

Santander Select Income

4 / 2025

Fund commentary

April has been marked by a strongly bearish start where most stock market indexes suffered setbacks of over -10%, as a result of the US decisions regarding the implementation of tariffs on various countries. Fortunately, the stock markets resumed their upward path as Trump's messages became more nuanced, trying to recover previous levels. Although not all of them succeeded, some closed the month in positive territory: Nasdaq +1.5%, Topix +0.3%, while others ended slightly negative, such as the SP500 (-0.8%) or the Eurostoxx 50 (-1.7%). In fixed income, credit spreads recovered from the difficult start of the month, although they ended with widening in the high yield and emerging debt segments. During the month, the dollar continued its downward movement initiated in March, depreciating by an additional 4.6% in the period, unlike on other occasions of turbulence, this time it did not act as a safe haven asset. Only gold, an asset traditionally considered as a safe haven, experienced a strong rebound, closing April with a 5.3% rise and accumulating a +25% gain in 2025.

In this context, the fund declined during the period, weighed down by the negative performance of global equity markets. However, the hedges put in place partially mitigated the impact of this correction. The main positive contributions over the month came from exposure to gold and certain market factors, such as the recovery of the Growth and Momentum factor. In terms of positioning changes, and given the instability of the markets, we have begun to reduce equity exposure in all markets. At the same time, exposure to long-duration credit and high yield bonds continued to be reduced, increasing the weight to shorter-duration investment grade European credit.

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