



Home > Regions > Iberia > Santander AM targets ECB rate hike with fund launch

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By: Eugenia Jimenez | 14 Aug 2018



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Santander Asset Management (Santander AM) has launched the Santander Renta Fija Flotante fund, a floating rate fund designed to tackle the effects of a potential interest rates hike by the ECB during the second half of 2019.

Santander Renta Fija Flotante, recently registered in the Spanish National Securities Market Commission (CNMV), will invest in floating bonds and seeks to minimise losses in the most conservative portfolios as well as to make some profitability of an asset class such bonds currently offering small opportunities.

The fund will invest in European public bonds (states, autonomous communities or other public bodies) and in private bonds (corporate).

Floating bonds are those whose profitability and coupon are linked to the price or evolution of an interest rates index with periodic review. In this case, these indices will be European, such as Euribor, LÍbor and Eonia.

The fund's short duration will make it less sensitive to the bonds' losses when the interest rates rise and their prices fall and, it will perform better as long as the interest rates indexes go up.

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TAGS: Fixed Income | Fund launch | Iberia | Santander AM | Spain

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Eugenia Jiménez speaks Spanish and is Iberia Correspondent for Investment Europe covering Spain & Portugal, as well as assisting with coverage of Italy. She holds a UK NCTJ- accredited Multimedia News Reporting course and studied Journalism at the University of Sevilla. She has worked for local media organisations in Sevilla and Málaga, mainly in broadcasting as a news reporter, among other roles. She has also worked for a local newspaper in Sevilla, reporting on current affairs, local government and culture.

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