

Santander Active Portfolio 2

2 / 2023

Fund commentary

During the month of February, we have seen how the pull experienced by the markets since the beginning of the year has been losing momentum as Central Banks resumed the rhetoric of continuing with their restrictive monetary policy. Together with data showing inflation that refuses to ease and the persistent geopolitical tension (the Russia/Ukraine conflict is joined by US/China tension), the dollar acted as a safe haven, penalizing the performance of emerging markets, where the greatest setbacks have occurred. Despite all this, the European index Eurostoxx50 managed to end the month in positive space +2% compared to the US SP500 -2.6%, and the performance of the Ibex stood out with +4%. We have seen the most volatility in Fixed Income, in the heat of the afore mentioned comments from the Central Banks, with new rate hikes this year and the delay in the start of future rate cuts being discounted. On the commodities side, generalized falls, although Natural Gas, which for a good part of the month had been falling, began to recover in the last part of the month.

The fund declined over the month, losing less than half of the gains made in January. It again managed to outperform the benchmark index, thanks to a more defensive positioning in fixed income and less exposure to US equities.

During the month, we have taken advantage of the low volatility of the US stock market after the recent rallies to hedge against possible increases in risk aversion. In fixed income, we sold Japanese bonds in the expectation that they will withdraw their curve control policy and reflect the upturn in yields that has occurred in the rest of the developed countries.

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