

# Santander GO Dynamic Bond

11 / 2023

## Fund commentary

Performance:

Santander GO DBF returned 2.99% in the month of November.

In November, markets experienced a historic rally, with bond markets leading the way due to macro data reigniting hopes of a soft landing. The 10Y yield in the US dropped 60bps, sparking a rally across Europe, the UK, and Japan, and pushing the Bloomberg Global Agg Index up almost 4%. It was the biggest monthly rally in sovereign bonds since the 1980s, with global credit spreads tightening significantly. Equity markets also experienced a significant rally, with all major indices, including the S&P 500, MSCI World, and Nasdaq, delivering strong returns, and the DJIA and Russell 2000 reclaiming positive territory YTD.

Top Contributors:

- Long exposure to US duration, as yields fell
- Holdings of US Agency MBS, as spreads tightened
- Holdings of investment grade and high yield corporate credit, as spreads tightened

and through carry

Top Detractors

- Holdings of US non-agency MBS

Positioning and Outlook:

Main changes over the month:

Decreased duration via the U.S. and slightly increased spread via non-agency MBS.

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## Duration

Total portfolio duration stands at 3.01 yrs and is the result of long exposures in the U.S. (2.60 yrs), Europe (-0.01 yrs) and EM (-0.02 yrs).

## Spread

Total portfolio market weighted spread duration stands at 5.64 yrs, mostly focused on IG corporates (2.16 yrs) and to a lesser extent HY (0.73 yrs) and EM (0.53 yrs). Also have exposure to non-agencies (1.65 yrs).

## Currency

The fund is currently long the Australian Dollar and Japanese Yen and EM currencies such as the Brazilian Real and the Hungarian Forint. The portfolio has short positions in some DM currencies such as the EUR.

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