

Santander Prosperity

7 / 2024

Fund commentary

The fund delivered a solid performance in absolute terms for July, comfortably outperforming a more muted tone from global equity markets.

July proved to be a volatile month as markets digested a number of notable economic and political developments. A weaker than expected US inflation reading, combined with weaker US labour market data, heightened expectations of rate cuts, spurring a rotation into small cap stocks and other interest-rate sensitive equity names.

In absolute terms, sector wise, Consumer Staples, Real Estate and Industrials were the main positive contributors for the month, while Healthcare, Basic Materials and Technology were the main draggers in terms of performance. Regarding single names, the main positive contributors were Chugai Pharmaceutical (+24%, thanks to the approval by the European Commission of a new drug, in addition to some marketing agreements), Daiichi Sankyo (+19%), Sherwin-Williams (+18%), Otsuka (+23%) and Stride (+8%), while Dexcom (-40%, after disappointing earnings release and poor guidance), Edwards Lifesciences (-32%, weaker guidance for full year 2024), Nvidia (-5%), Amplifon (-11%) y Stora Enso (-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 managers didn't implement any relevant change in the portfolio during the month.

The fund currently has a 96.4% 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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