



## Exposure rates of the Dorval Asset Management Range – 23<sup>rd</sup> December 2020

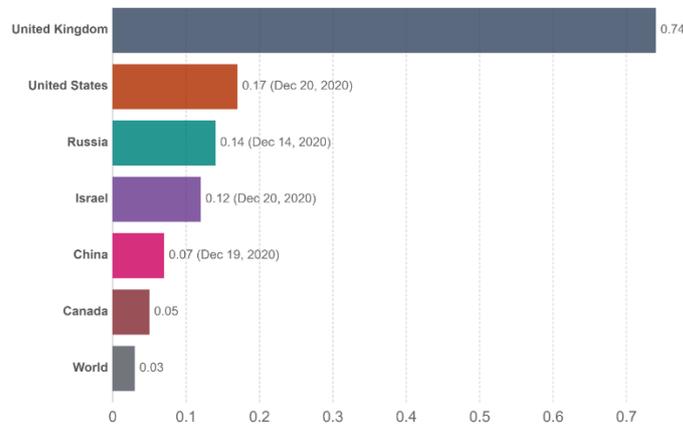
Dear Clients and Partners,

B.1.1.7 is the scientific name for the new Covid-19 variant that has been spreading swiftly in the south-east of England these past days, causing countries worldwide to suddenly impose travels bans with the United Kingdom. While the virus has displayed multiple mutations, this new strain in particular is being very closely watched by the scientific community. For now, experts do not think that this new variant's mutations will jeopardize the effectiveness of Covid-19 vaccines, whether products from Pfizer/BioNTech, Moderna or Oxford/AstraZeneca. However, there is no clear answer to this million-dollar question and we will have to wait several weeks for further results.

This matter is particularly crucial as the vaccination campaign kicked off in Canada, the UK, the US and Israel between December 14 and 20, in addition to China and Russia. The UK is streets ahead in terms of number of doses administered per capita, with 0.74 doses per 100 people, followed by the United States (cf. chart 1).

Number of COVID-19 vaccination doses administered per 100 people

Shown is the total number of COVID-19 vaccinations administered per 100 people in the total population. This is counted as a single vaccination dose, and does not measure the number of people vaccinated against the disease (which usually requires two doses).



Source: Official data collated by Our World in Data

OurWorldInData.org/coronavirus - CC BY

Vaccination campaigns are set to span several months, but these programs have already helped investors look beyond this winter's lockdowns and set their sights on the spring months that are poised to be more upbeat on the pandemic front.

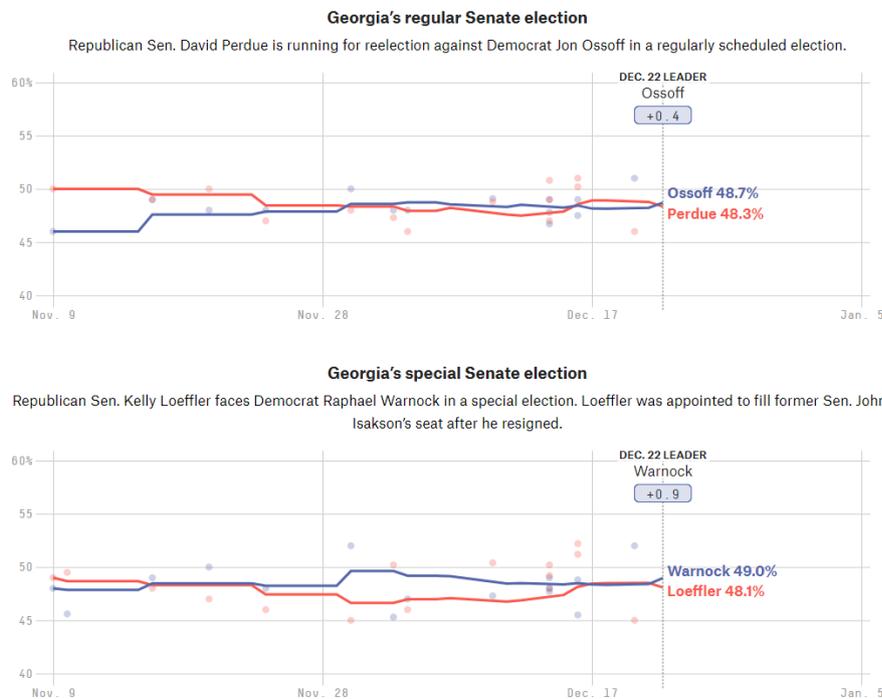
The US Congress managed to wave through a \$900bn Covid-19 relief bill – equating to 4% of GDP – to carry the country through this challenging economic period, with legislation now waiting to be signed off by the President. The package includes direct stimulus checks of \$600 per adult depending on their income threshold, as well as for children, worth an estimated total





of \$166bn (0.7% of GDP), to be paid out in the early weeks of January. A further \$120bn (0.5% of GDP) will be allocated to extend unemployment benefit insurance, providing an additional \$300 per week. The remainder will be primarily devoted to funding support measures for SMEs, as well as the vaccination program. As shown by the CARES Act passed in March, moves to directly shore up disposable income are particularly effective and truly pay off when the economy opens up again.

Visibility on fiscal support is crucial as monetary support can now be well and truly taken as read. Across the pond, there are concerns of renewed Republican obstructionism during a Democrat presidency, hence the importance of the runoff elections for two Senate seats in the state of Georgia on January 5, which could afford the Democrats an absolute majority (cf. chart 2).



Source: *FiveThirtyEight*

As we have discussed on several occasions, visibility is clear on the main scenario for a robust economic recovery from the second quarter of 2021, but this situation is also already priced in by investors, curtailing hopes of market gains. However, the same cannot be said for assets and sectors that have been most directly affected by social distancing measures, and these industries still offer a strong risk premium. For example, the main global airline index is still trading 40% short of its early 2020 figure, while the energy sector index displays a shortfall of 34%.





**DORVAL**  
ASSET MANAGEMENT  
FLEXIBLE PAR CONVICTION

Our exposure rates are as follows:

- **Dorval Convictions:** Our exposure rate is 96%.

#### **DORVAL ASSET MANAGEMENT**

Public limited company with share capital of €303,025 Paris Trade and Companies Register No. B 391392768 - APE 6630 Z - AMF accreditation no. GP 93-08

Registered office: 1 rue de Gramont - 75002 Paris

Tel +33 1 44 69 90 44 - Fax +33 1 42 94 18 37

[www.dorval-am.com](http://www.dorval-am.com)

#### Legal notices

This promotional document is intended for business clients within the meaning of the MiFID. It cannot be used for a purpose other than that for which it has been designed and cannot be reproduced, circulated or communicated to third parties in whole or in part without the prior and written authorization of Dorval Asset Management. No information contained in this document can be interpreted as having any contractual value whatsoever. This document is produced purely for information purposes. It constitutes a presentation designed and produced by Dorval Asset Management from sources that it deems reliable. Dorval Asset Management reserves the right to amend the information presented in this document at any time and without notice and particularly regarding the description of the management processes that in any case do not form a commitment on the part of Dorval Asset Management. Dorval Asset Management cannot be held responsible for any decision made or not made based on information contained in this document or use that could be made of it by a third party. The mutual fund is authorized to be marketed in France and possibly in other countries where the law authorizes it. Prior to any investment, it should be verified whether the investor is legally authorized to subscribe to units in a mutual fund. The characteristics, fees, risk and yield profile relating to investment in a mutual fund are set out in the Key Investor Information Document (KIID) of the latter. The KIID and the periodic documents are available free of charge on request, from Dorval Asset Management. You must read the KIID, which must be sent to you prior to subscription. The definition of the risk indicators stated in this document feature on the website:

[www.dorval-am.com](http://www.dorval-am.com)



**NEITHER BEAR NOR BULL  
BUT CAMELEON**