

Santander Multi Index Substance

6 / 2022

Fund commentary

Global stock markets were, on average, negative during June as inflation, raised interest rates by the BoE and Fed, concerns about slowing growth, and fears of recession dampened the mood among investors. There was some recovery in the second half of the month but not enough to compensate the heightened markets sell-off. The US and Europe fared worst over the month whilst China's stock market was one of the rare bright spots, recording good performance following a prolonged negative period. The bond market was also broadly negative for the month as interest rate hikes caused prices to fall and yields to rise.

In terms of asset allocation, the portfolio reduced its weight in risky assets by going underweight equities but kept a preference for Europe over the other markets. The portfolio also significantly reduced duration by switching government and corporate bonds to shorter-duration alternatives and is overweight cash.

Absolute performance over the month was negative given the poor performance of most major markets over the month. Performance vs the peer group was also 3rd quartile due to this portfolio entering the month with a neutral stance and although the cutting of risk and lowering of duration helped mitigate further loss, the recovery was not enough to counteract the initial decline in the month.

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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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