

Multi Index Income

11 / 2025

Fund commentary

November was once again marked by episodes of volatility, although stock markets managed to close in positive territory thanks to the rally in the final week. In the United States, the S&P 500 advanced 0.13%, while the Stoxx Europe 600 gained 0.80% in Europe. The mid-month sell-off was driven by doubts about the sustainability of profits in technology and artificial intelligence companies, amid demanding valuations. The decline in expectations of a Fed rate cut in December also weighed on the market. However, market sentiment improved toward the end of the month, supported by greater confidence in earnings estimates and messages from some Fed members more favorable to an imminent rate cut. In fixed income, performance was uneven across regions. In the Eurozone, yields resumed their upward trend and approached the upper end of the range in which they have traded in recent months, with the yield on the two-year German bond reaching 2.03%. In the United States, however, yields fell as the likelihood of another rate cut in December increased. Credit experienced a month of intense issuance activity, and spreads widened during the stock market correction. In the United Kingdom, the budget release was received positively, and the yield on the ten-year bond retreated toward its 2025 lows. In currency markets, the euro appreciated slightly against the dollar, gaining 0.53%.

In equities, we closed the month with an exposure of 49.6%, representing a 1.4% increase compared to the previous close. We maintain a balanced allocation across the US, Europe, and Japan. This month, we decided to increase our equity levels, particularly in the US, Europe and Emerging Markets. These adjustments reflect our constructive outlook on the environment, in a context where valuations and macroeconomic prospects offered an opportunity to strengthen our exposure without compromising our risk profile.

The portfolio duration stood at 2.40 years, similar to the previous month. The structure continues to be supported by European government debt, European credit, combining both segments with High Yield and Emerging Debt, to maintain an appropriate balance between stability and return potential. Additionally, we preserved our exposure to US sovereign debt, which helps diversify the portfolio's sensitivity to yield curve movements and complements the core composition without significantly altering the duration level.

In currencies, we closed with a dollar allocation of 23.8%, 1.2% higher than the previous close. This rise is largely explained by the increase in equity, implemented via ETFs, which has naturally increased the presence of USD, the resulting positioning fits with the team's view.

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