

Santander Prosperity

11 / 2023

Fund commentary

In November the fund delivered a solid performance in absolute terms, in line with global equities, and returning to the upward trend that was interrupted in August.

After three consecutive months of decline, global equity markets recorded their best month of the year, supported by market's conviction that central banks have reached the peak of their hiking cycles and by the decline in commodity prices after October's rally.

In absolute terms, sector wise, no sector had negative returns. Real Estate, Healthcare and Consumer Staples were the largest contributors for the month, while Technology and Financials being the main draggers. Regarding single names, the main positive contributors were Dexcom (30%), Chegg (32%, as the company announced a new buyback program), Vonovia (21%, big re-rating of the real estate sector as bond yield fell sharply), NVIDIA (15%) and Leg Immobilien (23%), while Unicharm (-5%, following disappointing 3Q results weighted by slowing China business), Laureate Education (-3%), Merck (-1%), Kahoot (0%), and West Japan Railway (0%) were the biggest detractors.

The fund has a clear social objective, investing in companies that generate a minimum of 30% of their revenues in activities linked to the United Nations' Sustainable Development Goals, with a special focus on three long-term growth megatrends: Health & Well-Being; Food & Nutrition; Education & Financial Inclusion. Considering these trends, the manager implemented a relevant change in the portfolio during the month, by selling the position in Sanofi, after the recent guidance downgrade done by the company and opened a new position in Convatec, UK Medtech company focused on chronic disease care.

The fund currently has a 98.1% exposure to equities, with a diversified footprint throughout Europe, US, Japan and Latam.

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In terms of sector position, due to the fund's intrinsic thematic biases the manager holds a majority allocation to the Health Care, Consumer Staples and Real Estate sectors.

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