Santander Asset Management

Multi Index Income

Marketing Communication

1 / 2026

Fund commentary

In January, major equity markets and fixed-income indices posted gains. The month began with strong advances in equity markets, which were later followed by some profit-taking amid the emergence of geopolitical tensions. These episodes of volatility proved short-lived, as the tone of political statements softened. Investor attention subsequently shifted toward the release of fourth-quarter 2025 corporate earnings, which so far have been reported with a constructive tone, supporting the upward trend in equity markets.

In fixed income markets, performance was mixed. In the United States, yields edged slightly higher as solid macroeconomic data were released, while the Federal Reserve kept policy rates unchanged at its January meeting. In the euro area, yields remained at the upper end of their recent range, reflecting elevated sovereign issuance volumes and upside surprises in growth data, including a +0.3% increase in Eurozone GDP in 4Q25. In credit markets, strong investor demand continued throughout the month.

Commodity markets also saw a notable rally during the month, particularly in precious metals. This move was followed by pronounced profit-taking in the final trading session of January, driven by a combination of technical factors and the nomination of Kevin Warsh as successor to Jerome Powell as Chair of the Federal Reserve.

In currency markets, the US dollar depreciated by 0.9% against the euro.

From an equity perspective, the Fund reduced its overall equity exposure by 3.1%, closing the month at 47.4%. At a regional level, this adjustment was mainly driven by lower allocations to the United States and Japan, while exposure to Europe was increased. These changes reflect a rebalancing within the equity portfolio, aimed at refining geographic positioning while maintaining a prudent approach to risk amid evolving market conditions.

In fixed income, the portfolio's duration remained broadly stable, closing the month at 2.39 years. Within the fixed-income allocation, exposure to high yield was increased, reflecting its attractive carry and supportive market dynamics, while positions in emerging market debt were reduced. Overall, the fixed-income portfolio continues to exhibit a balanced structure, aligned with the fund's objective of combining income generation with portfolio stability.

In currency terms, exposure to the US dollar declined by 2.9 percentage points over the month, closing at approximately 21%. This reduction was primarily driven by the lower exposure to US equities, together with the weaker performance of the US dollar during the period.