

# Santander Prosperity

4 / 2024

## Fund commentary

In April the fund delivered a negative performance in absolute terms, in line with global equity markets and marking a pause with respect to a stellar beginning of the year for equity markets.

After a great first quarter for equity markets, April was a month of red figures, with most markets in negative territory. This drop was caused by the return to the “high for longer” scenario, given the stronger than expected inflation data in the U.S. and the resilience of the economy, and fears of a possible escalation of the conflict in the Middle East

This month emerging markets outperformed developed ones, thanks to the good performance of the Chinese market, driven by its exposure to commodities.

In absolute terms, sector wise, Telecommunications was the only positive contributor for the month, while Health Care, Industrials and Consumer Staples were the main draggers in terms of performance. Regarding single names, the main positive contributors were Astrazeneca (12%, 1Q24 reassuring results, no guidance change and capital allocation policy confirmed), Stride (6%, company keeps beating numbers and getting market share), Daiichi Sankyo (8%), Boston Scientific (5%) and Merlin Properties (7%, investors betting now on data centers on continuing enthusiasm over AI), while Chegg (-32%; company keeps disappointing market consensus), Chugai Pharmaceutical (-16%), Sherwin-Williams (-14%), IBM (-13%) and Edwards (-11%) 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 implement relevant changes in the portfolio during the month by closing portfolio positions in Reckitt Benckiser and Bakkafrost, due to the salmon prices reaching too high prices, and opening new ones in Lion Corp, Japanese multinational manufacturer of oral hygiene products, and Merlin Properties, Spanish real estate company specialized on designing, building and managing data centers.

The fund currently has a 97.5% 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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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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