

Santander Select Moderate

4 / 2022

Fund commentary

During April, the focus of investors has been on inflation, which continues its upward trend due to the conflict with Russia and disruptions in supply chains, so central banks have maintained an increasingly hawkish message. In this context, there has been high volatility in stock markets and outflows in fixed income as markets price in further interest rate hikes; we will maintain a cautious positioning as risk asset valuations and geopolitical uncertainties continue to adjust.

In this scenario, we have continued to reduce our stock market exposure (13.4% at the end of April), reducing our position in emerging countries and Japan. We have also implemented a leveraged strategy with options in order not to lose upside potential in the European market, as well as a relative European high dividend strategy versus the Eurostoxx 50. With regard to fixed income, during the last week of the month we have slightly increased duration on government bonds as current levels are more attractive, and we believe that a large part of the next interest rate hikes have already been priced in. On the credit side, we have reduced our weight in investment grade to protect the portfolio against the widening of spreads, although we have maintained a small position in high yield credit. At the end of April, the duration of the fixed income portfolio was 4.0 years. We remain short the US dollar.

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This fund has a prospectus which is drafted in English and can be obtained from www.santanderassetmanagement.com

For product information, please contact SANTANDER ASSET MANAGEMENT LUXEMBOURG S.A. (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg) Management Company under the supervision of Commission de Surveillance du Secteur Financier (CSSF). The Depositary entity and administrator of the funds is JP Morgan Bank Luxembourg S.A. (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

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