

## Santander Select Income

## Fund commentary

October has been a favorable month for most assets benefiting from expansionary monetary policies, positive developments regarding US-China trade tariffs, positive surprises in corporate earnings, and announcements of multibillion dollar investments related to artificial intelligence and data centers. These factors have caused stock market indices in the main geographical areas to close in positive territory, with the Japanese and emerging markets standing out among the best performers with returns of around 5%, while the US and European indices rose by around 2%. In terms of sectors, technology and electricity stood out in gains, whereas materials and automobiles ended in negative territory.

The Fed did not disappoint the markets by cutting the official price of money, which favored sovereign debt by lowering yields. The dollar appreciated +1.7% against the euro during the month, correcting part of the large depreciation it has accumulated over the year. The price of gold continued to skyrocket until the middle of the month, when it corrected sharply, yet still ended the month with a 4% increase.

The fund experienced strong momentum in terms of returns: +2% for the month and close to 9% for the year, as a reflection of market performance. The various components of the portfolio contributed positively, although exposure to Japanese and emerging market equities was particularly noteworthy. Gold also contributed positively, highlighting the diversity of the fund's sources of return. The contribution of sovereign debt from both developed and emerging countries was also positive. In terms of positioning changes, exposure to regional markets has increased slightly (in all of them, but mainly in emerging markets) and the weighting in gold was reduced in the middle of the month.

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