

Santander Select Dynamic

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 74.7% at month-end, slightly below the previous level. The market environment, marked by positive performance in both the U.S. and Europe, allowed us to adopt a dynamic approach focused on consolidating part of the gains. As a result, we reduced exposure to the S&P 500 Equal Weight in the U.S., where part of the rebalancing was concentrated. 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. Additionally, we took advantage of gains in commodities to reduce positions in the ETC linked to the Bloomberg Commodity Index while increasing exposure to gold ETC.

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 1.51 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.

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In currencies, exposure to the U.S. dollar stands at 38.1%, in similar levels, compared to the previous month-end. This movement was largely driven by the appreciation of dollar-denominated assets during the month. Following this effect, adjustments were made to maintain an exposure level consistent with the investment team's view, thereby consolidating positioning in this currency.

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