

OUT OF THE BLUE!

Letter to investors

December 2020

A CHRISTMAS CAROL

At the end of a year that has been terrible from an economic, financial, health and psychological point of view, we may see the light at the end of the tunnel. It is very unlikely that 2021 will be worse than the past year,

BlueStar, however, doubts that we are already out of the tunnel. In fact, the markets may be anticipating too quickly a

return to normality which will only come fully in 2022. The happy Christmas tale already pictures a favourable outcome: strong economic recovery, accommodative monetary policies, low interest rates, fiscal stimulus, geopolitical and commercial normalization, herd immunity thanks to vaccines, powerful rebound in profits, normalization of consumer and business behaviour.

We would have liked to write a very optimistic letter, completely in line with the Christmas spirit and dull tones, but we fear that it is still too early to let our guard down. As in Dickens' novel, before the happy ending and a joyful future we expect the unforeseen visit of some "ghost" that we just cannot label as "foolish"...

Market	November 2020	Year to Date 2020
Bloomberg Barclays Euro Aggr. Bond Index	+0.3%	+3.9%
Bloomberg Barclays US Aggregate Bond Index	+1.0%	+7.4%
S&P 500 Index	+10.9%	+14.0%
Stoxx Europe 600 Index	+13.9%	-3.9%
MSCI Asia Pacific Index	+10.2%	13.5%
Bloomberg Commodity Index	+3.5%	-8.1%

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