

Santander Prosperity

10 / 2024

Fund commentary

In line with global equity markets, Santander Prosperity delivered a negative performance in absolute terms during the month.

October was a weak month across all equity markets (the MSCI World fell by -2.24%) mainly due to the market discounting a more gradual pace of Fed policy easing, given the resilience of the US economy, uncertainty related to the US elections, especially on fiscal matters, and increased geopolitical tension in the Middle East.

In absolute terms, sector wise, Consumer Discretionary, Financials and Technology were the main positive contributors for the month, while Consumer Staples, Health Care and Real Estate were the main draggers in terms of performance. Regarding single names, the main positive contributors were NVIDIA (9%, investors back again on the artificial intelligence investment trend after some positive comments from peers during Q3 reporting), Stride (9%, the stock jumped on better-than-expected Q3 results and guidance upgrade), Gentera (13%, 3Q solid beat on strong revenue trends), Pearson (8%) and Otsuka (8%). While Regeneron (-20%), Segro (-14%), Vonovia (-10%, Real Estate sector dragged by higher bond yields), Elia (-17%) and Colgate (-9%, weaker than expected 3Q results) 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 relevant changes in the portfolio. New portfolio positions were opened in Mercado Libre, leader in digital payments in Latam, Salmar, global salmon producer, Coca-Cola Femsa, Vertex, US pharma with the best cystic fibrosis franchise, Danaher, First Solar and Equinix. At the same time, the manager sold portfolio positions in Grupo Bimbo, Amplifon, Edwards Lifescience, Daichi Sankyo, Azbil and Kimco, among others.

The fund currently has a 97% exposure to equities, with a diversified footprint throughout Europe, US, Japan and Latam.

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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For product information, please contact Santander Asset Management Luxembourg S.A. (43, Avenue John F. Kennedy L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the UCITS under the supervision of the Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the UCITS is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

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