Santander Multi Index Balance

Marketing Communication

3 / 2026

Fund commentary

March was marked by the conflict in the Middle East. Tensions in the Strait of Hormuz pushed energy prices higher, with Brent reaching $118.4 per barrel. This led to broad declines across both equity and fixed income markets, intensifying throughout the month. The MSCI ACWI fell -7.4%, the Stoxx Europe 600 -8%, and the S&P 500 -5.09%. In fixed income, rising inflation expectations weighed on bond prices, pushing yields higher. This move was reinforced by messages from the Federal Reserve (Fed) and the ECB, both adopting a cautious tone in response to the energy shock. Market expectations adjusted accordingly: in the Eurozone, deposit rates are now priced at 2.50%–2.75%, while in the US, expectations of rate cuts have been removed. European IG credit spreads widened by +13 bps. In this environment, the US dollar acted as a safe-haven asset, appreciating to 1.1553 USD/EUR. In our view, the energy spike will have a temporary inflationary impact, without triggering second-round effects. We expect the global economy to remain in an expansion phase, albeit with slower growth than anticipated a month ago.

In equities, we closed the month with an exposure of 52.4%, representing a 1% decrease compared to the previous month-end. This reduction was mainly driven by market movements rather than active tactical decisions, in a context where volatility remained present. In European equities, we reduced exposure to the MSCI Europe index while increasing allocation to more specific segments such as Germany, through the MDAX index and a small-cap ETF, without altering the overall exposure level. From a regional perspective, the portfolio continues to be primarily allocated to the United States, followed by Europe, with an additional allocation to Emerging markets and Japan, maintaining a diversified geographic exposure aligned with our medium-term view.

In fixed income, the portfolio ended the month with a duration of 2.25 years, slightly lower than in the previous month. The allocation is primarily composed of European government debt, complemented by a smaller allocation to US government debt, as well as corporate credit exposure mainly through EUR-denominated issuers and, to a lesser extent, US corporate bonds. Overall, positioning remained broadly stable, with no significant tactical adjustments, prioritizing a balanced structure.

Regarding currencies, USD exposure stood at 25.2% at month-end, slightly below the previous level. This movement was mainly driven by the evolution of USD-denominated assets rather than active allocation decisions.