

GEMINI 1e

GEMINI COLLECTIVE FOUNDATION 1e

ANNUAL FINANCIAL
STATEMENTS
2019

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19

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BALANCE SHEET

		31.12.2019	31.12.2018	Annex
		CHF	CHF	item
Assets				
A	Investment of assets	34 717 210	10 457 717	
	Cash, cash equivalents and money market investments	2 211 565	-	
	Current account with employer	270 649	52 600	6.6
	Premium accounts with insurance companies	10 385	-	
	Receivables from other collective institutions	-	975 390	
	Other receivables	49 400	-	
	Assets of individual pools	32 175 211	9 429 728	6.2
B	Prepaid expenses	44 828	463 820	
	Total assets	34 762 038	10 921 537	

		31.12.2019	31.12.2018	Annex
		CHF	CHF	item
Liabilities and equity				
D	Liabilities	1 613 430	412 382	
	Vested benefits and pensions	1 160 550	-	
	Current account with employer	22 783	-	
	Other liabilities	430 097	412 382	
E	Prepaid income	27 860	95 901	
F	Employer contribution reserve	-	-	
G	Non-actuarial reserves	947 827	793 019	7.1
H	Pension capital and actuarial reserves	31 972 920	9 420 235	
	Pension capital of active members	31 972 920	9 420 235	5.2
J	Foundation capital	200 000	200 000	
	Total liabilities and equity	34 762 038	10 921 537	

INCOME STATEMENT

		2019	13.6.–31.12.2018	Annex
		CHF	CHF	item
Insurance activities				
K	Ordinary and other contributions and deposits	5 513 651	1 489 266	
	Employee contributions	1 627 769	346 561	
	Employer contributions	2 895 591	1 111 201	
	Single premiums and purchase sums	990 291	31 504	
L	Entry benefits	24 016 783	8 437 557	
	Vested benefits	23 974 783	1 460 743	
	Deposit upon takeover of portfolios of insured persons	-	6 976 814	
	Repayment of withdrawals WEF / divorce	42 000	-	
(K–L)	Inflow from contributions and entry benefits	29 530 434	9 926 823	
M	Benefits under pension plan regulations	-174 824	-	
	Survivors' pensions	-27 829	-	
	Lump-sum benefits on retirement	-146 995	-	
N	Supplementary benefits	-	-	
O	Terminations benefits	-7 883 894	-18 500	
	Vested benefits on departure	-7 365 980	-18 500	
	Withdrawals WEF / divorce	-517 914	-	
(M–O)	Outflow for benefits and advance withdrawals	-8 058 718	-18 500	
P/Q	Formation of pension capital active members, actuarial reserves and contribution reserves	-22 552 686	-9 420 428	
	Formation of pension capital active members	-21 040 755	-9 722 408	
	Capital gains from 1e plans	-1 511 931	301 980	
R	Income from insurance benefits	33 528	8 124	
	Insurance benefits	33 528	5 492	
	Profit participation from insurance contracts	-	2 632	
S	Insurance expenses	-289 661	-91 389	
	Insurance premiums	-287 672	-90 581	
	Security Fund contributions	-1 989	-808	
K–S	Net result of insurance activities	-1 337 103	404 629	

INCOME STATEMENT

	2019	13.6.–31.12.2018	Annex item
	CHF	CHF	
Investment result and other income			
Loss/income from cash and cash equivalents and money market investments	24 652	16 585	
Asset income of individual pools	1 597 435	-291 467	
Interest income from receivables	-2 004	-1 853	
Expense for asset management	-177 012	-50 356	6.5
T Net result from investment of assets	1 443 071	-327 090	
U Dissolution/formation of non-actuarial reserves	-	-793 019	
V Other income	26 561	810 588	
Other income	26 561	810 588	
W Other expenses	-	-4 705	
X Administrative expenses	-132 530	-90 403	
General administrative expenses	-79 871	-39 127	
Brokerage activities	-23 558	-19 998	
Auditor and occupational benefits expert	-24 152	-20 248	
Supervisory authorities	-4 948	-11 030	
K-X Expenditure / income surplus prior to formation/dissolution of disposable assets	-	-	
Y Dissolution / formation of disposable assets of the Foundation	-	-	
Z Income/expenditure surplus for disposable assets of the Foundation	-	-	

1. PRINCIPLES AND ORGANISATION

1.1. Legal form and purpose

The GEMINI Collective Foundation 1e is a foundation as defined by Article 80 et seq. ZGB (Swiss Civil Code) and Article 331 OR (Swiss Code of Obligations). It was officially authenticated on 14 March 2018. The Foundation is entered in the cantonal index of unregistered employee benefits institutions in the Canton of Schwyz under reference no. NSZ-1161. Its purpose is non-mandatory occupational pension provision to employees and employers upon retirement and disability, or in the event of their death to their surviving dependants, pursuant to Article 1e BVV 2. The pensions are provided in compliance with the BVG to the extent that the latter applies to unregistered employee benefits institutions in the non-mandatory field. Furthermore, the Foundation may also provide more extensive employee benefits.

1.2. Security Fund

The GEMINI Collective Foundation 1e transfers the contributions paid by the affiliated pension funds for insolvency to the Security Fund.

1.3. Foundation Charter and regulations

Document	Created	Valid from
Framework Regulations	1.3.2018	1.1.2018
Partial Liquidation Regulations	1.3.2018	1.1.2018
Investment Regulations	1.3.2018	1.1.2018
Voting Regulations	17.12.2019	1.1.2020
Organisational Regulations	17.12.2019	1.1.2020
Foundation Charter	14.3.2018	14.3.2018

1.4. Joint management body/ signing authority

Any two of the members of the Foundation Board, general management and other signatories authorised by the Foundation Board have joint signatory power.

Foundation Board

Employer representatives

Pascal Renaud, independent
Vital G. Stutz, Advozug GmbH (Vice Chairman)

Employee representatives

Manuel Wyss, MACON GmbH (Chairman)

Founder's representative

Albert Steiner, Avadis Vorsorge AG

General management

Christoph Oeschger, Managing Director
Stefan Sadler, Deputy Managing Director

1.5. Expert, auditor, consultant, supervisory authority

Occupational benefits expert

Allvisa AG, Zürich, contractual partner
René Zehnder, acting expert

Auditor

Patrik Schaller, Ernst & Young AG, Basel

Investment Controlling

UBS Fund Management (Switzerland) AG, Basel

Consultant

Complementa AG, St. Gallen

Supervisory authority

Zentralschweizer BVG- und Stiftungsaufsicht (ZBSA),
Luzern

1.6. Affiliated employee benefits units

As at the end of the financial year, 13 employee benefits units of independent companies were affiliated.

2. ACTIVE MEMBERS AND PENSIONERS

Portfolio of active members and pensioners

Portfolios	31.12.2018	Additions	Departures	12/31/2019	Change
Active members	74	119	37	156	82
Disability benefit pensioners	-	-	-	-	-
Partners' pensions	-	1	-	1	1
Children's/orphans' pensions	-	2	-	2	2
Total	74	122	37	159	85

3. TYPE OF IMPLEMENTATION OF PURPOSE

3.1. Note concerning pension plan

The Collective Foundation offers occupational pension provision in the non-mandatory field pursuant to Article 1e BVV 2 to the affiliated employee benefits units. The benefits are defined according to the Framework Regulations enacted by the Foundation Board. One or more pension plans are defined for each employee benefits unit by the responsible pension fund committee. The retirement and termination benefits comprise defined contribution plans, the retirement benefits are paid out as a lump sum. The Foundation does not provide any retirement pensions. The risk benefits in the event of death and disability comprise defined benefit plans on the basis of the insured salary. They are congruently reinsured by Basler Leben AG by means of a 50/0.67.515 collective life insurance agreement.

3.2. Financing, financing method

The GEMINI Collective Foundation 1e is financed by contributions from employers and employees. The average share of employer companies is 64% and that of employees 36%. Financing is governed in such a way as to ensure that the Collective Foundation is able to meet its regulatory obligations at all times.

3.3. Further information about pension fund activities

Insured members may purchase additional retirement benefits. The maximum total purchase amount is specified in the purchase table of the respective pension plan.

4. VALUATION AND ACCOUNTING PRINCIPLES, CONSISTENCY

4.1. Confirmation of accounting in accordance with Swiss GAAP FER 26

The provisions of Swiss GAAP FER 26 were applied to the annual financial statements as of 31 December 2019 (main items with letters A–Z).

4.2. Accounting and valuation principles

The accounting and valuation principles correspond with the provisions of Art. 47, 48 and 48a–c BVV 2 as well as Swiss GAAP FER 26. The current and actual values as at the reporting date are posted as follows:

Currency conversion: exchange rates as at reporting date.

5. ACTUARIAL RISKS/RISK COVERAGE

5.1. Type of risk coverage, reinsurance

The risk benefits in the event of death and disability are congruently reinsured by Basler Leben AG by means of a 50/0.67.515 collective life insurance agreement. Retirement benefits are exclusively paid out as a lump sum.

5.2. Performance of savings assets

	2019 CHF	2018 CHF
Balance of savings assets on 1 January	9 420 235	-
Transfer of savings assets from GEMINI Collective Foundation	-	6 976 814
Additional entry of capital gains from internal transfers	-	-386
Employee savings contributions	1 545 039	331 001
Employer savings contributions	2 519 529	941 039
Other contributions and deposits	990 291	31 504
Vested benefit deposits	22 725 967	1 460 743
Vested benefit deposits from new contracts	1 248 817	-
Repayments of advance withdrawals WEF/divorce	42 000	-
Vested benefits on departure	-7 245 655	-18 500
Advance withdrawals WEF/divorce	-517 914	-
Lump-sum benefit due to retirement, death and disability	-267 320	-
Capital gains from 1e plans	1 511 931	-301 980
Balance of savings assets on 31 December	31 972 921	9 420 235

5.3. Trend in pension capital of pensioners

Since the Collective Foundation does not pay out any pensions, it is not required to maintain any coverage capital. The net present value of the benefits provided by the insurance company is recognised as a liability arising from insurance contracts.

5.4. Result of the last actuarial report

An actuarial audit of the Collective Foundation 1e was last carried out at the end of 2018 in accordance with Art. 52e BVG. The result of the audit is as follows:

- The coverage ratio at the collective foundation level pursuant to Article 44 BVV 2 amounts to 100%; the same applies to each affiliated employee benefits institution;
- The Collective Foundation offers sufficient protection to ensure its ability to meet its obligations according to Article 52e (1) letter a BVG;
- The Collective Foundation has taken sufficient reinsurance measures in the sense of Article 43 BVV 2
- The actuarial provisions under the Regulations pertaining to benefits and financing comply with the statutory provisions pursuant to Article 52e (1) letter b BVG.

6. NOTES ON THE INVESTMENT OF ASSETS AND THE NET RESULT FROM THE INVESTMENT OF ASSETS

6.1. Organisation of investment activities, investment regulations

Investment committee

The GEMINI Collective Foundation 1e does not have a dedicated investment committee. In this respect, the Foundation benefits from the fact that it can participate in the fund solutions offered by the GEMINI Collective Foundation. The respective collaboration is governed by a cooperation agreement

Investment pools

In 2019, the assets of the GEMINI Collective Foundation 1e were invested in the following six investment strategies: GEMINI 1e 10, GEMINI 1e 20, GEMINI 1e 30, GEMINI 1e 40, GEMINI 1e 50 and GEMINI 1e money market, in accordance with the investment regulations in force since 1 January 2018.

Two of the employee benefits institutions determine and monitor their own individual investment strategies.

Asset managers

The Foundation Board has delegated the asset management of each asset class to specialised asset managers (see table below). All of the asset managers are banks and investment firms licensed by FINMA (Swiss Financial Market Supervisory Authority). The operational resources are managed by the administrative office of the GEMINI Collective Foundation 1e.

Investment class	Asset management company
Liquidity	Syz Asset Management SA, Geneva
Bonds CHF	Syz Asset Management SA, Geneva UBS AG, UBS Asset Management, Zurich
Foreign currency government bonds hedged	BlackRock Advisors (UK) Limited, London
Foreign currency corporate bonds hedged	BlackRock Advisors (UK) Limited, London
Swiss equities	Credit Suisse Asset Management (Schweiz) AG, Zurich
Foreign equities	Credit Suisse Asset Management (Schweiz) AG, Zurich
Foreign equities hedged	Credit Suisse Asset Management (Schweiz) AG, Zurich
Emerging markets equities	Credit Suisse Asset Management (Schweiz) AG, Zurich

Custody

Global custody is assumed by UBS Switzerland AG, Zurich, which manages the individual client accounts and custody accounts.

Disclosure of voting right behaviour

The Ordinance Against Excessive Compensation in Listed Companies (VegüV) defines the exercise of voting rights of Swiss companies listed in Switzerland or abroad. The GEMINI Collective Foundation 1e follows the voting rec-

ommendation of Ethos and has exercised its voting rights accordingly via the GEMINI Collective Foundation. The Foundation Board is basing the exercise of its voting rights on the long-term interest of the Foundation's members. As regards the individual votes, the Board may alter the recommendations made by Ethos if it holds a different opinion. Details regarding the voting behaviour are published every quarter on the website of the GEMINI Collective Foundation.

6.2. Presentation of investment of assets by investment category per investment pool

Investment category	Strategy %	Market value CHF
GEMINI 1e money market		
Liquidity	100.0	5 875 601
Total	100.0	5 875 601

Investment category	Strategy %	Market value CHF
Bonds CHF	54.0	829 188
Foreign currency government bonds hedged	20.0	307 107
Foreign currency corporate bonds hedged	16.0	245 685
Swiss equities	2.0	30 711
Foreign equities	2.5	38 388
Foreign equities hedged	3.5	53 744
Emerging markets equities	2.0	30 711
Total	100.0	1 535 534

Investment category	Strategy %	Market value CHF
Bonds CHF	48.0	5 048 093
Foreign currency government bonds hedged	18.0	1 893 035
Foreign currency corporate bonds hedged	14.0	1 472 360
Swiss equities	4.0	420 674
Foreign equities	5.0	525 843
Foreign equities hedged	7.0	736 180
Emerging markets equities	4.0	420 674
Total	100.00	10 516 860

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Investment category	Strategy %	Market value CHF
Bonds CHF	42.0	1 357 585
Foreign currency government bonds hedged	16.0	517 175
Foreign currency corporate bonds hedged	12.0	387 882
Swiss equities	6.0	193 941
Foreign equities	7.5	242 426
Foreign equities hedged	10.5	339 396
Emerging markets equities	6.0	193 941
Total	100.00	3 232 346

Investment category	Strategy %	Market value CHF
Bonds CHF	36.0	281 255
Foreign currency government bonds hedged	14.0	109 377
Foreign currency corporate bonds hedged	10.0	78 126
Swiss equities	8.0	62 501
Foreign equities	10.0	78 126
Foreign equities hedged	14.0	109 377
Emerging markets equities	8.0	62 501
Total	100.00	781 264

Investment category	Strategy %	Market value CHF
Bonds CHF	30.0	658 423
Foreign currency government bonds hedged	12.0	263 369
Foreign currency corporate bonds hedged	8.0	175 579
Swiss equities	10.0	219 474
Foreign equities	12.5	274 343
Foreign equities hedged	17.5	384 080
Emerging markets equities	10.0	219 474
Total	100.00	2 194 742

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

BVV 2 Report 2019	31.12.2019 CHF	%	31.12.2018 CHF	%	Change CHF	%
Money market	8 201 444	25.49	2 185 062	23.17	6 016 382	275.34
Account CHF	-277 286		57 906		-335 192	
Money market fund CHF	8 478 730		1 238 310		7 240 420	
MAC Liquidity Management			888 847		-888 847	
Total bonds	17 586 474	54.66	4 794 869	50.85	12 791 606	266.78
Bonds CHF	10 534 898		2 878 592		7 656 305	
Foreign currency government bonds hedged	3 883 846		1 027 036		2 856 811	
Foreign currency corporate bonds hedged	2 966 722		759 585		2 207 138	
Emerging markets debt	201 008		129 656		71 352	
Total equities	6 387 292	19.85	2 449 797	25.98	3 937 495	160.73
Swiss equities	1 281 320		487 861		793 459	
Foreign equities	1 754 458		740 639		1 013 819	
Foreign equities hedged	2 068 830		721 275		1 347 554	
Emerging markets equities	1 282 684		500 022		782 662	
Total	32 175 211	100.00	9 429 728	100.00	22 745 483	241.21

Limitation according to Article 55 BVV 2	31.12.2019 %	31.12.2018 %	Maximum BVV 2 %
Mortgage securities	0	0	50
Equities	19.85	25.98	50
Real estate	0	0	30
Alternative investments	0	0	15
Foreign currencies without currency hedging	10.06	14.53	30

6.3. Securities Lending

Securities lending is generally permitted for improving the investment return and is carried out exclusively via the global custodian. The Foundation did not engage in any securities lending in 2019.

6.4 Return generated

	2019 %	2018 %
GEMINI 1e money market	-0.84	-1.34
GEMINI 1e 10	5.02	-2.90
GEMINI 1e 20	7.18	-3.05
GEMINI 1e 30	9.18	-3.49
GEMINI 1e 40	11.28	-5.27
GEMINI 1e 50	13.29	-5.23

The administrative office disposes of the cash accounts and money market investments according to the foreseeable cash flows. The existing bank accounts with UBS Switzerland AG recorded a balance of CHF 2 211 565 as at 31 December 2019.

6.5. Note on the asset management costs

	31.12.2019	31.12.2018
	CHF	CHF
Pools of the Foundation		
Pool GEMINI 1e	23 682 558	4 184 749
Total transparent investments of assets	23 682 558	4 184 749
Non-transparent investments of assets in accordance with Art. 48a para. 3 BVW 2	-	-
Total investments of assets of pools of the Foundation	23 682 558	4 184 749
Share of transparent investments (cost transparency ratio)	100%	100%
Clients with individual investments of assets		
Total transparent investments of assets	7 993 740	5 244 979
Non-transparent investments of assets in accordance with Art. 48a para. 3 BVW 2	-	-
Total investments of assets by clients with individual investments of assets	7 993 740	5 244 979
Share of transparent investments (cost transparency ratio)	100%	100%
Overall total investments of assets	31 676 298	9 429 728
Share of transparent investments (cost transparency ratio)	100%	100%
Directly recognised asset management costs		
Bank fees	57 836	40 342
Total directly recognised asset management costs	57 836	40 342
Sum of all key cost figures for collective investments	119 176	10 014
TER GEMINI 1e 10	0.48%	0.26%
TER GEMINI 1e 20	0.49%	0.28%
TER GEMINI 1e 30	0.49%	0.30%
TER GEMINI 1e 40	0.50%	0.30%
TER GEMINI 1e 50	0.50%	0.31%
TER GEMINI 1e money market	0.30%	0.18%
Average TER of all pools directly managed by GEMINI 1e	0.39%	0.27%
Average TER of all clients with individual investments of assets	0.35%	0.28%
Total asset management costs recognised in the income statement	177 012	50 356
Total asset management costs as % of transparent investments of assets	0.56%	0.53%

6.6 Note on investments

The current accounts with the employer consist of receivables of CHF 270 649 and liabilities of CHF 22 783. These have been settled in the meantime.

7. NOTE ON FURTHER ITEMS IN THE BALANCE SHEET AND INCOME STATEMENT

7.1 Non-actuarial reserves

	31.12.2019	31.12.2018
	CHF	CHF
Non-actuarial reserves	-	266 946
Basic contributions	947 827	526 073
Total non-actuarial reserves	947 827	793 019

8. REQUIREMENTS OF THE SUPERVISORY AUTHORITY

The supervisory authority has not issued any requirements.

9. FURTHER INFORMATION CONCERNING THE FINANCIAL SITUATION

9.1 Fees of the Foundation Board

In financial year 2019, the members of the Foundation Board received attendance fees in the amount of CHF 5 154.

9.2 Pending legal proceedings

One member of an employee benefits institution has asserted a claim for lost income which he purportedly incurred due to the late investment of his entry benefit. The Foundation Board does not agree with the member, and the proceedings are pending.

10. EVENTS AFTER THE BALANCE SHEET DATE

None.



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To the Foundation Board of
GEMINI 1e-Sammelstiftung, Schwyz

Zurich, 29 April 2020

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements (page 3 to 14) of GEMINI 1e-Sammelstiftung, which comprise the balance sheet, operating accounts and notes, for the year ended 31 December 2019.

Foundation Board's responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation's deed of formation and the regulations. This responsibility includes designing, implementing and maintaining an internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with article 52e paragraph 1 of the Occupational Pensions Act (OPA) and article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law and with the foundation's deed of formation and the regulations.

Report on additional legal and other requirements

We confirm that we meet the legal requirements on licensing (article 52b OPA) and independence (article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by article 52c paragraph 1 OPA and article 35 OPO 2. The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied.

We have assessed whether:

- ▶ organization and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the foundation
- ▶ funds are invested in accordance with legal and regulatory requirements
- ▶ measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfill their duties of loyalty and disclosure of interests
- ▶ the legally required information and reports have been given to the supervisory authority
- ▶ the pension fund's interests are safeguarded in disclosed transactions with related entities


We confirm that the applicable legal and statutory requirements have been met.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

 Patrick Schaller
(Qualified
Signature)

Licensed audit expert
(Auditor in charge)

 Pascal Nikles
(Qualified
Signature)

Licensed audit expert