

Santander Total Return

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.

In this context, the fund has built a portfolio in line with its new investment policy and methodology. It ended June 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. The other value lever with a positive contribution in the month was credit, although to a lesser extent than equities. Here, exposure to high-yield bonds from both the euro zone and the USA was particularly noteworthy. During the month, there was a notable increase in exposure to public debt, mainly in the peripheral zone and to a lesser extent in emerging markets. On the currency exposure side, the product is increasing exposure to currencies that act as a safe haven (Swiss franc and Japanese yen) and has also implemented hedges on the dollar, which has allowed us to cushion part of the depreciation experienced by this asset. In terms of new investments, we have started to build a position in Brazilian equities and inflation-linked UK bonds.

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