

# Santander US Equity

5 / 2025

## Fund commentary

The fund closed the month of May with a very strong absolute performance, also outperforming its benchmark index.

May was a month of clear recovery for financial markets, following the sharp declines in March and the volatility seen in April. The rebound was driven by easing trade tensions between the U.S. and its strategic partners, strong macroeconomic data in both Europe and the U.S., and more stable interest rate expectations.

In this market environment we would like to highlight the Santander US Equity fund, is an actively managed North American equity fund, with the S&P500 as its benchmark. This is an Article 8 fund incorporating sustainable investment criteria. The fund targets large companies, with a significant capitalization, good business prospects and always thinking in the long term. We seek to put together a diversified portfolio without any specific bias, but with a flexible investment style always trying to capture the best opportunities at any given moment.

On a relative basis, the main contributors during the month were the overweight and stock selection in the technology sector (thanks to portfolio holdings such as Microsoft, Shopify, Broadcom, and Netflix, among others), as well as stock selection in financials (notable performers include Morgan Stanley, Goldman Sachs, and Bank of America) and consumer discretionary (Elf delivered solid returns following earnings). On the negative side, the main detractors were the underweight in utilities and energy sectors, as well as positions in basic materials (CRH and Sherwin Williams).

In terms of portfolio changes, within the industrial sector, we initiated new positions in GE Aerospace (with a strong position in the aerospace and defense sector, poised to benefit from increased NATO-related spending) and Trane Technologies (a leader in the HVAC niche, supported by strong tailwinds from the push for energy efficiency in data centers), while exiting our position in Paccar. In technology, we initiated a new position in Marvell (focused on the design, development, and sale of semiconductors across sectors, benefiting from the global growth in AI and data infrastructure), while trimming our overweight exposure to Nvidia and T-Mobile. In the pharmaceutical sector, we reintroduced United Health into the portfolio (recent weak performance has created an attractive entry point), and we also increased our position in Eli Lilly. With a more defensive profile, we opened new positions in Welltower (a REIT specializing in healthcare real estate and assisted living for seniors) and Constellation Energy (benefiting from the growing adoption of nuclear energy by data center operators), while exiting our position in Sherwin Williams. Lastly, we initiated a small position in the U.S. cosmetics company Elf, which competes in the mass beauty category.

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Currently, the fund holds an equity exposure of around 96%. In terms of sector positioning, the largest overweight come from the Technology, Materials and Financials sectors. The largest underweights come from the Consumer, Energy and Real Estate sectors.

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