

Santander Select Income

3 / 2026

Fund commentary

March ended with widespread declines in equity markets. All regions were affected by the unstable situation in the Middle East, the uncertainty surrounding how long the conflict would last, and the markets' heightened sensitivity to every news report and statement from Donald Trump. Against this backdrop, the S&P 500 fell 5.09%, the MSCI Europe 7.5%, the TOPIX 11.19%, and emerging markets 13.26%. As the rebound in oil prices took hold—with Brent closing above \$100 and reaching peaks near \$120—doubts grew regarding its potential impact on growth and inflation, which kept the market in a negative mood. In fixed income, the month was also negative, with declines in global sovereign debt and widening credit spreads amid rising yields and an upward revision of oil-related inflation risk. Among traditionally defensive assets, gold experienced a significant correction during the month, though it remains within its long-term uptrend for now. The dollar, meanwhile, extended the appreciation that began in February, albeit with somewhat less intensity and with occasional movements favorable to the euro. Looking ahead to the coming months, the key will be to monitor whether pressure on oil prices persists and begins to spread to other commodities.

In this challenging environment, the fund ended the month in negative territory, primarily due to the performance of equity markets across all regions and, to a lesser extent, the rise in fixed-income yields. The fund maintains limited exposure, and thanks to this, along with the hedges it had in place, it managed to cushion the declines to a fraction of what the stock indices experienced. During this month, the product was unable to benefit from its exposure to gold, as gold also declined during the month. Regarding changes in positioning, exposure to equity markets was reduced during the month, both through direct reductions and through the increased weight of the option hedges held by the product. On the credit side, exposure to Eurozone high-yield bonds has also been reduced in anticipation of potential contagion in this asset class, as well as exposure to sovereign debt as this asset class begins to trade at higher yields in anticipation of what could be some sort of change in monetary policy.

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For product information, please contact Santander Asset Management Luxembourg S.A. (43, Avenue John F. Kennedy L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the UCITS under the supervision of the Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the UCITS is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

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