

# Santander Prosperity

12 / 2024

## Fund commentary

The fund delivered a negative performance in absolute terms for the month, dragged by the downbeat tone seen in global equity markets during the month.

December was a weak month for almost all equity markets after a spectacular year, mainly due to the market now discounting a more gradual pace of rate cuts by Central Banks, given more cautious than expected comments from governors and higher inflation expectations from investors due to the impact of potential measures by the new US Administration, especially in terms of tariff increases.

In absolute terms, sector wise, Telecommunications was the only positive contributors for the month, while Real Estate, Health Care and Consumer Staples were the main draggers in terms of performance. Regarding single names, the main positive contributors were Airtel Africa (8%, solid performance as the company started a new share buyback program), Pearson (4%, sell side analysts turning more positive for 2025), Kikkoman (7%), Chugai Pharmaceutical (6%) and Qiagen (4%). While Sherwin-Williams (-15%, sector dropped as interest rates rose), Mercado Libre (-14%), Novo Nordisk (-18%, after its CagriSema study felt short of expectations), First Solar (-12%) and Vertex (-14%) 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 an equity exposure of around 97%, 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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