothetical in nature and reflects application of the screen and is not intended to be indicative of future performance

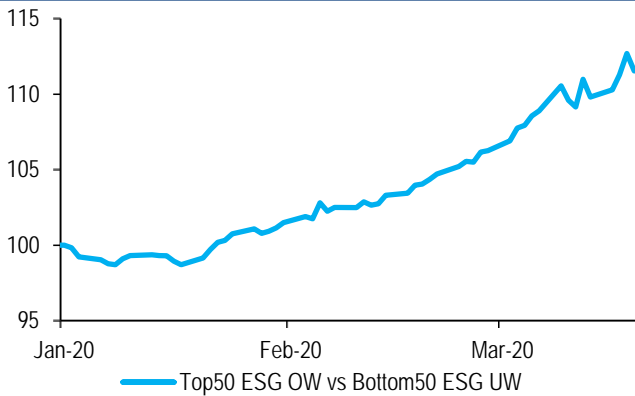
**Chart 6: ...and especially during the recent market selloff**

YTD performance of top quintile ESG-ranked stocks (Sustainalytics) vs. the equal-weighted S&P 500 universe



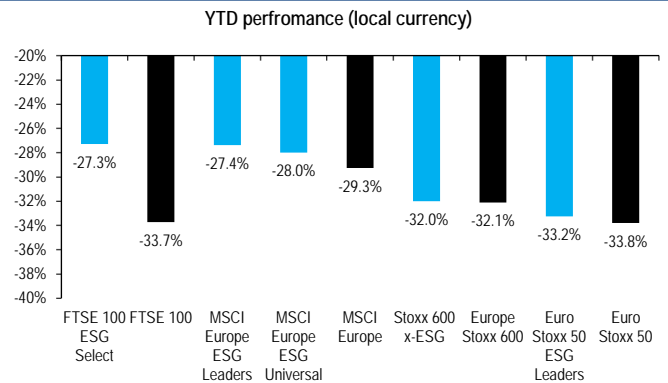
Source: Sustainalytics, FactSet, BofA US Equity and Quant Strategy  
 Back tested performance is hypothetical in nature and reflects application of the screen and is not intended to be indicative of future performance

**Chart 7: European stocks owned by ESG funds also outperformed during the bear market**



Source: BofA European Equity Strategy; Factset Ownership

**Chart 8: ESG indices in Europe fell less than their corresponding regional indices**



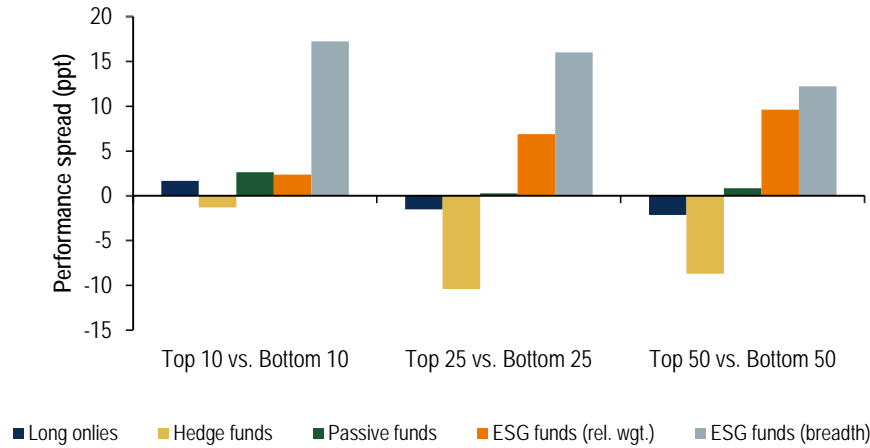
Source: BofA European Equity Strategy; Bloomberg

Similarly, S&P 500 stocks most held by ESG funds have meaningfully outperformed those neglected by ESG funds during the most recent selloff, while the opposite was true for overweight / underweight stocks among long-only and hedge funds.



**Chart 9: US stocks most owned by ESG funds saw superior returns to those least owned**

Performance from February 19-March 20, 2020



Source: FactSet Ownership, BofA US Equity &amp; Quant Strategy

Back tested performance is hypothetical in nature and reflects application of the screen and is not intended to be indicative of future performance

**See tables 1-3 in the Appendix for screens stocks most overweighted / widely owned by ESG funds**

## The Asia exception

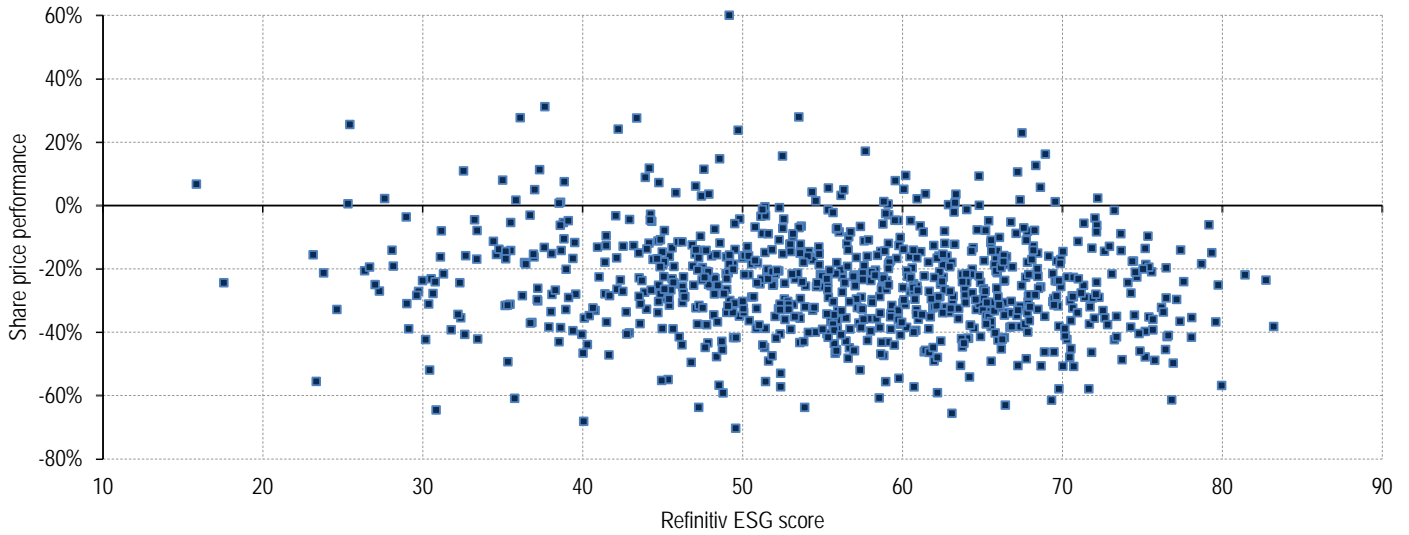
ESG performance has not correlated to better scores in Asia, which is largely explained by country biases: Greater China and India have outperformed Australia and Japan, despite having lower scores, perhaps in part because of COVID-19 timing/containment, where some argue that an emphasis on human rights may be a detriment to efficient quarantine measures. In REITs and Utilities sector, we find companies with lower ESG scores have higher gearing.

Our analysts also found evidence that, at a country level, [factors](#) like age cohorts, smokers/diabetics, ratios of hospital beds etc. are stronger drivers of containment than traditional governance scores.



**Chart 10: For Asia Pac companies under BofA Global Research coverage ESG scores didn't show a strong correlation with performance**

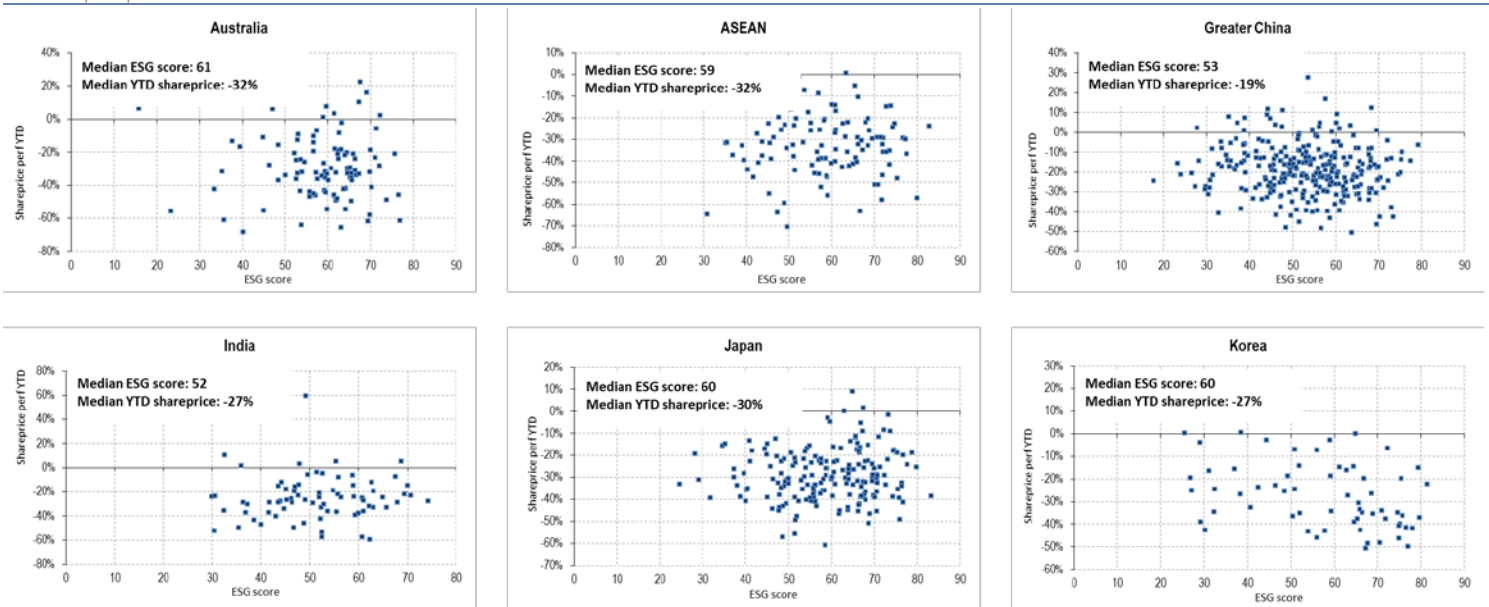
YTD share price performance vs. Refinitiv ESG score



Source: Refinitiv ESG score, Bloomberg

**Chart 11: A country-specific analysis in Asia Pacific did not find a strong relationship between ESG score and stock performance**

YTD share price performance vs. Refinitiv ESG score



Source: Refinitiv ESG score, Bloomberg

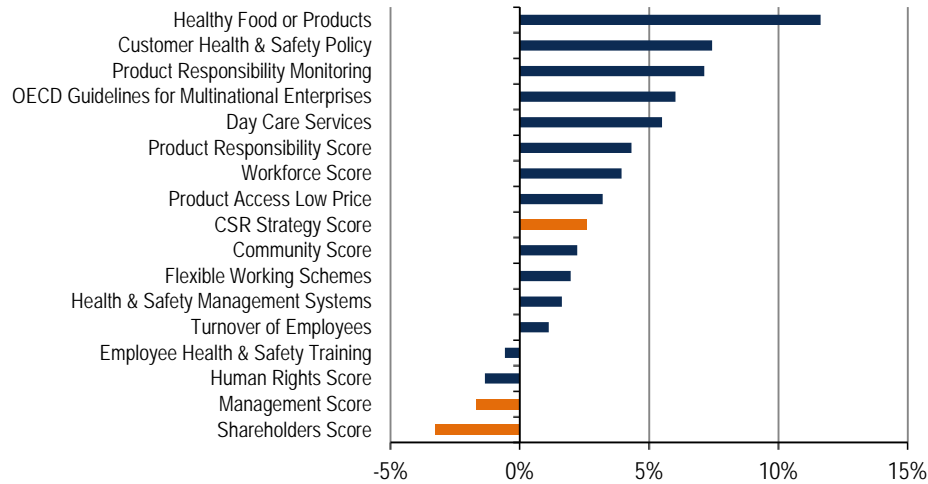


# The “S” matters in a social distancing pandemic

Social factors that may not matter all of the time appear to carry heightened importance today. We analyzed the social and governance attributes that were most likely to drive stock performance outperformance in the recent market downturn. We found that companies with product health and safety factors, along with good workforce policies like employee leave and childcare services, were most likely to drive alpha during a downturn, even more so than governance factors that were most critical during the 2008-2009 financial crisis (Chart 12).

**Chart 12: Performance spread between companies in top vs. bottom group\* based on select Social & Governance attributes (2/19-3/20 performance)**

Social factors in blue, governance factors in orange



Source: Refinitiv, Sustainalytics, IBES, BofA US Equity & Quant Strategy

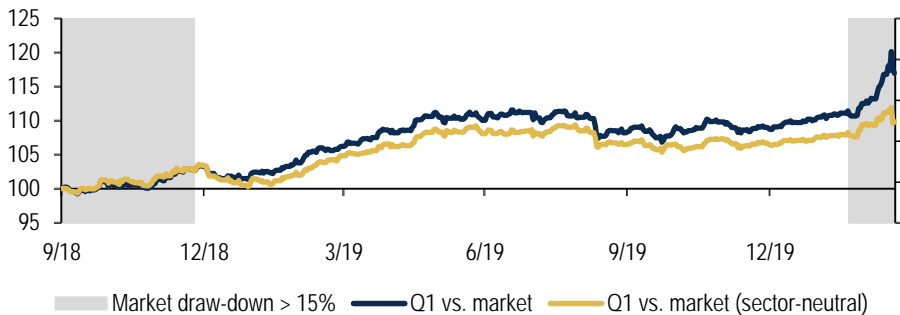
\*quintiles for Workforce Score, Product Responsibility Score, CSR Strategy Score, Human Rights Score, Community Score, Shareholders Score and Management Score; above- vs. below-median for all other attributes due to attribute distribution

Back tested performance is hypothetical in nature and reflects application of the screen and is not intended to be indicative of future performance

In particular, companies with higher employee satisfaction (based on [Glassdoor ratings](#)) have been resilient against market downturns, as shown in Chart 13. Even on a sector-adjusted basis, a simple strategy of owning stocks with the top quintile Glassdoor ratings has consistently outperformed the market during periods of selloffs.

**Chart 13: Loyal employees = loyal investors**

Performance of top quintile Glassdoor-ranked stocks vs. the equal-weighted universe since 4Q18



Source: BofA US Equity & Quant Strategy, Thinknum Alternative Data

Based on universe of stocks listed on NYSE and NASDAQ with 30+ reviews; Back tested performance is hypothetical in nature and reflects application of the screen and is not intended to be indicative of future performance

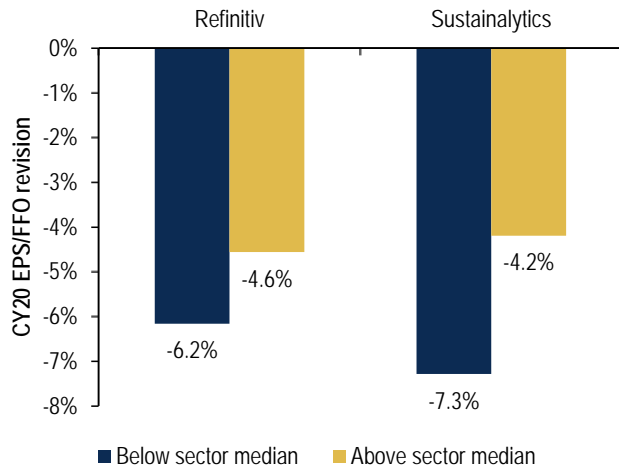


# Globally, better ESG = smaller EPS cuts

Across regions (US, Europe, Asia Pac), we've found that companies with below-median ESG scores (for both Refinitiv and Sustainalytics) have seen larger downward EPS revisions this year, and vice versa.

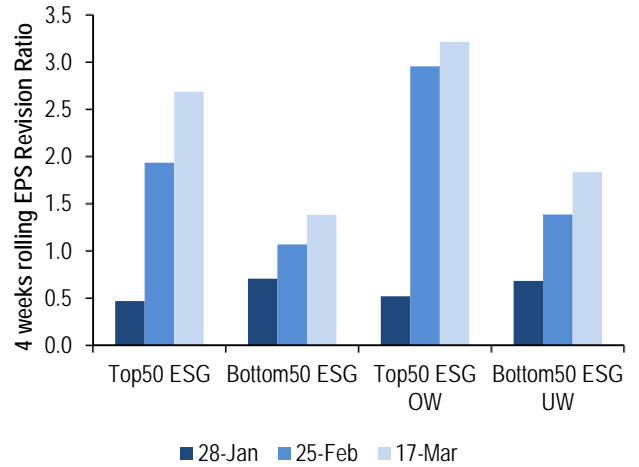
**Chart 14: US companies with lower ESG scores have seen bigger EPS cuts**

CY20 consensus EPS (FFO for REITs) revisions between 2/19/2020 and 3/20/2020



Source: Refinitiv, Sustainalytics, IBES, BofA US Equity & Quant Strategy

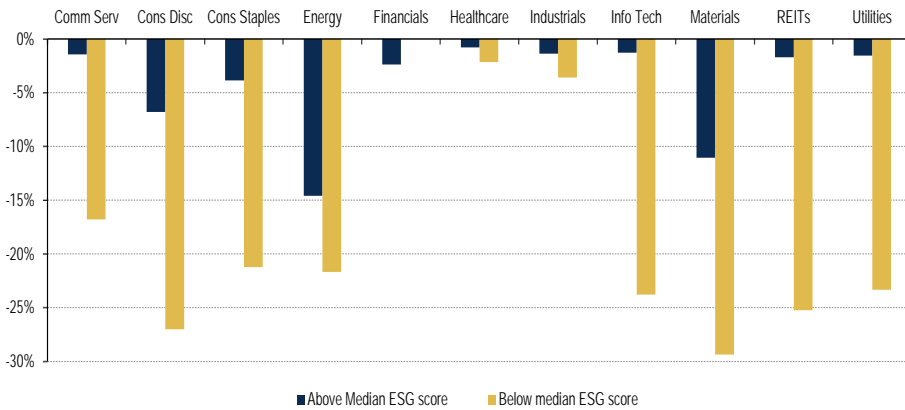
**Chart 15: European stocks with high ESG scores and those most overweight by ESG funds are seeing better EPS Revisions**



Source: BofA European Equity Strategy; Refinitiv, Factset Ownership, IBES

**Chart 16: FY21 EPS change by sector – above vs below median ESG scores**

For Asia Pac companies under BofA Global Research coverage



Source: Refinitiv ESG score, BofA Global Research



## Green bonds, strong sovereigns shine

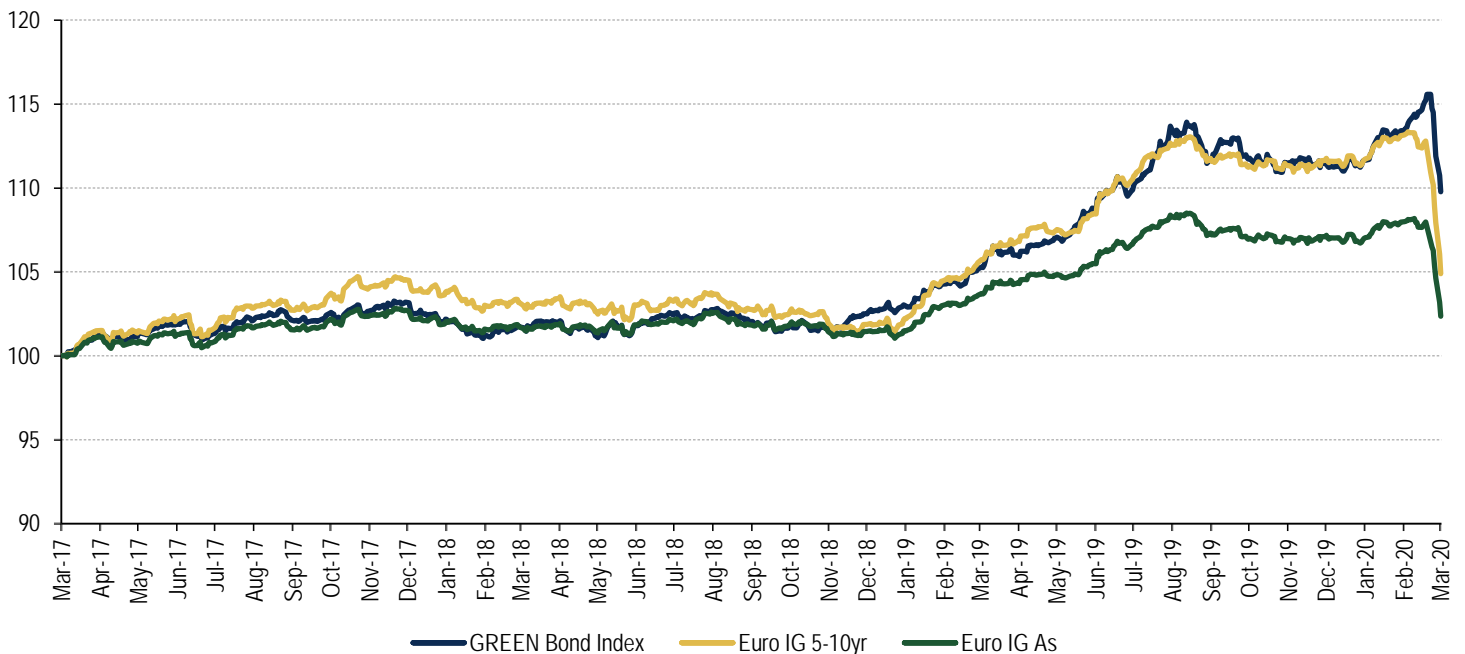
In credit, green bonds have fallen less than their Euro-denominated Single A counterparts. Below we compare the ICE BofA Green bond index (GREN) to the ICE BofA Euro 5-10yr index (ER06) and the ICE BofA Euro Single A index (ER30). For the month of March, the green bond index has returned -6.0% (through March 18) compared to -7.1% for EUR Single As and -9.3% for Euro 5-10yr maturities. Even more surprising is the longer term return – since March 17, 2017 (the full timeframe shown below), GREN has returned 7.6% (3 year total return) compared to 0.006% for Euro Single As and 1.9% for Euro 5-10yr corporates.

All three indices have an average rating of Single A, although GREN is A1, while the other two are slightly lower, at A3. In the strictest sense, this higher rating should imply a lower return for green bonds in a rallying market and outperformance in a downturn. All three indices have utilities and banks as their two largest sectors, so this doesn't immediately explain the difference. The green bond index is much smaller than the other two counterparts, with face value of EUR 352bn compared to EUR 1.02tn for Euro Single As and EUR 961bn for Euro 5-10yr corporates. Scarcity value may play a role in stronger performance for green bonds.

The outperformance for GREN in March seems to focus on the outperformers: the top quartile returned -0.04% despite sharp weakness across markets, while the bottom quartile for the green bonds index returned -12.0%. This was a significant difference compared to EUR Single As, where the top quartile returned -1.4%, while the bottom quartile returned -13.6%. Among EUR 5-10yr maturities the difference was even more noticeable, as the top quartile returned -3.7% and the bottom returned -14.4%.

### Chart 17: Total returns rebased to March 2017: the ICE BofA Green bond index has outperformed Euro Single As and Euro IG 5-10yr maturities

The ICE BofA Green bond index (GREN) is rated A1 compared to A3 for Euro Single As and Euro IG 5-10yr



Source: ICE BofA Global Index System (Green bond index – GREN, Euro 5-10yr – ER06, Euro Single As – ER30)

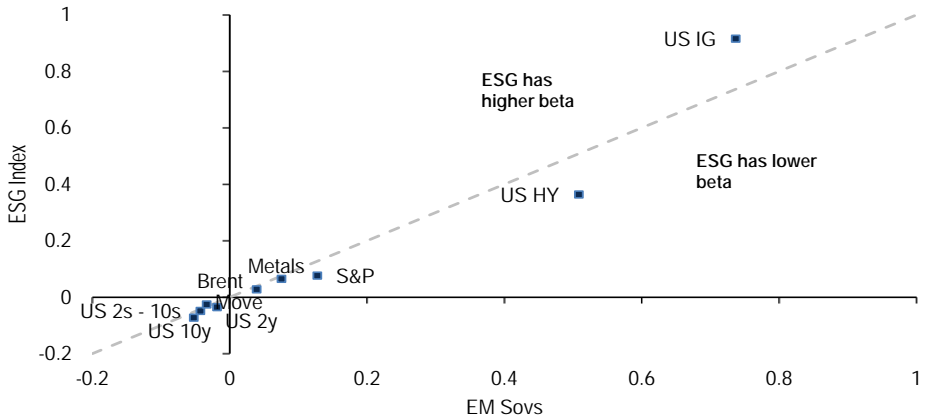
And in emerging market (EM) sovereign debt, higher ESG scores have exhibited much lower price volatility. ESG portfolios are likely to have a lower beta to US high yield (HY) credit than a conventional index. Moreover, ESG rankings are highly positively correlated with sovereign ratings and investing in improving ESG often means investing in improving credit stories. ESG also helps investors avoid credit pitfalls—a critical factor in bear markets—as sovereigns with lower ESG scores are likely to see a sharp





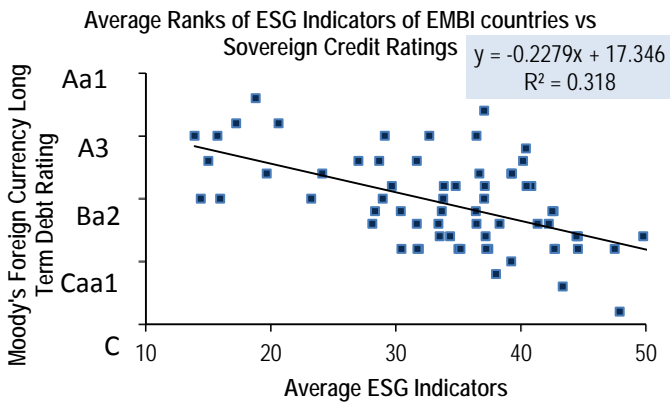
worsening in sovereign ratings over the next five years, and vice versa. In each of these cases, governance factors are most associated with improvements in sovereign credit ratings.

**Chart 18: ESG has a lower beta to US HY, and a higher beta to US IG**



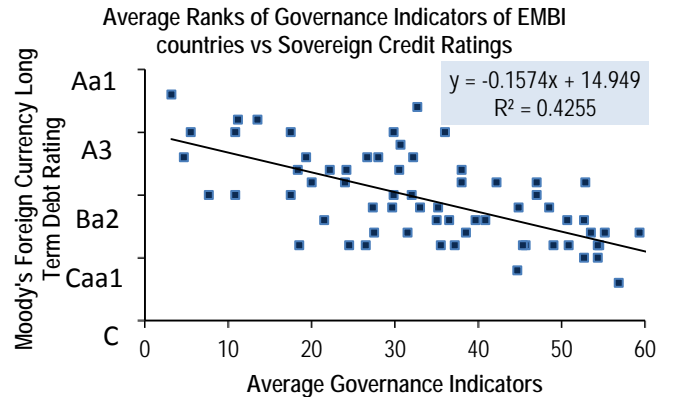
Source: Bloomberg, ECPI, ICE Bond Indices, BofA Global Research. ESG returns denominated in USD. US IG uses the Bloomberg Barclays US Aggregate. ESG Index = ECPI EM ESG Government Bond Index. EM Sovs refers to ICE BofA EM External Sovereign Index. Based on weekly returns since start-2015.

**Chart 19: ESG rankings have a high positive correlation with sovereign credit rating**



These ESG rankings were intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These ESG rankings were not created to act as a benchmark. Source: BofA Global Research estimates, WB, EDGAR, Yale, ILO, Haver, Bloomberg

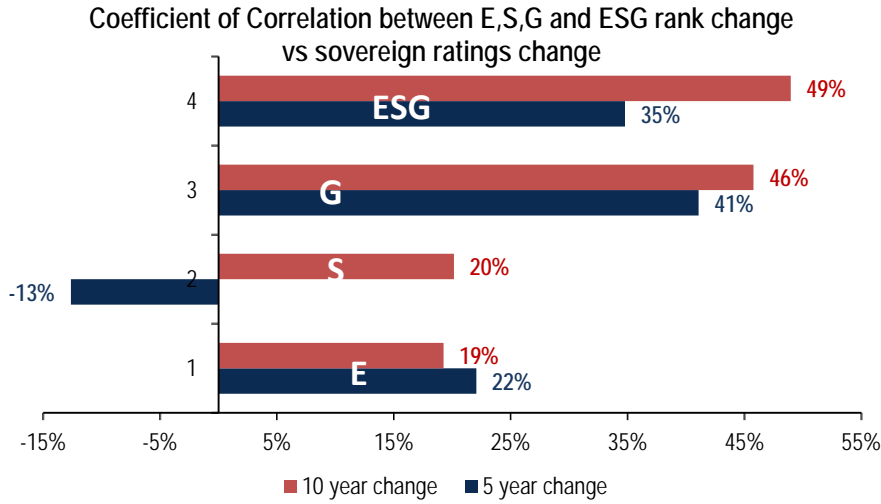
**Chart 20: Governance is particularly correlated with credit rating**



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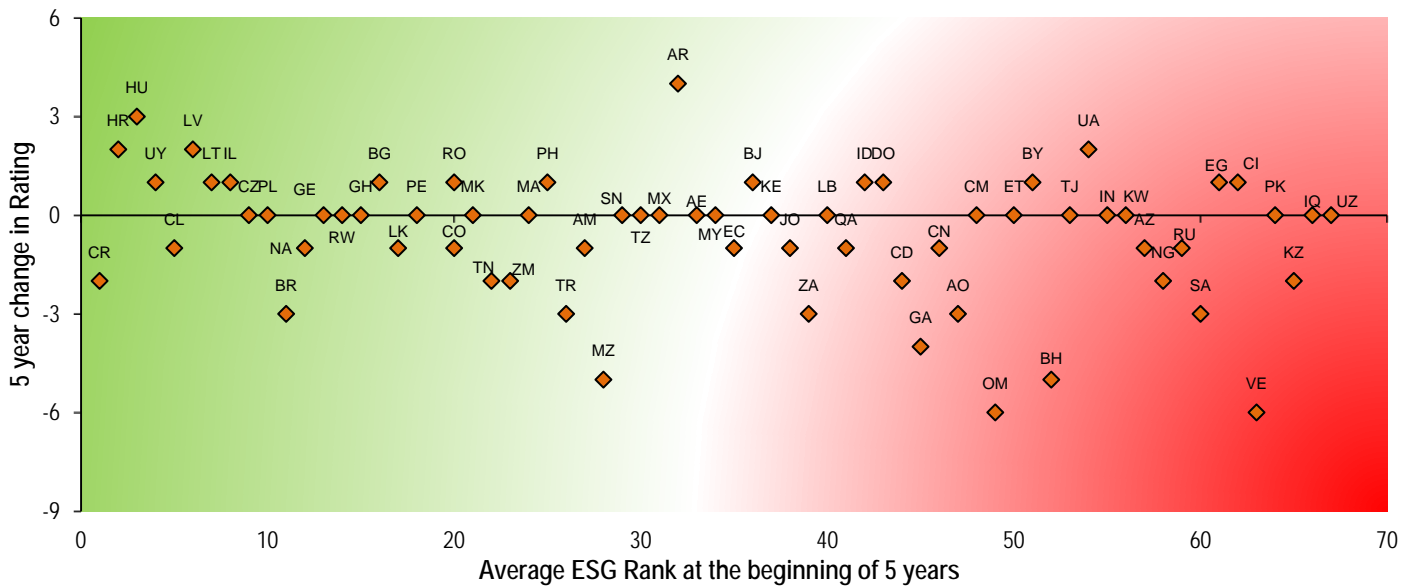


**Chart 21: Simple correlations show tentative relation between ESG (especially G) & ratings over time**



Source: Bloomberg, Haver, BofA Global Research

**Exhibit 2: Worst ESG = highest risk of downgrades over next five years, and vice versa**



Source: BofA Global Research, Bloomberg



## Appendix: ESG ownership screens

Below we present screens of US and European stocks that are 1) most overweighted and 2) most broadly owned by ESG funds. See our [ownership report](#) for detailed methodology.

**Table 1: Top 50 S&P 500 stocks most overweighted by ESG funds (as of 02/2020)**

Ticker	Company	Sector	Industry	ESG funds' weight relative to S&P 500
GPS	Gap, Inc.	Consumer Discretionary	Specialty Retail	25.14
HBI	Hanesbrands Inc.	Consumer Discretionary	Textiles Apparel & Luxury Goods	22.90
PNR	Pentair plc	Industrials	Machinery	12.20
HOLX	Hologic, Inc.	Health Care	Health Care Equipment & Supplies	11.35
PRGO	Perrigo Co. Plc	Health Care	Pharmaceuticals	11.23
XYL	Xylem Inc.	Industrials	Machinery	10.86
EXPD	Expeditors International of Washington, Inc.	Industrials	Air Freight & Logistics	8.90
XRAY	DENTSPLY SIRONA, Inc.	Health Care	Health Care Equipment & Supplies	7.85
ADS	Alliance Data Systems Corporation	Information Technology	IT Services	7.66
ALK	Alaska Air Group, Inc.	Industrials	Airlines	7.66
JKHY	Jack Henry & Associates, Inc.	Information Technology	IT Services	7.40
ZION	Zions Bancorporation, N.A.	Financials	Banks	7.02
CERN	Cerner Corporation	Health Care	Health Care Technology	5.89
RSG	Republic Services, Inc.	Industrials	Commercial Services & Supplies	5.42
FTV	Fortive Corp.	Industrials	Machinery	5.37
TFX	Teleflex Incorporated	Health Care	Health Care Equipment & Supplies	5.24
CMI	Cummins Inc.	Industrials	Machinery	4.93
VRSK	Verisk Analytics Inc	Industrials	Professional Services	4.70
GWW	W.W. Grainger, Inc.	Industrials	Trading Companies & Distributors	4.62
LRCX	Lam Research Corporation	Information Technology	Semiconductors & Semiconductor Equipment	4.34
AMAT	Applied Materials, Inc.	Information Technology	Semiconductors & Semiconductor Equipment	4.25
CLX	Clorox Company	Consumer Staples	Household Products	4.08
MSI	Motorola Solutions, Inc.	Information Technology	Communications Equipment	3.84
A	Agilent Technologies, Inc.	Health Care	Life Sciences Tools & Services	3.82
FDX	FedEx Corporation	Industrials	Air Freight & Logistics	3.81
AAP	Advance Auto Parts, Inc.	Consumer Discretionary	Specialty Retail	3.77
ECL	Ecolab Inc.	Materials	Chemicals	3.62
DISCA	Discovery, Inc. Class A	Communication Services	Media	3.60
MKC	McCormick & Company, Incorporated	Consumer Staples	Food Products	3.58
CDNS	Cadence Design Systems, Inc.	Information Technology	Software	3.46
SCHW	Charles Schwab Corporation	Financials	Capital Markets	3.43
FRC	First Republic Bank	Financials	Banks	3.37
DGX	Quest Diagnostics Incorporated	Health Care	Health Care Providers & Services	3.32
VFC	V.F. Corporation	Consumer Discretionary	Textiles Apparel & Luxury Goods	3.32
MU	Micron Technology, Inc.	Information Technology	Semiconductors & Semiconductor Equipment	3.21
SNPS	Synopsys, Inc.	Information Technology	Software	3.12
MTD	Mettler-Toledo International Inc.	Health Care	Life Sciences Tools & Services	3.10
PNW	Pinnacle West Capital Corporation	Utilities	Electric Utilities	3.08
AOS	A. O. Smith Corporation	Industrials	Building Products	3.06
IDXX	IDEXX Laboratories, Inc.	Health Care	Health Care Equipment & Supplies	3.01
K	Kellogg Company	Consumer Staples	Food Products	2.93
ZBH	Zimmer Biomet Holdings, Inc.	Health Care	Health Care Equipment & Supplies	2.90
CMA	Comerica Incorporated	Financials	Banks	2.80
ADSK	Autodesk, Inc.	Information Technology	Software	2.79
ES	Eversource Energy	Utilities	Electric Utilities	2.77
ROP	Roper Technologies, Inc.	Industrials	Industrial Conglomerates	2.67
CPRT	Copart, Inc.	Industrials	Commercial Services & Supplies	2.63
PGR	Progressive Corporation	Financials	Insurance	2.52
SBAC	SBA Communications Corp. Class A	Real Estate	Equity Real Estate Investment Trusts (REITs)	2.50
APTIV	Aptiv PLC	Consumer Discretionary	Auto Components	2.48

Source: BofA US Equity & Quant Strategy, FactSet Ownership



**Table 2: Top 50 S&P 500 stocks most widely held stocks by ESG funds (as of 02/2020)**

Ticker	Company	Sector	Industry	% ESG funds with position
ECL	Ecolab Inc.	Materials	Chemicals	39%
MSFT	Microsoft Corporation	Information Technology	Software	39%
GOOGL	Alphabet Inc. Class A	Communication Services	Interactive Media & Services	37%
TXN	Texas Instruments Incorporated	Information Technology	Semiconductors & Semiconductor Equipment	34%
V	Visa Inc. Class A	Information Technology	IT Services	34%
HD	Home Depot, Inc.	Consumer Discretionary	Specialty Retail	34%
AXP	American Express Company	Financials	Consumer Finance	33%
ACN	Accenture Plc Class A	Information Technology	IT Services	33%
PG	Procter & Gamble Company	Consumer Staples	Household Products	33%
JCI	Johnson Controls International plc	Industrials	Building Products	32%
ADBE	Adobe Inc.	Information Technology	Software	32%
NKE	NIKE, Inc. Class B	Consumer Discretionary	Textiles Apparel & Luxury Goods	32%
INTC	Intel Corporation	Information Technology	Semiconductors & Semiconductor Equipment	32%
DIS	Walt Disney Company	Communication Services	Entertainment	32%
AMAT	Applied Materials, Inc.	Information Technology	Semiconductors & Semiconductor Equipment	32%
LOW	Lowe's Companies, Inc.	Consumer Discretionary	Specialty Retail	32%
CSCO	Cisco Systems, Inc.	Information Technology	Communications Equipment	32%
AAPL	Apple Inc.	Information Technology	Technology Hardware Storage & Peripherals	32%
CMI	Cummins Inc.	Industrials	Machinery	31%
VFC	V.F. Corporation	Consumer Discretionary	Textiles Apparel & Luxury Goods	31%
APTV	Aptiv PLC	Consumer Discretionary	Auto Components	31%
CRM	salesforce.com, inc.	Information Technology	Software	31%
PEP	PepsiCo, Inc.	Consumer Staples	Beverages	31%
GWW	W.W. Grainger, Inc.	Industrials	Trading Companies & Distributors	30%
SCHW	Charles Schwab Corporation	Financials	Capital Markets	30%
ADSK	Autodesk, Inc.	Information Technology	Software	30%
CL	Colgate-Palmolive Company	Consumer Staples	Household Products	30%
UPS	United Parcel Service, Inc. Class B	Industrials	Air Freight & Logistics	30%
NVDA	NVIDIA Corporation	Information Technology	Semiconductors & Semiconductor Equipment	30%
BIIB	Biogen Inc.	Health Care	Biotechnology	30%
XYL	Xylem Inc.	Industrials	Machinery	29%
IDXX	IDEXX Laboratories, Inc.	Health Care	Health Care Equipment & Supplies	29%
K	Kellogg Company	Consumer Staples	Food Products	29%
ROP	Roper Technologies, Inc.	Industrials	Industrial Conglomerates	29%
INTU	Intuit Inc.	Information Technology	Software	29%
ETN	Eaton Corp. Plc	Industrials	Electrical Equipment	29%
HPQ	HP Inc.	Information Technology	Technology Hardware Storage & Peripherals	29%
KMB	Kimberly-Clark Corporation	Consumer Staples	Household Products	29%
AMGN	Amgen Inc.	Health Care	Biotechnology	29%
KO	Coca-Cola Company	Consumer Staples	Beverages	29%
LRCX	Lam Research Corporation	Information Technology	Semiconductors & Semiconductor Equipment	28%
DGX	Quest Diagnostics Incorporated	Health Care	Health Care Providers & Services	28%
GILD	Gilead Sciences, Inc.	Health Care	Biotechnology	28%
ROK	Rockwell Automation, Inc.	Industrials	Electrical Equipment	28%
ZTS	Zoetis, Inc. Class A	Health Care	Pharmaceuticals	28%
BKNG	Booking Holdings Inc.	Consumer Discretionary	Internet & Direct Marketing Retail	28%
PLD	Prologis, Inc.	Real Estate	Equity Real Estate Investment Trusts (REITs)	28%
EQIX	Equinix, Inc.	Real Estate	Equity Real Estate Investment Trusts (REITs)	28%
SBUX	Starbucks Corporation	Consumer Discretionary	Hotels Restaurants & Leisure	28%
MA	Mastercard Incorporated Class A	Information Technology	IT Services	28%

Source: BofA US Equity &amp; Quant Strategy, FactSet Ownership



**Table 3: Top 50 most overweighted European stocks by the ESG funds**

ISIN	Name	Sector	Country	ESG Score (*)	% OW	% top 100 funds hold
DK0010268606	Vestas WindSystems	Industrials	Denmark	74	1.0%	45%
FR0000124141	Veolia Environ	Utilities	France	76	0.7%	26%
NL0000009827	DSM	Materials	Netherlands	75	0.7%	56%
FR0000120628	Axa	Financials	France	81	0.6%	53%
CH0030170408	Geberit	Industrials	Switzerland	74	0.6%	27%
FR0010613471	Suez	Utilities	France	74	0.6%	33%
DK0060336014	Novozymes	Materials	Denmark	72	0.6%	42%
FR0000121972	Schneider Electric	Industrials	France	62	0.6%	52%
GB00B1FH8J72	Severn Trent	Utilities	United Kingdom	60	0.6%	22%
NL0010273215	Asml	Technology	Netherlands	63	0.5%	59%
DE0008404005	Allianz	Financials	Germany	68	0.5%	53%
GB0007099541	Prudential	Financials	United Kingdom	53	0.5%	45%
IE0004927939	Kingspan	Industrials	Ireland	64	0.5%	29%
IE0004906560	Kerry Group	Staples	Ireland	64	0.5%	43%
FR0000120644	Danone	Staples	France	65	0.5%	56%
GB00B39J2M42	United Utilities	Utilities	United Kingdom	55	0.5%	26%
DE0007164600	SAP	Technology	Germany	72	0.5%	66%
DE0008430026	Munich Re	Financials	Germany	76	0.5%	52%
NL0000388619	Unilever	Staples	Netherlands	62	0.4%	40%
JE00BJVNSS43	Ferguson	Industrials	United Kingdom	68	0.4%	40%
DE0007236101	Siemens	Industrials	Germany	64	0.4%	49%
CH0012032048	Roche Holding	Health Care	Switzerland	70	0.4%	50%
DK0060534915	Novo Nordisk	Health Care	Denmark	60	0.4%	47%
FR0000120321	L'Oreal	Staples	France	65	0.4%	51%
FI0009013296	Neste	Energy	Finland	68	0.4%	38%
GB00BJFFLV09	Croda	Materials	United Kingdom	78	0.4%	44%
ES0143416115	Siemens Gamesa Ren E	Industrials	Spain	75	0.4%	25%
DE0006231004	Infineon Techs.	Technology	Germany	58	0.3%	38%
ES0113211835	BBVA	Financials	Spain	65	0.3%	41%
GB0004052071	Halma	Technology	United Kingdom	70	0.3%	24%
IE00B1RR8406	Smurfit Kappa	Materials	Ireland	57	0.3%	29%
ES0148396007	Inditex	Discretionary	Spain	72	0.3%	42%
BE0974320526	Umicore	Materials	Belgium	72	0.3%	40%
CH0010570759	Lindt & Spruengli	Staples	Switzerland	70	0.3%	14%
DE000A1EWWW0	Adidas	Discretionary	Germany	67	0.3%	48%
GB00BZ4BQC70	Johnson Matthey	Materials	United Kingdom	59	0.2%	40%
BE0003565737	Kbc Group	Financials	Belgium	56	0.2%	44%
DE0006599905	Merck Kgaa	Health Care	Germany	77	0.2%	39%
IT0000072618	Intesa Sanpaolo	Financials	Italy	70	0.2%	40%
FR0000121261	Michelin	Discretionary	France	79	0.2%	44%
DE0006048408	Henkel	Staples	Germany	55	0.2%	38%
DE0005810055	Deutsche Boerse	Financials	Germany	61	0.2%	44%
GB00BD6K4575	Compass	Discretionary	United Kingdom	68	0.2%	39%
DK0060094928	Orsted	Utilities	Denmark	66	0.2%	34%
FR0000125007	Saint Gobain	Industrials	France	78	0.2%	36%
SE0000695876	Alfa Laval	Industrials	Sweden	83	0.2%	21%
FR0000130650	Dassault Systemes	Technology	France	70	0.2%	35%
FR0000133308	Orange	Communication	France	55	0.2%	40%
FR0000120073	Air Liquide	Materials	France	58	0.2%	34%
GB0007908733	Sse	Utilities	United Kingdom	51	0.1%	34%

Source: BofA European Equity Strategy; \*Derived Refinitiv score



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