

Santander AM Euro Equity

6 / 2025

Fund commentary

June ended with strong gains in global equities consolidating a very positive first half. The MSCI World Index rose by +4.5% in the month (in USD), led by the U.S., where the S&P 500 reached new all-time highs driven by the strength of large tech companies and renewed appetite for AI-related assets.

In this context, emerging markets outperformed developed markets (+6.01% vs. +4.32% in USD). Among developed markets, there was a wide performance disparity, with Japan (Nikkei 225 +6.79%) leading, followed by the United States (S&P 500 +5.05%), the United Kingdom (FTSE 100 +0.04%), and lastly the eurozone (EuroStoxx 50 -1.12%).

European indices broke their positive trend from previous months and closed in negative territory in June. The EuroStoxx 50 and Stoxx 600 declined by -1.12% and -1.22%, respectively, and the MSCI Euro by -0.73% though they have gained 10.40%, 8.78% and 12.85% year-to-date. This correction was triggered by profit-taking in defensive sectors and trends that led in previous months, as well as increased political caution in Europe and some rotation toward the U.S. due to renewed tech optimism.

At the sector level, Energy (+6.5%), Construction & Materials (+2%), Utilities (1.83%), Technology (+1.5%) and Industrials (+1.40%) managed to stay in the green.

On the opposite side, the most punished sectors were: Food, Beverage & Tobacco (-6.3%), Personal Care, Drug & Grocery Stores (-6.3%), Consumer Products & Services (-5.35%), Autos (-4.34%), Chemicals (-3.98%).

During the month of June Santander Euro Equity had a slightly negative absolute return but outperformed its benchmark MSCI EMU Net Total Return.

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Sector allocation was neutral, positive contribution being short consumer discretionary and healthcare and long technology. Negative contribution being short energy and long staples.

Positive performance on the stock selection side, main contributors included Prosus, ASML, CVC, Vonovia, Heidelberg Material, Airbus and Spie, as well as being short LVMH, Danone, Sanofi, Rheinmetall, Dassault Systeme and D Boerse. Main detractors were Renk, D Telekom, DSM, ABI, Adidas and short position in Eni, Siemens Energy and Safran.

During the month of June, we sold the position in Gea after a fantastic performance reaching our price target, and bought Elis and Sopra Steria, both benefiting from a recovery phase.

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