

Santander Select Income

1 / 2026

Fund commentary

During January, we saw market performance continue the trends seen in 2025. That is, equities were positive, with emerging markets standing out, rising +9% over the year compared to the US (+1.4%). Gold continued its strong appreciation (+13%) and the dollar resumed its depreciation trend against most currencies. The yen appreciated slightly in the context of news about possible interest rate hikes, but still within the strong depreciation trend it has been experiencing.

As the end of the month approached, geopolitical tensions and various statements regarding the election of the new Fed governor increased volatility, halting the upward trend and triggering profit-taking in precious metals.

It was a positive month for the product thanks to the strong performance of regional equities, with all markets contributing to the product, particularly emerging markets, despite the safety cushion provided by the fund's hedging. Among the positive contributors, exposure to gold once again stood out as the second largest contributor to returns for the month, despite the historic price adjustment experienced on the last day of the month. The rest of the assets ended up contributing positively, but only slightly. In terms of positioning changes, during January, the bullish exposure taken in the Japanese market was closed and replaced by direct exposure to the market through futures, a change that had already been made in emerging markets in December. During the month, hedges were implemented for the quarter in response to the situation of the indices at their highs and given the doubts that we could see adjustments during this period. Slight additional adjustments were made to the exposure to euro high yield, reducing exposure.

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