

Santander GO Dynamic Bond

5 / 2023

Fund commentary

Performance:

Santander GO DBF returned 0.18% in the month of May.

There was major dispersion across major equity markets. Yields across developed market sovereign bonds were mixed in May as divergent inflationary trends began to emerge. Credit spreads widened modestly amid some concerns over recessionary pressures and the US debt ceiling. Both external and local emerging market debt posted negative performance over the month.

Top contributors:

- Holdings of securitized credit, particularly non-agency MBS as spreads tightened
- Long Brazilian duration, as yields shifted downwards

Top detractors:

- Long US duration, as yields rose

Positioning and Outlook:

Main changes over the month:

Decreased duration mostly via EUR, while decreasing credit via IG and HY.

Duration:

Total portfolio duration stands at 1.50 yrs and is the result of long exposures in the U.S. (1.10 yrs), Europe (-0.07 yrs) and EM (0.05 yrs), UK (0.20 yrs).

Spread

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Total portfolio market weighted spread duration stands at 5.14 yrs, mostly focused on IG corporates (2.21 yrs) and to a lesser extent HY (0.78 yrs) and EM (0.53 yrs). Also have exposure to non-agencies (1.29 yrs).

Currency

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

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