

Santander US Equity ESG

2 / 2025

Fund commentary

During February, global financial markets experienced significant volatility, largely due to the battery of measures announced by the new administration of US President Donald Trump. The announcement of new tariffs and protectionism have generated uncertainty in the international economic outlook, affecting both developed and emerging economies.

By mid-month, the S&P 500 stock index had accumulated gains for the year of close to 5%, but turned around, losing -1.3% in the month of February and ending the year with a moderate rise of +1.4%. Sectors such as manufacturing and technology have shown signs of slowing, anticipating possible disruptions in supply chains and rising costs. The hardest hit sectors were consumer discretionary, communication services and technology, while consumer staples, energy and real estate achieved positive returns.

Regarding fund management, in the middle of the month we took advantage of market rallies to move part of the fund's quarterly protection upwards, helping to protect the portfolio from month-end declines. The fund closed February with a decline of -0.4%, which represents only 30% of the market decline. For the year-to-date, it has a positive return of +1.4%, similar to that of the index. We thus face March with half of the fund protected against falls of up to -6% and the other half hedged against falls of between -5% and -20%. To finance these hedges, we would have half of the fund limited to maximum rises of +3% in the month and the rest free to participate in the event of a very bullish month.

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