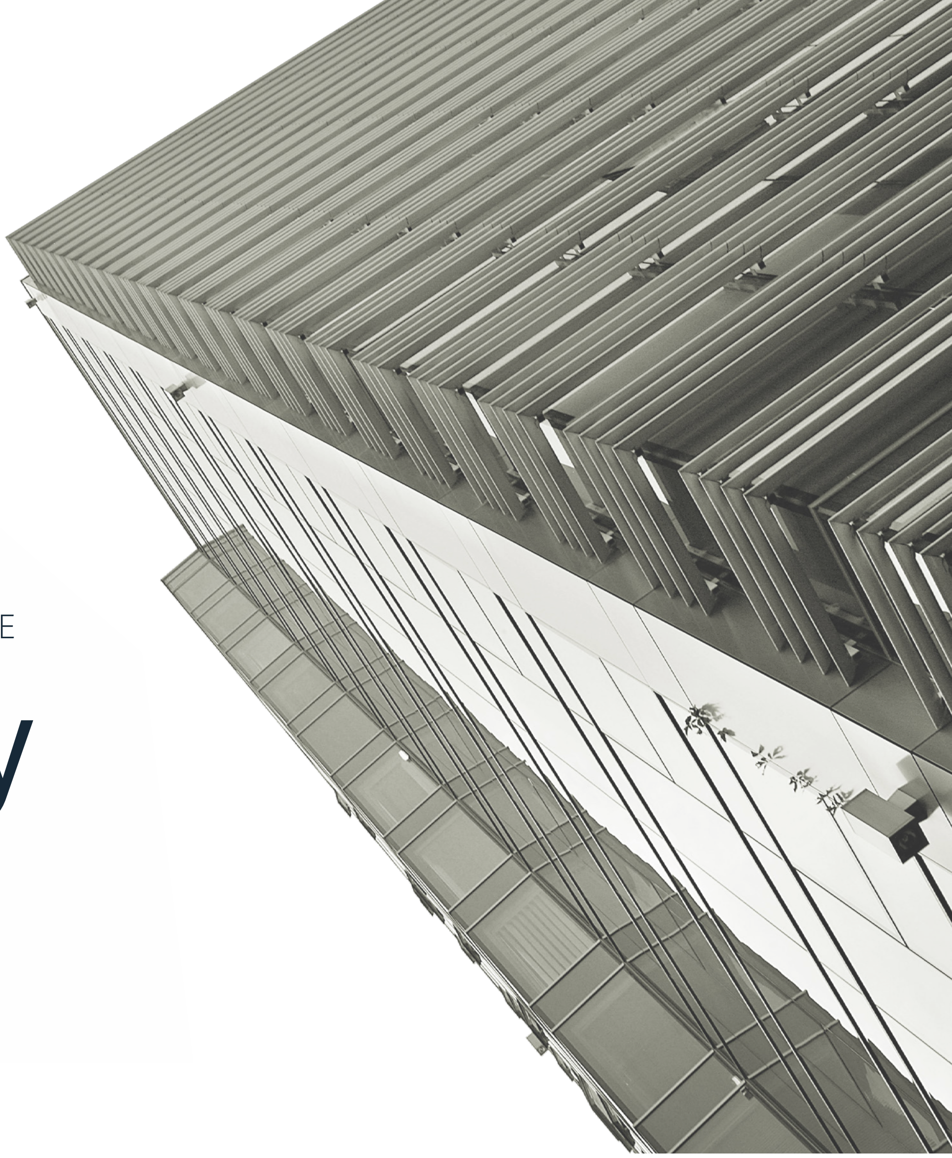
Santander
Private Banking



GLOBAL CHIEF INVESTMENT OFFICE

Quarterly Report

October 2025

In a perfection-priced market, quality leads

Markets are priced for perfection, yet **our base case remains constructive.** Disinflation is advancing without a collapse in demand; central banks are shifting from restraint to support; and earnings —especially in innovation-linked sectors— continue to surprise on the upside. The secular build-out in AI and digital infrastructure is broadening across supply chains and regions, providing a multi-year tailwind that keeps investors engaged.

At the same time, **high expectations narrow the margin for error.** Elevated public debt, demanding valuations, shifting trade and industrial policies, and episodic liquidity strains are background risks. The question is not whether these exist, but when they might become market-moving inflection points, for example through a policy surprise, growth disappointment, or geopolitical escalation. These are not our base case, but we monitor these potential tipping points closely.

Positioning in this environment means participation with discipline —invest, diversify, and hedge through quality. We stay invested, tilt to strong balance sheets and cash-flow visibility and maintain global diversification. We pair growth exposure with protective buffers —hedges, liquidity, and selected safe-haven assets— and favor incremental adjustments over binary calls. Resilience and fragility now coexist; portfolios should be prepared for both without abandoning the opportunity set.

Invest and Hedge: innovation tailwinds, disciplined risk management

Today's resilience—anchored in growth, earnings, and liquidity—stands alongside mounting concerns over debt, valuations, and policy credibility.

Momentum—with guardrails

Markets today are defined by a delicate balance. On one side, **short-term momentum remains solid.** Household finances are in good shape, with debt burdens manageable and balance sheets supported by accumulated savings. At the same time, corporate profitability has recovered strongly, with operating margins at record levels (see left graph below). Together, these factors underpin resilience in consumption and investment, allowing equities to remain supported by robust earnings power and liquidity.

Yet perfection-priced markets narrow the margin for error. Valuations are demanding, and leadership is concentrated. Our stance is to **participate with discipline—stay invested, tilt toward quality balance sheets and cash-flow visibility and keep global diversification.** We prefer incremental adjustments over binary calls.

What could change the story

Some risks sit in the background until they do not. Rising public debt and fiscal uncertainty, shifting trade and industrial policies, episodic liquidity strains, or a geopolitical escalation could convert slow-burn vulnerabilities into **near-term inflection points.** Policy surprises or growth disappointments can catalyze rapid repricing even when the fundamental trend remains constructive. These outcomes are **not our base case,** but they matter for portfolio construction.

Our approach is to **monitor, not predict, the turn**—tracking policy, growth, and market-structure signals— and to pair growth exposure with protection. That means using hedges, maintaining liquidity buffers, holding selected safe-haven assets, and actively managing downside risk. Resilience and fragility now coexist; portfolios should be prepared for both while capturing ongoing innovation-led momentum.

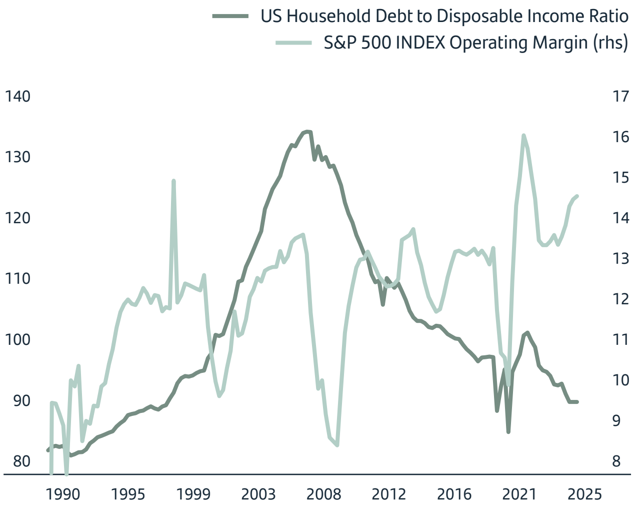
Stay invested: markets can stay strong for a while longer, supported by earnings strength, flows, financial conditions and lower rates.

Invest and hedge in a perfection-priced market

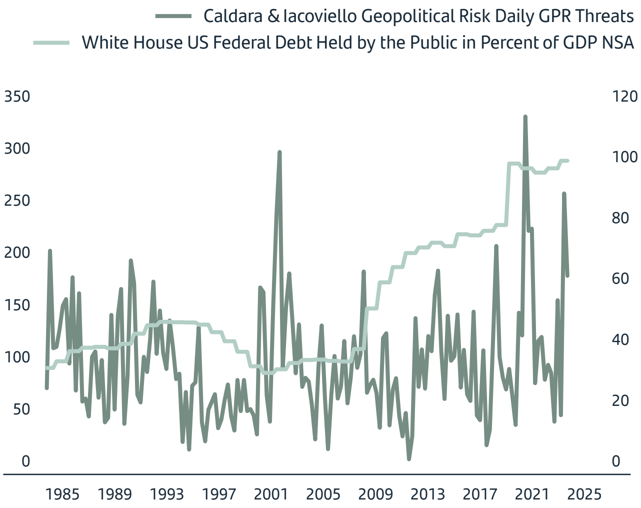
Innovation-led earnings and solid private balance sheets keep the base case constructive, while fiscal and geopolitical risks narrow the margin for error

Source: Bloomberg. Data as of 09/30/2025

Private sector fundamentals support optimism



Fiscal fragilities and geopolitics warrant caution



When vulnerabilities turn into market constraints

France and the UK illustrate how structural weaknesses can suddenly limit policy space, turning long-term vulnerabilities into near-term risks.

France: fiscal fragility in focus

France highlights how **fiscal weaknesses can quickly become market constraints.** Public debt remains significantly above pre-pandemic levels, and deficits are projected to stay wide rather than narrow. Rising refinancing costs add to the pressure, with interest payments now climbing steadily as debt is rolled over at higher rates. The chart below shows how long-term yields in markets like France have been rising, underlining these fiscal concerns.

This would be manageable if paired with credible consolidation, but politics make adjustment difficult. A **fragmented parliament has reduced the government's ability to pass durable reforms,** leaving investors skeptical of medium-term plans. Markets are responding: French spreads, once anchored near Germany, are converging toward Italy's. The **tipping point risk is that debt sustainability, long treated as a structural issue, becomes a cyclical drag on growth** and financial stability.

United Kingdom: the return of the gilt premium

The UK faces a parallel challenge where fiscal fragility and credibility concerns are once again in focus. Deficits remain large, refinancing needs are heavy, and issuance has been skewed toward longer maturities. This has **steepened the gilt curve and pushed term premiums higher,** reflecting diminished investor confidence. The rise in long-term UK yields, visible in the chart below, highlights how investors are demanding greater compensation for fiscal risk.

The **2022 "minibudget" crisis left a lasting imprint:** markets remember how quickly gilt yields spiked when credibility was questioned. Although institutions remain strong, political volatility and limited fiscal room have revived the risk premium once thought to be behind the UK. Even modest slippage now has disproportionate effects on yields, tightening financial conditions and constraining growth. The lesson is clear: **credibility is a delicate anchor, and once markets begin to test it, vulnerabilities can swiftly turn into binding constraints.**

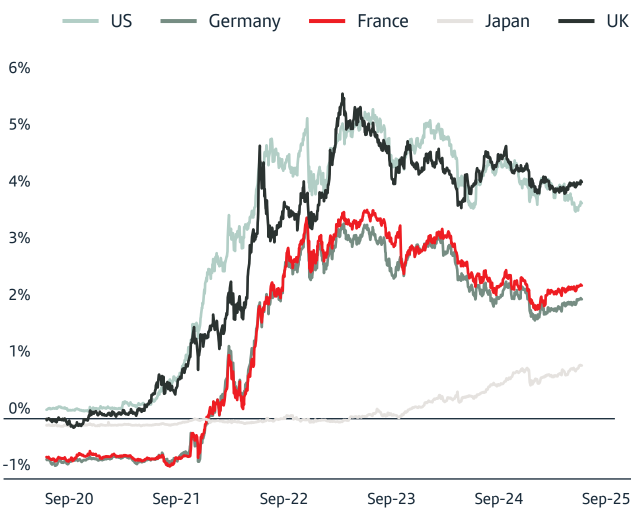
Be flexible: long-term vulnerabilities can quickly become short-term constraints. Flexibility in portfolios ensures investors can adapt when confidence shifts and markets approach a tipping point.

"Bond vigilantes" return? Rising long-term yields reflect doubts about fiscal credibility

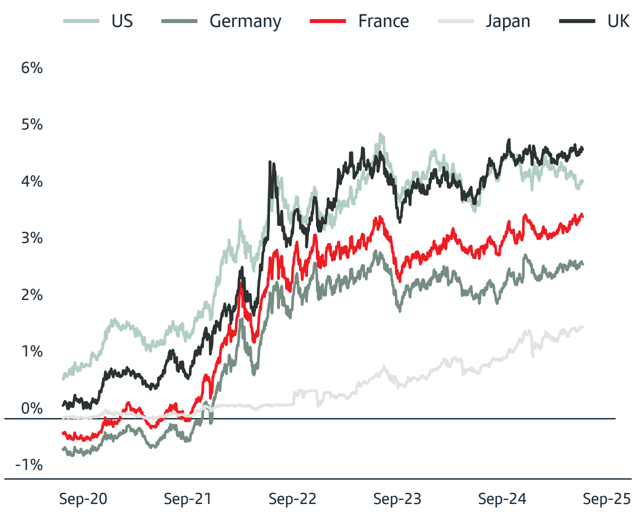
Easing at the front contrasts with rising long yields

Source: Bloomberg. Data as of 09/30/2025

2Y government bond yields



10Y government bond yields



Balancing opportunity with quality

Markets reflect a paradox: gold rallies on anxiety, while Nasdaq soars on innovation.

Gold rally signals geopolitical anxiety

Gold's ascent has become a mirror of global unease. Its role as a hedge is being reinforced by a combination of fiscal and geopolitical pressures that are increasingly difficult to ignore. Governments are running persistently high deficits, pushing debt ratios higher and raising questions about long-term sustainability. **Central banks, once seen as guardians of stability, are under mounting political pressure,** with their independence openly debated in several major economies.

Global fragmentation adds another layer of complexity. Trade barriers, shifting alliances, and geopolitical rivalries have reduced the predictability of international cooperation. Investors are also watching inflation expectations creep higher, recognizing that debt dynamics and political constraints could challenge monetary discipline. Against this backdrop, **gold's rise is not simply a commodity story — it is a signal of the anxiety building around the durability of the global financial framework.** That this rally is happening in parallel with soaring equities underscores the unusual coexistence of fear and optimism in today's markets.

Nasdaq reflects AI innovation boom

At the same time, markets are rewarding risk-taking, creating what feels like a paradox. The **surge in artificial intelligence investment has ignited expectations of a step-change in productivity,** opening avenues for exponential growth in new business models. Beyond AI, complementary forces such as robotics, the energy transition, the expansion of data infrastructure, and breakthroughs in biotechnology are converging to fuel a new wave of innovation.

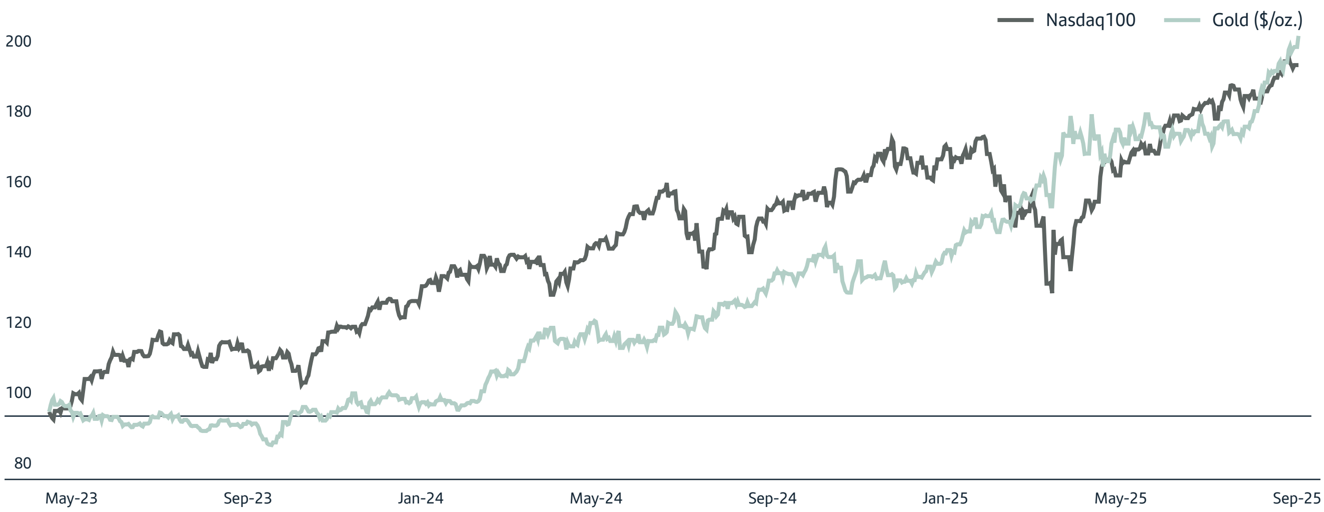
Corporate earnings are reflecting this momentum. In many markets, profit growth is running ahead of GDP, underscoring the leverage that technology and scale bring to the private sector. Investors have been rewarded for staying invested, as the largest economies remain below the tipping point of fiscal stress and continue to maintain ambitious investment plans. The **current rally shows that innovation-led growth can coexist with structural fragilities** — and that portfolios should embrace both sides of the paradox: capturing short-term momentum while maintaining hedges against longer-term vulnerabilities.

> Hedge and be disciplined: Participate in growth with a tilt for innovation but keep buffers for policy shocks.

The Odd Couple: Nasdaq and gold rally together

Gold's hedge appeal and Nasdaq's innovation momentum have propelled gains — an unusual tandem rally

Source: Bloomberg. Data as of 9/30/2025 (May 2023=100)



Santander Private Banking

Macro resilience with a narrower runway

1 A soft landing with hard questions

The macro landscape is supportive with growth slowing moderately and central banks cutting rates toward neutrality. Markets benefit from fiscal support and innovation, but risks are rising from tariffs, shrinking fiscal space, and long-term yield pressures.

1.1 Growth holds up, but signals of fragility emerge

Fiscal expansion, investment momentum, and easier policy are supporting growth. Yet labor market softening, fiscal limits, and trade frictions suggest the path ahead will be narrower.

1.2 Inflation: short-term relief, long-term uncertainty

Inflation progress supports easing, but new trade barriers and doubts about central bank mandates may complicate the path forward.

1.3 Easing cycles: doubts beyond neutrality

Global rate cuts have provided near-term support, but with policy rates approaching neutrality, the easing cycle is mature. The question now is whether going further would risk credibility rather than sustain growth.

1. A soft landing with hard questions

Growth is slowing but resilient, inflation is easing, and central banks are cutting rates —yet fiscal strains and geopolitical pressures cloud the outlook.

The **global economy is moving away from the dangers of stagflation and edging closer to a soft landing.** As illustrated in the chart, the US and Europe are moving into the "sweet spot" where growth slows slightly below potential while inflation converges toward target ranges. This adjustment creates space for central banks to reduce policy rates toward more neutral levels. The process is supported by accommodative conditions, fiscal stimulus still in play, and limited drag so far from trade restrictions. Innovation-led investment, especially in AI and digital infrastructure, is adding resilience.

This alignment produces a short-term macro picture that remains favorable for markets. Growth has proven more robust than feared, inflation is easing without collapsing demand, and the **prospect of lower interest rates supports valuations and funding conditions.** Against this backdrop, ample liquidity remains available, corporate earnings continue to surprise on the upside, and investors are still being rewarded for bearing risk.

The **combination of monetary easing, fiscal support, and structural investment momentum** suggests that the soft-landing scenario continues to be the central case for the quarters ahead. Still, as the title suggests, **there are hard questions that cannot be ignored.** Tariff-driven pressures could reawaken inflation expectations more forcefully than currently anticipated. Fiscal space is narrowing, especially in the US, France, and the UK, just as funding needs expand, putting upward pressure on long-term yields. Central bank independence is also being tested by political cycles, while the steepening of curves in global bond markets reflects investor concerns about credibility and debt sustainability.

These **vulnerabilities may not dominate the immediate outlook, but they frame the trade-offs investors must increasingly consider.** The following pages will examine in more detail our assumptions for growth, inflation, and interest rates —and assess the global fragilities that could eventually push the macro narrative beyond today's benign setting.

Quality as anchor: focusing on quality allows investors to benefit from current momentum without losing sight of long-term protection.

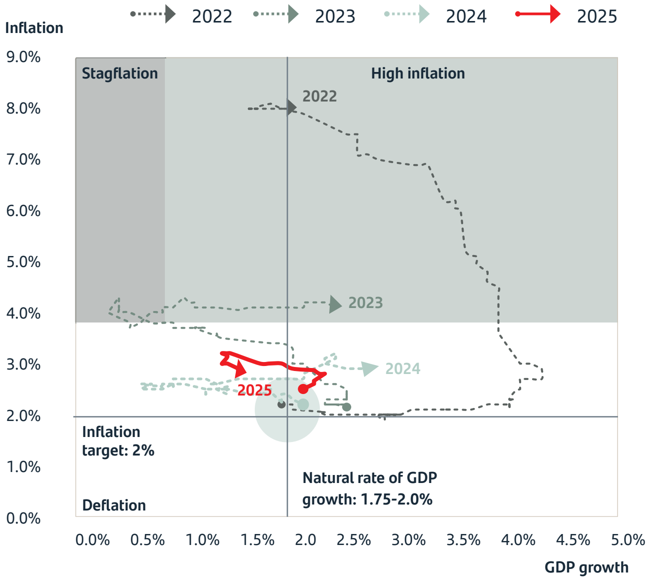
The path to neutrality: from stagflation risk towards a soft landing

Growth and inflation expectations have been converging towards the soft-landing zone over the years

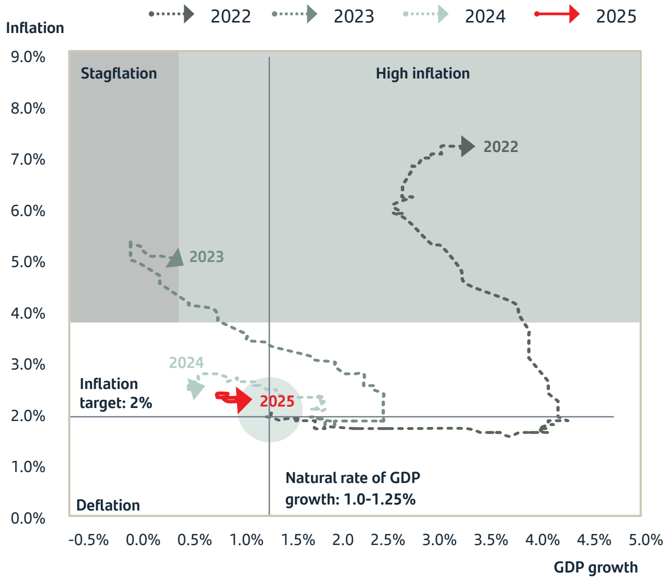
Source: Bloomberg and Santander. Consensus forecasts. Data as of 9/30/2025

Soft landing: area where growth and inflation converge to equilibrium levels

United States



Eurozone



1.1 Growth holds up, but signals of fragility emerge

Policy and capex support growth; labor cooling and fiscal strain narrow the path.

The global economy continues to avoid recession, supported by fiscal expansion, capex momentum, and the first steps of monetary easing. Growth has surprised on the upside in several regions, and consensus forecasts point to modest but positive performance in 2025. Still, it is slowing: **activity is converging toward potential growth levels while inflation remains above target.** The balance for now is favorable, but as the charts illustrate, the risks are shifting from immediate downturns toward more subtle fragilities.

The **US remains the global bellwether.** As shown in the first chart, market-based recession probabilities remain contained, far below the levels seen before past downturns. **Fiscal support, accommodative financial conditions, and strong corporate investment —particularly in AI and digital infrastructure— are keeping activity in positive territory.** Consensus estimates place 2025 growth around 1.7%, a slowdown but consistent with a soft landing. Yet the labor market is showing signs of weakening: payroll growth is slowing, jobless claims are trending higher, and the ratio of job openings to unemployed has fallen. These signals suggest that while the economy is not on the verge of recession, the resilience of consumption could fade if labor trends deteriorate further.

Europe's outlook is more uneven. Southern economies such as Spain, Portugal, and Ireland continue to expand on solid domestic demand, while Germany relies on fiscal spending to offset weak exports. By contrast, France and the UK face tighter fiscal and political constraints that weigh on confidence and investment. Taken together, Eurozone growth is expected to remain close to 1% in 2025 —low, but still in soft-landing territory. In **China, growth is slowing toward 5% as retail sales and exports soften,** though policymakers are preparing additional stimulus. Globally, fiscal spending and monetary easing provide near-term support, but the second chart illustrates a broader convergence toward potential growth —around 1.8% in the US and slightly lower in Europe— with inflation still above central bank targets. This reinforces the message that **today's benign cycle rests on fragile ground and could give way to slower momentum into 2026.**

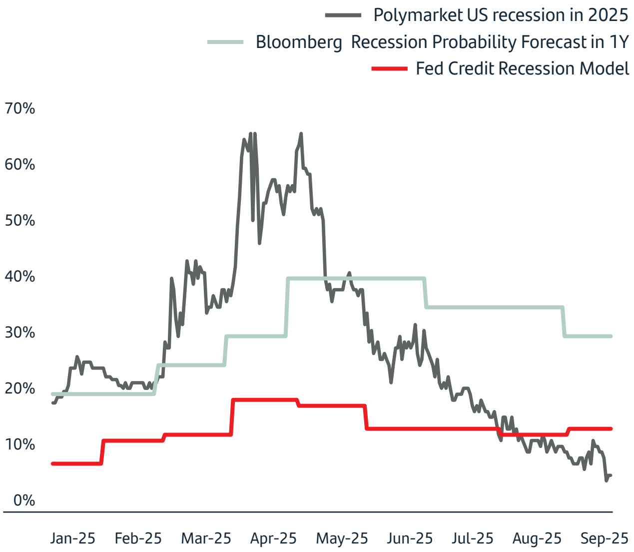
Balance growth and protection: benefit from policy support and AI-driven momentum, but anchor portfolios with defensive assets and liquidity.

Soft landing still intact, though weaker labor data raise caution

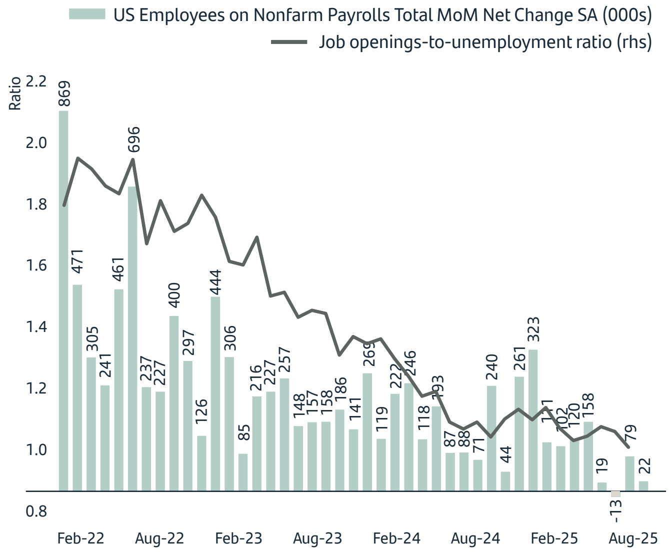
Short-term momentum supports the cycle, but labor signals highlight future vulnerabilities

Source: Bloomberg. Data as of 9/30/2025

No imminent US recession signaled by market and models



...but labor market indicators point to cooling



1.2 Inflation: short-term relief, long-term uncertainty

Inflation progress supports easing, but new trade barriers and doubts about Central Banks' mandates may complicate the path forward.

Inflation: Progress Made

Inflation has declined markedly across major economies, opening space for monetary easing. In the US, core inflation has fallen from its 2022–2023 peaks to around 3%, while in the Eurozone headline inflation has converged toward the ECB's 2% target. The UK remains higher, near 3.5%, but even there the trajectory has improved. These shifts reflect the fading of energy shocks, the normalization of supply chains, and softer demand conditions. Services inflation, while still elevated, has shown signs of stabilizing, suggesting that underlying pressures are no longer intensifying.

The charts illustrate this transition clearly: the steep disinflation phase is behind us, but inflation is not accelerating again. With this backdrop, central banks have gained room to recalibrate. The Federal Reserve has resumed rate cuts, the ECB is signaling comfort with current levels, and the Bank of England is preparing for gradual reductions. For markets, this progress reinforces the **view that monetary policy can cautiously shift back toward neutrality,** anchoring a more constructive short-term outlook.

Emerging fragilities: Tariffs and political pressures

Despite this progress, important vulnerabilities remain. Recent data show that **goods prices, which had been a consistent source of disinflation, are rising again, reflecting the impact of tariffs.** This is a structural shift: if higher import costs spill over into broader price dynamics, they could erode inflation expectations and complicate the space for monetary easing.

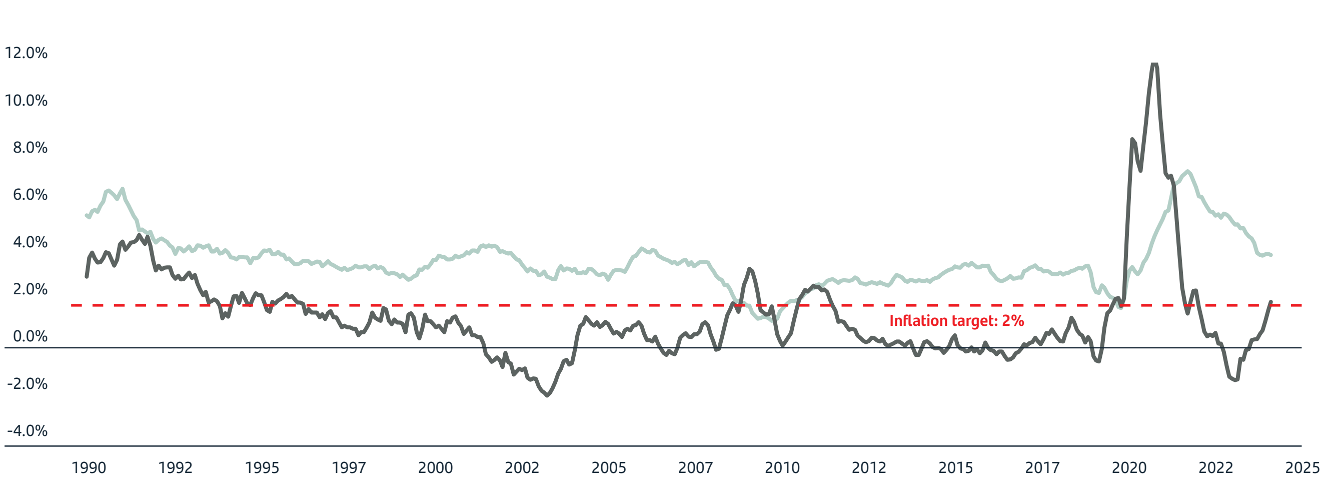
At the same time, **central bank mandates are under pressure from politics.** In the US, open criticism of the Federal Reserve and uncertainty about its future leadership are raising concerns about independence. Similar risks exist elsewhere, as governments facing large deficits may look to central banks for support. History suggests that once credibility is questioned, the cost of funding rises and inflation expectations drift upward, making stability harder to achieve. The immediate picture is still benign, but these dynamics highlight that disinflation is not guaranteed. **What appears today as a manageable balance could shift quickly, reminding investors that the line between stability and fragility can be thinner than it seems.**

Diversification matters: nominal returns provide stability, while real assets add resilience in a world of uncertain inflation dynamics.

Services inflation remains sticky while goods inflation turns up

Disinflation has stalled above target as tariffs push goods prices higher

Source: Bloomberg. Data as of 8/31/2025



1.3 Easing cycles: doubts beyond neutrality

The tailwind remains, but sub-neutral policy rates could unsettle inflation anchors.

The **Federal Reserve** has moved from its fastest tightening cycle in decades into a new phase of gradual easing. After peaking at 5.50% in 2023, the funds rate has already been reduced to 4.25%, with further cuts expected into 2026. The Fed's objective is not to engineer an aggressive stimulus, but to **guide rates back toward neutrality as inflation stabilizes near 3% and growth slows toward potential.**

The labor market is showing cracks —slower payroll gains, rising jobless claims, and weaker confidence—strengthening the case for lower rates. Yet the Fed has stressed that the pace will be measured. Our base case points to policy rates converging toward 3.5% by 2026, consistent with a soft landing in which disinflation continues but the economy avoids recession. This creates a tailwind for markets in the short term, as easier financial conditions support valuations and liquidity.

The shift is not limited to the US. The **ECB** has paused after cutting to 2.0%, signaling that most of its work is done unless growth weakens sharply.

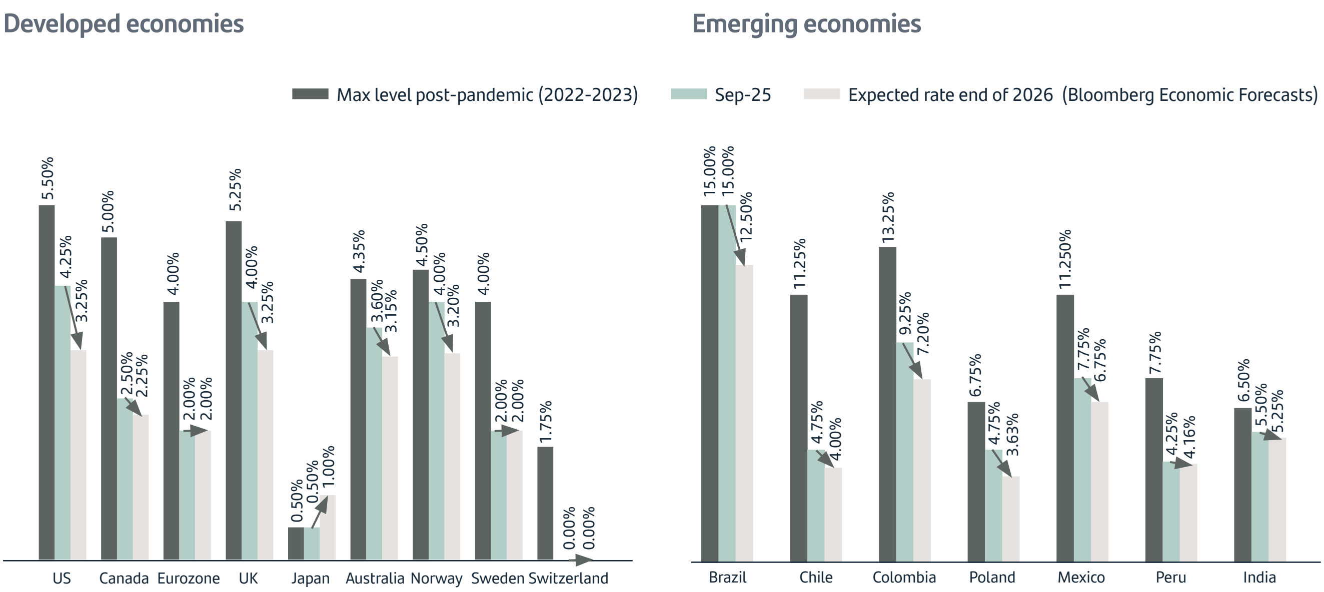
The **Bank of England** remains more hesitant, constrained by sticky services inflation, but is likely to follow with gradual cuts. In emerging markets, **Mexico** and **Chile** are easing cautiously, while **Brazil** still holds Selic at 15%, committed to a "higher for longer" stance until inflation risks fade. In Asia, **China** continues to lower rates to counter a weaker economy, while Japan remains the outlier among developed markets with a more restrictive stance. The common theme is that **central banks now lean toward easier policy, but the scope for cuts beyond neutrality is uncertain.**

Short-term momentum from lower rates is supportive, but going too far below neutrality risks unanchoring inflation expectations and damaging central banks' credibility. **Markets are enjoying the tailwind of easing today, yet the balance between sustaining growth and protecting the inflation anchor could become a critical fault line.** Crossing that line would mark the tipping point between a benign soft landing and a more unstable outlook.

Enjoy the easing tailwind, but do not overreach—rates are nearing neutrality.

The global monetary easing still has some room until it reaches neutrality

Source: Bloomberg. Data as of 9/30/2025



1.4 Summary of economic projections

Data as of 09/30/2025

Economic Growth

Global growth is projected to moderate in 2025, with the U.S. expanding at 1.9% and the Eurozone at 1.1%. The U.S. remains resilient, supported by healthy private balance sheets and stable consumption, but investment softness and slower hiring are concerns. Europe continues to lag, especially Germany, due to weak industrial output and structural constraints, while Spain leads regional growth. Emerging markets show divergence: Chile and Peru are recovering, Brazil and Mexico are decelerating, and China stabilizes near 4.5%, still hampered by its property sector.

GDP (YoY%)	2024	2025e	2025 Consensus	2026e	2026 Consensus
United States	2.8	1.9	1.8	2.0	1.8
Eurozone	0.7	1.1	1.3	1.0	1.1
United Kingdom	0.8	1.3	1.3	1.0	1.2
Germany	-0.5	0.2	0.3	0.9	1.1
France	1.1	0.6	0.6	0.9	0.9
Italy	0.5	0.6	0.5	0.9	0.8
Spain	3.2	2.7	2.5	1.9	2.0
Brazil	3.4	2.1	2.2	1.7	1.6
Mexico	1.4	0.7	0.5	1.7	1.3
Chile	2.3	2.4	2.4	2.3	2.2
Poland	2.9	3.5	3.4	3.7	3.3

Inflation

Inflation remains a central issue in 2025. In the U.S., core CPI is stuck at 3.1%, with monthly prints above the Fed's comfort zone, delaying rate cuts. Eurozone inflation is trending lower, with core readings near 0.2% MoM, supporting ECB easing. In LatAm, inflation is gradually converging toward targets, but remains high in Brazil and Mexico. Chile and Poland are closer to target levels. Key risks to price stability include services inflation in the U.S., global energy volatility, and potential tariff-related shocks from trade policy adjustments.

Inflation (YoY%)	2024	2025e	2025 Consensus	2026e	2026 Consensus
United States	2.9	2.8	2.8	3.0	2.9
Eurozone	2.4	2.1	2.1	1.7	1.8
United Kingdom	2.5	3.4	3.4	2.2	2.5
Germany	2.5	2.2	2.1	1.7	2.0
France	2.3	1.0	1.1	1.4	1.6
Italy	1.1	1.7	1.8	1.4	1.6
Spain	2.9	2.7	2.6	1.8	2.0
Brazil	4.4	5.1	5.1	4.4	4.2
Mexico	4.7	3.9	3.9	3.7	3.7
Chile	4.3	4.3	4.3	3.2	3.2
Poland	3.7	3.9	3.8	3.0	2.9

Monetary policy

Global monetary policy is shifting toward gradual easing. In the US, the Fed has lowered the target range to 4.00–4.25% (upper bound 4.25%) and remains data-dependent as rates converge toward neutrality. The ECB has paused after cutting the deposit rate to 2.00%. Divergence across EMs persists. Brazil's Selic is 15.00% after a tightening cycle, with a "higher-for-longer" stance until inflation risks recede. Mexico has eased to 7.50%, signaling a cautious, step-by-step path. Elsewhere, several EM central banks are at different points in the cycle as they weigh sticky services inflation, uneven growth, fiscal constraints, and geopolitics.

Official Interest Rates (%)	2024	30-Sep	2025e	2025 Consensus	2026e	2026 Consensus
United States	4.50	4.25	4.00	3.87	3.50	3.30
Eurozone	3.00	2.00	1.75	2.08	1.75	2.09
United Kingdom	4.75	4.00	3.75	3.84	3.50	3.33
Brazil	12.25	15.00	15.00	14.87	13.00	12.21
Mexico	10.00	7.50	7.50	7.14	7.50	6.57
Chile	5.00	4.75	4.50	4.46	4.50	4.13
Poland	5.75	4.75	4.50	4.51	3.75	3.66

Foreign Exchange Markets

The USD is expected to weaken moderately in 2025 as the Fed cuts rates, with EUR/USD projected to recover toward 1.18. USD/GBP may strengthen to 1.35 amid easing inflation. LatAm FX shows mixed dynamics: MXN remains resilient on fiscal strength and nearshoring trends; BRL faces pressure due to fiscal doubts despite high rates. CLP and PLN are gaining as inflation eases and policy normalizes. However, geopolitical risks, trade tensions, and Fed surprises could temporarily support the USD or trigger renewed volatility across EM currencies.

FX vs. USD	2024	30-Sep	2025e	2025e Consensus	2026e	2026 Consensus
EUR	1.04	1.17	1.18	1.19	1.20	1.22
GBP	1.25	1.34	1.35	1.37	1.36	1.40
BRL	6.18	5.31	5.70	5.55	5.90	5.75
MXN	20.83	18.33	19.50	19.20	20.30	19.50
CLP	995	962	970	940	980	926
PLN	4.13	3.64	3.63	3.55	3.58	3.54

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

Santander Private Banking

Perfection-priced markets: participate, protect

2 Markets: strong performance with thinner cushions

Policy easing and earnings strength continue to drive performance across asset classes. But with limited cushions for long-term returns, investors must weigh today's tailwinds against the risk of sudden fragility.

2.1 Fixed income: enjoying the carry, monitoring the risks

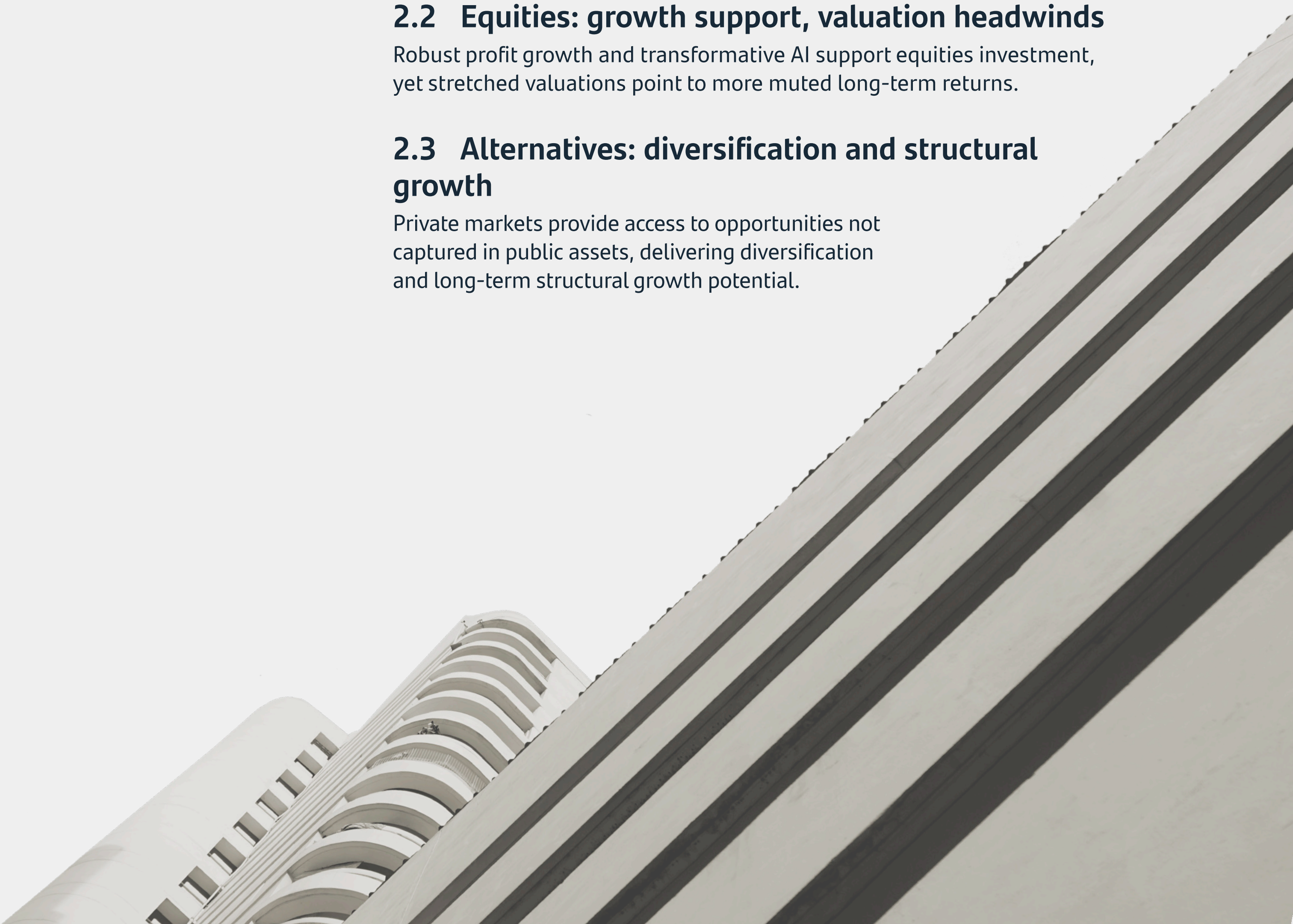
Bond markets enjoy a sweet spot of easier policy and supportive financing, but inflation pressures and higher term premia threaten tomorrow's stability.

2.2 Equities: growth support, valuation headwinds

Robust profit growth and transformative AI support equities investment, yet stretched valuations point to more muted long-term returns.

2.3 Alternatives: diversification and structural growth

Private markets provide access to opportunities not captured in public assets, delivering diversification and long-term structural growth potential.



2. Markets: strong performance with thinner cushions

Easing, earnings, and AI support gains—yet valuations constrain returns.

The first nine months of 2025 have seen financial markets deliver broad and impressive gains. Equities across developed and emerging markets have advanced strongly, corporate bonds have enjoyed healthy spreads and steady demand, and sovereign yields have retraced, boosting total returns. Commodities and digital assets have also contributed positively, creating a picture of unusually synchronized performance across asset classes. This outcome reflects the sensitivity of markets to the **combined effect of lower interest rates, resilient earnings, and still-solid credit fundamentals,** an algorithm that tends to drive strong short-term returns when conditions align.

Yet behind this strength lies a question that investors must always keep in mind: at **what point do long-term fragilities, such as elevated valuations, rising fiscal imbalances, or geopolitical risks, tip over into short-term concerns?** That transition is notoriously difficult to time, but it is precisely this uncertainty that makes balance and vigilance so important.

The rally also highlights the resilience provided by earnings momentum and policy support, but it comes at a cost: **valuations across most risky assets now stand at demanding levels,** often in the higher percentiles of historical ranges. This leaves investors with a thinner margin of safety, even as near-term dynamics remain constructive.

Markets can comfortably ignore long-term vulnerabilities for extended periods, but history shows they can shift abruptly when sentiment changes, often without clear warning. The task for investors is not to predict the exact timing of such shifts, but to remain prepared. Neutral positioning provides the right balance — capturing today's tailwinds while keeping flexibility to adjust if fragilities evolve into pressures. By anchoring decisions in fundamentals, maintaining diversification, and resisting the temptation to follow noise, portfolios can stay resilient as markets navigate the line between short-term momentum and long-term vulnerabilities.

Maintain risk discipline: equities and credit are trading at tight valuations.

Strong returns meet tight valuations

Percentiles near record lows highlight how expensive markets have become

Source: Bloomberg and Santander. Data as 9/25/2025

Valuation: Less attractive (0) — More attractive (100)

Fixed income

US	YTD Returns	Yield to worst	Valuation (percentile)
U.S. Treasury: 1-3 Y	3.9%	3.6%	66
U.S. Treasury: 7-10	7.2%	4.0%	59
US Investment Grade	6.7%	4.8%	29
US High Yield	7.3%	6.6%	10
Emerging Markets USD	9.0%	5.9%	15

EU	YTD Returns	Yield to worst	Valuation (percentile)
Euro-Treasury 1-3Y	1.8%	2.1%	58
Euro-Treasury 7-10Y	1.0%	3.1%	61
Pan-European Investment Grade	2.6%	3.1%	32
Pan-European High Yield	4.3%	5.6%	15

Equities	YTD Returns	Forward PE	Valuation (percentile)
MSCI World (USD)	17.0%	22.2x	5
S&P 500 US (USD)	13.9%	25.1x	2
STOXX Europe 600 (EUR)	12.4%	15.7x	28
Nikkei 225 Japan (JPY)	15.7%	21.7x	28
MSCI Emerging Markets (USD)	28.7%	15.4x	24
MSCI EM Latin America (USD)	43.3%	10.8x	72

2.1 Fixed income: enjoying the carry, watching the risks

Enjoy carry but mind inflation, heavy issuance, and term-premium volatility.

The **backdrop for fixed income remains supportive in the near term.** The easing cycle is underway, and financial conditions are benign, as shown in the chart where credit spreads have tightened in both the U.S. and Europe. Lower policy rates and resilient macro fundamentals create a favorable environment for refinancing and issuance, while investors continue to find attractive carry in high-quality bonds. This sweet spot has boosted demand for corporate credit and sovereign debt alike, allowing portfolios to capture yield with relatively low volatility.

Emerging markets add to this positive momentum. Weaker U.S. dollar dynamics, looser monetary conditions across EM central banks, and stronger local demand have supported a broad-based rally in both hard and local currency debt. Performance in 2025 has been robust, underpinned by currency appreciation, lower rates, and fiscal consolidation in several economies. With credit rating upgrades outnumbering downgrades, EM debt offers an additional layer of diversification and return potential within fixed income allocations.

Ahead, risks are building. Inflation pressures have not been fully resolved, and term premia are rising as fiscal concerns mount. At the same time, spreads in developed market credit have compressed to historically tight levels, leaving little cushion against potential shocks. This lack of protection limits the margin of safety should the macro outlook deteriorate, or volatility resurface. In such an environment, the balance between carry and risk management becomes more delicate.

While we remain constructive on fixed income, the path forward requires discipline. Investors should emphasize quality, manage duration with care, and remain selective in credit. Emerging markets, while offering higher yields, are not immune to global shocks, but their improving fundamentals and relative fiscal strength compared with developed peers strengthen the case for maintaining exposure. The combination of short-term tailwinds and longer-term vulnerabilities means the asset class can continue to play a central role — provided positioning is active, selective, and risk-aware.

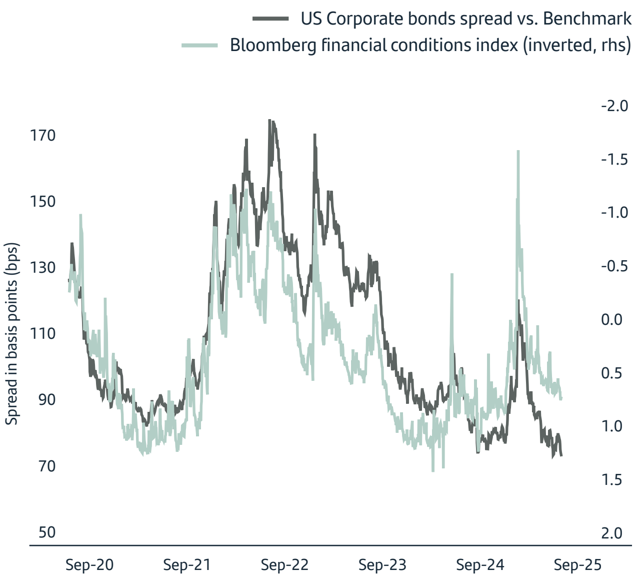
> Capture today´s carry but lean on higher-quality credit and selective emerging markets exposure.

Short-term momentum is strong, but tight spreads provide little cushion against shocks

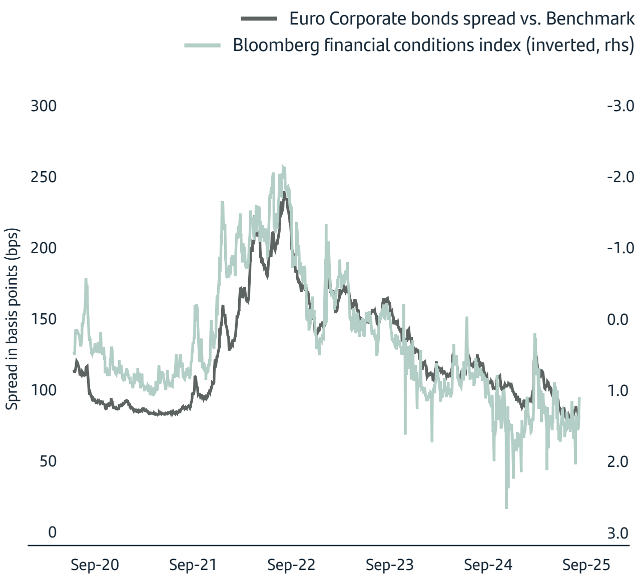
A sweet spot for funding, but with limited buffers

Source: Bloomberg. Data as of 9/30/2025

United States



Europe



2.2 Equities: growth support, valuation headwinds

Equities are supported by robust profit growth and transformative AI investment, yet stretched valuations point to more muted long-term returns.

Equity markets have benefited from a series of positive earnings surprises that have reinforced confidence in corporate resilience. Quarterly S&P 500 earnings have repeatedly outpaced consensus, marking a sustained rebound from the weakness of 2022–23. This reflects not just cyclical recovery but also structural drivers, particularly in technology and AI.

Companies tied to artificial intelligence are reporting robust revenue and margin growth, supported by record levels of investment in digital infrastructure and advanced hardware. This has created an unusually powerful capex boom, with AI-related spending now comparable in scale to previous transformative cycles in housing and technology.

Earnings breadth has improved beyond tech—financials and parts of consumer remain steady—extending the rebound and keeping near-term support in place. History also shows that when central banks cut rates and recession is avoided, equities have tended to deliver positive returns over the following quarters. With policy now converging toward neutrality, this pattern adds a near-term tailwind to the earnings story.

The longer-term picture is less straightforward. While profits are expanding, valuations are already stretched. The historical relationship between forward P/E ratios and future 10-year returns suggests that starting points matter, and today's multiples imply a much lower cushion for investors. Even if earnings remain strong, **high valuations reduce the scope for further rerating and increase vulnerability to shocks** — whether from inflation, geopolitics, or slower global growth. Moreover, the concentration of market leadership in a handful of mega-cap technology stocks raises concerns about resilience should enthusiasm around AI moderate.

This does not mean equities are unattractive, but it does highlight the need for careful positioning. Investors should continue to **benefit from today's earnings momentum while recognizing that long-term returns are likely to be more muted.** A balanced approach — maintaining exposure but diversifying across geographies, sectors, and investment styles — can help capture opportunities from structural growth themes while cushioning against the drag of expensive valuations.

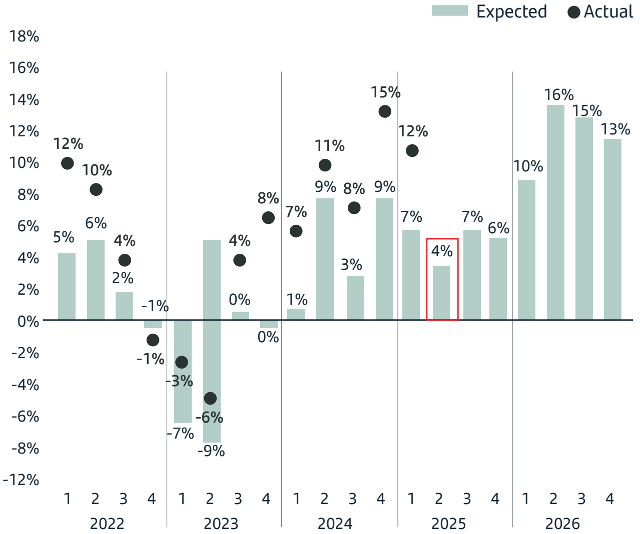
Earnings support the base case; valuations argue for discipline—favor quality and maintain protection.

Earnings keep markets afloat; valuations argue for discipline

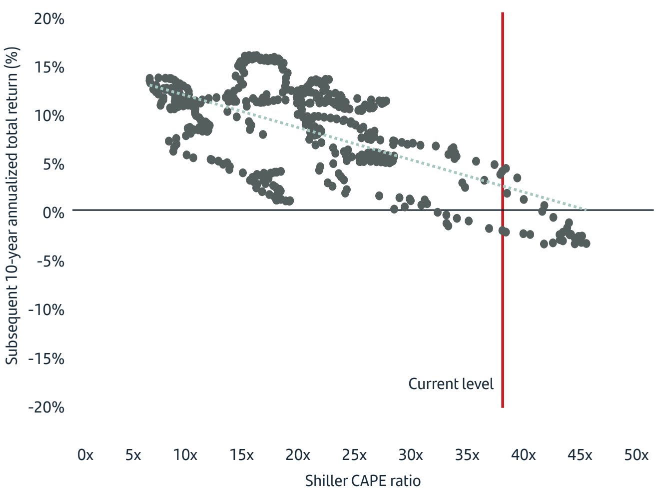
Short-term performance is led by EPS surprises; long-run returns are shaped by starting valuations

Source: Santander and Bloomberg. Data as of 09/30/2025

US stocks profit momentum: growth beats persist, estimates lift



Starting point matters: elevated CAPE, subdued long-run returns



2.3 Alternatives: diversification and structural growth

Private markets provide access to opportunities not captured in public assets, delivering diversification and long-term structural growth potential.

Private assets have become essential for sophisticated investors seeking diversification and resilience beyond public markets. Their stronger fundamentals, lower correlation to listed equities, and long track record of attractive risk-adjusted returns all support a strategic allocation. As companies stay private for longer, more of the value creation happens away from public markets, leaving those who rely solely on listed assets at a disadvantage. As the chart on IPOs illustrates, the median age of companies going public has increased markedly in recent decades, meaning a growing share of growth opportunities is now captured earlier in private hands.

Importantly, **private companies have historically delivered higher growth and profitability than their public peers,** as shown in the second chart. This reinforces the case for private markets as a core portfolio component, offering exposure to businesses at earlier stages of expansion and to opportunities not reflected in equity indices. For investors with lower liquidity constraints, the structural case is stronger than ever.

The current environment of lower rates and steadier growth creates a more supportive setting for private investments. Real estate is emerging from its adjustment phase, with fundamentals firming in sectors such as logistics, residential, and data centers. Private debt continues to deliver attractive yields and stable income, underpinned by conservative structures and strong sponsor support. Infrastructure remains underpinned by long-term policy priorities around digitalization, energy transition, and security of supply.

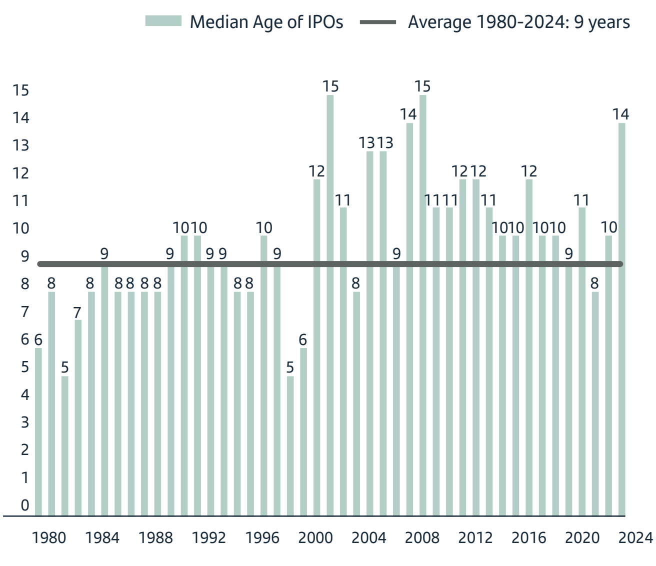
While exit activity in IPOs and divestments remains subdued, conditions are not deteriorating. Valuations are more compelling, creating opportunities for patient investors. Within this landscape, we maintain a preference for real estate, private debt, and infrastructure. We also see growing merit in evergreen vehicles. These structures combine access to private markets with more flexible and consistent capital deployment, allowing investors to stay engaged even when liquidity conditions are tighter.

Evergreen vehicles bridge access and flexibility, allowing steady capital deployment into private markets.

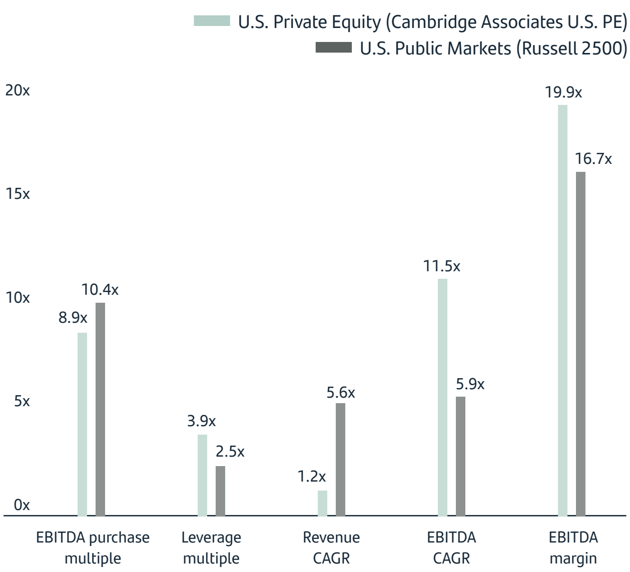
Private capital raising slows, but long-term opportunity endures

Source: Initial Public Offerings: Updated Statistics. Jay Ritter, University of Florida. Data as of 07/02/2025. Right graph: Cambridge Associates Nov 2022 (Period 2000-2020)

Median age of IPOS



Private and public equity median operation metrics



Santander
Private Banking

A balanced portfolio approach to deal with perfection-priced markets

3 From momentum to resilience: a balanced strategy

Strong tailwinds will eventually face long-term fragilities. With risk premiums compressed and tipping points uncertain, portfolios must stay invested, capture innovation, and reinforce resilience through quality and diversification.

3.1 Stay invested: momentum provides support

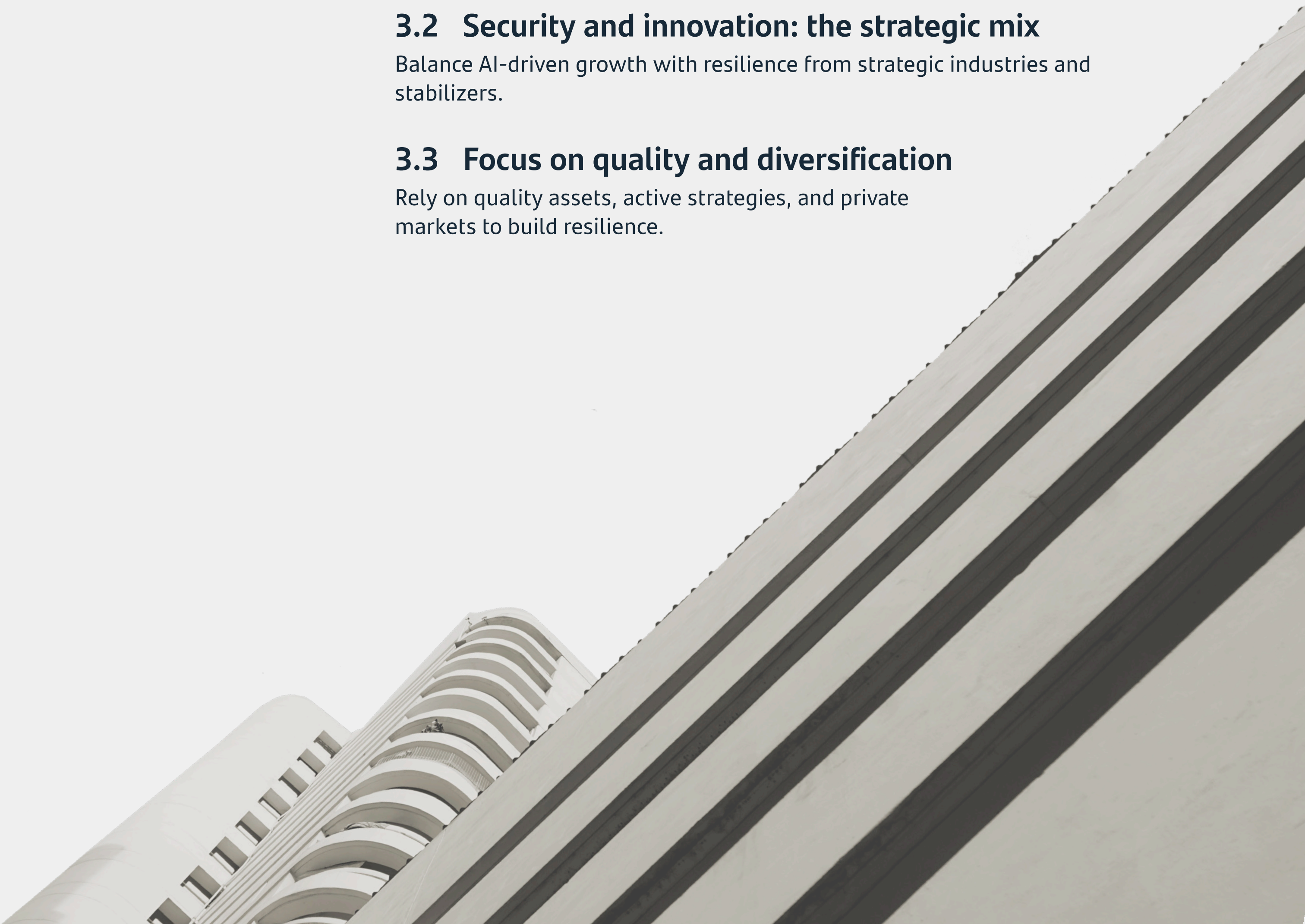
Earnings, policy easing, and financial conditions support equities, credit, and bonds.

3.2 Security and innovation: the strategic mix

Balance AI-driven growth with resilience from strategic industries and stabilizers.

3.3 Focus on quality and diversification

Rely on quality assets, active strategies, and private markets to build resilience.



3.1 Stay invested: Momentum provides support

Momentum persists on profits and policy. Participation beats prediction of tipping points.

Equities: earnings are the anchor

Resilient earnings momentum and positive revisions breadth support equity exposure. Focus on sectors where earnings —not multiple expansion— drive performance, reinforcing the case for staying invested in equities despite elevated valuations.

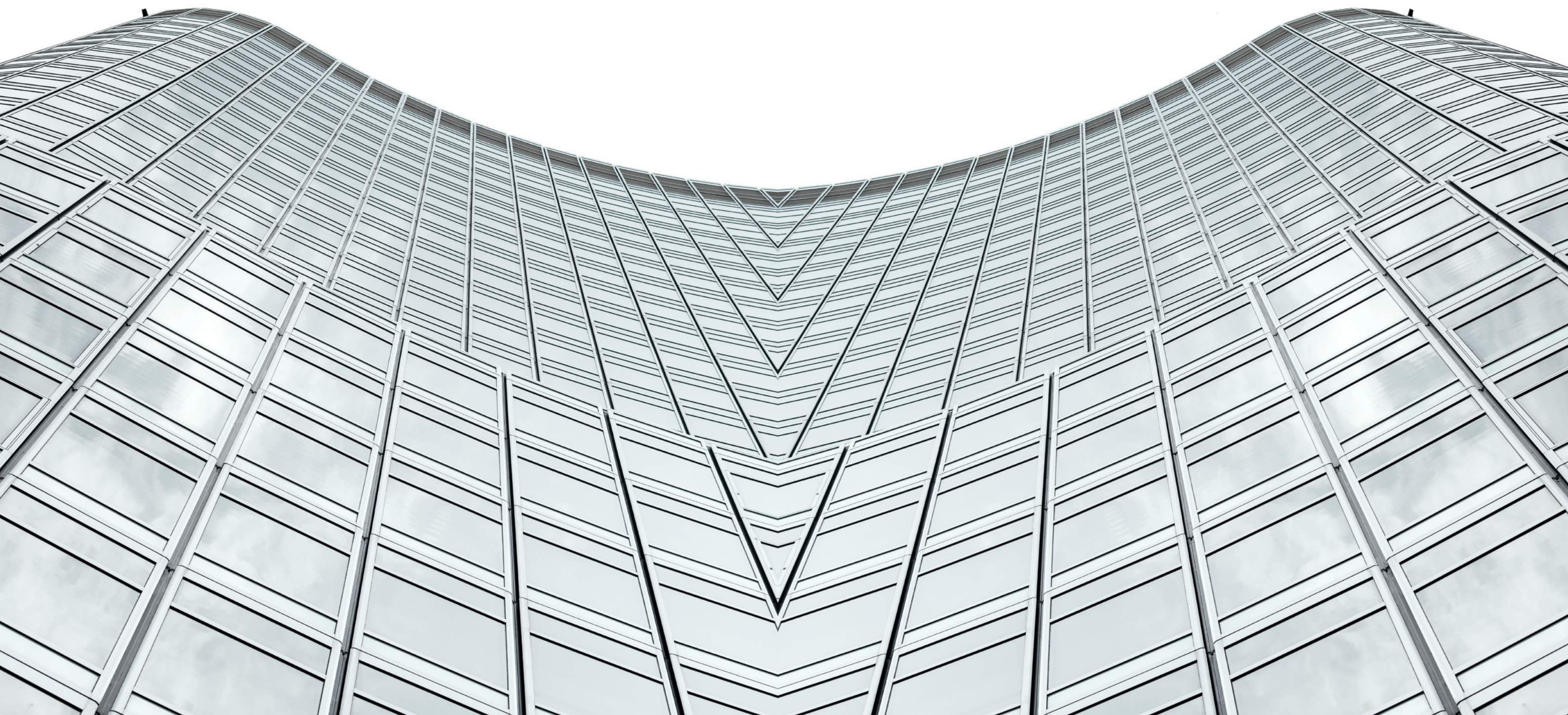
Credit: financial conditions are a tailwind

Benign financing conditions and resilient corporate balance sheets favor maintaining exposure to investment-grade credit. Credit markets continue to benefit from strong fundamentals, offering carry without stretching into lower-quality segments.

Bonds: policy easing support

Easier monetary policy and moderating inflation reinforce the role of government bonds as a stabilizer. Moderate duration exposure can benefit from rate cuts while anchoring portfolios in a phase of elevated policy volatility.

Momentum across earnings, credit, and policy support justifies staying the course.



3.2 Security and innovation: the strategic mix

AI builds growth; security manages risk. Pair innovators (software, semis, data infra) with strategic stabilizers (defense, energy, critical infrastructure).

Invest in digital transformation and AI

Maintain exposure to semiconductors, data centers, software, and energy linked to digitalization. Generative AI is driving a broad investment cycle, creating opportunities across both technology and supporting infrastructure.

Position for geopolitical resilience

Allocate to defense, cybersecurity, critical infrastructure, and energy supply chains. These sectors benefit from policy support and rising demand for resilience in a fragmented world.

Combine innovation with safe-haven assets

Balance growth allocations with gold, reserve assets beyond the USD, and selective infrastructure such as renewables and grids. These stabilizers protect against shocks while keeping portfolios aligned with innovation-led growth.

Harness innovation and resilience: the two forces shaping tomorrow's portfolios.

3.3 Focus on quality and diversification

With risk premia tight, lead with quality and broad diversification. Use active management to balance upside and drawdowns; add private markets for durable, less-correlated exposure.

Prioritize quality across allocations

Focus on companies and assets with resilient earnings, strong balance sheets, and defensive characteristics to withstand market stress. Quality remains the best protection when risk premiums are low.

Rely on active and managed strategies

Active managers can navigate shifting narratives and exploit dispersion across regions, sectors, and asset classes. Managed portfolios provide the discipline and flexibility needed to adapt to market turning points.

Diversify through private markets

Private equity, private credit, and real assets provide differentiated returns and structural growth opportunities. These allocations strengthen portfolio resilience and broaden diversification beyond public markets.

Diversification is the only free lunch in investing. As Markowitz reminds us, spreading risk across assets remains the simplest and most effective safeguard.

Annex tables

Main asset returns over the last 10 years

Source: Bloomberg and own elaboration

Data as of 09/30/2025

	Returns							Annualized returns			
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**YTD**	**1 year**	**3 years**	**5 years**	**10 years**
Liquidity (USD) [(1)]	**2.2%**	**0.4%**	**0.1%**	**1.7%**	**5.2%**	**5.4%**	**3.3%**	**4.6%**	**5.0%**	**3.1%**	**2.1%**
Liquidity (EUR) [(2)]	**-0.4%**	**-0.5%**	**-0.5%**	**0.1%**	**3.4%**	**3.9%**	**1.8%**	**2.7%**	**3.1%**	**1.7%**	**0.7%**
Global fixed income [(3)]	**6.8%**	**9.2%**	**-4.7%**	**-16.2%**	**5.7%**	**-1.7%**	**7.8%**	**2.3%**	**5.4%**	**-1.6%**	**1.1%**
U.S Fixed Income [(4)]	**8.7%**	**7.5%**	**-1.5%**	**-13.0%**	**5.5%**	**1.3%**	**6.2%**	**2.9%**	**4.9%**	**-0.4%**	**1.8%**
U.S. Governments (USD) [(5)]	5.2%	5.8%	-1.7%	-7.8%	4.3%	2.4%	5.3%	3.5%	4.3%	0.3%	1.5%
U.S. Corporate (USD) [(6)]	14.5%	9.9%	-1.0%	-15.8%	8.5%	2.1%	6.9%	3.7%	7.1%	0.4%	3.1%
U.S. High Yield (USD) [(7)]	14.3%	7.1%	5.3%	-11.2%	13.4%	8.2%	7.2%	7.4%	11.1%	5.5%	6.2%
Euro Fixed Income [(8)]	**6.0%**	**4.0%**	**-2.9%**	**-17.2%**	**7.2%**	**2.6%**	**1.0%**	**1.1%**	**3.2%**	**-2.0%**	**0.3%**
Euro Governments (EUR) [(9)]	6.8%	5.0%	-3.5%	-18.5%	7.1%	1.9%	0.3%	0.2%	2.3%	-2.7%	0.1%
Euro Corporate (EUR) [(10)]	6.2%	2.8%	-1.0%	-13.6%	8.2%	4.7%	2.7%	3.6%	5.6%	0.3%	1.5%
Euro High Yield (EUR) [(11)]	12.3%	1.8%	4.2%	-11.1%	12.8%	9.1%	4.2%	6.3%	10.3%	4.6%	4.1%
Global Emerging Fixed Income (USD) [(12)]	**13.1%**	**6.5%**	**-1.7%**	**-15.3%**	**9.1%**	**6.6%**	**8.6%**	**7.1%**	**10.4%**	**1.9%**	**4.0%**
Latam Emerging Fixed Income (USD) [(13)]	12.3%	4.5%	-2.5%	-13.2%	11.1%	10.5%	9.2%	8.7%	13.7%	3.9%	5.0%
MSCI World (USD)	**27.7%**	**15.9%**	**21.8%**	**-18.1%**	**23.8%**	**18.7%**	**16.9%**	**16.7%**	**23.5%**	**14.3%**	**12.3%**
S&P 500 (USD)	31.5%	18.4%	28.7%	-18.1%	26.3%	25.0%	14.4%	17.1%	24.8%	16.4%	15.2%
MSCI Europe (EUR)	23.8%	5.4%	16.3%	-15.1%	19.9%	1.8%	26.7%	14.4%	22.7%	12.0%	8.1%
MSCI Emerging Markets (USD)	18.4%	18.3%	-2.5%	-20.1%	9.8%	7.5%	26.9%	16.8%	18.0%	6.9%	7.9%
MSCI Asia Pac. Ex Japan (USD)	19.2%	22.4%	-2.9%	-17.5%	7.4%	10.2%	24.5%	14.3%	18.2%	7.0%	8.5%
MSCI Latin America (USD)	17.5%	-13.8%	-8.1%	8.9%	32.7%	-26.4%	43.0%	20.3%	13.9%	13.5%	7.5%

[(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).

Santander Private Banking

Equities

Source: Bloomberg and own elaboration

Data as of 09/30/2025

			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		1,932		6,653	24.2%	23.3%	13.1%	15.5%	22.9%	14.6%	13.2%
	DOW JONES IA	46,219		16,466		46,221	13.7%	12.9%	8.6%	9.2%	17.2%	10.7%	11.0%
	NASDAQ 100	22,609		4,558		22,609	43.4%	28.6%	17.1%	24.3%	28.8%	15.2%	17.2%
Europe	Stoxx 50	556		320		557	12.7%	6.0%	9.6%	6.4%	12.8%	9.0%	4.9%
	Eurozone (EuroStoxx)	5,512		2,787		5,512	19.2%	8.3%	12.6%	10.2%	18.4%	11.5%	6.0%
	Spain (IBEX 35)	15,447		6,452		15,447	22.8%	14.8%	33.2%	30.1%	28.0%	18.1%	4.9%
	France (CAC 40)	7,857		4,237		8,206	16.5%	-2.2%	6.4%	2.9%	10.9%	10.3%	5.9%
	Germany (DAX)	23,804		9,495		24,065	20.3%	18.8%	19.6%	23.2%	25.3%	13.3%	9.6%
	United Kingdom (FTSE 100)	9,326		5,577		9,326	3.8%	5.7%	14.1%	13.2%	10.6%	9.7%	4.4%
	Italy (MIB)	42,659		16,198		42,658	28.0%	12.6%	24.8%	25.0%	27.4%	17.5%	7.3%
	Portugal (PSI 20)	7,919		3,945		7,919	11.7%	-0.3%	24.2%	16.6%	14.3%	14.3%	4.5%
	Switzerland (SMI)	12,070		7,808		13,004	3.8%	4.2%	4.0%	-0.8%	5.5%	3.5%	3.6%
LatAm	Mexico (MEXBOL)	62,937		34,555		62,937	18.4%	-13.7%	27.1%	19.9%	12.1%	10.9%	4.0%
	Brazil (IBOVESPA)	146,262		40,406		146,262	22.3%	-10.4%	21.6%	11.0%	10.0%	9.1%	12.4%
	Argentina (MERVAL)	1,759,769		11,306		2,564,659	360.1%	172.5%	-30.5%	3.7%	133.0%	111.8%	68.4%
	Chile (IPSA)	8,957		3,487		8,957	17.8%	8.3%	33.5%	38.0%	20.5%	19.8%	9.3%
Asia	Japan (NIKKEI)	44,933		15,576		44,933	28.2%	19.2%	12.6%	18.5%	20.1%	14.1%	9.7%
	Hong-Kong (HANG SENG)	26,856		14,687		32,887	-13.8%	17.7%	33.9%	27.1%	16.0%	2.7%	2.6%
	South Korea (KOSPI)	3,425		1,755		3,425	18.7%	-9.6%	42.7%	32.1%	16.7%	8.0%	5.6%
	India (Sensex)	80,268		23,002		84,300	18.7%	8.2%	2.7%	-4.8%	11.8%	16.1%	11.8%
	China (CSI)	4,641		2,877		5,352	-11.4%	14.7%	17.9%	15.5%	6.8%	0.2%	3.8%
World	MSCI WORLD	4,288		1,547		4,288	21.8%	17.0%	15.7%	15.2%	21.7%	12.6%	10.4%

Equities by Style and by Sectors

Source: Bloomberg and own elaboration

Data as of 09/30/2025

			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	13,717		4,204		13,717	23.8%	18.7%	16.9%	16.7%	23.5%	14.3%	12.3%	19.88	1.80
Style	MSCI World High Dividend Yield	3,067		1,365		3,070	9.1%	8.0%	13.5%	6.9%	15.2%	10.5%	8.5%	13.70	3.71
	MSCI World Momentum	5,593		1,471		5,593	11.8%	30.2%	19.6%	19.8%	25.2%	12.6%	14.3%	21.77	1.14
	MSCI World Quality	5,507		1,490		5,507	32.4%	18.4%	11.3%	7.7%	24.3%	13.5%	14.2%	25.50	1.27
	MSCI World Minimum Volatility	5,613		2,608		5,634	7.4%	10.9%	10.4%	6.2%	13.1%	7.5%	8.4%	17.21	2.37
	MSCI World Value	16,010		6,429		16,010	11.5%	11.5%	16.5%	11.6%	18.4%	13.8%	9.3%	14.52	2.96
	MSCI World Small Cap	822		318		822	15.8%	8.2%	16.2%	13.2%	17.2%	11.1%	9.5%	17.60	2.14
	MSCI World Growth	13,880		3,389		13,880	37.0%	25.9%	17.3%	21.7%	28.4%	14.3%	15.0%	29.76	0.74
Sector	Energy	530		164		530	2.5%	-2.6%	12.2%	9.1%	12.2%	25.1%	7.4%	11.33	3.77
	Materials	659		229		659	14.8%	5.8%	18.6%	1.6%	14.7%	9.1%	10.4%	18.10	2.67
	Industrials	752		239		752	23.2%	-11.6%	22.0%	16.6%	26.1%	14.7%	12.2%	21.65	1.73
	Consumer Discretionary	703		225		703	35.1%	-17.7%	8.1%	17.5%	20.1%	10.1%	11.7%	20.03	1.27
	Consumer Staples	503		287		526	2.3%	-5.4%	6.7%	-0.3%	8.8%	5.4%	6.3%	18.91	2.88
	Health Care	523		246		598	3.8%	-1.1%	1.8%	-9.8%	6.5%	5.3%	7.5%	20.29	1.72
	Financials	417		125		417	16.2%	-21.1%	22.9%	27.8%	28.0%	20.8%	11.6%	13.30	2.83
	Information Technology	1,162		153		1,162	53.3%	-24.7%	20.9%	26.5%	37.3%	20.1%	22.6%	31.49	0.66
	Real Estate	2,157		1,345		2,450	10.1%	-2.1%	5.6%	-4.6%	7.6%	5.1%	5.1%	28.62	4.00
	Communication Services	317		113		317	45.6%	-25.3%	26.6%	35.0%	35.3%	15.5%	11.6%	19.49	1.02
	Utilities	429		186		429	0.3%	-11.5%	21.5%	11.7%	15.2%	9.5%	8.8%	15.29	3.71

Sovereign Bonds

Source: Bloomberg and own elaboration

Data as of 09/30/2025

	Rating (S&P)				10 years						
		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+	4.25%	3.59%	4.11%		0.53%		4.93%	-46	33	0.52
Germany	AAA	2.00%	2.03%	2.71%		-0.70%		2.84%	34	58	0.68
France	AA-	2.00%	2.26%	3.53%		-0.40%		3.53%	33	61	1.27
Italy	BBB+	2.00%	2.25%	3.53%		0.54%		4.78%	1	8	1.28
Spain	A+	2.00%	2.10%	3.25%		0.05%		3.93%	19	33	1.16
United Kingdom	AA	4.00%	3.99%	4.69%		0.10%		4.72%	13	69	0.71
Greece	BBB	2.00%	2.04%	3.38%		0.61%		10.22%	16	27	1.34
Portugal	A+	2.00%	2.04%	3.11%		0.03%		4.19%	27	41	1.08
Switzerland	AAA	0.00%	-0.14%	0.17%		-1.05%		1.58%	-10	-19	0.32
Poland	A-	4.75%	4.24%	5.46%		1.15%		8.34%	-42	22	1.22
Japan	A+	0.50%	0.94%	1.65%		-0.27%		1.65%	55	79	0.70
Emerging											
Brazil	BB	15.00%	13.57%	13.75%		6.49%		16.51%	-142	132	0.18
Mexico	BBB	7.50%	7.48%	8.78%		5.55%		10.44%	-166	-58	1.30
Chile	A	4.75%	4.74%	5.64%		2.19%		6.79%	-9	50	0.90
Argentina	CCC	29.00%	n.d.	n.d.		0.00%		0.00%	n.d.	n.d.	n.d.
Colombia	BB	9.25%	9.27%	11.29%		5.39%		13.79%	-57	122	2.02
Turkey	BB-	40.50%	36.12%	29.25%		8.89%		32.35%	206	262	-6.87
Poland	A-	4.75%	4.27%	5.47%		1.16%		8.37%	-42	21	1.20
China	A+	1.86%	1.43%	1.86%		1.63%		3.91%	19	-31	0.43
India	BBB-	5.50%	5.70%	6.57%		5.84%		8.02%	-19	-15	0.87

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

Currencies

Source: Bloomberg and own elaboration

Data as of 09/30/2025

		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	13.4%	5.5%	6.2%	0.0%	0.5%
EUR/GBP	0.87		0.70		0.92	-5.2%	4.8%	-0.2%	-0.8%	1.7%
EUR/CHF	0.93		0.93		1.20	0.5%	0.7%	1.1%	2.9%	1.6%
EUR/JPY	174		114		174	6.6%	-7.8%	-6.5%	-6.6%	-2.5%
EUR/PLN	4.26		4.15		4.86	0.4%	0.5%	4.4%	1.2%	0.0%
GBP/USD	1.35		1.12		1.54	7.5%	0.6%	6.4%	0.8%	-1.2%
USD/CHF	0.80		0.79		1.03	14.0%	6.2%	7.4%	3.0%	2.1%
USD/JPY	148		101		161	6.4%	-2.8%	-0.7%	-6.5%	-2.1%
USD/MXN	18.33		16.50		24.17	13.6%	7.4%	3.2%	3.8%	-0.8%
USD/ARS	1,372.83		9.51		1,372.83	-24.9%	-29.4%	-52.5%	-43.9%	-39.2%
USD/CLP	961		594		995	3.6%	-6.5%	0.3%	-4.0%	-3.2%
USD/BRL	5.32		3.11		6.18	16.0%	2.4%	0.6%	1.1%	-2.8%
USD/COP	3,918		2,795		4,940	12.4%	7.4%	5.6%	-0.5%	-2.4%
USD/CNY	7.12		6.28		7.32	2.5%	-1.4%	0.0%	-0.9%	-1.1%
EUR/SEK	11.05		9.17		11.88	3.7%	2.4%	-0.5%	-1.0%	-1.6%
EUR/NOK	11.73		8.88		11.97	0.5%	0.2%	-3.1%	-1.4%	-2.2%

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)	68.8		63		77	-4.6%	-4.5%	-7.1%	-4.4%	-7.7%	10.8%	3.6%
Crude Oil (W. Texas)	62.3		58		73	-10.7%	0.1%	-13.1%	-8.6%	-7.8%	9.1%	3.4%
Gold	3,816.1		2,636		3,816	13.4%	27.5%	44.5%	44.3%	31.9%	15.1%	13.1%
Copper	10,414.0		8,768		10,414	2.2%	2.4%	18.8%	4.3%	11.3%	9.3%	7.4%
CRB Index	302.6		280		309	-5.0%	12.5%	2.0%	5.8%	4.1%	15.3%	4.6%
Natural Gas (USA)	3.3		3		5	-18.8%	2.4%	-15.2%	-9.1%	-10.4%	5.9%	-2.1%
Natural Gas (Europe)	31.5		31		52	-57.6%	51.1%	-35.7%	-17.5%	-45.0%	18.8%	5.5%

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	**37.3%** 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	**26.90%** 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	**16.9%** Global 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	**15.3%** Japan 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	**15.0%** Europe Equities
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	**14.4%** U.S. Equities
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	**13.5%** Global 60:40
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	**9.7%** Global High Yield
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	**5.3%** 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	**2.2%** 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	**1.8%** 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	**-1.1%** Eurozone Sovereign

\+ Returns -

*Data as of 9/30/2025
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.

Santander Private Banking

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