

Santander Prosperity

10 / 2025

Fund commentary

The fund delivered a slightly positive performance in absolute terms for the month, lagging slightly behind the upbeat tone in global equity markets.

In October, equity markets showed remarkable resilience in the face of volatility stemming from the trade war, tariffs, and geopolitical tensions. These factors were offset by a strong start to the earnings season and a partial de-escalation of conflicts. The S&P 500 reached new record highs despite the US government shutdown.

In absolute terms, sector-wise, Technology, Health Care and Industrials were the main positive contributors for the month, while Educational Services, Real Estate were the main draggers in terms of performance. Regarding single names, the main positive contributors were Nvidia (announced new deal with Nokia), Intel (after beating 3Q revenue expectations), Airtel Africa (and Intuitive Surgical. While Stride (Results below estimates), Unite Group (initial occupancy levels below expectations), Duolingo, American Public Education and Gentera (Results and guidance below consensus) 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 manager implemented some changes in the portfolio during the month. Position is building in Gilead (Biopharma company that develops and commercializes innovative medicines for diseases) and AMD (semiconductor company that designs and produces computer processors, graphics cards, and related technologies for PCs, servers and gaming devices). We undo Dexcom and Merck positions.

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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