

# Santander US Equity

7 / 2025

## Fund commentary

The fund closed the month of July with a very positive absolute return, outperforming its benchmark index.

July was generally a month of gains for global equities, continuing the positive trend of previous months, especially in the US and emerging markets. This positive trend was due to strong results from US companies and tariff agreements reached between the United States and several major economies.

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 Consumer Cyclical (Tapestry, Amazon) and Financials (Citigroup, JP Morgan). On the negative side, the biggest detractor was positioning in Technology (underweight in Palantir, overweight in Netflix) and the underweight in Utilities.

In terms of portfolio changes, within the Consumer sector, we implemented a shift in preference by opening a new position in Colgate and selling position in Mondelez, where we are concerned about the high prices of cocoa. In addition, we removed ELF from the portfolio after the excellent performance of the stock and built a position in Estee Lauder, which is attractively valued. In the Utilities sector, we built a position in Nextera Energy, one of the largest US electricity companies, which is well positioned to grow by taking advantage of the acceleration in electricity demand, and we sold DTE Energy. In the industrial sector, we bought CSX, due to the sector's positive dynamics. We reduced our bet in Netflix slightly. Finally, after many months of underweighting, we neutralised our position in Apple, as it has performed very poorly, and we believe it is starting to show signs of recovery in China.

Currently, the fund has an equity exposure of around 97%. In terms of sector positioning, the largest overweights are in financials, industrials y consume No-Cyclicals. Meanwhile, the largest underweights are in consumer cyclicals, energy, and Health Care sectors.

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