

Santander GO Dynamic Bond

3 / 2025

Fund commentary

Performance:

Santander GO DBF returned 0.73% in the month of March.

In March, political uncertainty significantly impacted fixed income markets, with yields rising across regions as investors reacted to changes in trade policies and fiscal regimes. European bonds were particularly affected, as easing spending caps for defense and infrastructure led to a sell-off, with the German 10Y yield increasing by 30 basis points in a single day. The overall risk-off sentiment resulted in a challenging environment for bonds, while gold emerged as a safe haven, reaching a record price. In equities, the S&P 500 experienced its worst quarter since 2022, driven by trade uncertainties and a decline in major tech stocks, while European investors faced a disappointing March after a strong start of the year.

Top Contributors:

- Long exposure to US Duration, as yields fell at the short end and rose at the long end
- Exposure to the cash interest rate in the US, from carry
- Exposure to a basket of select EM FX as they appreciated vs the USD

Top Detractors

- Holdings of US Agency MBS as spreads widened and via selection
- Exposure to select EM local rates as yields rose
- Exposure to UK rates as yields rose

Positioning and Outlook:

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Main changes over the month:

We slightly decreased duration via US and decreased spread via IG and non-agency MBS.

Duration:

Total portfolio duration stands at 3.65 yrs and is the result of exposures in the U.S. (2.16 yrs), UK (0.68 yrs) and EM (0.43 yrs).

Spread:

Total portfolio market weighted spread duration stands at 3.98 yrs, mostly focused on IG corporates (1.55 yrs) and to a lesser extent HY (0.43 yrs) and EM (0.37 yrs). Also have exposure to non-agencies (1.25 yrs).

Currency:

The fund is currently long EM currencies such as the Brazilian Real, the Mexican peso and the South African Rand. The portfolio has short positions in some DM currencies such as the Australian and Canadian Dollar and the Swiss Franc.

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