

Santander US Equity

3 / 2026

Fund commentary

The fund ended March with a negative absolute return, broadly in line with its reference benchmark.

March marked a sharp reversal in global equity markets, with a significant increase in risk aversion. The deterioration in sentiment was driven by the escalation of geopolitical tensions in the Middle East, the sharp rise in oil prices and growing concerns around the outlook for growth and inflation. At the same time, volatility increased in technology, as the market reassessed the returns on AI-related capex and questioned demand visibility in certain segments.

In relative terms, the main positive contributors during the month were consumer discretionary and industrials. In consumer discretionary, Amazon stood out, benefiting from a rotation within large-cap technology towards more defensive growth profiles, supported by the resilience of AWS and advertising. In addition, not holding Tesla contributed positively, as the stock remained under pressure due to ongoing demand concerns. In industrials, stock selection added value through names such as Waste Management and CSX, which showed greater resilience than peers due to their defensive characteristics and better earnings visibility. Financials also contributed positively, supported mainly by Citigroup and JPMorgan.

On the negative side, energy, utilities and healthcare detracted from performance. In energy, the main headwind came from stock selection, as SLB underperformed in a month where the market rewarded companies with higher exposure to the oil price rally. In utilities, Constellation Energy weighed on performance, impacted by increased regulatory uncertainty and concerns around demand visibility linked to data centers. In healthcare, Eli Lilly and Vertex were the main detractors, with Lilly affected by a change in market recommendation.

In terms of portfolio activity, we reduced exposure to consumer discretionary by exiting Disney and Hasbro, and initiated a position in Aramark. In consumer staples, we rotated from Procter & Gamble into Mondelez. In financials, we reduced exposure to private credit and investment banking, exiting KKR and Capital One, while increasing JPMorgan. In industrials, we increased exposure to defense through L3Harris. In technology, we added Netflix and initiated Synopsys, while taking profits in several semiconductor names. Finally, we initiated positions in Newmont and AstraZeneca.

The fund currently maintains an equity exposure of around 98%, with overweights in technology, basic materials and healthcare, while its underweight in consumer cyclicals, utilities and financials.

This document has been prepared by Santander Asset Management Luxembourg S.A. in relation to one or more Luxembourg undertakings for collective investment in transferable securities ("UCITS") under its management, under and in accordance with the UCITS Directive, and is provided solely in confidence for the recipient for the specific purpose of evaluating a potential investment or an existing investment in a UCITS managed by Santander Asset Management Luxembourg S.A.

This document is a marketing communication. Please refer to the prospectus of the UCITS and to the key information document ("KID") or for UK investors the key investor information document ("KIID") before making any final investment decisions, purchasing or converting shares or redeeming investments, together with the list of countries where the UCITS is registered for sale, available at www.santanderassetmanagement.lu or via authorized intermediaries in your country of residence.

This document is intended to provide information that summarizes the main characteristics of the UCITS and under no circumstances constitutes a contractual agreement or an information document required by any legislative provision. It is not a recommendation, personalized investment advice, an offer or solicitation to buy or sell any shares in the UCITS described in this document. Likewise, the distribution of this document to a client, or to a third party, should not be regarded as a provision or an offer of investment advisory services.

The UCITS described in this document may not be notified and registered for marketing in all EEA Member States under the UCITS Directive marketing passport and Santander Asset Management Luxembourg S.A. and/or the UCITS has the right to terminate the arrangements made for marketing of the UCITS in certain jurisdictions and to certain investors in accordance with applicable laws and regulations, including the UCITS Directive provisions.

It has not been proven that the data contained in this document meet marketing requirements of all countries of sale. The UCITS described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. This UCITS may not be directly or indirectly offered or sold to or for the benefit of a United States Person under FATCA regulation (Foreign Account Tax Compliance Act), in line with the selling restrictions of the prospectus of the UCITS.

Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations relative to the respective investors' currency.

Investment in the UCITS may be subject to investment risks, including but not limited to, market risk, credit risk, issuer and counterparty risk, liquidity risk, foreign currency risk and, where applicable, risks pertaining to emerging markets. Additionally, if the funds hold investments in hedge funds, real estate funds, commodities and private equity, it should be noted that these can be subject to valuation and operational risks inherent in this type of assets and markets as well as the risk of fraud or risk derived from investing in unregulated or unsupervised markets or unlisted assets. Complete information on the risks can be found in the relevant "Risk Factors" section of the UCITS prospectus and KID (or KIID for UK investors), which should be consulted and read by the investors.

This UCITS has a prospectus (which is drafted in English), a KID (drafted in English and other languages depending on the country of registration of the UCITS) and a KIID for UK investors (drafted in English), which can be obtained from www.santanderassetmanagement.lu

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).

Prior to investment in the UCITS it is advisable that the investor seeks personalized advice regarding taxation as it depends on the individual circumstances of each investor and may change in the future.

Investors can obtain a summary of investor rights in English from www.santanderassetmanagement.lu

Information herein is believed to be reliable. Santander Asset Management Luxembourg S.A. assumes no responsibility for any use of the information contained herein.

© Santander Asset Management Luxembourg S.A. All Rights Reserved.