



## FUND VIEW-Pioneer bets on industrials with global story

PIONEER/ (FUND VIEW)

**\* Likes European stocks with exposure to global growth**

**\* Steel industry not a 'structural' long-term investment**

By Cecilia Valente

LONDON, May 27 (Reuters) - A fund focused on euro zone stocks at Pioneer Investments is picking industrial and luxury brands with traction in emerging markets as it seeks to shift away from a region beset by financial woes, its manager said.

Fabio Di Giansante, manager of the 360 million euro (\$447 million) Euroland Equity fund, has responded to the Greek debt crisis and fears of a wider contagion by buying up truckmaker MAN, carmaker BMW and luxury goods firm Louis Vuitton.

"I want to be invested in European companies with exposure to global growth and that are less reliant on domestic growth," he told Reuters. "This has led me to seek exposure to industrials, because this sector fits this criteria."

His bet appears to be paying off. In the year to end-April the fund returned 30.7 percent, outperforming peers by 8.6 percentage points in dollar terms, Lipper Global data said.

Di Giansante likes Siemens and has also bought Schneider Electric last year.

"These companies allowed me to gain exposure to the global growth story as well as the relative economic strength of China last year," he said.

To finance his increased exposure to Germany's BMW, Di Giansante has sold his exposure in French rival Peugeot.

"Peugeot is a euro-centric company, while BMW is a better company and it is an exporter that also benefits from the currency effect, given the weak euro," he said.

Di Giansante is keeping a sharp eye on the impact the current sovereign debt could have on the European real economy, and concedes he may have to change the asset allocation to reduce cyclical stocks, but for the time being he is positive.

"A crisis does create investment opportunities in the mid-long term that do not come along every day," he said.

He has increased exposure to Dutch supermarket Ahold, which he bought last year. "I picked this because unlike its French competitors, it is not losing market share in the domestic market plus a good part of Ahold's profits come from America," he said.

At the same time he sold steelmaker ArcelorMittal. "I was worried about a slow-down in (commodity) demand from China. I also thought it had become too expensive," he said, adding that he did not see the steel industry as a structural long-term investment.

Overall, he did not see a year of "stellar returns but not a year of collapse either".

(\$1 = 0.8054 euro) (Editing by Jon Loades-Carter)