

Santander Prosperity

1 / 2025

Fund commentary

The fund delivered a strong performance in absolute terms for the first month of the year, following the positive tone seen in global equity markets.

January was a strong start to the year for almost all equity markets mainly driven by three factors: the tariffs announced so far by the Trump administration were lower than expected, the ECB's rate cut, and strong Q4 earnings from U.S. companies.

In absolute terms, sector wise, Consumer Discretionary, Telecoms, Financials and Health Care

were the positive contributors for the month, while Energy, Technology and Utilities were the main draggers in terms of performance. Regarding single names, the main positive contributors were Stride (+30%, shares hit all-time high on better earnings and strong outlook), Airtel Africa (+27%, announced new buyback programme), Boston Scientific (+14%), IBM (+16%, stock pop on earnings beat, software growth and free cash flow outlook) and Dexcom (+12%), While Nvidia (-11% the leading maker of AI chips dropped after news that Chinese AI company DeepSeek developed an open-source large language model that competes with ChatGPT and uses less computing power), Elia Group (-12%), First Solar, (-5%), Kikkoman (-7%) and Nissin Foods (-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 implement a relevant change in the portfolio during the month, with position in American Public Education Inc, a mission-driven provider of higher education to working adults with a proud history of serving the military, public service and nursing communities.

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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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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