

Santander Multi Index Ambition

12 / 2025

Fund commentary

In December, the S&P 500 closed flat. Although it reached new all-time highs during the month, profit-taking, partly linked to news of investment plans by some technology companies, limited its advance. For the year to date, the index has accumulated a gain of 16.4%, marking its third consecutive year of gains. In Europe, the tone was positive, with the Stoxx Europe 600 and the Euro Stoxx 50 reaching record highs. Globally, equities advanced 0.9% in the month, bringing the year-to-date gain to 20.6%. On the monetary policy front, the Federal Reserve cut interest rates by 25 basis points for the third time this year, while the ECB kept them unchanged. In fixed income, the main indices registered declines in December due to rising yields, both in the US and the Eurozone, particularly for longer maturities. In this context, Isabel Schnabel's statements hinting at a possible future interest rate hike by the ECB put pressure on the markets, although investors assign a low probability to this scenario and expect it to occur no earlier than the end of 2026. Despite this, fixed income closed 2025 with gains for the third consecutive year, with credit performing particularly well. In the currency markets, the euro appreciated by 1.3% against the dollar in December, accumulating a 13.4% gain for the year.

In equities, the fund closed December with an exposure of 76.8%, similar to the level recorded at the end of the previous month. Throughout the period, we maintained a balanced allocation across the main regions, with holdings in the United States, Europe, and Japan, which has allowed us to maintain adequate geographical diversification. In a market environment that continued to show a constructive tone, especially in developed countries, we opted not to make any significant changes, prioritizing the stability of our positioning. This strategy reflects a prudent outlook, aimed at continuing to participate in the potential of the stock markets without assuming an additional increase in risk.

In fixed income, the portfolio duration stood at 1.12 years at the end of December, similar to the level of the previous month. The composition continued diversified, with a significant weighting in European government debt and European corporate credit, which contribute to overall stability, along with a tactical position in US sovereign debt. Overall, the fixed-income portfolio maintained a stable and balanced position, in line with the market environment.

In terms of currencies, the exposure to the US dollar closed the month at 41.1%, slightly lower than the previous month. This variation is explained by the movement in the foreign exchange market, specifically the appreciation of the euro against the dollar.

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