

QUARTERLY REPORT 4.2020



Markets react positively to arrival of vaccine

REVIEW

Looking back on the returns generated on the financial markets since the beginning of the year, there is no longer any indication of the Covid 19-related turmoil that occurred in spring. In hindsight, 2020 was a highly polarised year in several respects. Extreme events triggered extreme measures and counterreactions. The market distortions caused by the pandemic were absorbed by record central bank interventions, leading to a swift and impressive recovery in the midst of the crisis. In the US, the presidential elections were accompanied by an unprecedented polarisation of the electorate. The financial markets also followed very different trends. Whereas the boom in technology stocks continued, defensive value stocks underperformed significantly.

The higher-risk investment strategies offered by GEMINI Collective Foundation 1e benefited from this unexpectedly favourable environment and recorded a further positive performance in the fourth quarter. With the exception of the defensive GEMINI 1e Money Market strategy, all investment strategies are up at the end of the year.

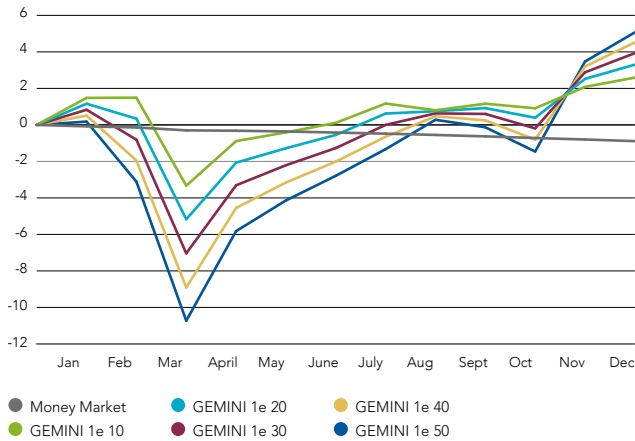
OUTLOOK

The International Monetary Fund (IMF) anticipates a significant recovery of global economic growth in 2021. Assuming a gradual normalisation of the economy thanks to the early availability of effective Covid-19 vaccines, the IMF envisages a 5.2% increase in global GDP. However, in view of the rising numbers of new infections and the recent tightening of containment policies, this forecast is fraught with uncertainty.

On the political front, calmer words and a more predictable trade policy are expected from the US. President-elect Joe Biden will not have a comfortable majority in Congress. A split Congress reduces the risk of changes in regulations and taxes, which is positive for financial markets.

However, stock market valuations are elevated in historical comparison. Nevertheless, the very high valuation of top-rated government bonds puts this into perspective. Based on expectations of an economic recovery as well as consistently loose monetary and fiscal policies, many financial markets analysts thus anticipate further price gains in 2021. Scores of investors share this outlook and are already positioning themselves predominantly in the equity markets. From a behavioural economics perspective, such optimism should be approached with a certain amount of caution. In our highly volatile environment, a diversified investment strategy is likely to remain the best option.

Cumulative return from January to December 2020 in %



Cumulative return (YTD) in %

	October	November	December
GEMINI 1e Money Market	-0.72	-0.80	-0.89
GEMINI 1e 10	0.91	2.08	2.59
GEMINI 1e 20	0.39	2.52	3.30
GEMINI 1e 30	-0.19	2.88	3.93
GEMINI 1e 40	-0.81	3.20	4.52
GEMINI 1e 50	-1.46	3.47	5.07

Monthly return in %

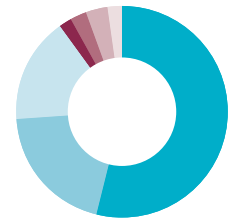
	October	November	December
GEMINI 1e Money Market	-0.09	-0.08	-0.10
GEMINI 1e 10	-0.25	1.17	0.50
GEMINI 1e 20	-0.52	2.12	0.76
GEMINI 1e 30	-0.79	3.08	1.02
GEMINI 1e 40	-1.06	4.04	1.28
GEMINI 1e 50	-1.33	5.00	1.54

The GEMINI 1e investment strategies

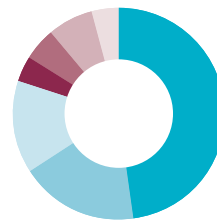
Asset allocation in %	10	20	30	40	50	
Money Market	100	-	-	-	-	
Bonds CHF	-	54.0	48.0	42.0	36.0	30.0
Foreign currency gov. bond hdg.	-	20.0	18.0	16.0	14.0	12.0
Foreign currency corp. bond hdg.	-	16.0	14.0	12.0	10.0	8.0
Swiss equities	-	2.0	4.0	6.0	8.0	10.0
Foreign equities	-	2.5	5.0	7.5	10.0	12.5
Foreign equities hdg.	-	3.5	7.0	10.5	14.0	17.5
Emerging markets equities	-	2.0	4.0	6.0	8.0	10.0



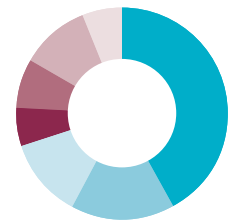
GEMINI 1e Money Market
100% money market



GEMINI 1e 10
10% equities



GEMINI 1e 20
20% equities



GEMINI 1e 30
30% equities



GEMINI 1e 40
40% equities



GEMINI 1e 50
50% equities

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