

OUT OF THE BLUE!

Letter to investors

August 2020

THE GREEN ZONE

We have often heard of TINA (there is no alternative) and FOMO (fear of missing out) to explain, in a simplistic way, the equity rally despite everything. We would now add another acronym, ROMO (reality of missing out): few of us were expecting the seemingly counterintuitive rebound of the last four months and even fewer investors participated in it. ... Although BlueStar certainly did not belong to the rare, optimistic of March we at least had the lucidity to rely on facts, without getting involved (too much) by psychology and belly. For sure, if our baseline scenario proves correct, we insist on considering, in addition to the usual (beautiful) growth stocks, also some older economy sectors as well as geographies outside the US, consistent with the weakness of the dollar. In short, after so many "red zones" we expect at 6-9 months that we can return more extensively to see decidedly greener numbers...

Market	July 2020	Year to Date 2020
Bloomberg Barclays Euro Aggr. Bond Index	+1.0%	+2.3%
Bloomberg Barclays US Aggregate Bond Index	+1.5%	+7.7%
S&P 500 Index	+5.6%	+2.4%
Stoxx Europe 600 Index	-0.9%	-12.6%
MSCI Asia Pacific Index	+4.6%	-1.9%
Bloomberg Commodity Index	+5.7%	-15.1%

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