Santander Asset Management

Marketing Communication

Santander Multi Index Balance

10 / 2026

Fund commentary

October ended with gains across Eurozone and US fixed income markets, while equities delivered a mixed performance, with European markets outperforming. Energy prices rose sharply, driven by a higher geopolitical risk premium in the Middle East, although supply levels remained unaffected. On the macroeconomic front, growth remained resilient on both sides of the Atlantic, while inflation continued to be influenced by energy prices, with no meaningful signs of second-round effects. Against this backdrop, both the Fed and the ECB kept interest rates unchanged and reiterated their data-dependent approach. In fixed income, yields declined broadly, particularly at the long end of the curve. France underperformed amid renewed concerns over its fiscal outlook, although contagion to peripheral markets remained limited. In European credit, spreads widened moderately despite continued investor appetite. In equities, a supportive earnings season was partly overshadowed by concerns over the technology sector's ability to generate adequate returns on its elevated investment levels, prompting some rotation into other sectors. European equities ended the month higher and outperformed the main US indices, which posted declines. Finally, the US dollar remained firm against the euro, with EUR/USD ending the month below 1.12.

We closed the month with an equity exposure of 55%, representing a slight reduction compared with the previous month-end, mainly driven by market movements in US and emerging market equities. We maintain our largest allocations to US and European equities, followed by smaller exposures to emerging markets and Japan. Throughout the month, we gradually rebalanced exposures to keep the portfolio aligned with our positioning.

In fixed income, we ended the month with a duration of 2.25 years, broadly in line with the previous month-end. We maintained a diversified portfolio, with the largest allocations to European credit, followed by European government bonds. In addition, we maintained our tactical exposure to US Treasuries.

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