

Santander GO Dynamic Bond

6 / 2022

Fund commentary

Performance

Global equities ended the month lower with DM equities underperforming its EM peers. Developed market sovereign yields were broadly higher in June, while credit spreads widened with high yield underperforming investment grade. Both local and external emerging markets debt were negative in June.

Top Contributors

- Positioning in select developed market currencies, such as the US Dollar and the Euro

Top Detractors

- Holdings of investment grade and high yield credit, as spreads widened
- Long exposure to US duration, as yields rose

Positioning and Outlook

Main changes over the month

Reduced duration mostly via U.S. and added credit exposure mostly via HY and EM.

Duration

Total portfolio duration stands at 2.59 yrs and is the result of long exposures in the U.S. (1.57 yrs), Europe (0.53 yrs) and EM (0.33 yrs) and a short in the UK (-0.16 yrs).

Spread

Total portfolio market weighted spread duration stands at 7.53 yrs, mostly focused on IG corporates (2.96 yrs) and to a lesser extent HY (1.85 yrs) and EM (1.18 yrs). Also have exposure to non-agencies (1.10 yrs).

Currency

The fund is currently long the British Pound, Australian Dollar and EM currencies such as the Brazilian Real and the South African Rand. The portfolio has short positions in some DM currencies such as the EUR.

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

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