

Santander Future Wealth

5 / 2023

Fund commentary

May was a month focused on the US debt ceiling debate which put significant upward pressure on American curve interest rates during the second half of the month since it was coming to an end with no sign of a definitive agreement between the different parties. The fear of a repeat 2011 scenario, when the specter of a technical default on existing Treasury debt roiled financial markets, was quoted as the main catalyst for this move. On the macroeconomic front, inflation figures in Europe and the U.S. improved slightly on energy prices, but core continued at historically still elevated levels. This added further fuel to bond corrections during the month. Meanwhile, manufacturing indicators showed renewed signs of a slowdown on both sides of the Atlantic, which overshadowed the recovery scenario. During the month, stock indexes remained flat or slightly negative, except for the U.S. technology index driven by investors looking for companies that can take advantage of the artificial intelligence revolution. The other exception was Japan, whose equity indexes reached new 30-year highs after the sharp rise experienced over the last few weeks. The US dollar strengthened in turn against major currencies.

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The fund closed the month in positive territory, benefiting from the good performance of the technology sectors, which have received a strong interest from the investment community, which has been attracted by the possibilities of Artificial Intelligence in the environments of many of these companies. All sub-strategies within the Future Technology theme contributed significantly to the fund's total return, with the Artificial Intelligence strategy standing out above all others, whose funds achieved a record month of performance. The Cybersecurity, Fintech and Internet of Things strategies also stood out during the month, all presenting very positive revaluations. In terms of positioning, during the month of May the fund has slightly reduced its exposure to Planet and Society of the Future, specifically through Asian Consumers, and has increased its exposure to Technology of the Future through Artificial Intelligence.

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