

Santander Multi Index Substance

6 / 2025

Fund commentary

June was a mixed month for financial markets as macroeconomic data and geopolitical tensions shaped investor sentiment. Within equities, US extended the positive performance, supported by strong tech earnings, robust consumer spending and healthy employment figures, outperforming their European peers. In Europe, the ECB signalled a pause on the easing cycle despite softening growth, as the military escalation between Israel and Iran revived energy led inflation fears. Within bonds, corporate outperformed government bonds, as spreads remained tight supported by the risk-on sentiment.

In terms of asset allocation, the portfolio retained a cautious stance, reflecting concerns on economic growth, inflation and future central bank policy.

The preference was for bonds over equities and cash. In equities, Europe remained the preferred region over US. In bonds, the preference was for higher quality shorter-maturity corporate bonds over government bonds. Whilst a tactical positioning on US treasuries remained in place.

Absolute performance was marginally negative for the month. The preference for bonds over equities, and for European over US equities were negative contributors. Whilst the tilt towards Corporate over EU government bonds was a positive contributor.

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