

Santander Select Income

11 / 2024

Fund commentary

The month of November was marked by the performance of the US market, where the S&P500 closed the month with a rise of +5.8%, bringing it to +28% for the year. The American index thus broke away from the other geographies, accelerated after Trump's victory, beating the MSCI World ex-USA index by 7% and 20% over the year. The Eurostoxx50 and Japanese Topix fell slightly, while the emerging stock index fell -3.6%, weighed down by local currencies.

Gold corrected this month -3.7% within an upward trend that has kept this asset accumulating revaluations close to +30% in the year. This behavior has been in line with the bulk of commodities where we see a slightly negative sideways behavior. The asset that has clearly benefited from Trump's victory has been the dollar, which in the month of November appreciated against the euro by +2.8% in anticipation of greater strength in the US economy compared to the European economy.

On the fixed income side, the U.S. yield curve continues to correct downwards as economic data is published, supporting to a greater extent the "no landing" scenario as opposed to the "soft-hard landing" scenario that had been contemplated until now.

Against this backdrop, the fund managed to end the month with a positive return of over one and a half percent, helped by its exposure to interest rates and credit. The strong appreciation of fixed income assets, in an environment of falling rates and spreads, made a significant contribution to the fund's total return over the period. In particular, sovereign debt and high yield credit assets were able to contribute more than any other fixed income asset in the portfolio. Despite the negative performance of the Emerging Market and Japanese stock markets, exposure to Europe and especially the US allowed the contribution of the equity assets in the portfolio to turn positive at the end of the period. From a positioning standpoint, exposure to Japanese and emerging market equities was significantly increased while the weight of virtually all fixed income segments in the portfolio was reduced. Exposure to global equity factors increased slightly during the month. Finally, the weight of gold in the portfolio increased significantly over the period.

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