

Santander Future Wealth

3 / 2023

Fund commentary

During the month of March, we have witnessed the bankruptcy of several banks in the US while UBS took over Credit Suisse. In a few weeks, we have gone from inflationary fears and rate hikes to messages of recession and future easing, calming investors' nervousness and the recovery of stock market indices. Thus, the MSCI World closed the month with gains of 3%, with the US market outperforming the European market due to its greater weight in sectors favored by the fall in yields, such as technology, and Europe penalized by its weight in banks, a sector that was punished during the period. Also on the positive side, we have had greater visibility of the strength of China (with data on the recovery of credit, infrastructure and consumption supported by the expansionary policies of the Chinese government), whose recovery is key for world GDP and for the growth of European and global company profits. On the inflation side, we continue to see less pressure, especially on the energy side, but we also see core inflation data remaining stable, which continues to leave central banks' medium-term actions up in the air.

The fund was unable to end the month in positive territory, affected by the performance of some of its sub-themes. The Future Planet sub-fund drained the fund's performance significantly, especially the Foodtech and Food Technology themes. The poor performance of energy and basic resources during the month penalized the most exposed strategies, such as Resource Scarcity and Energy Transition. On the positive side, the sub-themes of Circular Economy, Millennials and Asian Consumers stood out, contributing to profitability over the period. In terms of positioning, during the month of March the fund shifted from Future Society strategies, where two of its six sub-themes were downweighted, and Future Technology to Future Planet, where Climate Action, Future Transport and Foodtech received a large part of the increase.

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