Santander Asset Management

Santander Select Moderate

1 / 2021

Fund commentary

Global stock markets delivered a mixed performance in January. The month began with a sense of optimism about the transition of power to a new US president, a trade agreement between the UK and European Union, and the rollout of COVID-19 vaccines around the world. However, negative news about tighter lockdown conditions and rapidly spreading variants of the virus caused investors to become pessimistic. Due to this, markets lost some steam in the second half of the month. Asia-Pacific and the emerging markets delivered positive returns for the month, while the US, UK and Europe were slightly negative.

From a tactical asset allocation perspective we did not implement major changes. Equity is now close to 34% diversified between US, Europe and emerging markets – As emerging markets performance was positive in January this benefitted the portfolio captured by our increased exposure. We continue to monitor vaccine roll outs across the world and the effectiveness in ongoing studies as we remain optimistic in the medium term.

In terms of performance, the portfolio ended the month positive driven mainly by the equity part.