Santander Multi Asset Conservative Growth

Marketing Communication

3 / 2026

Fund commentary

March was marked by the conflict in the Middle East. Tensions in the Strait of Hormuz pushed energy prices higher, with Brent reaching $118.4 per barrel. This led to broad declines across both equity and fixed income markets, intensifying throughout the month. The MSCI ACWI fell -7.4%, the Stoxx Europe 600 -8%, and the S&P 500 -5.09%. In fixed income, rising inflation expectations weighed on bond prices, pushing yields higher. This move was reinforced by messages from the Federal Reserve (Fed) and the ECB, both adopting a cautious tone in response to the energy shock. Market expectations adjusted accordingly: in the Eurozone, deposit rates are now priced at 2.50%–2.75%, while in the US, expectations of rate cuts have been removed. European IG credit spreads widened by +13 bps. In this environment, the US dollar acted as a safe-haven asset, appreciating to 1.1553 USD/EUR. In our view, the energy spike will have a temporary inflationary impact, without triggering second-round effects. We expect the global economy to remain in an expansion phase, albeit with slower growth than anticipated a month ago.

In equities, we closed the month with an exposure of 14.9%, broadly in line with the previous period. We maintain a clear preference for US equities; however, during the month we partially rebalanced the regional allocation, increasing exposure to emerging markets, where relative growth prospects remain attractive. Within the US, we also adjusted the composition of the exposure, reallocating part of the traditional S&P 500 position towards Nasdaq. In Europe, we implemented a hedging strategy on the EuroStoxx50, aiming to manage downside risks in a more uncertain market environment. At the same time, in the context of rising commodity prices—mainly driven by the rebound in oil—we took the opportunity to tactically reduce a meaningful part of the position to take profits.

In fixed income, portfolio duration stood at 2.91 years, representing a slight increase compared to the previous month. The allocation remains well diversified, with a core exposure to high-quality US government bonds acting as a defensive anchor, complemented by US corporate credit. In addition, the portfolio maintains exposure to High Yield and emerging market debt, contributing to a balanced overall profile.

Regarding currencies, euro exposure remained largely unchanged, closing the month at 2.4%. The slight variation, compared to the previous month, is mainly explained by the movement of the underlying assets denominated in this currency, rather than by active allocation decisions.