

Santander Prosperity

1 / 2024

Fund commentary

In January the fund delivered a slight negative performance in absolute terms, falling short of a more upbeat tone from global equity markets.

In January global equity markets finished overall slightly positive. However, during the month the high market expectations for rate cuts were cooled off by the Fed delivering a more hawkish message than expected and geopolitical tensions increased with the situation in the Red Sea getting worse.

In absolute terms, sector wise, Technology, Health Care and Consumer Staples were the largest positive contributors for the month, while Real Estate, Consumer Discretionary and Industrials being the main draggers. Regarding single names, the main positive contributors were Nvidia (24%, trend in artificial intelligence is back), Intuitive Surgical (12%, announced worldwide da Vinci procedures grew by +22% in 2023), Merck & Co (11%), IBM (12%) and Boston Scientific (10%), while Grifols (-29%), Chegg (-13%), Airtel Africa (-14%), Acciona (-10%, dragged by lower European power prices) and Grupo Bimbo (9%) 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 did not implement relevant changes in the portfolio during the month, and just decreased the allocation to the Spanish healthcare company Grifols for fear of excessive volatility after the doubts caused by the Gotham report.

The fund currently has a 95.5% 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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