

Santander US Equity Hedged

11 / 2024

Fund commentary

The S&P500 closed November up +5.8%, standing at +28% for the year. The US index is outperforming all other geographies, accelerated after Trump's victory, beating the MSCI World ex-USA index by 7% and 20% on the year. Unlike the start of the year, where the rise of the S&P500 was driven by the Magnificent 7, we have had a few months where the participation of other companies has been high, with 75% of companies in positive territory this month and 2/3 trading above their 200-session averages. By sector, gains in consumer discretionary, financials and energy stand out, while materials and healthcare lag.

Santander Equity Hedged had its best month since launch, up +4.4%, capturing 77% of the index's gain. As we pointed out in the previous commentary, we started the month only selling 50% of CALL options so as not to slow the fund down too much in the event of strong market rises, as has finally occurred. At these levels we found it attractive to complete the sale of CALLs and use part of the premium earned to add more hedges and protect the fund from moderate pullbacks (>3%) from current market levels.

The fund's appreciation stands at 18.1% since the fund's inception at the end of January 2024, perfectly fulfilling the product's design: it captures 75% of the market's rise, with 1/3 less volatility. It is worth noting that in bad market times it suffered only half the index's drawdown (-4.3% vs. -8.2%).

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For product information, please contact Santander Asset Management Luxembourg S.A. (43, Avenue John F. Kennedy L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the UCITS under the supervision of the Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the UCITS is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

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