Santander
Private Banking

GLOBAL CHIEF INVESTMENT OFFICE

Quarterly Report

July 2025

Policy Shift: Finding the signal behind the noise

Markets today are dealing with a mix of issues —tariffs, fiscal imbalances, and geopolitical tensions— requiring investors to **differentiate between temporary noise and lasting trends.**

Despite ongoing recession risks, **flexible policy responses and resilient private-sector fundamentals support a more stable outlook** than headlines suggest.

In this environment, **portfolio strategy should emphasize discipline, selectivity, and quality across global markets.** Diversification, active risk management, and currency flexibility are essential, along with selective exposure to private markets and hedging tools to manage volatility constructively.

We continue to advise for **high-quality assets, global diversification, and flexible, multi-asset strategies.** In a world shaped by recurring shocks, a clear investment objective, long-term focus, and disciplined risk management are essential for turning uncertainty into opportunity.

From shock to signal: markets begin to filter distractions

As volatility fades, investors are distinguishing short-term reactions from lasting impact.

Markets have weathered a barrage of policy cross-currents in the first half of 2025. The April tariff shock marked the sharpest macro jolt in years —only to be partially reversed days later. Soon after, Congress advanced the "Big, Beautiful Bill," a sweeping fiscal package combining tax cuts, investment incentives, and infrastructure outlays. In this new environment —restrictive on trade, expansionary on fiscal— the **challenge is no longer tracking headlines, but interpreting their true economic signal.**

The chart below illustrates two key dimensions of recent market stress. The heatmap tracks how trade-related tension spiked sharply in April and May, while other drivers—such as political friction, supply-chain strain, and social sentiment—remained relatively contained. This concentration of stress highlights how tariffs, more than any other factor, dominated investor anxiety in the second quarter. Meanwhile, the VIX* line shows a similar story of reaction and recovery: volatility surged above 50 following the initial tariff announcement but has since moderated, returning to levels near the five-year average by early June. Together, these **indicators suggest a shift in investor focus —from reactive de-risking toward selective reassessment of fundamentals.**

The market recovery in the second quarter reflects a moderation of initial fears around growth and recession. While trade negotiations remain fragile —and risks persist— the **most extreme tariff scenarios now appear less likely.** This shift has calmed markets, helping risk assets rebound as investors adjust expectations.

Growth conditions have also improved, supported by coordinated fiscal action and easier financial conditions. In the U.S., the proposed tax and infrastructure package offers a front-loaded boost to income and investment. In Europe, a pivot away from austerity and stronger public investment are helping rebuild confidence. Globally, easing monetary policy and improved credit access are reinforcing a pro-cyclical bias in market positioning.

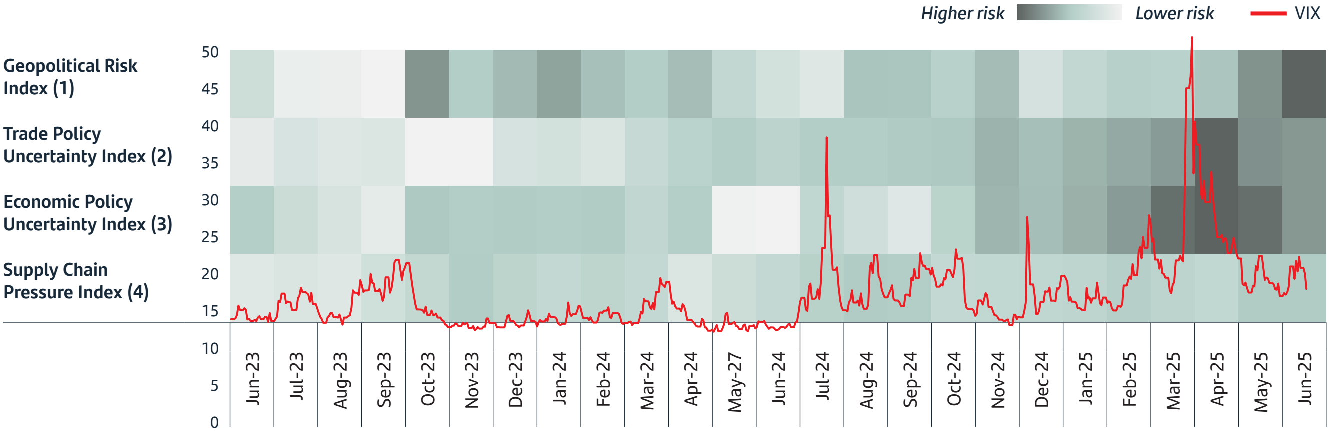
With the initial growth scare now partially priced out, the S&P 500 rebounded by quarter-end —rising 24% from its April lows— while cycle-sensitive assets like high yield credit also staged a recovery. Despite lingering headline risks, **market dynamics are increasingly being shaped by fundamentals rather than fear.** Now that the dust is settling from policy changes, markets are regaining a clearer sense of direction.

Be fully invested at all times.

Evolution of global geoeconomic risk indicators and equity market volatility (VIX)

Market nervousness has eased despite the accumulation of risk factors

Source: Bloomberg. Data as of 06/30/2025



(1) Matteo Iacoviello Geopolitical Risk Index, (2) Matteo Iacoviello Global Trade Policy Uncertainty - TPU, (3) U.S. CAetgorical Economic Policy Uncertainty Index, (4) Federal Reserve Bank of New York Global Supply Chain Pressure Index (GSCPI).
* VIX: measure of the stock market volatility based on s&P 500 index options.

From tariffs to deficits: the next phase of market repricing

The policy focus has shifted from trade disruption to fiscal strain.

As the initial trade shock fades, a more structural source of market uncertainty is taking hold**: rising fiscal deficits, expanding government debt, and renewed inflation risk.** The approval of the "Big Beautiful Bill"—a $3.4 trillion U.S. fiscal package—marks a decisive pivot toward large-scale expansion. The legislation extends tax cuts, boosts defense and infrastructure outlays, and reduces social spending, shifting the policy mix from restrictive trade to stimulative fiscal. While these measures may support growth and disposable income in the short term, they also raise deeper questions about long-term sustainability.

The combination of aggressive tax relief, postponed spending cuts, and a record $5 trillion increase in the debt ceiling is now testing investor confidence in U.S. fiscal discipline. As shown in the accompanying charts, deficits and debt ratios are set to rise materially, bringing **fiscal credibility and market stability into sharper focus.**

This policy-driven pivot is mirrored in Europe, where Germany's shift away from fiscal austerity and toward higher investment and defense spending is reshaping expectations for growth and inflation across the eurozone. The charts on fiscal impulses and sovereign issuance illustrate how these changes are rippling through global markets—raising fresh questions about the anchors of fiscal credibility on both sides of the Atlantic. The impact is already visible in fixed income and currency markets, as **investors recalibrate risk,** demand higher compensation for sovereign debt, and reassess the durability of current yields.

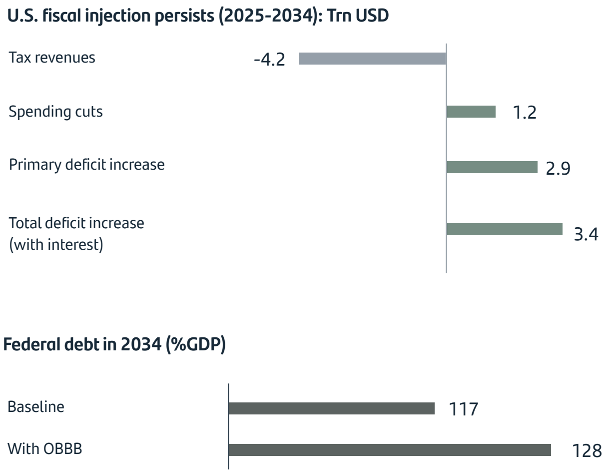
In the quarters ahead, the interaction between fiscal expansion, debt trajectories, and inflation expectations will remain central to both bond performance and broader market dynamics. With **policy risk shifting from trade to deficits,** flexible positioning and active risk management are essential tools for navigating the next phase of repricing.

Use rising term premiums to add into higher-quality bonds.

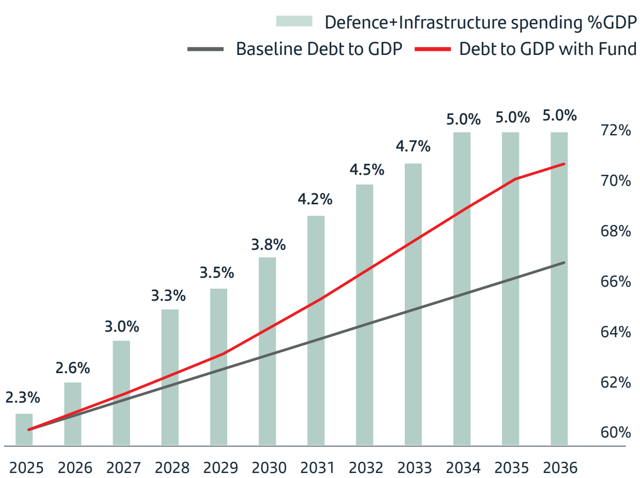
Rising public spending: Implications for the United States and Germany

Source: U.S. Congressional Budget Office (CBO). Data as of 06/29/2025, European Commission, IMF, NATO, German Government and Santander

Sustained U.S. fiscal stimulus and debt outlook



Fiscal impulse and debt projection in Germany



Oil sent a signal: geopolitical risk is here to stay

Markets are treating the latest oil spike as noise, not a structural shift.

The third major shock of the quarter came from a sudden **escalation in Middle East tensions.** After U.S. military strikes on Iranian nuclear sites and heated rhetoric, markets braced for disruption in energy flows. Oil prices surged more than 10% in early June. But the reaction was sharp and short-lived —prices soon reversed as worst-case scenarios failed to unfold. Diplomatic signals quickly turned toward de-escalation, and Iran's measured response helped prevent further escalation. As the **Brent-oil chart shows, the latest spike was modest in both scale and duration.** Historically, recessionary energy shocks involve much larger, sustained price surges.

Investors today appear to be pricing these events as transient volatility bursts —not structural regime shifts. While successive shocks still jolt expectations, the market's ability to quickly reprice toward a benign baseline underscores how **short-term disruptions are increasingly being treated as brief dislocations,** rather than signals of lasting imbalance in supply or demand.

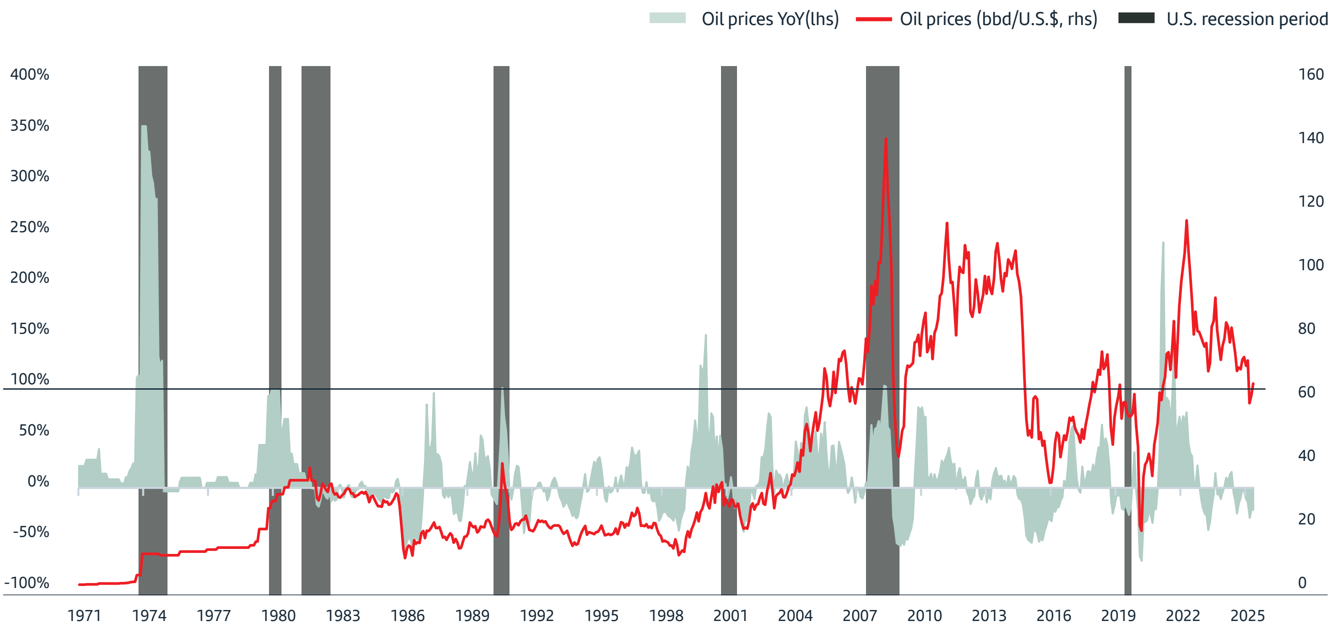
More broadly, **this episode highlights the surprising resilience of global markets in the face of layered policy shocks.** Despite the rapid sequence of fiscal, trade, and geopolitical risks, inflation has stayed contained. Term premiums have adjusted higher, but in an orderly fashion. In both the U.S. and Europe, demand remains solid, credit conditions have eased, and fundamentals are proving durable. While the oil spike triggered momentary volatility, the absence of escalation allowed markets to refocus on the data.

Traders are not ignoring geopolitical risk —but they are placing it in context. This isn't complacency —it's evidence of effective adaptation and robust macro underpinnings. As policy volatility continues, **maintaining conviction requires risk-aware positioning.** Hedging tools, such as options and structured products, can help cushion portfolios while still capturing upside in a market that is learning to separate headlines from fundamentals.

Hedge selectively to stay invested through market stress.

Brent Oil: A barometer of geopolitical risk, inflation, and recession signals

Source: Bloomberg. Data as of 6/19/2025



Policy shifts weaken the USD reserve status

Persistent deficits and shifting macro anchors are driving a quiet rethink of the dollar's role.

A key shift this quarter isn't just what markets are chasing —but what they are starting to question. The **U.S. dollar, long a pillar of global stability, is now being reassessed**— not because viable alternatives are emerging, but because the macro foundations beneath it are showing signs of strain.

Despite dominating global finance across almost every metric —over 80% of FX transactions, more than half of trade invoicing and cross-border lending— the dollar's structural role is increasingly tested by fiscal drift and policy unpredictability. Alternatives like the euro or renminbi still face barriers like fragmentation and capital controls, so the **dollar's primacy is intact. But its margin of safety is narrowing.**

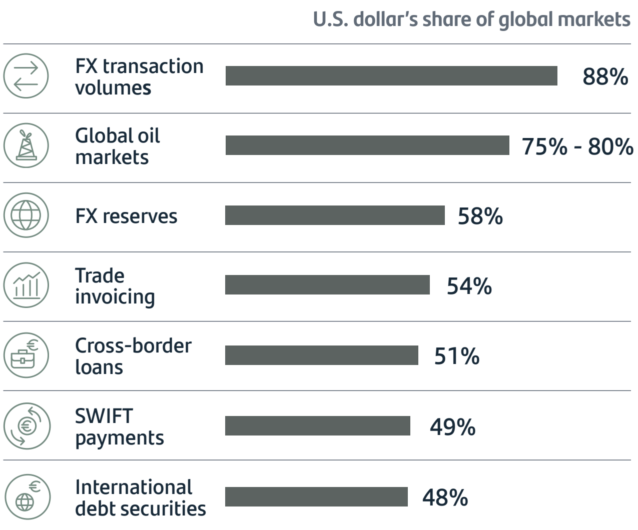
Recent political moves, including the proposed Section 899 retaliatory tax on foreign investors —ultimately withdrawn under pressure— have further rattled capital sentiment. These episodes signal that **currency and capital-flow risk are no longer marginal** —they are part of the core macro landscape investors must now navigate.

This recalibration is showing up in institutional behavior. As illustrated in the accompanying chart, **central banks are steadily diversifying away from the dollar, pushing gold to its highest share of global reserves** in over four decades. For many large allocators, gold now serves a dual purpose: not just an inflation hedge, but a buffer against U.S. policy instability and currency politicization. The takeaway isn't dollar abandonment —but prudent rebalancing. Currency risk is no longer a passive background variable.

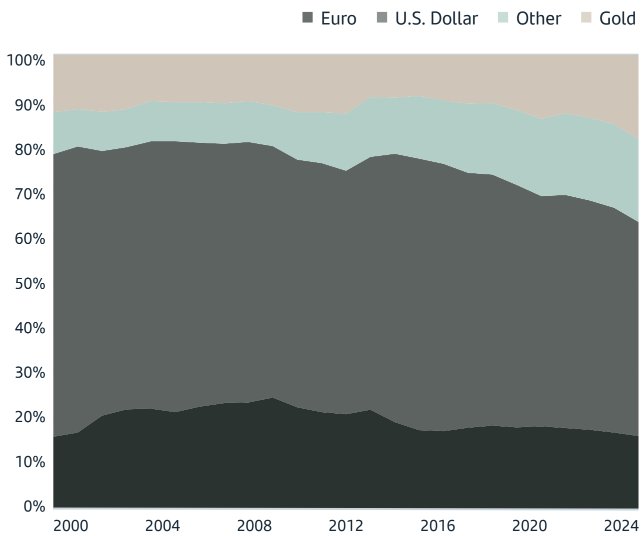
In today's more fragmented and reactive policy world, FX strategy has become central to portfolio resilience. Diversifying beyond the dollar, increasing exposure to real assets, and maintaining flexibility in reserve holdings are essential steps in adjusting to this new regime. **As macro anchors shift —from credibility to volatility— investors must stay adaptive,** using active allocation and currency strategy as tools for stability and return.

Expand beyond the dollar with real assets and other major currencies.

U.S. dollar status holds steady
Dominant role, lack of alternatives



Gold is now the second-most important reserve asset for central banks
Composition of global official reserves (%)



Source: in order from top to bottom, the source (and latest data in parentheses) is: BIS Triennial Central Bank Survey (2022); PIMCO estimate (2024); IMF's Currency Composition of Official Foreign Exchange Reserves (2024); BIS "Revisiting the international role of the U.S. dollar" (2022); BIS Locational Banking Statistics (Q4'23); Swift (Mar 2025); BIS Debt Securities Statistics (Q4'24). Data as of of December 2024

Policy Shift: Finding the signal behind the noise

1 Macro outlook: a narrower range of uncertainty

With policy risks better defined, the outlook stabilizes. A soft patch remains our base case, supported by flexible policy and firm private demand.

1.1 Growth outlook – soft patch, not stalling

Despite elevated uncertainty, hard data across the U.S., Eurozone, and China suggest a slowdown—not a recession.

1.2 Inflation: what's real, what's noise?

Disinflation trends remain intact in hard data, but soft indicators signal caution. As tariffs and energy risks build, discerning what truly matters becomes critical.

1.3 Rates: still room to cut

The global easing cycle remains intact despite temporary pauses. Lower rates and improving credit conditions support growth and bond returns.

1. Macro outlook: a narrower range of uncertainty

Uncertainty remains, but macro signals point to resilience over recession as volatility fades.

With greater clarity around the Trump administration's policy path, we can now refine our macro outlook for the coming quarters. While uncertainty remains —especially around trade and geopolitical tensions— the most extreme scenarios look less likely. Trade negotiations with China and the EU are still ongoing, but **markets are adjusting to a more defined backdrop.** Crucially, the administration's $3.4 trillion fiscal package has now been approved by Congress. It delivers front-loaded stimulus through tax cuts, infrastructure outlays, and defense spending, while signaling fiscal restraint down the line. Markets are also watching how newly approved tariffs will be implemented, as their full impact on prices and growth will unfold gradually.

Against this backdrop, **our base case assumes a manageable policy shock:** a 1-percentage-point drag on U.S. growth and a temporary inflation pickup. But with recession odds falling and underlying macro resilience intact, we do not see this as a stall.

Monetary and financial conditions are easing across major economies. Expectations are rising for rate cuts from both the Fed and ECB. In Europe, fiscal policy is now actively supporting growth —with Germany and the EU advancing investment and defense spending to offset weak trade. In the U.S., deregulation and tech-driven capex may lift productivity above trend.

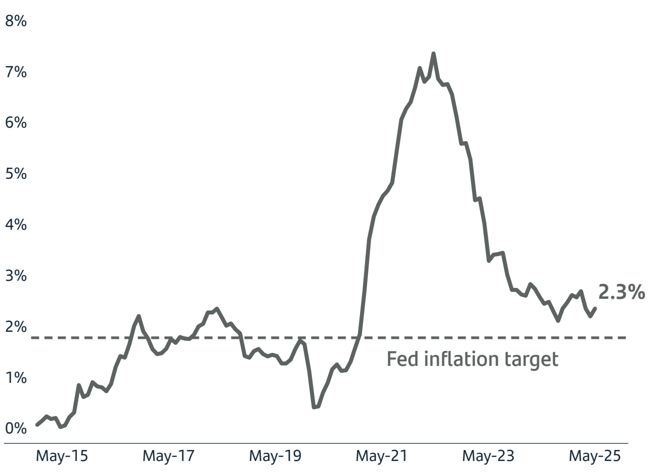
We remain watchful of risks: renewed Middle East tensions, a breakdown in trade talks, or a second inflation wave from tariffs or energy could still shift the picture. But the dust is beginning to settle. **The outlook remains one of a soft patch —not a stall— supported by flexible policy and firm private demand.** This combination is helping stabilize sentiment and reduce tail risk. In this environment, market volatility should be seen less as a threat and more as an opportunity—to build resilient positioning while macro noise gradually gives way to more reliable signals.

Deploy structured products that combine yield and downside protection.

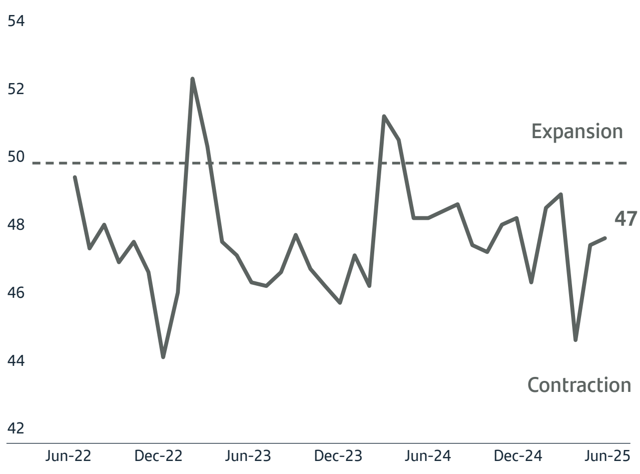
Tariffs in the pipeline: pending pressures on prices and exports

Source: Bloomberg. Data as of 06/30/2025

US PCE Inflation YoY
Inflation Trends: Tariff impact still unfolding



China PMI Export Orders
Export demand under strain: Early signs, more to come



1.1 Growth Outlook – Soft Patch, Not Stalling

Despite elevated uncertainty, hard data across the U.S., Eurozone, and China suggest a slowdown—not a recession.

The global economy continues to navigate a high-noise environment, where soft indicators signal hesitancy while hard data remain broadly resilient. Across the U.S., Eurozone, and China, the pattern is one of deceleration —not contraction.

In the U.S., retail sales point to Q2 private consumption growth near 2% annualized, but business surveys have weakened and jobless claims are inching higher. Consumer sentiment remains subdued, suggesting that **private consumption may cool further in the second half of the year.** Still, core fundamentals —labor markets, financial conditions, and household spending— remain stable enough to rule out near-term recession.

In **Europe, growth is sluggish but supported by structural buffers.** The investment impulse from Germany's infrastructure fund and the pan-European ReArm initiative is offsetting the drag from tighter credit and soft exports. PMI indicators remain soft, but fiscal policy is gaining traction. Revised growth expectations for 2025 are modest, but upgrades to 2026–27 are likely as investment flows improve.

China continues to defy skeptics, showing stable industrial production, modest credit expansion, and targeted support. Domestic data remains consistent with a modest recovery path.

Escalating Middle East tensions add a layer of fragility, especially if oil prices rise or global trade routes are disrupted. Based on our estimates, a $10/barrel oil shock could subtract 0.2–0.3% from developed market GDP and 0.5–0.7% from emerging markets.

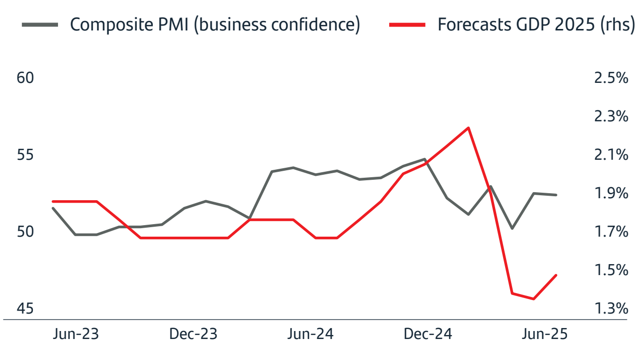
For now, the global economy remains in a low-visibility phase: resilient, but uneven. **The risk is not contraction, but prolonged hesitation driven by uncertainty, policy frictions, and geopolitical stress.** Growth is likely to oscillate near trend —without a clear break higher or lower— until policy clarity and confidence improve.

> Stay invested, stay selective and be globally diversified.

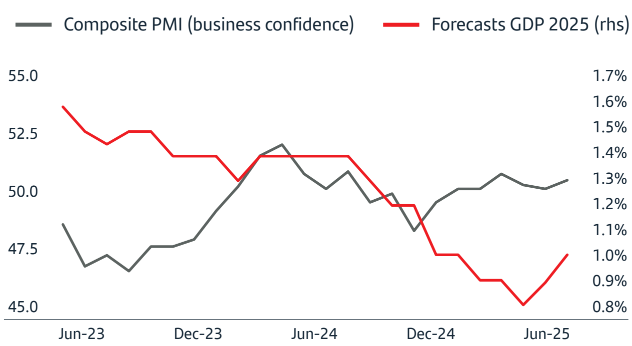
Growth and recession probabilities are shifting amid policy uncertainty

Source: Bloomberg survey of economic forecasters. Data as of 06/30/2025

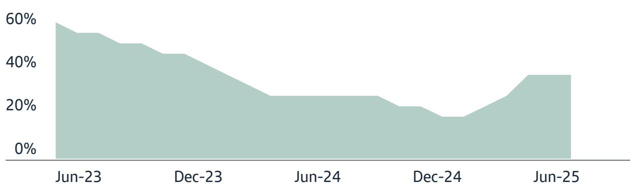
United States



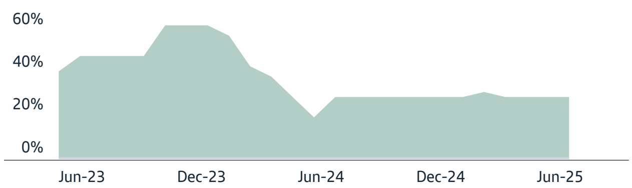
Eurozone



Recession probability



Recession probability



1.2 Inflation: What's Real, What's Noise?

Disinflation trends remain intact in hard data, but soft indicators signal caution.

A renewed divergence between hard and soft data is making inflation trends harder to interpret. In the U.S., official numbers confirm ongoing disinflation: May core CPI held at 2.8% YoY, and monthly prints have remained below 0.2% for two consecutive months. Yet consumer surveys paint a different picture. The University of Michigan's 1-year inflation expectation surged to 5.0% in June after the April tariff announcement, revealing how quickly headline-driven fears can reshape sentiment.

This **gap between measured inflation and expectations sits at the heart of today's signal-versus-noise dilemma.** Hard data confirm that disinflation is progressing, but soft indicators—heavily influenced by policy headlines—are amplifying perceived risks that may not materialize in actual price data.

This gap —between "what is" and "what is feared"— sits at the heart of today's signal-versus-noise dilemma. Hard data continue to confirm that disinflation is progressing. But soft indicators, especially those shaped by policy headlines, warn that pricing pressure could return.

Recent tariff measures in the U.S. have not yet fully passed through to consumers. While inventory cushions and delayed pass-through have muted early effects, targeted tariffs on sectors like autos and electronics could begin impacting prices in the months ahead. At the same time, **global energy markets remain sensitive to geopolitical developments.** Sustained disruptions or further tariff escalation through the summer could temporarily push inflation higher. In **Europe,** the contrast is clear. Both hard and soft indicators point to **steady disinflation,** with core inflation at 2.3% YoY and consumer expectations trending lower. This consistency adds confidence to the ECB's gradual path toward easing.

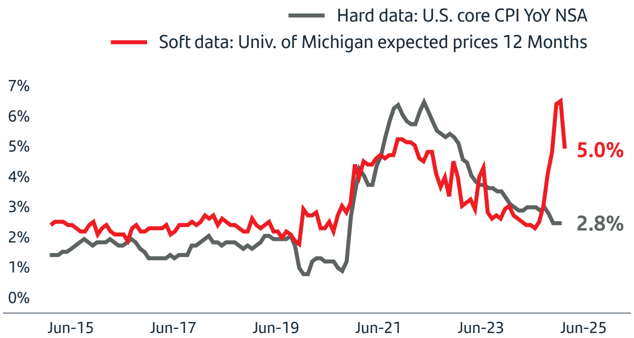
Looking forward, **we expect inflation expectations to remain broadly anchored,** though volatility could rise as the impact of tariffs and energy shocks plays out. Investors should continue to prioritize real assets and flexible strategies to help manage these risks.

Increase allocation to real assets and flexible fixed income strategies.

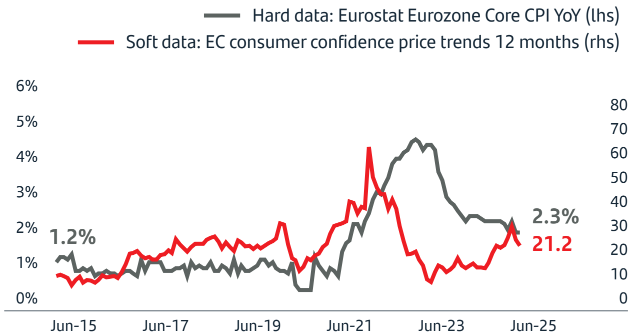
Diverging realities: Hard data confirms disinflation, but consumer sentiment on prices stays elevated

Source: Bloomberg. Data as 25/06/2025

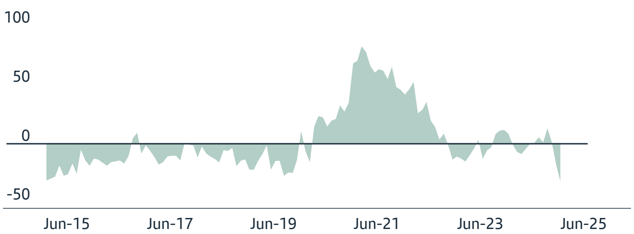
US



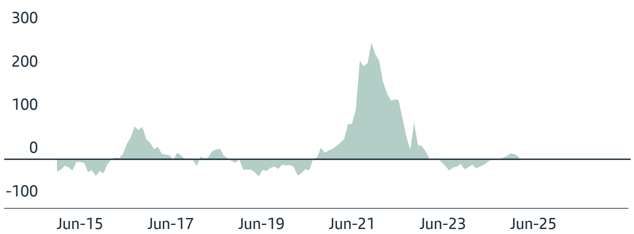
Eurozone



Citi Inflation Surprise Index



Citi Inflation Surprise Index



1.3 Rates: Still room to cut

The global easing cycle remains intact despite temporary pauses. Lower rates and improving credit conditions support growth and bond returns.

The **global rate cycle continues to shift from restrictive to more supportive policy.** In most economies —especially the Eurozone— policy rates are no longer restrictive, as disinflation and fiscal support open the door to further easing. In the U.S., while the Fed remains cautious, moderating inflation and softer labor data allow room for future rate cuts if needed. Emerging markets, having acted early, are now well-positioned for additional reductions thanks to healthier balance sheets.

At the same time, financial conditions have improved meaningfully. Credit spreads remain tight, borrowing costs are easing, and funding access continues to broaden across both developed and emerging markets. The prospect of banking deregulation in the U.S. under the Trump administration could provide an additional boost to credit availability and support private sector lending—further reinforcing the recovery in financial conditions This is starting to feed through heavier corporate issuance signaling that the policy-transmission channel is re-engaging.

These shifts are reflected in the charts below, where global policy rates have clearly peaked and are now trending lower, while market expectations anticipate a steady path of declines for both the Fed and the ECB. As monetary conditions become less restrictive, the **combined impact of easier policy, improving credit dynamics, and prospective deregulation** is likely to reinforce the recovery in financial markets and the broader economy. Improved access to credit, lower rates, and ongoing support from central banks all create a more constructive environment for investors, even as risks remain.

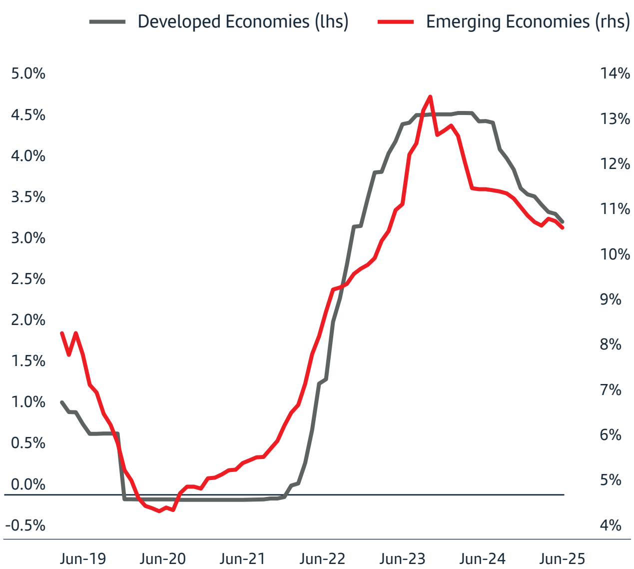
In foreign exchange markets, the narrative is also evolving. **U.S. dollar weakness is now shaped more by capital flows and portfolio diversification than by interest rate differentials alone.** As policy and geopolitical uncertainty persist, FX strategy has become a core lever of risk management. Diversification across currencies is increasingly structural —essential for navigating a world of shifting global anchors.

Maintain exposure on high-quality bonds.

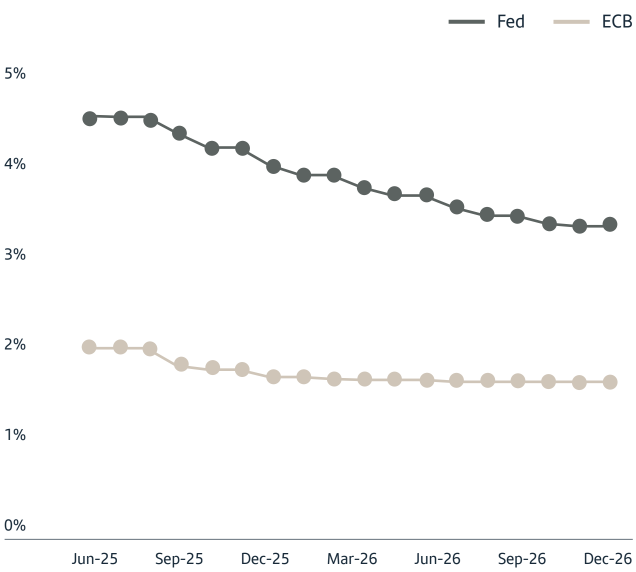
Monetary policy remains supportive: Rate cuts expected across developed and emerging markets

Source: Bloomberg. Data as of 6/28/2025

Global policy rates are past their peak



Fed and ECB on a gradual path to lower rates



1.4 Summary of economic projections

Data as of 4 July 2025

Economic Growth

U.S. GDP growth is expected to ease to 2.0% in 2025, as consumption remains firm but investment slows amid policy and trade uncertainties. Hiring holds and household balance sheets and services activity provide support. In the Eurozone, GDP is projected to grow 1.5%, led by fiscal stimulus in Germany and stronger consumption. Spain remains the outperformer. While the region still faces industrial challenges, improving business sentiment and recovering external demand support a cautiously optimistic view.

GDP (YoY%)	2024e	2025e	2025 Consensus	2026e	2026 Consensus
United States	2.8	2.0	1.5	2.2	1.6
Eurozone	0.7	1.5	1.0	1.4	1.1
United Kingdom	0.8	0.8	1.1	0.8	1.2
Germany	-0.2	0.7	0.2	1.3	1.1
France	1.1	0.6	0.5	1.3	0.8
Italy	0.5	0.9	0.5	1.2	0.8
Spain	3.1	2.5	2.4	2.1	1.8
Brazil	3.4	2.0	2.3	1.5	1.6
Mexico	1.5	-0.2	0.0	1.8	1.3
Chile	2.3	2.2	2.3	2.3	2.1
Poland	2.9	3.4	3.3	3.2	3.3

Inflation

Inflation in the U.S. is forecast at 3.0% in 2025, as services prices and wage growth still remain elevated and tariffs add upside risk. The Fed remains cautious, requiring a sustained drop in monthly core CPI to 0.2% before easing further. In the Eurozone, inflation is stabilizing near 2.0% amid easing wage pressures and normalized energy costs. Although external risks persist, the disinflation process appears entrenched, reinforcing expectations that the ECB can proceed gradually with policy normalization.

Inflation (YoY%)	2024e	2025e	2025 Consensus	2026e	2026 Consensus
United States	2.7	3.0	2.9	2.9	2.8
Eurozone	2.0	2.2	2.0	1.9	1.8
United Kingdom	2.8	3.3	3.2	2.3	2.3
Germany	2.1	2.2	2.2	1.9	2.0
France	0.8	1.0	1.0	1.9	1.6
Italy	1.8	1.7	1.8	1.6	1.7
Spain	2.1	2.3	2.3	1.8	1.9
Brazil	5.0	5.8	5.2	5.0	4.4
Mexico	4.5	3.9	3.9	3.8	3.7
Chile	4.5	3.9	4.4	3.3	3.2
Poland	4.1	3.9	3.7	2.9	2.9

Monetary policy

The Fed remains data dependent. It is likely to reduce rates to 4.00%, provided inflation moderates and risks remain contained. Despite stronger U.S. growth, persistent core inflation limits scope for deeper cuts. The ECB, facing lower inflation and sluggish growth, reduced the deposit rate to 2.0% and will likely stop there. The Bank of England will proceed more cautiously, constrained by services inflation and wage dynamics, ending the year in 3.75%.

Official Interest Rates (%)	2024e	2025e	2025 Consensus	2026e	2026 Consensus
United States	4.50	4.00	4.05	4.00	3.50
Eurozone	3.00	2.00	1.90	2.00	1.95
United Kingdom	4.75	3.75	3.75	3.50	3.30
Brazil	12.25	14.75	14.75	13.00	12.40
Mexico	10.00	7.75	7.35	7.50	6.75
Chile	5.00	4.75	4.55	4.50	4.20
Poland	5.75	4.75	4.65	3.75	3.80

Foreign Exchange Markets

The U.S. dollar is under pressure from fiscal imbalances, trade tensions, and expected Fed rate cuts, with the dollar index against a basket of currencies trending lower. The euro strengthens on ECB caution and renewed safe-haven demand. Latin American currencies present a mixed picture: the Mexican peso is vulnerable to U.S. trade risks, the Brazilian real faces fiscal challenges, and the Chilean and Colombian pesos are exposed to slowing global growth and commodity volatility.

FX vs. USD	2024	7-Jul	2025e	2025e Consensus	2026e	2026 Consensus
EUR	1.04	1.18	1.18	1.17	1.20	1.20
GBP	1.25	1.37	1.30	1.36	1.29	1.38
BRL	6.18	5.41	5.90	5.70	6.00	5.84
MXN	20.83	18.66	20.20	19.50	20.60	19.50
CLP	995	930	935	930	925	939
PLN	4.13	3.61	3.65	3.59	3.60	3.61

Source: Santander CIB and Bloomberg for Consensus and FX spot levels.

Santander Private Banking

Policy Shift: Finding the signal behind the noise

2 Markets: adapting to volatility as policy reshapes the playing field

2.1 Fixed income

Attractive starting yields, resilient fundamentals, and easing policy support a positive bond backdrop. Stay selective across credit and lean on active strategies.

2.2 Equities

Equities remain supported by resilient earnings, even as valuations limit further upside. In a noisy market, quality and selectivity are essential to stay invested.

2.3 Private markets

With traditional liquidity drying up, private capital is well positioned to seize opportunities in stressed markets through flexible structures.

2.1 Fixed income: Term premiums up—stay nimble

Attractive starting yields, resilient fundamentals, and easing policy support a positive bond backdrop.

In a market shaped by overlapping policy shifts, fixed income continues to offer stability and reliable income. Despite short-term volatility, the **key drivers —high starting yields, anchored inflation expectations, and resilient corporate fundamentals— remain in place.** We continue to favor quality and flexibility. Investment-grade credit offers a balanced profile, where carry and roll-down are most effective. Corporate balance sheets are strong, default rates are low, and financial conditions remain favorable. We remain constructive on mortgage-backed securities, which benefit from rising property values and tight underwriting.

Regionally, we see stronger duration opportunities outside the U.S. In Europe and Asia-Pacific, **softer inflation and weaker growth support further monetary easing, steeper curves, and better roll-down potential.** In contrast, U.S. long-dated yields remain under pressure from rising fiscal concerns, making intermediate maturities more attractive.

Intermediate bonds offer lower sensitivity to long-end volatility while still capturing policy support. We also **favor agency MBS and short-duration credit as stable carry anchors in the U.S.**

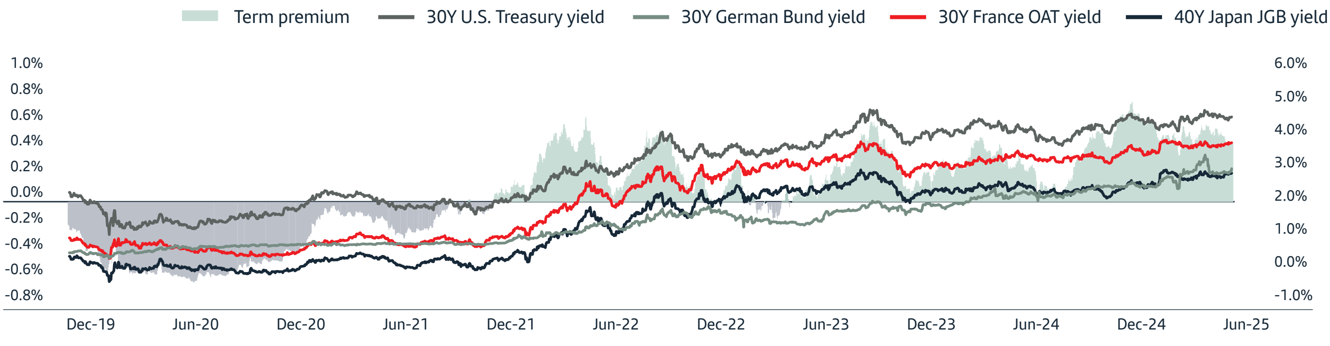
Emerging market debt, particularly in local currency, presents selective opportunities. Lower domestic inflation, improving fundamentals, and a weaker dollar enhance appeal. Hard currency EM sovereigns with strong external positions also offer compelling value.

Overall, we **advocate a flexible, globally diversified fixed income strategy anchored in quality.** Across sovereigns, credit, and securitized assets, risk-adjusted returns remain attractive —if investors stay focused on macro signals rather than noise. This is not a market to chase yield blindly. With term premiums rising and volatility elevated, disciplined allocation and active positioning are critical. Used wisely, volatility can be turned into opportunity —not avoided, but harnessed with purpose.

Stay selective across credit and actively manage duration.

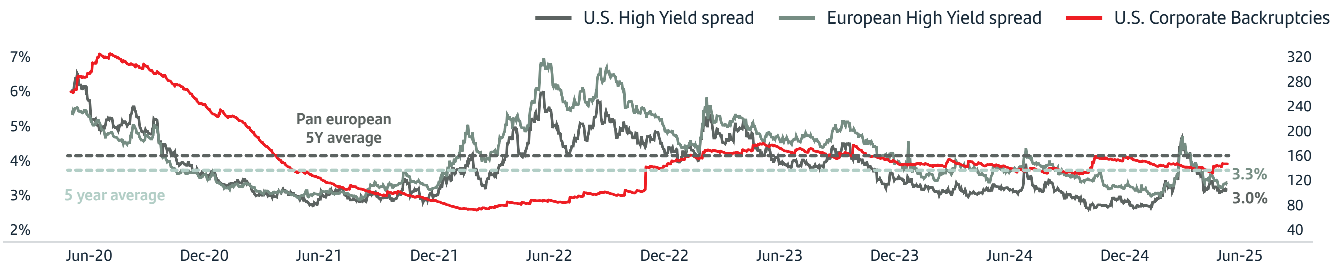
Rising term premium: Long bonds now offer greater compensation

Source: Bloomberg. Data as of 06/30/2025



Narrow credit spreads supported by strong fundamentals and few defaults

Source: Bloomberg. Data as of 06/19/2025



2.2 Equities: Earnings will continue to be the key driver of performance

Earnings remain strong, but high valuations call for selectivity and a focus on quality fundamentals.

Equity markets have moved higher in recent months, supported by improved sentiment, easing recession concerns, and the resilience of corporate earnings. However, we maintain a neutral stance. Valuations —particularly in the U.S.— have become demanding, with the S&P 500 trading well above its 10-year average. In contrast, European markets are showing improving earnings momentum and more attractive valuations, supporting the case for regional rotation. Elevated policy uncertainty and fully priced rate expectations limit the scope for further multiple expansion.

In this context, **the key signal remains earnings resilience.** Short-term volatility from headlines, tariffs, or geopolitics can distort market pricing, but it is the strength of earnings delivery —especially in Q1 across both the U.S. and Europe— that underpins our conviction to stay invested. Despite some cautious guidance, full-year EPS growth is still forecast near 9% in the U.S., with Europe gaining traction across financials, industrials, and technology. As the chart below shows, both markets are forecast to deliver double-digit earnings growth into 2026.

Most companies have reaffirmed or maintained guidance, even amid persistent macro noise. This highlights the strength of fundamentals and supports a neutral allocation to equities within multi-asset portfolios —where selectivity and quality remain essential. **High valuations argue against adding risk broadly, but earnings resilience argues for staying invested.**

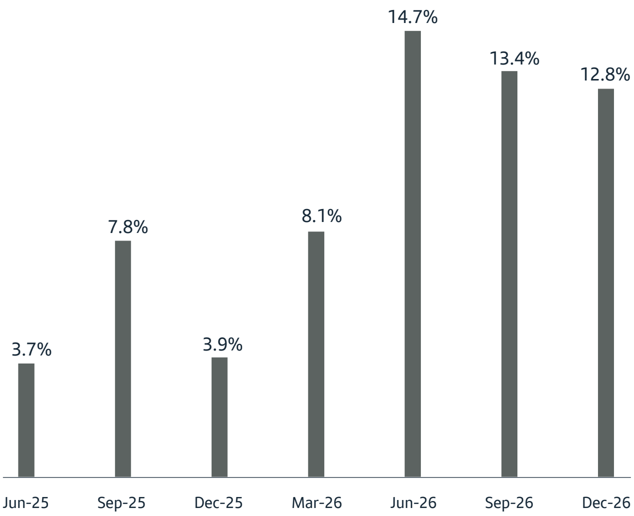
We continue to **favor quality** —companies with strong balance sheets, pricing power, and sustainable growth profiles— while also seeking selective exposure to innovation-led sectors. AI and other technologies remain key drivers of market dispersion, though leadership continues to rotate. In a noisy cycle, the ability to distinguish durable growth from hype is critical. **Let fundamentals —not headlines— shape conviction.** Equity positioning should be guided by forward-looking earnings strength, not past winners. In this phase, discipline, valuation awareness, and earnings quality remain the core filters for equity allocation.

Focus on high-quality equities and exposure to key trends.

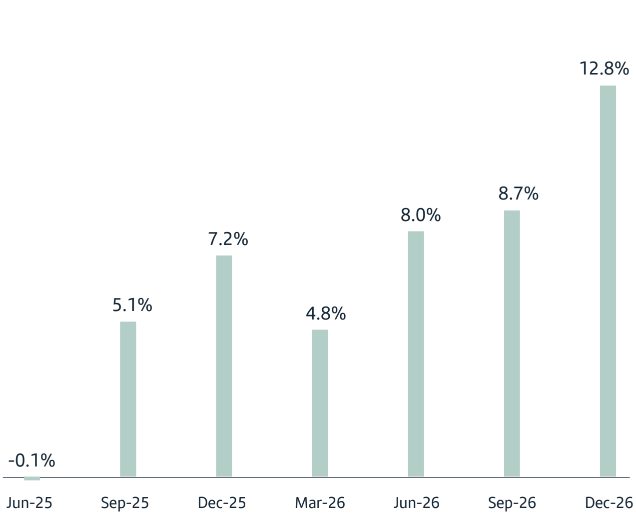
Earnings momentum remains robust across U.S. and Europe

Source: Santander and Bloomberg. Data as of 06/25/2025

US: S&P 500 - Expected EPS growth trend



Europe: Stoxx 600 - Expected EPS growth trend



2.3 Private markets: A Long-Term Compass

In a disrupted environment, private markets continue to offer access, flexibility, and long-term value. Diversify across vintages, structures, and strategies to capture opportunity while managing liquidity risk.

In today's volatile macro environment —shaped by trade tensions, inflation uncertainty, and higher-for-longer rates— **private markets remain a cornerstone for long-term investors.** Rather than chasing market timing, we emphasize time diversification and strategic exposure. Because capital is committed over multiple vintages, drawdowns and distributions can be staggered, smoothing cash-flow needs and reducing timing risk. Well-constructed **private portfolios reward patient capital,** especially when diversified across strategies and geographies.

Private equity remains compelling despite liquidity headwinds. With fewer IPOs and slower exits, deal pricing has become more favorable —especially in small and mid-cap buyouts where operational improvement and value creation drive returns. GPs are focused on margin expansion and repositioning assets for future growth. **High levels of dry powder mean managers retain flexibility** to act decisively as opportunities arise, even in turbulent markets. Meanwhile, the secondary market is providing liquidity and access at discounts to prior marks.

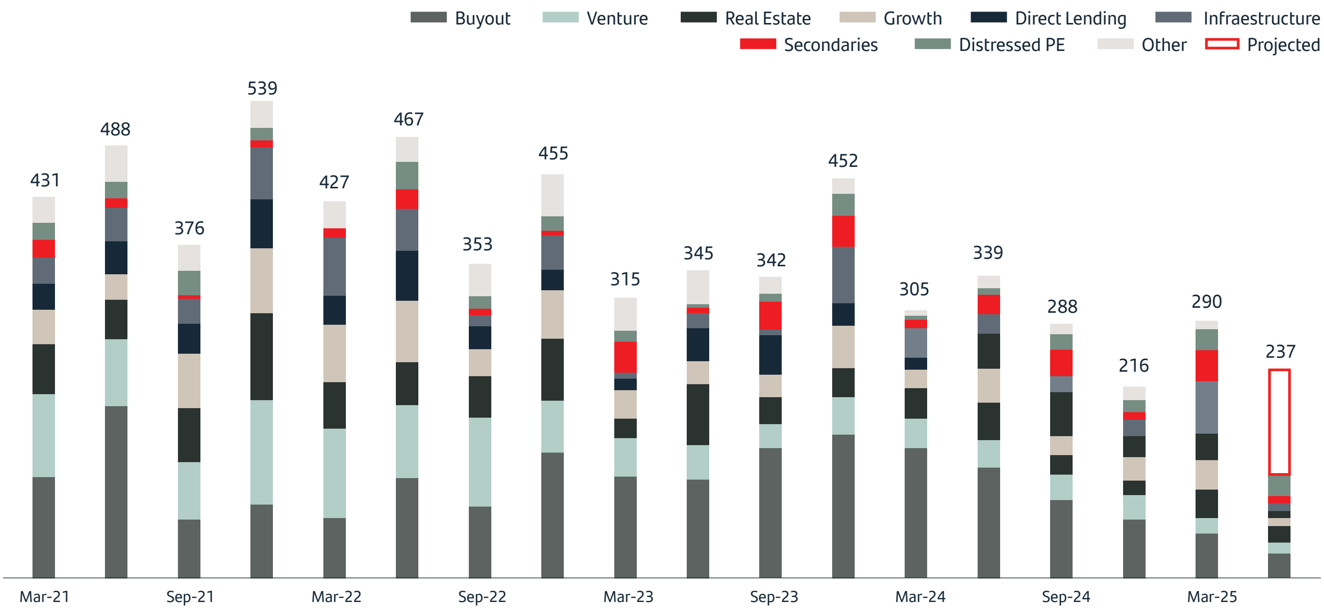
Private debt stands out for attractive risk-adjusted yields versus public credit, particularly in direct lending and asset backed debt. Structural shifts —bank retrenchment, commercial real estate refinancing, and demand for customized solutions— sustain a deep opportunity set. **Evergreen funds are gaining traction,** offering liquidity and diversification for investors seeking consistent income.

Infrastructure investment is increasingly attractive, particularly in digitalization and energy transition themes. Stable, inflation-linked cash flows and strong policy tailwinds —especially in Europe and Asia— support the case for long-term infrastructure allocations. Staying engaged across the capital structure and maintaining diversification is crucial as the private markets ecosystem evolves.

Private markets should be a core allocation.

Private capital raising slows, but long-term opportunity endures

Source: Preqin. Data as of 05/16/2025. Billion US$



Policy Shift: Finding the signal behind the noise

3 From reaction to resilience: aligning portfolios with policy and macro inflection points

Markets are navigating a phase of heightened uncertainty—driven by shifting trade, fiscal, and geopolitical dynamics. In this environment, resilience comes not from retreating but from recalibrating. Portfolios must adapt with greater selectivity, global diversification, and active positioning across assets and regions.

3.1 Follow the signal: stay invested, be selective

3.2 Factor in geopolitical risk

3.3 Position for shifting narratives

3.1 Follow the signal: stay invested, be selective

Despite elevated macro noise —from tariffs to geopolitics— underlying signals point to a resilient expansion: low default risk, earnings growth, healthy consumer and corporate balance sheets, and resilient labor market (muted layoffs). With recession risk lower than headlines suggest, investors must resist the temptation to exit risk prematurely. However, tight valuations demand selectivity. Discipline —not disengagement— is the strategy for this phase of the cycle.

Maintain allocation discipline

Avoid emotional de-risking and resist the urge to time the market. **Let discipline —not headlines— drive your portfolio decisions.** Stay anchored in fundamentals with balanced, diversified allocation.

Focus on resilient earnings

In a market where fundamentals remain solid, focus on resilient sectors and **high-quality equities, as earnings —not multiples— will be the driver of performance.**

Be selective, but do not exit carry

Stick with **investment-grade credit as the core of carry exposure.** Favor moderate emerging market credit over overstretched high yield for selective upside. Prioritize active managers with **strong credit discipline** and proven track records.

Stay fully invested and maintain a disciplined allocation approach.

3.2 Factor in geopolitical ris and innovation

Global capital markets are increasingly shaped by geopolitical fragmentation —trade realignment, energy security, increased military spending, and competing innovation blocs. Investors must adapt with portfolios that reflect this shift.

Expand reserve assets beyond the U.S.

Rebalance concentrated dollar exposure by allocating to complementary reserve assets like the euro, yen, swiss franc and gold. **Currency diversification provides a cushion against trade-policy shocks and fiscal volatility.** This is not a retreat from U.S. assets —but a strategic broadening of geopolitical resilience.

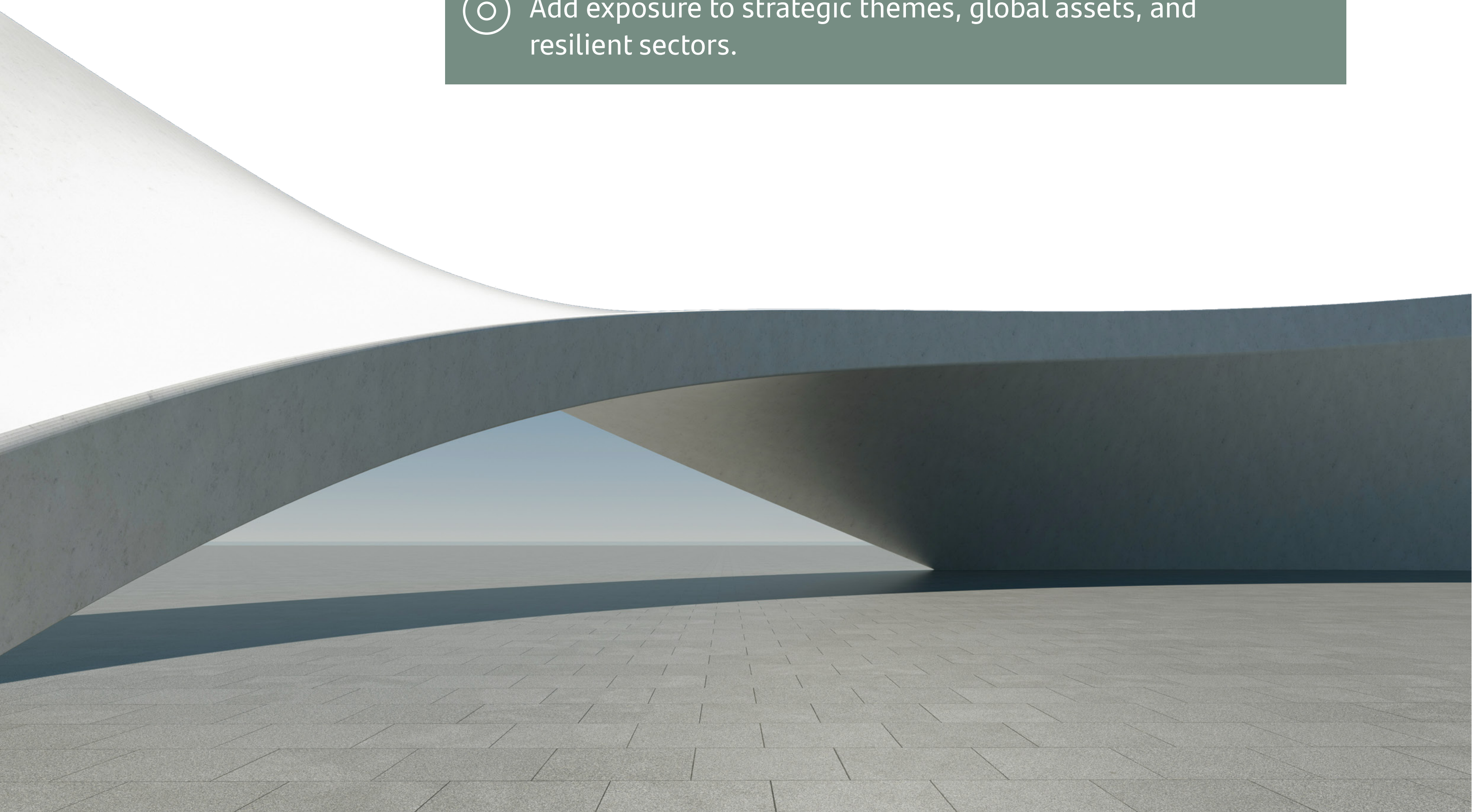
Hedge for geopolitical risk

Add exposure to sectors that benefit from **rising defense, cybersecurity, and critical infrastructure investment.** With volatility declining from early-year peaks, this is an opportune time to implement hedging via structured products or options. Tail-risk strategies can help mitigate asymmetric shocks tied to geopolitical escalation. In an era of power competition, hedging is not about fear —it's about foresight.

Invest in technological disruption

Geopolitical tensions are accelerating the global race for technological supremacy. **Focus on key trends like AI infrastructure, semiconductor leadership, and digital infrastructure.** Public and private capital is converging to secure competitive advantage in innovation ecosystems. Long-term growth and productivity will be boosted by accelerated deployment of new technologies.

Add exposure to strategic themes, global assets, and resilient sectors.



3.3 Stay Alert: Position for shifting narratives

In a world reshaped by volatile policies and evolving global priorities, **investors must remain flexible and forward-looking.** Market leadership is changing—not just in price, but in narrative. Staying passive in today's environment risks missing opportunities shaped by fiscal strain, regulatory pivots, and trade realignments.

Navigate the curve: Seek opportunity in steepening

With central banks easing at the front end but fiscal deficits pushing long-term yields higher, yield curves are steepening again. This creates a **window to actively manage duration,** exploit curve shape, and rebalance between short carry and long-end value. **Flexible fixed income strategies** can extract value across the curve —especially as deficits reshape the supply of duration.

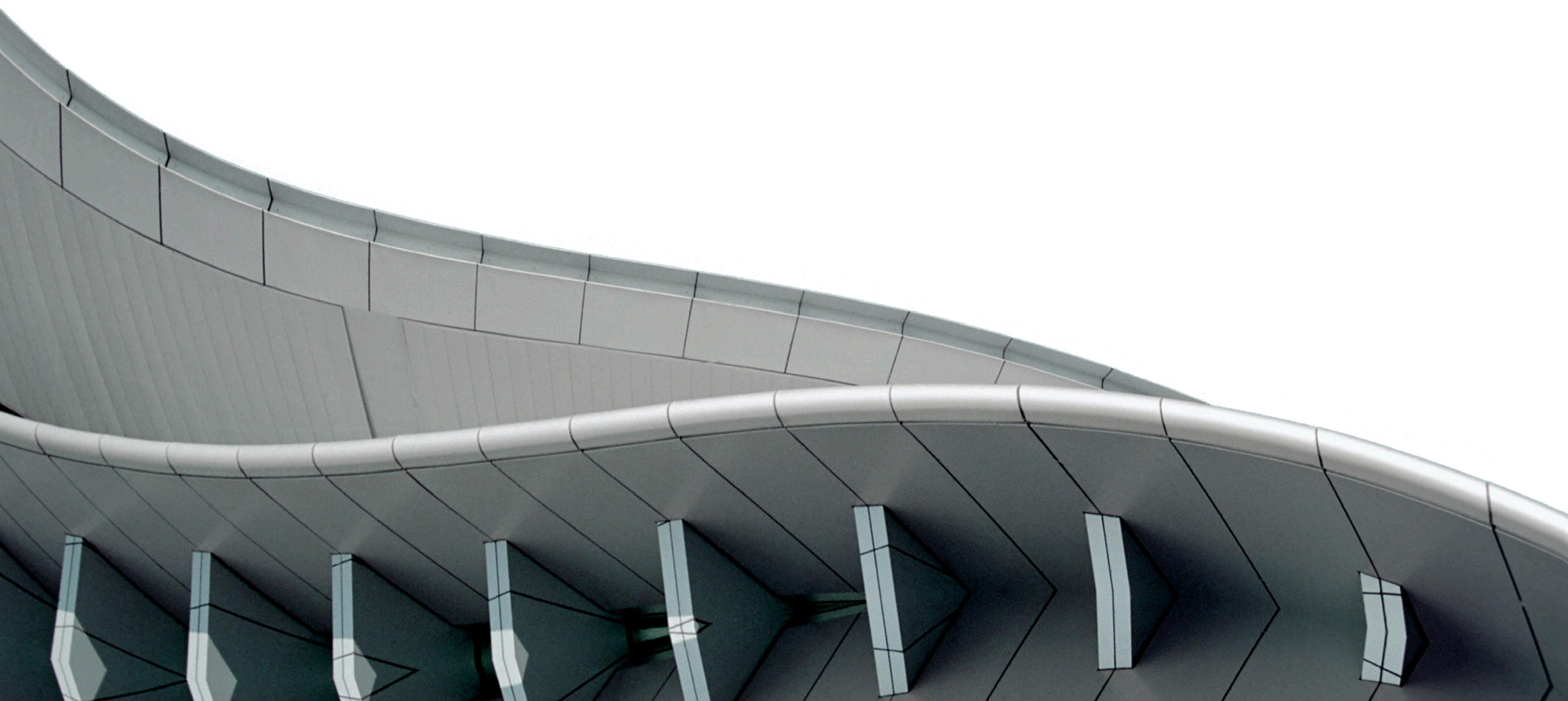
Follow the deregulation signal

As the Trump economic team pivots from confrontation to growth, **deregulation is back on the agenda.** Early signals in the banking sector —via softened capital rules and renewed M&A— point to a pro-cyclical tailwind for financials and credit-linked assets. **Lean into sectors that benefit from looser regulation, particularly banks,** where earnings and capital deployment are likely to accelerate.

Activate your allocation: adapt to a world in flux

The **structural shift in global trade** is creating long-term opportunities in geographies likely to benefit from lower tariffs and supply chain diversification. This realignment also fuels demand for **infrastructure and logistics investment,** as capital is redirected toward more resilient and regionally balanced systems. Capturing these trends requires a broader toolkit —**real assets and private markets** can provide opportunities beyond traditional portfolios.

Ride the narrative wave — adapt fast, invest smarter.



Annex tables

Main asset returns over the last 10 years

Source: Bloomberg and own elaboration

Data as of 06/30/2025

	Rentabilidades							Rentabilidad anualizada			
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**YTD**	**1 año**	**3 años**	**5 años**	**10 años**
Liquidity (USD) (1)	**2.2%**	**0.4%**	**0.1%**	**1.7%**	**5.2%**	**5.4%**	**2.2%**	**4.9%**	**4.8%**	**2.9%**	**2.0%**
Liquidity (EUR) (2)	**6.8%**	**9.2%**	**-4.7%**	**-16.2%**	**5.7%**	**-1.7%**	**7.3%**	**3.1%**	**2.9%**	**1.6%**	**0.6%**
Global fixed income (3)	**6.8%**	**9.2%**	**-4.7%**	**-16.2%**	**5.7%**	**-1.7%**	**7.3%**	**8.9%**	**2.7%**	**-1.2%**	**1.2%**
U.S Fixed Income (4)	**8.7%**	**7.5%**	**-1.5%**	**-13.0%**	**5.5%**	**1.3%**	**4.0%**	**6.1%**	**2.5%**	**-0.7%**	**1.8%**
U.S. Governments (USD) (5)	5.2%	5.8%	-1.7%	-7.8%	4.3%	2.4%	4.0%	6.3%	2.8%	0.1%	1.6%
U.S. Corporate (USD) (6)	14.5%	9.9%	-1.0%	-15.8%	8.5%	2.1%	4.2%	6.9%	4.3%	0.1%	3.0%
U.S. High Yield (USD) (7)	14.3%	7.1%	5.3%	-11.2%	13.4%	8.2%	4.6%	10.3%	9.9%	6.0%	5.4%
Euro Fixed Income (8)	**6.0%**	**4.0%**	**-2.9%**	**-17.2%**	**7.2%**	**2.6%**	**0.8%**	**4.8%**	**1.5%**	**-1.7%**	**0.5%**
Euro Governments (EUR) (9)	6.8%	5.0%	-3.5%	-18.5%	7.1%	1.9%	0.5%	4.5%	0.6%	-2.3%	0.4%
Euro Corporate (EUR) (10)	6.2%	2.8%	-1.0%	-13.6%	8.2%	4.7%	1.8%	6.0%	4.2%	0.5%	1.4%
Euro High Yield (EUR) (11)	12.3%	1.8%	4.2%	-11.1%	12.8%	9.1%	2.3%	8.2%	9.3%	4.7%	3.7%
Global Emerging Fixed Income (USD) (12)	**13.1%**	**6.5%**	**-1.7%**	**-15.3%**	**9.1%**	**6.6%**	**4.9%**	**9.4%**	**7.7%**	**1.7%**	**3.4%**
Latam Emerging Fixed Income (USD) (13)	12.3%	4.5%	-2.5%	-13.2%	11.1%	10.5%	6.0%	13.2%	10.7%	4.0%	4.0%
MSCI World (USD)	**27.7%**	**15.9%**	**21.8%**	**-18.1%**	**23.8%**	**18.7%**	**9.5%**	**16.3%**	**18.3%**	**14.6%**	**10.6%**
S&P 500 (USD)	31.5%	18.4%	28.7%	-18.1%	26.3%	25.0%	6.2%	15.2%	19.7%	16.6%	13.6%
MSCI Europe (EUR)	23.8%	5.4%	16.3%	-15.1%	19.9%	1.8%	23.0%	18.4%	17.2%	12.4%	6.7%
MSCI Emerging Markets (USD)	18.4%	18.3%	-2.5%	-20.1%	9.8%	7.5%	15.3%	15.3%	9.7%	6.8%	4.8%
MSCI Asia Pac. Ex Japan (USD)	19.2%	22.4%	-2.9%	-17.5%	7.4%	10.2%	14.1%	15.8%	9.7%	7.1%	5.7%
MSCI Latin America (USD)	17.5%	-13.8%	-8.1%	8.9%	32.7%	-26.4%	29.9%	13.4%	11.6%	11.1%	3.8%

(1) Barclays Benchmark Overnight USD Cash Index; 2) Barclays Benchmark 3mEUR Cash Index; 3) Bloomberg Barclays Global Aggregate Total Return Index Value Un; 4) Bloomberg Barclays U.S. Agg Total Return Value Unhedged USD; 5) Bloomberg Barclays U.S. Intermediate Treasury TR Index Value Unhedged U; 6) Bloomberg Barclays U.S. Corporate Total Return Value Unhedged USD; 7) Bloomberg Barclays U.S. Corporate High Yield Total Return Value Unhedged USD; 8) Bloomberg Barclays EuroAgg Total Return Index Value Unhedged EUR; 9) Bloomberg Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR; 10) Bloomberg Barclays Euro Aggregate Corporate Total Return Index Value Unhedged EU; 11) Bloomberg Barclays Pan-European Aggregate High Yield TR Index Value Unhedged; 12) Bloomberg Barclays EM USD Aggregate Total Return Value Unhedged; 13) Bloomberg Barclays Emerging Markets Latam Total Return Value Unhedged USD. Equity indices include dividends (TR Index).

Equities

Source: Bloomberg and own elaboration

Data as of 06/30/2025

			Change	Last 10 years			Return			Annualized return			
		Last Price	12 months	Low	Range	High	2023	2024	YTD	1 year	3 years	5 years	10 years
U.S.	S&P 500	6,205		1,920		6,205	24.2%	23.3%	5.5%	13.6%	17.9%	14.9%	11.6%
	DOW JONES IA	44,095		16,285		44,911	13.7%	12.9%	3.6%	12.7%	12.7%	11.3%	9.5%
	NASDAQ 100	20,370		4,558		20,370	43.4%	28.6%	5.5%	14.9%	22.7%	15.2%	15.1%
Europe	Stoxx 50	541		320		557	12.7%	6.0%	6.6%	5.9%	10.0%	8.5%	3.4%
	Eurozone (EuroStoxx)	5,303		2,787		5,464	19.2%	8.3%	8.3%	8.4%	15.4%	10.4%	4.3%
	Spain (IBEX 35)	13,992		6,452		14,152	22.8%	14.8%	20.7%	27.9%	20.0%	14.1%	2.5%
	France (CAC 40)	7,666		4,237		8,206	16.5%	-2.2%	3.9%	2.5%	9.0%	9.2%	4.6%
	Germany (DAX)	23,910		9,495		23,997	20.3%	18.8%	20.1%	31.1%	23.2%	14.2%	7.9%
	United Kingdom (FTSE 100)	8,761		5,577		8,810	3.8%	5.7%	7.2%	7.3%	6.9%	7.3%	2.9%
	Italy (MIB)	39,792		16,198		40,087	28.0%	12.6%	16.4%	20.0%	23.2%	15.5%	5.7%
	Portugal (PSI 20)	7,456		3,945		7,456	11.7%	-0.3%	16.9%	15.1%	7.2%	11.2%	2.8%
	Switzerland (SMI)	11,921		7,808		13,004	3.8%	4.2%	2.8%	-0.6%	3.5%	3.5%	3.0%
LatAm	Mexico (MEXBOL)	57,451		34,555		57,842	18.4%	-13.7%	16.0%	9.6%	6.5%	8.8%	2.5%
	Brazil (IBOVESPA)	138,855		40,406		138,855	22.3%	-10.4%	15.4%	12.1%	12.1%	7.9%	10.2%
	Argentina (MERVAL)	1,994,825		9,815		2,564,659	360.1%	172.5%	-21.3%	23.8%	182.5%	120.0%	67.2%
	Chile (IPSA)	8,248		3,487		8,248	17.8%	8.3%	22.9%	28.6%	18.5%	15.8%	8.0%
Asia	Japan (NIKKEI)	40,487		15,576		40,487	28.2%	19.2%	1.5%	2.3%	15.3%	12.7%	7.1%
	Hong-Kong (HANG SENG)	24,072		14,687		32,887	-13.8%	17.7%	20.0%	35.9%	3.3%	-0.3%	-0.9%
	South Korea (KOSPI)	3,072		1,755		3,297	18.7%	-9.6%	28.0%	9.8%	9.6%	7.8%	3.9%
	India (Sensex)	83,606		23,002		84,300	18.7%	8.2%	7.0%	5.8%	16.4%	19.1%	11.6%
	China (CSI)	3,936		2,877		5,352	-11.4%	14.7%	0.0%	13.7%	-4.3%	-1.1%	-0.8%
World	MSCI WORLD	4,026		1,547		4,026	21.8%	17.0%	8.6%	14.7%	16.5%	12.8%	8.7%

Equities by Style and by Sectors

Source: Bloomberg and own elaboration

Data as of 06/30/2025

			Change	Last 10 years			Return			Annualized return				Ratios	
		Last Price	12 months	Low	Range	High	2023	2024	YTD	1 year	3 years	5 years	10 years	PE Ratio	Dividend Yield
	MSCI World	12,843		4,204		12,843	23.8%	18.7%	9.5%	16.3%	18.3%	14.6%	10.6%	19.88	1.80
Style	MSCI World High Dividend Yield	2,955		1,352		2,955	9.1%	8.0%	9.3%	13.6%	10.3%	10.4%	7.3%	13.70	3.71
	MSCI World Momentum	5,322		1,454		5,322	11.8%	30.2%	13.8%	17.4%	20.8%	13.9%	12.9%	21.77	1.14
	MSCI World Quality	5,254		1,456		5,254	32.4%	18.4%	6.1%	6.6%	19.4%	14.4%	13.0%	25.50	1.27
	MSCI World Minimum Volatility	5,612		2,510		5,612	7.4%	10.9%	10.4%	17.0%	10.6%	8.4%	8.0%	17.21	2.37
	MSCI World Value	15,179		6,429		15,179	11.5%	11.5%	10.5%	15.9%	13.5%	13.5%	7.6%	14.52	2.96
	MSCI World Small Cap	760		318		760	15.8%	8.2%	7.4%	14.5%	12.2%	11.0%	7.5%	17.60	2.14
	MSCI World Growth	12,849		3,389		12,849	37.0%	25.9%	8.6%	16.6%	23.0%	15.1%	13.1%	29.76	0.74
Sector	Energy	494		164		520	2.5%	-2.6%	4.6%	-0.8%	9.1%	19.1%	4.7%	11.33	3.77
	Materials	613		229		649	14.8%	5.8%	10.2%	4.4%	8.9%	9.9%	7.3%	18.10	2.67
	Industrials	725		238		725	23.2%	-11.6%	17.6%	24.0%	22.1%	16.4%	10.7%	21.65	1.73
	Consumer Discretionary	645		225		680	35.1%	-17.7%	-0.8%	15.6%	16.8%	11.5%	10.1%	20.03	1.27
	Consumer Staples	516		273		526	2.3%	-5.4%	9.4%	11.8%	7.2%	7.5%	6.3%	18.91	2.88
	Health Care	519		246		598	3.8%	-1.1%	0.8%	-5.6%	3.7%	6.1%	6.3%	20.29	1.72
	Financials	396		125		396	16.2%	-21.1%	16.6%	34.2%	23.1%	20.0%	9.9%	13.30	2.83
	Information Technology	1,043		152		1,043	53.3%	-24.7%	8.5%	15.2%	29.6%	20.2%	20.6%	31.49	0.66
	Real Estate	2,130		1,283		2,450	10.1%	-2.1%	4.4%	9.9%	2.8%	5.3%	5.0%	28.62	4.00
	Communication Services	285		106		285	45.6%	-25.3%	13.8%	24.8%	24.7%	14.9%	9.4%	19.49	1.02
	Utilities	409		186		409	0.3%	-11.5%	16.0%	25.4%	10.1%	9.5%	8.2%	15.29	3.71

Sovereign Bonds

Source: Bloomberg and own elaboration

Data as of 06/30/2025

					10 years						
	Rating (S&P)			Interest rate	Change			Last 10 years			Slope
		C. Banks	2 years	10 years	12 months	Minimum	Range	Maximum	YTD	1 year	10-2 years
Developed											
U.S.	AA+	4.50%	3.72%	4.23%		0.53%		4.93%	-34	20	0.51
Germany	AAA	2.00%	1.86%	2.61%		-0.70%		2.84%	24	30	0.75
France	AA-	2.00%	2.14%	3.29%		-0.40%		3.45%	9	27	1.14
Italy	BBB+	2.00%	2.07%	3.48%		0.54%		4.78%	-5	-17	1.41
Spain	A	2.00%	2.00%	3.24%		0.05%		3.93%	18	13	1.25
United Kingdom	AA	4.25%	3.82%	4.49%		0.10%		4.68%	-8	52	0.67
Greece	BBB	2.00%	2.01%	3.30%		0.61%		12.03%	8	-2	1.28
Portugal	A	2.00%	1.87%	3.06%		0.03%		4.19%	21	13	1.18
Switzerland	AAA	0.00%	-0.11%	0.41%		-1.05%		1.58%	14	-1	0.52
Poland	A-	5.25%	4.57%	5.51%		1.15%		8.34%	-37	10	0.94
Japan	A+	0.50%	0.75%	1.43%		-0.27%		1.49%	33	38	0.68
Emerging											
Brazil	BB	15.00%	13.85%	13.52%		6.49%		16.51%	-165	164	-0.34
Mexico	BBB	8.00%	8.20%	9.31%		5.55%		10.44%	-113	-48	1.11
Chile	A	5.00%	4.76%	5.67%		2.19%		6.79%	-5	-39	0.91
Argentina	CCC	29.00%	n.d.	n.d.		0.00%		0.00%	n.d.	n.d.	n.d.
Colombia	BB	9.25%	9.63%	12.26%		5.39%		13.79%	40	153	2.62
Turkey	BB-	46.00%	37.10%	28.85%		8.89%		32.35%	166	227	-8.25
Poland	A-	5.25%	4.60%	5.52%		1.16%		8.37%	-37	10	0.92
China	A+	1.90%	1.36%	1.65%		1.62%		3.91%	-2	-50	0.29
India	BBB-	5.50%	5.77%	6.32%		5.84%		8.02%	-44	-61	0.55

* Intervention rate, except in Euro Zone countries, where the marginal deposit facility is used.

Currencies

Source: Bloomberg and own elaboration

Data as of 06/30/2025

		Change	Last 10 years			Return	Annualized return			
	Last Price	**12 months**	**Low**	**Range**	**High**	**YTD**	**1 year**	**3 years**	**5 years**	**10 years**
EUR/USD	1,1787		0.98		1.24	13.8%	10.0%	4.0%	1.0%	0.6%
EUR/GBP	0.86		0.70		0.92	-3.6%	1.3%	-0.1%	-1.1%	1.9%
EUR/CHF	0.93		0.93		1.20	0.6%	3.0%	2.3%	2.6%	1.2%
EUR/JPY	170		114		172	4.3%	1.5%	-5.7%	-6.5%	-2.2%
EUR/PLN	4.24		4.14		4.86	0.8%	1.6%	3.4%	0.9%	-0.1%
GBP/USD	1.37		1.12		1.56	9.7%	8.6%	4.1%	2.1%	-1.3%
USD/CHF	0.79		0.82		1.03	14.4%	13.3%	6.4%	3.6%	1.8%
USD/JPY	144		101		161	9.1%	11.7%	-2.0%	-5.6%	-1.6%
USD/MXN	18.75		16.11		24.17	11.1%	-2.3%	2.4%	4.2%	-1.7%
USD/ARS	1,203.63		9.19		1,201.35	-14.3%	-24.3%	-53.0%	-43.3%	-38.6%
USD/CLP	932		594		995	6.8%	0.9%	-0.5%	-2.5%	-3.7%
USD/BRL	5.43		3.11		6.18	13.7%	3.0%	-1.1%	0.1%	-5.3%
USD/COP	4.100		2,795		4.940	7.5%	1.3%	0.5%	-1.7%	-4.3%
USD/CNY	7.16		6.21		7.32	1.9%	1.4%	-2.2%	-0.3%	-1.4%
EUR/SEK	11.15		9.17		11.88	2.8%	1.9%	-1.3%	-1.2%	-1.8%
EUR/NOK	11.88		8.88		11.97	-0.8%	-3.7%	-4.6%	-1.9%	-3.0%

Commodities

Source: Bloomberg and own elaboration

		Change	Last 10 years			Return			Annualized return			
	Last Price	**12 months**	**Low**	**Range**	**High**	**2023**	**2024**	**YTD**	**1 year**	**3 years**	**5 years**	**10 years**
Crude Oil (Brent)	68.0		18		124	-4.6%	-4.5%	-8.3%	-21.6%	-17.4%	9.5%	1.1%
Crude Oil (W. Texas)	65.1		19		115	-10.7%	0.1%	-9.2%	-20.1%	-14.9%	10.6%	1.3%
Gold	3,307.7		1,060		3,388	13.4%	27.5%	25.2%	41.4%	22.3%	12.9%	11.0%
Copper	9,869.0		4,561		10,375	2.2%	2.4%	12.6%	2.8%	6.1%	10.4%	5.5%
CRB Index	297.3		117		317	-5.0%	12.5%	0.2%	2.3%	0.7%	16.6%	2.9%
Natural Gas (USA)	3.5		2		5	-17.4%	4.1%	-2.9%	0.0%	-5.5%	8.4%	-1.8%
Natural Gas (Europe)	32.9		13		73	-57.6%	51.1%	-32.7%	-4.6%	-38.9%	39.8%	4.8%

Santander Private Banking

Periodic table of asset returns.

Calendar Year Returns

Type of Asset	Index	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
U.S. Equities	S&P 500 TR	**14.8%** Global High Yield	**37.3%** Emerging Market Equities	**2.6%** Eurozone Sovereign	**31.5%** U.S. Equities	**18.4%** U.S. Equities	**38.5%** Commodities	**22.0%** Commodities	**28.3%** Japan Equities	**25.0%** U.S. Equities	**23.5%** Spain Equities
Japan Equities	Topix TR	**12.0%** U.S. Equities	**22.4%** Global Equities	**-0.4%** EUR Cash	**28.2%** Europe Equities	**18.3%** Emerging Market Equities	**28.7%** U.S. Equities	**0.1%** EUR Cash	**28.0%** Spain Equities	**20.5%** Japan Equities	**15.30%** Emerging Market Equities
Spain Equities	Ibex35 TR	**11.2%** Emerging Market Equities	**22.2%** Japan Equities	**-1.2%** Europe IG	**27.7%** Global Equities	**15.9%** Global Equities	**23.2%** Europe Equities	**-2.0%** Spain Equities	**26.3%** U.S. Equities	**20.0%** Spain Equities	**10.4%** Europe Equities
Emerging Markets Equities	MSCI EM TR	**9.7%** Commodities	**21.8%** U.S. Equities	**-3.3%** Global High Yield	**19.6%** Global 60:40	**14.1%** Global 60:40	**21.8%** Global Equities	**-2.5%** Japan Equities	**23.8%** Global Equities	**18.7%** Global Equities	**9.5%** Global Equities
Europe Equities	Eurostoxx50 TR	**7.5%** Global Equities	**16.6%** Global 60:40	**-4.4%** U.S. Equities	**18.4%** Emerging Market Equities	**8.0%** Global High Yield	**12.7%** Japan Equities	**-9.5%** Europe Equities	**22.2%** Europe Equities	**18.4%** Commodities	**8.8%** Global 60:40
Commodities	Commodity RB TR	**5.9%** Global 60:40	**11.3%** Spain Equities	**-5.3%** Global 60:40	**18.1%** Japan Equities	**7.4%** Japan Equities	**10.8%** Global 60:40	**-13.2%** Global High Yield	**16.7%** Global 60:40	**11.0%** Europe Equities	**6.8%** Global High Yield
Global Equities	MSCI World TR	**4.8%** Europe IG	**10.2%** Global High Yield	**-8.7%** Global Equities	**16.6%** Spain Equities	**3.0%** Eurozone Sovereign	**10.8%** Spain Equities	**-14%** Europe IG	**13.4%** Global High Yield	**10.5%** Global 60:40	**6.2%** U.S. Equities
Europe IG	ERL0 TR	**4.0%** Eurozone Sovereign	**9.2%** Europe Equities	**-10.7%** Commodities	**13.7%** Global High Yield	**2.7%** Europe IG	**1.4%** Global High Yield	**-17.0%** Global 60:40	**9.8%** Emerging Market Equities	**7.5%** Emerging Market Equities	**3.8%** Japan Equities
EUR Cash	Eonia TR	**3.7%** Europe Equities	**2.5%** Europe IG	**-11.5%** Spain Equities	**11.8%** Commodities	**-0.5%** EUR Cash	**-0.5%** EUR Cash	**-17.8%** Eurozone Sovereign	**8.0%** Europe IG	**7.5%** Global High Yield	**2.3%** Commodities
Global High Yield	HW00 TR	**2.6%** Spain Equities	**1.7%** Commodities	**-12.0%** Europe Equities	**6.3%** Europe IG	**-3.2%** Europe Equities	**-1.1%** Europe IG	**-18.1%** U.S. Equities	**5.6%** Eurozone Sovereign	**4.6%** Europe IG	**1.5%** Europe IG
Global 60:40	BMADM64	**0.3%** Japan Equities	**-0.4%** EUR Cash	**-14.6%** Emerging Market Equities	**3.0%** Eurozone Sovereign	**-9.3%** Commodities	**-2.50%** Emerging Market Equities	**-18.1%** Global Equities	**3.4%** EUR Cash	**3.9%** EUR Cash	**1.3%** EUR Cash
Eurozone Sovereign	LETGTREU Index	**-0.3%** EUR Cash	**-1.4%** Eurozone Sovereign	**-16.0%** Japan Equities	**-0.4%** EUR Cash	**-12.7%** Spain Equities	**-2.7%** Eurozone Sovereign	**-20.1%** Emerging Market Equities	**0.0%** Commodities	**0.6%** Eurozone Sovereign	**-0.7%** Eurozone Sovereign

+ Returns -

*Data as of 6/30/2025
Total return indices track both the capital gains as well as any cash distributions, such as dividends or interest, attributed to the components of the index.
Source: Bloomberg.

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