

<https://blog.en.erste-am.com/the-best-funds-of-2020/>

The best funds of 2020

Dieter Kerschbaum



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A turbulent year at the stock exchange has come to a conciliatory end. The corona virus led to an unprecedented slump on the equity markets at the beginning of 2020. At the outset of spring and on the back of the hope that the end of the (first) lockdown inspired, the markets recovered as quickly as they had previously fallen. Towards the end of the year, the approval of various vaccines and the resulting hope of a foreseeable end of the pandemic gave the markets another boost.

Technology shares as clear winners

The clear winners of this "most severe economic crisis since WWII" were the US technology companies, in particular the shares of companies that benefited from the rise of the home office and entertainment delivered via screens. The environmental technology sector, above all solar companies and providers in the field of hydrogen technology and wind power, performed very well, too. Joe Biden's election victory in the USA should create a political boost of the European Green Deal and of many areas of the environmental sector.

As a result, funds with a focus on the aforementioned sectors closed the year at the top of the list. On the other hand, certain stock exchanges in the emerging markets such as Latin America (Brazil), Eastern Europe (Bulgaria, Russia), and, in parts, Asia (Singapore, Thailand) ended up underperforming the overall market. Austrian equities, too, have quite a bit of upward potential built into their current valuations.

The three top equity funds of Erste Asset Management

Performance in %

	ERSTE WWF STOCK ENVIRONMENT	ERSTE RESPONSIBLE STOCK AMERICA **	ERSTE STOCK TECHNO
2020	77,5	30,4	30,1
2019	49,2	30,2	45,5
2018	-12,8	-7,0	-2,4
2017	13,5	20,5	17,5
2016	-3,7	3,2	11,4

**USD-Tranche

Data as of 30 December 2020, source: www.erste-am.at

Note: The performance is calculated in accordance with the OeKB method. The management fee as well as any performance-related remuneration is already included. The issue premium which might be applicable on purchase and as well as any individual transaction specific costs or ongoing costs that reduce earnings (e.g. account- and deposit fees) have not been taken into account in this presentation. Past performance is not a reliable indicator of the future performance of a fund.

As for fixed income funds, the old adage, "There's life in the old dog yet", proved true again. Despite interest rates being at record-lows – and sometimes negative yields for credit-safe bonds – many Erste AM bond funds recorded a positive performance. In the fixed-income segment, government bonds and corporate bonds benefited among other things from the monetary measures, especially the bond purchase programmes of the central banks. Emerging markets corporate bond funds were clearly ahead of the rest.

The three top bond funds of Erste Asset Management

Performance in %

	ERSTE BOND EM CORPORATE	ERSTE BOND EM CORPORATE IG **	ERSTE BOND USA CORPORATE
2020	9,2	7,4	5,7
2019	9,4	11,4	10,7
2018	-4,3	1,8	-6,0
2017	6,4	5,0	2,7
2016	9,6	3,8	3,1

**USD-Tranche

Data as of 30 December 2020, source: www.erste-am.at

Note: The performance is calculated in accordance with the OeKB method. The management fee as well as any performance-related remuneration is already included. The issue premium which might be applicable on purchase and as well as any individual transaction specific costs or ongoing costs that reduce earnings (e.g. account- and deposit fees) have not been taken into account in this presentation. Past performance is not a reliable indicator of the future performance of a fund.

"The best of both worlds" – that's the idea behind the investment strategy of mixed funds. Here, the goal is not only to achieve a maximum rate of return, but also to hedge the portfolio against the risk of losses. In addition to the selection of the right investment instruments, the steering of the investment ratios also plays a crucial role. In times of pulsating stock exchanges, for example, the equity portion is stepped up. When uncertainty takes hold, the portion is reduced, and the fund manager will switch to other investment vehicles such as bonds or alternative investments (e.g. commodities, gold). Either way, there is a need for experts that weigh their decisions and heed the risk parameters of the respective funds.

The three top mixed funds of Erste Asset Management

Performance in %

	YOU INVEST advanced **	CORE DYNAMIC	YOU INVEST RESPONSIBLE balanced
2020	7,3	7,1	6,1
2019	n.v.	14,3	10,1
2018	n.v.	-8,0	4,4
2017	n.v.	9,0	2,7
2016	n.v.	3,9	3,1

** Fondsaufgabe 1.7.2019

Data as of 30 December 2020, source: www.erste-am.at

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Outlook for 2021: "The year of recovery"

2020 is history, and 2021 has only just begun. What is the outlook for this year for fund investors? Erste Asset Management sees 2021 as "year of recovery", with rising political stability, no tax hikes, and a more effective fight against the pandemic. Phases of economic recovery are good for the equity markets. This is why this asset class remains first choice for Erste AM in 2021.

Please also refer to our BLOG: <https://blog.en.erste-am.com/erste-asset-management-regards-economic-recovery-as-driver-of-the-capital-markets-in-2021/>

The positive overall evaluation of the economic outlook and the events likely to unfold on the capital markets notwithstanding, investors should be aware of the fact that financial markets can fluctuate. Fund savings plans ([s Fonds Plan](#)) have proven beneficial over longer periods of time.

Note: Depending on the performance of the investment fund, the performance of an s Fonds Plan will differ from that of a single investment (higher or lower). A loss of capital is possible in both cases.

For information on the individual funds, further performance statistics and risk notes please click the respective fund name.

[ERSTE WWF STOCK ENVIRONMENT](#)

[ERSTE RESPONSIBLE STOCK AMERICA](#)

[ERSTE STOCK TECHNO](#)

[ERSTE BOND EM CORPORATE](#)

[ERSTE BOND EM CORPORATE IG](#)

Legal note:

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