

# EDM Int. Inversion/Spanish Equity R EUR

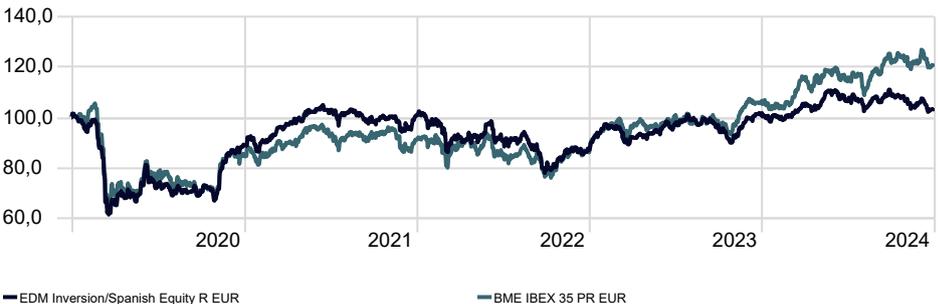


## Fund's Data

Category	Europe Equity Mid/Small Cap
Fund Size €	157.286.519 €
Morningstar Rating Overall	★★
Low Carbon Designation (ESG)	No
Morningstar Sustainability Rating™	⊕⊕⊕⊕⊕
Inception Date	01/04/2014
ISIN	LU0995386439

## Historical Performance

Time Period: 01/01/2020 to 31/12/2024



## Risk

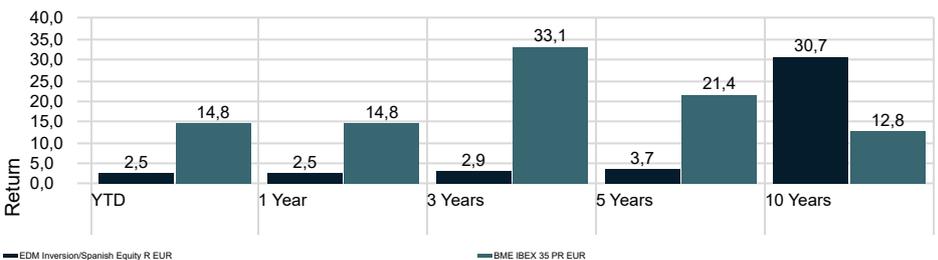
Time Period: 01/01/2022 to 31/12/2024

Volatility	15,18
Downside Deviation	6,17
Alpha	—
Beta	—
R2	—
Sharpe Ratio	—
Tracking Error	6,54

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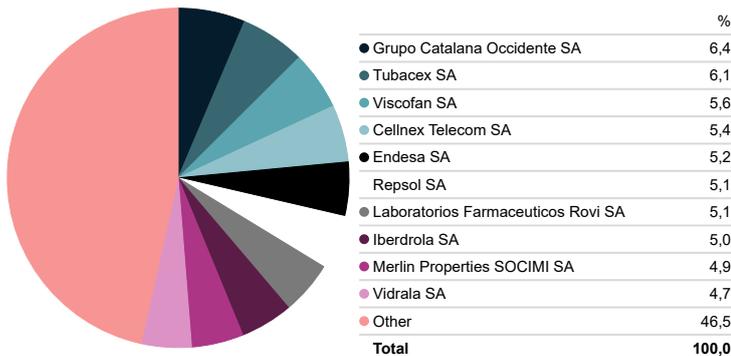
	YTD	2024	2023	2022	2021	2020
Return	2,53	2,53	16,12	-13,56	13,37	-11,10

## Returns



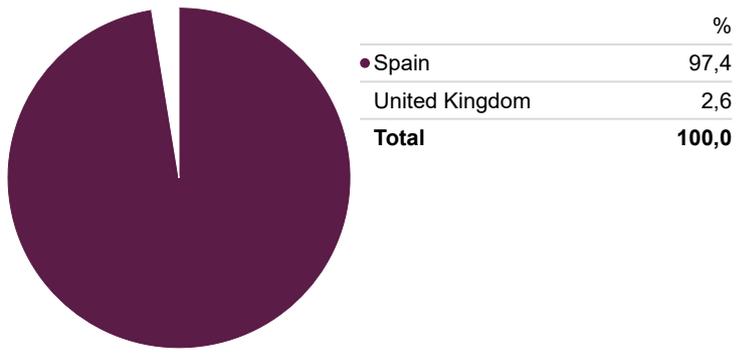
## Top 10

Portfolio Date: 31/12/2024



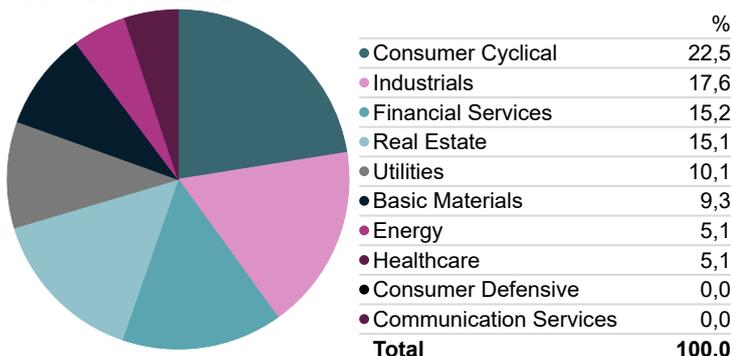
## Country Exposure

Portfolio Date: 31/12/2024



## Equity Sectors

Portfolio Date: 31/12/2024



## Morningstar Style Box-EDM Int. Inversion/Spanish Equity R EUR

Portfolio Date: 31/12/2024



## Investment Strategy

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to the profitability of the General Index of the Madrid Stock Exchange "IGBM" to merely informative and comparative effects. A minimum of 75% of the Sub-Fund's total exposure and 90% of the equity will be equity listed in Spanish markets and assets from Spanish issuers listed in other markets, of mainly high capitalisation, without discarding those of low capitalisation. The possibility to invest in small-cap assets can negatively influence the Sub-Fund's liquidity.

Signatory of:



### Fund's Manager comment EDM Inversion-Spanish Equity

December was characterised by the US Federal Reserve's decision to lower interest rates by 0.25% to 4.25%/4.5%, in addition to cooling expectations of successive cuts in 2025, prompting the market to now take into account a single cut rather than the three or four previously estimated. This triggered a rise in US 10Y rates of roughly 0.5%, pushing yields above 4.5% and penalising short-term market performance. Across the Atlantic, the ECB also cut interest rates by a quarter point to 3%. The interest-rate spread between the two continents has strengthened the dollar against the euro, which appreciated 6.6% in 2024.

Inditex published Q3 results that failed to meet the demanding expectations of the market consensus and revealed a moderate degree of slowing. The cumulative figures for the year are outstanding, with double-digit growth in revenue at constant currency and operating margins reaching record highs. Although the share price tumbled by nearly 5% in December, it closed 2024 with gains of 25.9% (+30% with dividends).

EDM Inversión/Spanish Equity L Class fell 2% during the month, while the IBEX 35 Net Return shed 0.3%. The top contributors to the fund were CAF, Prosegur Cash, and Befesa, while the main detractors were Tubacex, Allfunds Cellnex, and Inmobiliaria Colonial, the latter two impacted by the upward shift in US interest rates, though their businesses were unaffected. For the year overall, the fund obtained a modest 3.9%, relative to the 18.9% earned by the index. This discrepancy is attributable to many factors, including: 1) lesser structural exposure to the banking sector (which accounts for 30% of the index), to Iberdrola (14% of the index), and to Inditex (16% of the index) which, taken together, account for 80% of the Ibex 35's profitability; and 2) greater exposure to SMEs that have attracted lower capital flows in the last two years due to the phenomenon of passive management strategies that fuel investment in large companies.

Looking ahead to 2025, the fund will continue to combine expected double-digit earnings growth with a very economical valuation (2025 P/E ratio of 9x) and an attractive dividend yield of 4%. After three years of heavily concentrated investment in the US market, in tech, and in large companies, 2025 could be a great opportunity for the profiles of those companies in which the fund historically invests.

**Past performance is no guarantee for the future.** This document does not constitute an offer or recommendation to acquire or sell, or to perform any other transaction. No information contained in this report should be interpreted as advice or guidance, but rather should be regarded as the opinions of the Management Company, which may change. Investment or divestment decisions regarding the Fund should be taken by the investor in accordance with any legislation in force at any given time. The return obtained in the past is not a guarantee of future return. Investments in the Funds are subject to market fluctuations and other risks inherent to investment in securities, whereby the acquisition value of the Fund and the return obtained may undergo changes, upwards or downwards, which may not allow an investor to recover the amount initially invested. Fluctuations in currency rates may also increase and decrease the Fund's return.