

Santander Money Market EUR VNAV

6 / 2026

Fund commentary

Environment:

The signing of a ceasefire agreement between the United States and Iran should allow the gradual reopening of the Strait of Hormuz, which has already caused oil prices to fall from \$98 per barrel at the beginning of June to \$72 at the end of the month. The two belligerents have 60 days to find common ground on numerous points, each more thorny than the last. These discussions are viewed positively by the markets.

The FOMC, chaired for the first time by Kevin Warsh, did not change its key interest rates, which remain at 3.50%/3.75%. The new chairman emphasized the need to restore price stability and outlined the various development axes in the Fed's operating approach. The DOTS indicate a median Fed Funds rate of 3.75% at the end of the year, implying a 25bps increase before a return to a rate-cutting cycle in 2027.

Despite the drop in energy prices, inflation remains high in the Eurozone: the Consumer Price Index for May stands at 3.2%, and 2.6% excluding energy and food products, which is above the ECB's 2% target. It is in this context, and because it considers that inflation is spreading beyond energy, that the ECB decided to raise its key interest rates by 25bps on June 11, 2026. For Ms. Lagarde, it is necessary to nip inflation in the bud and not let inflation expectations become unanchored. The ECB now forecasts headline inflation at 3% in 2026, 2.3% in 2027, and 2% in 2028. It has revised down growth forecasts to 0.8% in 2026, 1.2% in 2027, and 1.5% in 2028. The president once again reiterated that the ECB does not commit in advance to a trajectory, that the setting of its monetary policy depends on economic data, and that it is well positioned to navigate the current unpredictable environment. An additional 25bps rate hike remains priced in by the markets by the end of the year.

Markets:

The 2-year US government borrowing rate rose from 4.03% at the beginning of the month to 4.12% at the end of June after reaching 4.22%. The 10-year rate, meanwhile, fell from 4.45% to 4.39% after hitting 4.56%.

In the Eurozone, the 2-year government borrowing rate fell from 2.625% to 2.53%. Indeed, while markets anticipate a rate hike by the end of 2026, they also foresee a return to rate cuts as early as 2027 to support economic activity. The 10-year rate fell more sharply from 3% to 2.86% at the end of the month.

This document has been prepared by Santander Asset Management Luxembourg S.A. in relation to one or more Luxembourg undertakings for collective investment in transferable securities ("UCITS") under its management, under and in accordance with the UCITS Directive, and is provided solely in confidence for the recipient for the specific purpose of evaluating a potential investment or an existing investment in a UCITS managed by Santander Asset Management Luxembourg S.A.

This document is a marketing communication. Please refer to the prospectus of the UCITS and to the key information document ("KID") or for UK investors the key investor information document ("KIID") before making any final investment decisions, purchasing or converting shares or redeeming investments, together with the list of countries where the UCITS is registered for sale, available at www.santanderassetmanagement.lu or via authorized intermediaries in your country of residence.

This document is intended to provide information that summarizes the main characteristics of the UCITS and under no circumstances constitutes a contractual agreement or an information document required by any legislative provision. It is not a recommendation, personalized investment advice, an offer or solicitation to buy or sell any shares in the UCITS described in this document. Likewise, the distribution of this document to a client, or to a third party, should not be regarded as a provision or an offer of investment advisory services.

The UCITS described in this document may not be notified and registered for marketing in all EEA Member States under the UCITS Directive marketing passport and Santander Asset Management Luxembourg S.A. and/or the UCITS has the right to terminate the arrangements made for marketing of the UCITS in certain jurisdictions and to certain investors in accordance with applicable laws and regulations, including the UCITS Directive provisions.

It has not been proven that the data contained in this document meet marketing requirements of all countries of sale. The UCITS described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. This UCITS may not be directly or indirectly offered or sold to or for the benefit of a United States Person under FATCA regulation (Foreign Account Tax Compliance Act), in line with the selling restrictions of the prospectus of the UCITS.

Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations relative to the respective investors' currency.

Investment in the UCITS may be subject to investment risks, including but not limited to, market risk, credit risk, issuer and counterparty risk, liquidity risk, foreign currency risk and, where applicable, risks pertaining to emerging markets. Additionally, if the funds hold investments in hedge funds, real estate funds, commodities and private equity, it should be noted that these can be subject to valuation and operational risks inherent in this type of assets and markets as well as the risk of fraud or risk derived from investing in unregulated or unsupervised markets or unlisted assets. Complete information on the risks can be found in the relevant "Risk Factors" section of the UCITS prospectus and KID (or KIID for UK investors), which should be consulted and read by the investors.

This UCITS has a prospectus (which is drafted in English), a KID (drafted in English and other languages depending on the country of registration of the UCITS) and a KIID for UK investors (drafted in English), which can be obtained from www.santanderassetmanagement.lu

For product information, please contact Santander Asset Management Luxembourg S.A. (43, Avenue John F. Kennedy L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the UCITS under the supervision of the Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the UCITS is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

Prior to investment in the UCITS it is advisable that the investor seeks personalized advice regarding taxation as it depends on the individual circumstances of each investor and may change in the future.

Investors can obtain a summary of investor rights in English from www.santanderassetmanagement.lu

Information herein is believed to be reliable. Santander Asset Management Luxembourg S.A. assumes no responsibility for any use of the information contained herein.

© Santander Asset Management Luxembourg S.A. All Rights Reserved.

The €STR swap curve flattened over the month following the ECB's 25bps rate hike. Thus, the 1-month rate rose to 2.19% (from 2.045%) while the 1-year rate increased by only 3bps to 2.41%.

Good fundamentals and technical factors keep credit spreads at low levels: the 5-year Itraxx index remains close to 52.

At the same time, short-term issuance spreads remained stable at 18bps for 3 months and 35bps for one year.

Management:

Assets under management continued to grow strongly (+€342m) to reach € 5 000m at the end of June.

Since we expect the ECB to increase its key interest rates by 25bps by the end of 2026, we have maintained our WAM low at 6 days.

We continue to invest on longer maturities to benefit from higher credit premium, while remaining very selective.

Risk metrics :

The portfolio's WAM moved down to 6 days, while the WAL increased from 145 to 146 days.

Net Performance (I-share class – 360 basis) versus index:

	I-Share	€str compounded	Spread vs Index
29/05/26 – 30/06/26	2.189%	2.042%	€str +0.147%
31/12/25 – 30/06/26	2.071%	1.960%	€str +0.111%

This document has been prepared by Santander Asset Management Luxembourg S.A. in relation to one or more Luxembourg undertakings for collective investment in transferable securities ("UCITS") under its management, under and in accordance with the UCITS Directive, and is provided solely in confidence for the recipient for the specific purpose of evaluating a potential investment or an existing investment in a UCITS managed by Santander Asset Management Luxembourg S.A.

This document is a marketing communication. Please refer to the prospectus of the UCITS and to the key information document ("KID") or for UK investors the key investor information document ("KIID") before making any final investment decisions, purchasing or converting shares or redeeming investments, together with the list of countries where the UCITS is registered for sale, available at www.santanderassetmanagement.lu or via authorized intermediaries in your country of residence.

This document is intended to provide information that summarizes the main characteristics of the UCITS and under no circumstances constitutes a contractual agreement or an information document required by any legislative provision. It is not a recommendation, personalized investment advice, an offer or solicitation to buy or sell any shares in the UCITS described in this document. Likewise, the distribution of this document to a client, or to a third party, should not be regarded as a provision or an offer of investment advisory services.

The UCITS described in this document may not be notified and registered for marketing in all EEA Member States under the UCITS Directive marketing passport and Santander Asset Management Luxembourg S.A. and/or the UCITS has the right to terminate the arrangements made for marketing of the UCITS in certain jurisdictions and to certain investors in accordance with applicable laws and regulations, including the UCITS Directive provisions.

It has not been proven that the data contained in this document meet marketing requirements of all countries of sale. The UCITS described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. This UCITS may not be directly or indirectly offered or sold to or for the benefit of a United States Person under FATCA regulation (Foreign Account Tax Compliance Act), in line with the selling restrictions of the prospectus of the UCITS.

Past performance does not predict future returns. The returns may increase or decrease as a result of currency fluctuations relative to the respective investors' currency.

Investment in the UCITS may be subject to investment risks, including but not limited to, market risk, credit risk, issuer and counterparty risk, liquidity risk, foreign currency risk and, where applicable, risks pertaining to emerging markets. Additionally, if the funds hold investments in hedge funds, real estate funds, commodities and private equity, it should be noted that these can be subject to valuation and operational risks inherent in this type of assets and markets as well as the risk of fraud or risk derived from investing in unregulated or unsupervised markets or unlisted assets. Complete information on the risks can be found in the relevant "Risk Factors" section of the UCITS prospectus and KID (or KIID for UK investors), which should be consulted and read by the investors.

This UCITS has a prospectus (which is drafted in English), a KID (drafted in English and other languages depending on the country of registration of the UCITS) and a KIID for UK investors (drafted in English), which can be obtained from www.santanderassetmanagement.lu

For product information, please contact Santander Asset Management Luxembourg S.A. (43, Avenue John F. Kennedy L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the UCITS under the supervision of the Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the UCITS is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

Prior to investment in the UCITS it is advisable that the investor seeks personalized advice regarding taxation as it depends on the individual circumstances of each investor and may change in the future.

Investors can obtain a summary of investor rights in English from www.santanderassetmanagement.lu

Information herein is believed to be reliable. Santander Asset Management Luxembourg S.A. assumes no responsibility for any use of the information contained herein.

© Santander Asset Management Luxembourg S.A. All Rights Reserved.