Santander Asset Management

Marketing Communication

Santander Select Defensive

4 / 2026

Fund commentary

During the month of April, major equity markets recorded significant gains, accompanied by positive performance in fixed income as well, with the exception of U.S. government bonds. The initial boost in equities was driven by the announcement of a truce between the U.S. and Iran, which led to a decline in oil prices and improved investor sentiment. However, in Europe, this momentum faded as the month progressed, due to the lack of progress on reopening the Strait of Hormuz and the recovery in Brent prices. In contrast, gains in the U.S. were more sustained, supported by strong first-quarter corporate earnings, particularly in the technology sector linked to artificial intelligence. Overall, global equities rose by 10%, with the S&P 500 up 10.4% and the Stoxx Europe 600 gaining 4.8%. In fixed income, yield movements were largely influenced by oil price dynamics and expectations regarding central banks. Over the month, yields saw a slight increase of around 5 basis points in both the U.S. and the Eurozone. At their late-April meetings, the Federal Reserve and the European Central Bank kept interest rates unchanged, reiterating a cautious and data-dependent approach. In currency markets, the improvement in investor sentiment supported the euro, which appreciated by approximately 1.5% against the dollar during the month.

In equities, exposure stood at 18.7% at month-end, slightly above the previous period. The positive market performance allowed us to adopt an active management approach, focused on consolidating part of the gains while keeping risk under control. In the second half of the month, we replaced part of the direct exposure to the S&P 500 through futures with an options-based strategy, maintaining participation in the upside while reducing sensitivity to potential downside movements. This adjustment allowed us to preserve market exposure with a more efficient and asymmetric risk profile.

In fixed income, we maintain a solid and diversified structure, with a clear focus on European sovereign debt, complemented by corporate credit. This core is enhanced with selective exposure to higher-yielding segments such as high yield and emerging market debt, as well as a tactical position in U.S. government bonds. Portfolio duration stands at 3.09 years, slightly lower than the previous month, reflecting a balanced stance in an environment still shaped by inflation dynamics and their impact on interest rates.

Regarding currencies, exposure to the U.S. dollar stands at 9.7%, slightly below the previous level. During the month, the appreciation of dollar-denominated assets naturally increased its weight in the portfolio, leading us to make adjustments to moderate this exposure and keep positioning aligned with our overall strategy.

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