

# Santander GO Global Equity ESG

1 / 2024

## Fund commentary

Market developments:

As the scoreboard went back to zero at the start of the year, all eyes were on what headlines could continue the bull run or, on the contrary, might ruin the party. At the end of the month, again the bull camp won, as global equity markets moved higher (+2.9% in EUR; +1.2% in USD). The market leadership we saw traces of in December, however, failed to come through this time. Similar to large parts of 2023, most performance was again carried by mega cap Tech, AI joy and GLP-1 news flows. Against the context of the same discussions around rate cut speed, geopolitical flashpoints and a potential China rebound, the same cohort of names beating the rest of the pack look eerily similar as well. One could argue market movements were not only driven by the US giants as several European bellwethers also reported solid numbers that helped the index higher. It does beg the question how much more dispersion between the winners and the rest we can expect. As per usual, we anxiously await the upcoming results season to give more insights into such a potential reshuffling.

Largest holdings:

Back as our top active position is Visa, as we believe it continues to benefit from the secular shift away from cash as well as from the rebound in cross-border transactions. We also still like the name as we do not think that there will be significant impact from the renewed discussion on interchange fees. Thermo Fisher is our second largest active position, which is a US life sciences toolmaker with arguably the best operating track record in the healthcare tool space. In combination with compelling valuation and signs that end-market weakness is bottoming out, means the set-up for Thermo Fisher to outperform is attractive. Alphabet completes our top-3 active positions, with the shares still reasonably valued. With leading positions in Search, Cloud and the investments into its AI platform, we believe Alphabet has a long runway for growth with attractive returns.

Performance:

In the month of January, the portfolio had both a strong absolute and relative performance versus the benchmark. Sector-wise, our positioning in Consumer Discretionary, Technology and Industrials helped performance most, while

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](http://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](http://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](http://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.

Energy lagged during the month. On a stock level, Eli Lilly moved up on rising optimism around its Mounjaro and Zepbound GLP-1 products targeting obesity patients, a market where growth prospects keep on being adjusted upwards. Japanese industrial powerhouse Hitachi was another strong performer in January, posting good results and upped guidance across all its divisions, in particular its Energy business that continues to see solid order growth. Furthermore, the cyber security theme saw some renewed interest with the likes of Fortinet benefiting from overall better sentiment.

On the flipside, real estate services company CBRE Group dropped back along with other rate sensitive stocks as yields moved sideways on uncertainty around the depth and timing of rate cuts. Another weak performer during January was Cheniere Energy, given a mild winter and already high gas storage levels. This will likely not necessitate new large spot orders that the company benefited from last year.

#### Portfolio changes:

In January, we sold sports goods bellwether Nike as we think the name is too expensive after its guidance cut to no revenue growth. Even though we don't think the story is necessarily broken, we simply see better alternatives elsewhere such as in healthcare names AbbVie and Haleon. We also

sold out of chip maker Infineon, which given its industrial and automotive end-market exposure, in combination with recent profit warnings from peers, also seems at risk. Instead, we used proceeds to add to higher conviction names such as Broadcom, Meta Platforms and Check Point.

#### Management expectations:

Even though we saw glimpses of a market broadening late last year, the January rally failed to follow through on that. The winning basket for much of 2023 took charge of markets once again. At this point we don't any fundamental reasons why these winners will stop being winners. The narrow set of world class companies having deep moats, high quality earnings and plenty of growth levers up their sleeve are likely to stay. In terms of valuation one could argue such stocks are getting pricey, but there's a reason investors want to pay up for Quality: stability. The market is anxiously looking at China, again, and ramifications for that on the broader industrial and metals complex, as a potential trigger for a cyclical rebound. Interestingly, oil prices continued to trade rangebound, even against a risky geopolitical backdrop, reflecting demand concerns more so than supply issues. In addition, as long as other macro indicators keep flatlining, we see no reason to change our tac in terms of portfolio positioning.

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](http://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](http://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](http://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.