

Santander US Equity ESG

4 / 2025

Fund commentary

The fund closed April with negative performance in absolute terms, comfortably outperforming its benchmark index.

April was one of the most volatile months in recent times, marked by a massive market sell-off following the announcement of "reciprocal tariffs." However, the situation gradually stabilized as the Trump administration was forced to scale back the impact of its measures due to market pressure.

In this market environment we would like to highlight the Santander US Equity ESG 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 underweight in the Healthcare sector (especially underweight in UnitedHealth), positions in Technology (underweight in Apple and Broadcom, and overweight in Netflix and ServiceNow) and underweight in Consumer Non-Cyclicals. On the other side, the biggest detractor was position in US MID CAP ETF, which has been heavily penalized by fears of a recession in the US.

In terms of portfolio changes, we add two new companies to the portfolio: S&P Global Inc within Financial Services (Smartly diversified company, with premium organic growth as well as margin expansion over the medium term), and Mondelez within Consumer Non-Cyclicals (well-positioned among its peers given its exposure to higher-growth geographies and strong brands with demonstrated pricing power). In addition, the position in US MID CAP ETF and in the energy company Chevron were sold, and we reduced position in Citigroup and Goldman Sachs.

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 Healthcare, Real Estate and Utilities sectors.

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