

# Santander AM Euro Equity

12 / 2025

## Fund commentary

December closed with a positive return for global equities, albeit with significant regional dispersion: leadership shifted toward emerging markets and Europe, while the United States ended the month broadly flat. In terms of market dynamics, the month was characterized by a rotation toward financials and more cyclical sectors, supported by a still-resilient macroeconomic backdrop, a weaker US dollar, and renewed—albeit more selective—momentum in themes linked to artificial intelligence.

In this context, emerging markets outperformed developed markets (+2.99% versus +0.81% in USD). Among developed markets, the UK (FTSE 100 +2.26%) and the Euro area (EuroStoxx 50 +2.23%) ended the month strongly positive, while Japan (Nikkei 225 +0.26%) and the United States (S&P 500 +0.03%) finished close to flat.

In Europe, the main equity indices also closed the month firmly higher. The EuroStoxx 50 and the Stoxx 600 rose by +2.23% and +2.80%, respectively, and the MSCI Euro by 2.37%, bringing year-to-date gains to 21.20%, 19.80% and 23.7%.

At a sector level in Eurozone, December showed notable sector dispersion, although most sectors ended in positive territory. The best performers were Retail/Inditex (+15%), Banks (+8,2%), Insurance (+4,2%), Basic Resources (+4,1%) and Travel & Leisure (+3,6%). On the downside, the only sectors posting negative returns were Healthcare (-2,5%), Real Estate (-2,1%), Chemicals (-1,3%) and Food, Beverage & Tobacco (0%).

During the month of December Santander Euro Equity had a strong positive absolute return and outperformed its benchmark MSCI EMU Net Total Return.

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Sector allocation was flat, positive contribution being short Healthcare, Real Estate and Staples, but negative contribution being short Insurance and Basic Resources.

Positive performance on the stock selection side, main positive contributors included Allianz, Societe Generale, Banco Santander, Sopra Steria, Fresenius, Spie, BMW, Publicis, Adidas and Ryanair as well as being short Ferrari. Main detractors were Essilor, Airbus and Prosus, as well as being short Rheinmetall, Bayer, ASM International, Munich Re, Caixabank and Deutsche Post.

During the month of December, we sold Air Liquide on concerns about volumes performance in the near future and slightly increased Basf on attractive valuation and exposure to German infrastructure investment fund and lower European Gas prices (as an input cost), we also sell the position in Shell and bought Total but keeping the underweight position on the energy sector.

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