

# Santander Multi Index Substance

4 / 2022

## Fund commentary

It was a difficult time for investors in April as concerns about high inflation, rising rates, the ongoing COVID-19 pandemic and the Russian invasion of Ukraine weighed heavily on global stock markets. Despite staging a recovery throughout March following a volatile first two months of the year most of the world major stock markets were negative for April, with China, the US and emerging markets leading the way. The broad Asia Pacific region excluding Japan region was also negative, as was Japan and Europe. The UK, with a very small gain was one of the only major global markets to end the month in positive territory.

While investors often flock to bonds when shares are volatile, the general trend in government bond markets was for rising yields (yields move in the opposite direction to bond prices) over the month.

We currently remain underweight in equities but diversified in a global allocation. We continue monitoring the geopolitical situation between Russia and Ukraine and subsequent effects on supply chains and elevated energy prices. In terms of fixed income we reduced duration from both government and corporate debt.

The portfolio declined over the month as the majority of investments in fixed income detracted from returns as yields continued to climb. European corporates and sovereign debt both fell over the month.

The following ETFs were added to the strategy.

SPDR 0-3 Year EUR Corporate Bond ETF

iShares EUR Govt Bond 3-5 Year ETF

Lyxor Euro Govt Bd 1-3 Year ETF

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