Santander Asset Management

Santander US Equity

Marketing Communication

8 / 2025

Fund commentary

The fund closed August with a slight positive return in absolute terms, falling behind its benchmark index.

August was generally a positive month for risk assets, with gains in Equities and Credit, amid resilient activity data, inflation under control, and expectations of greater monetary flexibility. The focus of the month was on the annual Jackson Hole meeting, where Fed Chairman Jerome Powell signaled a shift in the balance of risks following the recent moderation in the labor market, consolidating bets on rate cuts in September.

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.

In relative terms, the biggest positive contributors during the month were the selection of stocks in basic materials (CRH) and energy (Schlumberger), as well as the overweighting in the financial sector. On the negative side, the biggest detractors were the selection of stocks in the healthcare sectors (Vertex and Dexcom performed poorly after their results, Eli Lilly published worse data in a study on obesity, as well as being short in United Health, which rose sharply after Berkshire's entry into the capital), consumer cyclicals (Tapestry fell after its Q2 results, while the short position in Tesla continues to weigh) and industrials (Eaton and Trane Technologies saw some profit-taking after stellar performance so far this year).

As for portfolio changes carried out during the period, within the consumer sector, we divested our position in Aramark, a US catering services company, as its strong performance in recent quarters reflects all the positive outlook in its current valuation. We also divested our position in Tesla following its quarterly results, within the automotive niche, as we believe it continues to be highly valued and has few catalysts ahead. In media companies, we also diversified our exposure, partially reducing our position in Netflix and opening a new one in Disney, where the dissipation of structural problems and the solid momentum of both streaming and new content creation will accelerate the revaluation of shares in the medium term. Finally, in the pharmaceutical sector, we partially reduced our position in Iqvia.

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Currently, the fund has an equity exposure of around 97%. In terms of sector positioning, the largest overweights are in the financial, technology and industrial sectors. Meanwhile, the largest underweights are the pharmaceutical, consumer cyclical and energy sectors.