



ROSSIER, MARI & ASSOCIATES LTD
Investment Consultants

Investment Report December 31, 2019

We ended 2019 with a record annual return of 30%. Thanks to this outstanding result, the Swiss financial magazine Bilanz has included us in its group of top-performing fund managers in Switzerland.

As we already mentioned in our June 30, 2019 report, the unexpected acquisition of Osiris Therapeutics by Smith & Nephews at a price of USD 19 per share had a significant positive impact on our performance. Our forecast that the positive trend of the first half would likely continue in the second half proved accurate. In addition to Osiris, stocks such as Apple, Microsoft, and Alphabet also performed exceedingly well. Our projections at the time, which anticipated a positive stock market year in 2019, proved correct and will very likely set the trend for 2020 as well.

The economy, as anticipated, did not slide into recession. 2019 saw moderate growth, which is very likely to continue in 2020.

- 2020 is an election year in the US. Trump is seeking a second term in office, and despite the Democrats countless disruptive manoeuvres, his re-election seems very likely. He will avoid any confrontation with China. Geopolitically, he will try not to get embroiled in a war. So far, he has also managed to manoeuvre cleverly in the Iran affair.
- The new ECB President, Christine Lagarde, will follow the same monetary policy as her predecessor Draghi.
- Interest rates have been cut particularly in the US and will remain low for the entire year.
- Gold and oil prices have risen as expected. We remain optimistic about gold in particular. It has been hitting new highs for several years in a row, which is why we are sticking to our forecast of USD 1,800 per ounce.

- Currency fluctuation in 2019 was unspectacular and modest. This trend is very likely to remain unchanged in 2020, unless some extraordinary event occurs.

Conclusion

We anticipate a good performance in 2020 as well, though not as spectacular as in 2019. After the acquisition of Osiris, we have tried to find a winner for our fund again. Perhaps we have found a suitable and worthy candidate in Idorsia Pharmaceuticals. Idorsia is the latest big success story after Actelion, which was acquired by Johnson & Johnson in 2017 for USD 30 billion. We have established an initial position in our fund accordingly.

January 15, 2020
Georges Mari