

Santander Select Income

1 / 2025

Fund commentary

January ended up being a favorable month for risk assets, with positive returns in both equities and credit and flat in sovereign debt. By geographies, the European stock market stood out with gains of 7% in the MSCI Europe index, while the US S&P 500 rose "only" +2%, partly weighed down by its major technology companies following the announcement of China's new artificial intelligence. During the month, the dollar has been volatile, appreciating in the first two weeks and depreciating in the latter due to doubts about the US approach to trade measures (which we are beginning to see in February). Gold has experienced a strong rebound (+6.9%) that has led it to reach new record highs and where it may still benefit from the instability in the markets that could have a disruption of international trade if all countries begin to raise tariffs with the USA.

In this context, the fund achieved positive performance thanks mainly to the positive contribution of the regional equity markets, with the most notable contribution coming from the European equities, followed by the US market. All the fund's value levers made a positive contribution over the month, including exposure to global factors, gold and all credit-related exposure lines in both Europe and the USA. In terms of changes in positioning, during the month we reduced exposure to credit (reducing exposure to high-yield bonds, mainly in the US) and emerging debt, increasing our money market exposure. Within equities, the weight in the US market was reduced in favor of the rest of the geographies.

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