

Santander AM Euro Equity

1 / 2026

Fund commentary

January started the year with a clearly "risk-on" tone in global equities, with a very strong leadership from emerging markets and a broadening of the rally beyond the main winners of 2025. In this context, markets rewarded exposure to cyclical sectors and commodities/energy —partly driven by an improvement in the macro backdrop and a rebound in growth expectations— while the technology/AI theme remained a structural support, albeit with greater dispersion and selectivity. In Europe, market performance was consistent with this rotation towards cyclicals and financials, while the U.S. also advanced, though with a more moderate performance and a less concentrated contribution from mega caps.

In this context, emerging markets significantly outperformed developed markets (+8.85% vs. +2.24% in USD). Among developed markets, Japan stood out with a strong performance (Nikkei 225 +5.93%), followed by the UK (FTSE 100 +2.98%), the euro area (EuroStoxx 50 +2.76%) and the United States (S&P 500 +1.42%).

In Europe, the EuroStoxx 50 and the Stoxx 600 rose by +2.76% and +3.22%, respectively, and the MSCI Euro by 2.80% extending the positive momentum seen towards the end of last year.

At a sector level in Eurozone, January once again showed significant sector dispersion. Energy led the gains (+12.62%), followed by Technology (+9.9%), Utilities (+7.5%), Basic Resources (6.10%), Industrials (+4.6%) and Banks (+4.2%). On the downside, the weakest sectors were Consumer Products & Services (-7.36%), Media (-6%), Insurance (-5.65%) and Autos & Parts (-4.6%).

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

Sector allocation was positive, being long Technology and Utilities and short Consumer Product & Services and Insurance. Negative contribution being short Energy.

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Positive performance on the stock selection side, main positive contributors included ASML, Societe Generale, Banco Santander, Enel, EDP, Orange, Siemens Energy, Linde, Legrand, Leonardo, Indra, Heidelberg Materials and ABI, as well as being short SAP, Munich Re, D Boerse, Danone, Wolters Kluwer and Ferrari. Main detractors were Kering, Adidas, Fresenius and Spie, as well as being short Rheinmetall, Bayer, Arcelormittal and Deutsche Post.

During the month of January, we start reducing the position in Fresenius taking some profit after two years of solid performance, started a new position in RWE and reduce the short position in Rheinmetall.

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