

Santander AM Euro Equity

8 / 2025

Fund commentary

August was a positive month for risk assets, with gains in Equities and Credit, amid resilient activity data, inflation under control, and expectations of greater monetary flexibility. The focus of the month was on the annual Jackson Hole meeting, where Fed Chairman Jerome Powell signaled a shift in the balance of risks following the recent moderation in the labor market, consolidating bets on rate cuts in September.

In this context, developed markets outperformed emerging markets (+2.61% vs. +1.28% in USD). Among developed markets Japan (Nikkei 225 +4.06%) lead the pack, followed by the United States (S&P 500 +1.99%), the United Kingdom (FTSE 100 +1.22%) and the Eurozone (EuroStoxx 50 +0.64%, MSCI Euro +0,4%).

At the sector level in Eurozone, August showed great dispersion. Basic Resources (+7.4%), Autos & Parts (+4.9%), Luxury (+2.5%), Healthcare and Chemicals (+2.4%), and Banks (+2.35%) stood out on the upside. In contrast, the hardest-hit sectors were Media (-5.11%), Construction (-3.2%), Technology (-1.6%), and Industrials (-1.5%).

During the month of August Santander Euro Equity had a flat absolute return and underperformed its benchmark MSCI EMU Net Total Return.

Sector allocation was slightly negative, being short Autos and Healthcare and long Technology and Industrials. Positive contribution being short Energy.

Negative performance on the stock selection side, main detractors included Renk, CCEP, HBX, Munich Re and some French names like Axa, Vinci, Schneider and Spie, as well as being short BBVA, VOW and Ferrari.

Main positive contribution from Fresenius, Iberdrola, Enel, Orange, Kering, Santander, Prosus and ASML as well as being short Siemens Energy and Engie.

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During the month of August, we sold CVC and bought Legrand and Societe Generale on French market weakness after the politic uncertainty about confidence vote. We also start a new position in Kering on valuation, new management announcement and asset divestments and reduce the position on Hermes.

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