

Santander Future Wealth

12 / 2023

Fund commentary

Good inflation data in the wake of falling commodity prices have led investors to discount on the one hand that restrictive monetary policies are over and on the other, perhaps too optimistically, that there will be numerous interest rate cuts in 2024 on both sides of the Atlantic. This euphoria has translated into significant gains in both sovereign and corporate bonds, bringing credit spreads to the narrowest levels of the year. High-yield bonds and emerging market debt have made significant gains both for the month and for the year. Equities continued to rise (+4% gains in the S&P500 and +3% in the Eurostoxx50), ending the year at record highs for the stock market indexes and with significant increases. Comparatively, growth style companies have done better than Value (Nasdaq ends the year above +50%) and larger companies have done better than smaller ones. Even conflicts have not been able to dampen this optimism in the markets (where we have not seen significant rallies in oil, despite the tension in the world's major production area and the problems that are beginning to be seen in maritime transit, and where we have seen Gold making record highs).

Positive result for the month with all assets contributing positively, highlighting Healthcare technology and Cybersecurity and to a lesser extent Asian consumer, millennials and wellness. On the positioning side, the weight in future technologies has increased and slightly in future society, reducing exposure to the Planet Futures megatrend. By themes, cybersecurity, health technology, robotics and climate action are increasing.

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