

# Santander Select Income

6 / 2022

## Fund commentary

The downward revision of economic growth in different regions and the expected interest rate hikes by central banks have increased the probability of recession scenarios in the future. The still high inflation, both due to high demand and to the impact of the invasion of Ukraine, does not allow monetary policy to change course for the time being. In addition to the correction of world stock markets due to downward revisions in company earnings, commodity prices are also falling due to the slowdown in economic activity. Meanwhile, the dollar continues to appreciate against most currencies due to the geopolitical situation and the rate hike cycle.

Against this backdrop, the fund fell by just over -3% during the month, weighed down by corrections in traditional and some alternative financial assets. The biggest declines were in private markets and listed real estate, followed by high yield fixed income and emerging countries debt.

Only some defensive relative value strategies such as low volatility and quality ended in positive territory. During the period, exposure to equities was increased through dividend futures, a somewhat more stable asset than traditional equities, and also in inflation protection assets such as gold and inflation-linked bonds. In fixed income, we rotated from sovereigns and high yield to investment grade bonds, becoming the position with the largest weight in the portfolio.

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This fund has a prospectus which is drafted in English and can be obtained from [www.santanderassetmanagement.com](http://www.santanderassetmanagement.com)

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