Santander Select Defensive

Marketing Communication

2 / 2026

Fund commentary

February closed on a constructive note for the markets once again. Global equities posted moderate gains, with the MSCI World AC rising 1.2%, while major fixed-income indices, both government and corporate, also finished in positive territory. This performance was supported by a relatively stable macroeconomic environment and monetary policy expectations that continue to point to cautious actions by central banks. In fixed income, yields fell across the board, particularly at longer end of the curve, leading to an appreciation of bond prices. In the Eurozone, the ECB kept interest rates unchanged, in line with expectations, reinforcing a cautious message ahead of upcoming economic data. In the United States, the minutes from the Federal Reserve's January meeting also reflected a cautious approach to future interest rate decisions, underscoring the data-dependent nature of the data. In the stock market, the focus was on the fourth-quarter earnings season. Earnings growth was solid and increasingly broad across sectors and regions. Although major US tech companies posted robust figures, high initial valuations prompted a rotation toward other segments with attractive dynamics, particularly boosting Europe and emerging markets. In currency markets, the euro depreciated slightly against the dollar, while gold and crude oil rallied, supported by geopolitical tensions.

In equities, we closed February with an exposure of 19.7%, representing a 0.3% increase compared to the previous month. During the period, we decided to tactically adjust our positioning, increasing our exposure to emerging markets, where we continue to identify attractive growth dynamics and reasonable valuations. At the same time, we implemented a hedging strategy on the S&P 500, aiming to partially protect the portfolio by taking advantage of its low cost. These moves are framed within a market context that continues to show resilience, although with pockets of volatility stemming from the resurgence of geopolitical tensions, particularly in relation to the conflict with Iran.

In fixed income, the portfolio duration stood at 3.09 years at month-end, 0.10 years lower than in January. We took advantage of the current environment to reduce duration in the Investment Grade segment, aligning our positioning with the team's current view on the evolution of credit spreads. We also made adjustments to the underlying assets to optimize costs and enhance the portfolio's return potential, while maintaining balanced diversification.

Regarding currencies, we continue to maintain exposure to the US dollar, which stood at 10% at the end of February. The slight increase compared to the previous month is mainly due to the appreciation of emerging market assets denominated in this currency, rather than any additional active investment decisions.