

Santander Select Income

6 / 2025

Fund commentary

June was a month marked in geopolitical terms by the resurgence of the Iran-Israel conflict and the US involvement in it. Oil registered increases in the month of over +7% due to fears of disruptions in maritime transport. The technology sector led the gains, accompanied also by the energy sector. European indices lagged behind as they had little presence in both sectors, together with the loss of competitiveness as the euro continued to appreciate against the dollar and other currencies. In emerging markets, the MXEF index experienced a strong rise of +5.6% as progress was made on some kind of agreement on the trade side. On the fixed income front, inflationary pressures in the US continue to fall, reflecting falling yields and narrowing credit spreads. U.S. bonds therefore also appreciated during the period.

Against this backdrop, the fund ended in positive territory thanks mainly to the strong contribution of equities and, most notably, exposure to emerging markets followed by exposure to the USA. Only the exposure to the European market ended up making a slightly negative contribution. On the credit side, we have a positive contribution mostly from high yield bonds from both the euro zone and the USA, along with the rest of the investment grade credit from the euro zone. On the positioning changes side, during the month we increased exposure to EUR peripheral zone government bonds and added bullish positions to equity markets, mainly emerging markets and the USA.

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