

## New Variants and Facts

### Efectos de la nueva variante Ómicron en GVC Gaesco 300 Places Worldwide, FI



It has been barely a week that the existence of a new variant of the covid-19 virus, the Omicron, has emerged. What implications does this have for the fund particularly and for the stock markets in general?

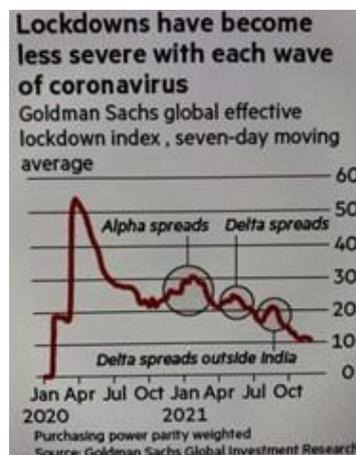
#### a) Viruses mutate, and usually do so towards less severity and greater transmissibility

Viruses mutate, and in general they do not evolve towards higher but lower levels of danger. The principles that govern its evolution are practically the same Darwinian principles with which all life evolves, both regarding natural selection and the survival of the most favourable mutations. This does not mean that a mutation that is more serious than the previous one cannot arise, of course it can, but simply that, for its own survival, it is better for the virus to become more transmissible and less lethal. The mission of viruses is not to cause the death of their host, but to survive in them.

#### b) Neither the appearance of Omicron nor its characteristics constitute any relevant news

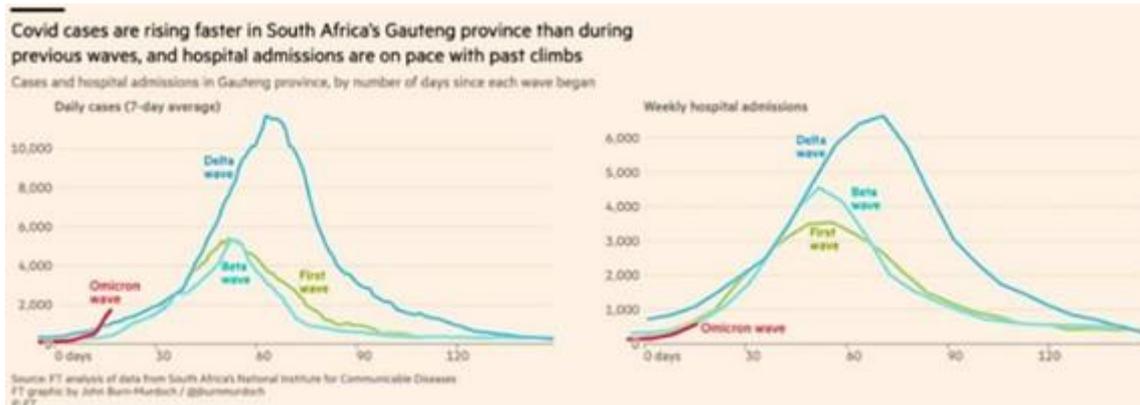
The appearance of new variants is not a possibility, but it is something that will surely happen. It has already happened with the Alpha and Delta variants, and it is normal that there will be more in the future.

The levels of confinement of society and, therefore, its effects on the economy, have been lower each time a new variant of covid-19 has appeared:



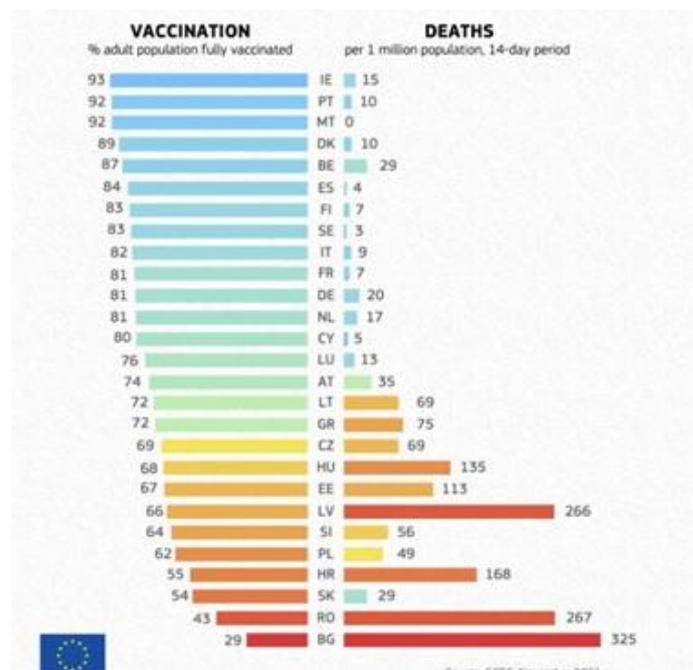
We hope the same will happen with Omicron, especially when the evidence available so far indicates that it is surely more contagious, but there is no evidence that it can cause a more serious disease or that it can escape the protective effect of vaccines. current, although it is suspected that they could have a somewhat lower degree of coverage than the current one. It should be remembered that the level of protection of current vaccines is very high.

For now, then, what is known to date about Omicron does not escape the behaviour that can be expected from viruses. The data now observed in South Africa, the first country to detect it, in terms of infections and hospitalizations, fully agree with the general pattern of greater transmissibility and less severity:



**c) The really important thing is still vaccination**

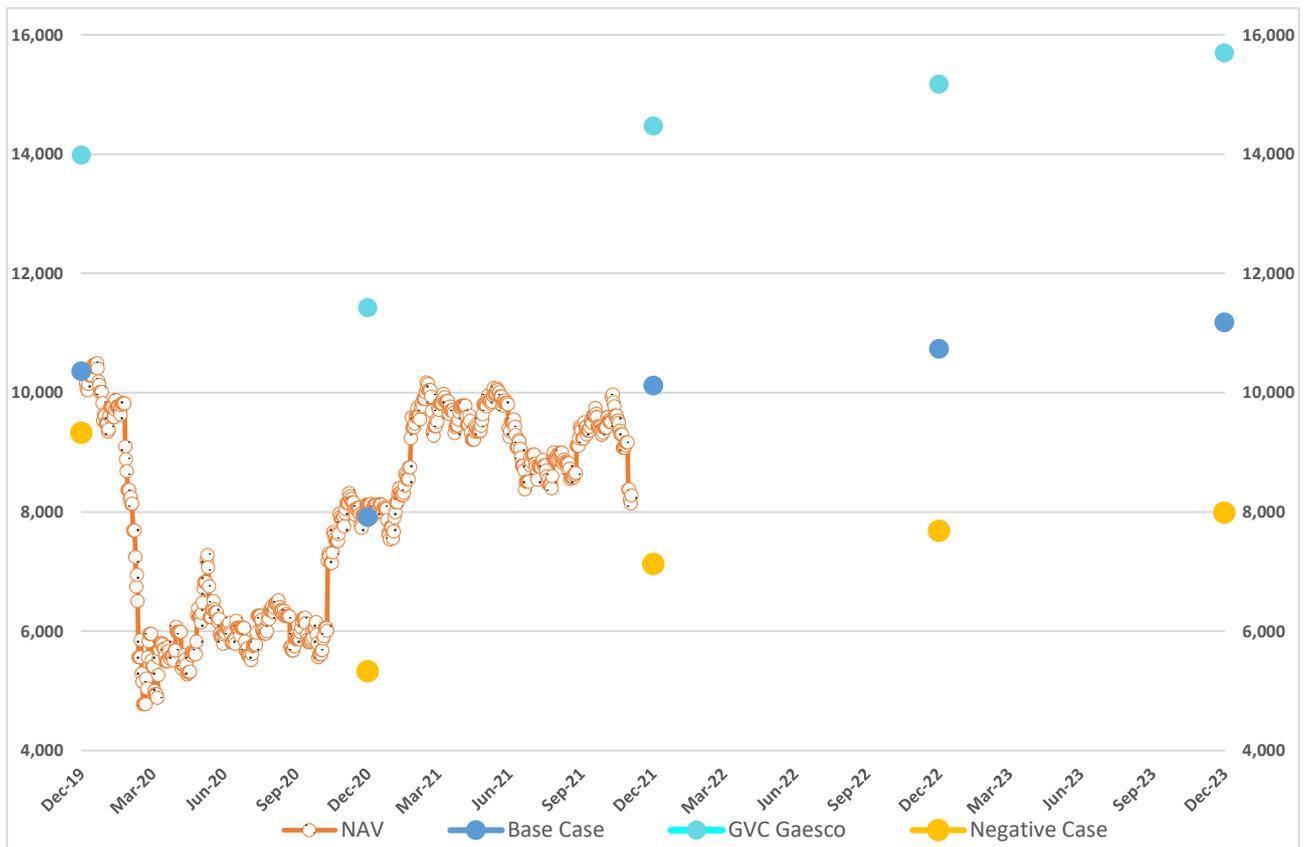
The effectiveness of vaccines against covid-19 is devastating. The great relationship between higher vaccination and lower mortality can be seen in this graph. In Ireland, the most vaccinated European country, with 93% of its adult population vaccinated, there are 15 deaths per million inhabitants and 14 days. In Bulgaria, with only 29% of the adult population vaccinated, the same figure is 325 deaths.



For this reason, the real efforts lie in getting the population vaccinated. In this sense, it is possible to understand the measures that France implemented last summer to make vaccination mandatory to enter restaurants, or that of Italy to go to work, or now Germany that intends to make it mandatory for the entire population.

**d) Although the fund has appreciated more than 30% between September 30 of last year and December 1 of this year, it is still as cheap as then**

The fund has appreciated significantly since we made our fundamental fund forecast for the next few years in September 2020. At that time the fund's net asset value was discounting a catastrophic scenario for global tourism. Despite the fact that since then the net asset value has risen more than 30%, it continues to discount the same negative scenario today, which does not make any logic. Tourism figures in the last four months of 2021 have far exceeded the most optimistic expectations, which is a further reflection of their great strength as soon as the restrictions are released.



**e) We consider the current situation as a great purchase opportunity**

For all we have mentioned previously, we consider that the current situation constitutes a very important buying opportunity, one of the greatest that we can detect in the markets today.

**Jaume Puig CEO & CIO GVC Gaesco Gestion**