

Superfondo Renta Variable

Profile

Superfondo Renta Variable is a stock's fund that seeks to maximize the return on investments through the selection of Argentine stocks that better reflect economic expectations whose benchmark is the S&P Merval. The Fund started operations in May 1995 and at the date of analysis (07-29-22) net asset was \$5.572 million.

Rating Drivers

Rating. The Fund's rating responds mainly to an Asset Manager considered strong in its qualitative assessment. Likewise, its adequate risk-adjusted performance against its comparable ones in the last three years and its low relative tracking error were considered.

Strong Positioning. Santander Río Asset Management G.F.C.I.S.A. started operating by the end of 1994. It is the second Asset Manager with 10.6% market share and manages equity of \$552.572 million (Aug'22). In addition, the Custody Agent is Banco Santander Argentina S.A., entity rated by FIX (affiliate of Fitch Ratings) at AAA(arg) Stable outlook and A1+(arg) for long and short term indebtedness, respectively.

Consistency in the investment process. The Asset Manager's philosophy is based on three pillars: focus on fundamental analysis, teamwork based on processes, and strict control of performance and Risk metrics. The investment style combines a Top-Down analysis for the selection of the sectors with the best prospects together with a Bottom-Up analysis for the selection of stocks in particular.

Adequate resources for management. The entity has two portfolio managers who are exclusively dedicated to the management of the group's Variable Income Funds, who, as well as the rest of the investment committee members, have extensive experience in asset management.

Appropriate Control of the Risk Area. The Asset Manager has a Management Manual that contains the guidelines that each fund must follow when being managed and with a standardized process for selecting shares. In addition, the Risk area is independent and develops different controls to monitor compliance with internal policies and regulatory requirements. If deviations are observed, it is recorded in memorandums.

Appropriate operational framework. The asset manager's and Fund's auditor is Ernst & Young. Meanwhile, for the fund management system, the Asset Manager has adopted the Aladdin system (system used globally by the Asset Manager), while accounting, like most Funds in the industry, is carried out in the Visual Funds system (ESCO). The high liquidity of most assets that make up the portfolio (shares that make up the MSCI Merval index), makes sure that the reflected price is the market one and mitigates the valuation risk (there is no single price provider).

Adequate performance. When analyzing the performance and risk variables on a daily basis for the last three years of the Fund's operation, it is concluded that it presents an adequate performance, compared to funds with similar investment objectives and its benchmark.

Full Rating Report

Ratings

Rating AAc(arg)

General Information

Superfondo Renta Variable	
07-29-2022	
Asset Manager	Santander Río Asset Management G.F.C.I.S.A.
Custodian	Banco Santander Argentina S.A.
Net Assets	\$5.572.330.847
Inception Date	May-95
Redemption	48 hours

Applicable Criteria

[Fixed Income rating methodology, registered to the National Securities Commission.](#)

Related Reports

[Superfondo Renta Variable](#)

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Fund Features

Superfondo Renta Variable is a variable income fund in pesos that invests in the local market and its benchmark is the S&P Merval.

Due to internal guidelines, the Fund may have a deviation per asset of up to +/- 10% with respect to its benchmark and the sum of weighted positive deviations may not exceed 12%. Both limits may reach 20% and 12% respectively with the authorization of the Risk Committee. It is noted that these limits may be exceeded with the authorization of the Investment Manager to carry out arbitrations within the same economic sector, provided that the total limits of the sector are met.

Finally, the Fund may invest up to 10% of its assets in investments that do not belong to its benchmark. That limit may rise to 20% with the authorization of the Investment Manager and 30% with the authorization of the Risk Committee. These investments may only be made in companies whose cash generation comes mainly from operations in Argentina.

Portfolio Analysis

At the date of analysis, the Fund had the following characteristics:

Moderate to high concentration by sector. As of the analysis date (07-29-2022), the economic sectors with the greatest concentration were: Financial for 33.1%, Energy for 29.3%, Basic materials for 19.8%, Others for 6.4% and Holding for 4.1%. The rest of the investments represented less than 4.0% of the portfolio each.

High concentration by issuer. As of 07-29-2022, the highest concentrations corresponded to Grupo Financiero Galicia for 14.6%, Ternium for 11.7%, YPF for 10.6%, Pampa Energía for 9.9%, Central Puerto for 8.8%, Banco Macro for 7.2%, Banco Santander Argentina for 5.8%, and ByMA for 5.2%. The rest of the investments represented less than 5.0% of the portfolio each.

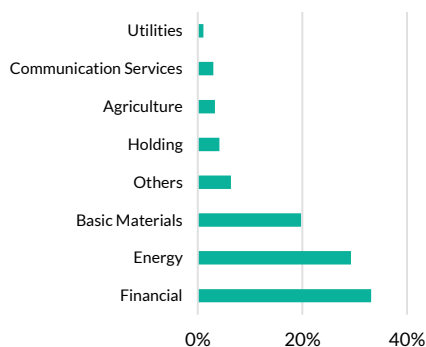
The concentration by sector and by issuer is in line with its benchmark and funds with a similar investment objective.

Meanwhile, the portfolio's instruments corresponded to shares for 95.7%, and to availabilities for 4.3%.

High concentration per shareholder. As of 07-29-22, the main shareholder held 21.1% and the first five held 46.8% of the assets.

Main Sectors by July 2022

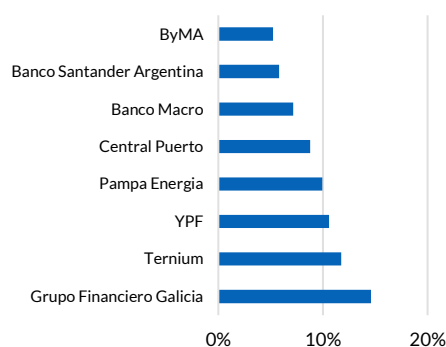
(As % of total assets)



Source: Own estimates, based on data from C.A.F.C.I

Main Investments by July 2022

(as % of total assets)



Source: Own estimates, based on data from C.A.F.C.I

Qualitative Assessment

Santander Río Asset Management G.F.C.I.S.A. started operating by the end of 1994. It is the second Asset Manager with 10.6% market share and manages equity of \$552.572 million (Aug'22). In addition, the Custody Agent is Banco Santander Argentina S.A., entity rated by FIX (affiliate of Fitch Ratings) at AAA(arg) Stable outlook and A1+(arg) for long and short term indebtedness, respectively.

Investment Process

The Asset Manager's philosophy is based on three pillars: focus on fundamental analysis, process-based teamwork (as opposed to the Star Portfolio Manager) and strict control of performance and Risk metrics.

The investment style begins with a Top-Down analysis (from Macro to Micro), where a macro analysis is made at an international, Latin American and local level using synergies with the local bank and with the Asset Manager internationally. This analysis allows the identification of the over and under weighting of the sectors with the best prospects by type of asset, region, and within Argentina.

Then, the analysis is complemented with a Bottom-Up analysis (From Micro to Macro), which is used to choose those shares with the best prospects. The choice of shares is based on a combination of valuation and ratio analysis, although the latter is currently preferred.

In the first case, they make projections on the companies they have in the portfolio, for which they make visits and calls with the companies and are also based on third-party research. Meanwhile, in the analysis of ratios, these are compared at a local and regional level and mainly consider market capitalization, FV/EBITDA, P/BV and P/E among others.

It has two types of committees: of investments and of risk. The investment committee meets fortnightly and decides the limits to be assigned, the line of credit per asset or per banks, etc.

The risk committee meets permanently, including via telephone conferences, with the rest of the Santander group companies around the world. There is a great synergy among the group's Asset Managers located in Latin America and Europe.

On the other hand, internally, the Company has a management manual for each managed fund, and a strict daily control is carried out on each one to determine the possible deviations of each portfolio. It also has a standardized share selection process. It should be noted that the risk area is independent and in case of deviations, they are recorded in memorandums.

Resources-Staff and Technology

The Administrator has an appropriate staff structure for the management of this Fund. It has two portfolio managers who are exclusively dedicated to the management of the group's Variable Income Funds, which, as well as the rest of the investment committee members, have extensive experience in asset management.

The exclusive dedication to the Variable Income Funds by the portfolio managers is seen as positive and a differentiating element, since in most Funds, as a result of the low share of the Variable Income Funds in their total assets, the portfolios must also manage Fixed Income Funds, or carry out other tasks, which takes time and dedication to their management.

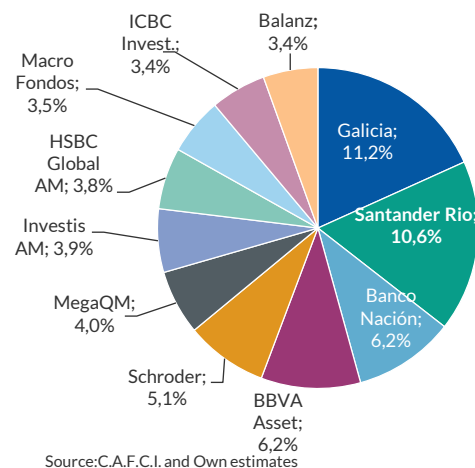
The Asset Manager has an adequate technological infrastructure to support the management of the Fund, made up of systems and tools developed both internally and externally.

To monitor the market, there are third-party technology platforms such as Bloomberg and Reuters.

Operational analysis

The auditor of the Asset Manager and the Fund is Ernst & Young. Meanwhile, for the fund management system, the Asset Manager has adopted the Aladdin system (system used by the Asset Manager globally) that allows robust limit control, asset price validation and automatic pre-trade simulation. for portfolios. Likewise, the accounting of the funds, like most Funds in the industry, is carried out in the Visual Funds (ESCO) system.

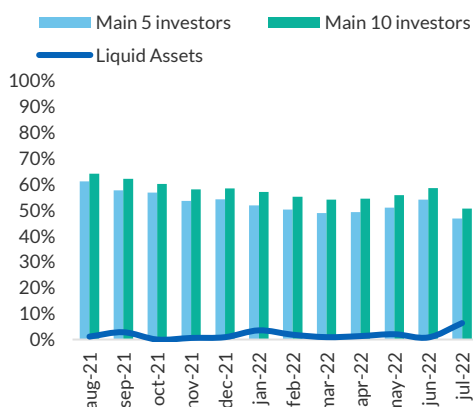
Investment Fund Managers
 (figures as % of total assets as of Aug'22)



Liquidity risk

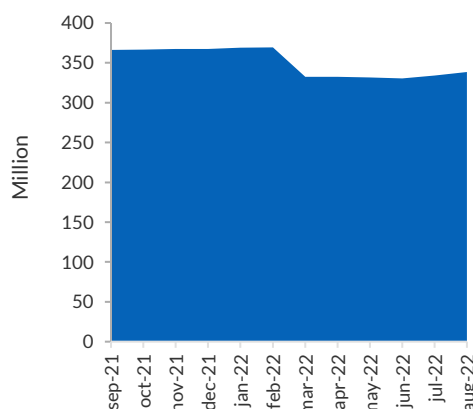
As of 07-29-22, the Fund shows a high liquidity risk. The main shareholder held 21,1% and the top five 46,8% of the Fund's assets. Meanwhile, liquidity (sovereign titles plus availabilities) reached 6,4% of total portfolio. However, it is worth mentioning that the indicator does not contemplate variable income instruments having usually an active volume of operations in the secondary market.

Portfolio Liquidity



Source: Own estimates, based on data from C.A.F.C.I

Quotas

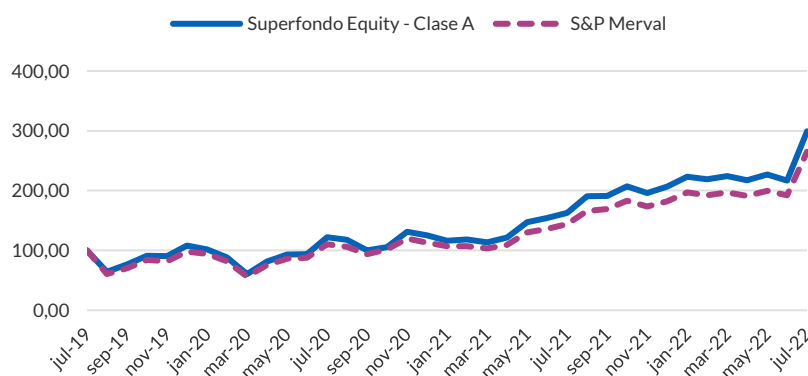


Source: Own estimates, based on data from C.A.F.C.I

Financial performance

The monthly return as of 07-29-22 was 37,9% for Class A. Meanwhile, the annual return was 44,1% for the same class, in line with its peer group's performance.

Nominal Growth of Quota Value (base 100=Jul'19)



Source: Own estimates, based on data from C.A.F.C.I

Rating Determination

The Fund's rating responds mainly to an Asset Manager considered Strong in its qualitative assessment. Likewise, the adequate risk-adjusted performance presented by the Fund against its comparable ones in the last three years and its low relative tracking error were considered.

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