

Review December

December, the last trading month of 2018, was a tough one. Investors' risk aversion has continued to rise, with the result that equity markets have lost a lot of ground in Europe and the rest of the world. The ALPORA Innovation Europa Fund was unable to escape this trend and closed the month with a loss of 7.8%. The benchmark index held up better with a minus of 5.5%. After 2016, 2018 is the second year in the fund's history with an underperformance. The past has shown that this is a buying opportunity.

The Belgian **Galapagos NV** is a biotech company. The company specialises in the discovery and development of so-called non-molecular drugs. The current development pipeline includes projects in phase 3, 2, 1, preclinical and discovery studies for drugs against inflammation, cystic fibrosis, osteoarthritis and other symptoms. In these innovation activities, Galapagos relies on strategic collaborations, for example with Novartis, Servier and Gilead. One of the innovative results of our research and development activities is "Filgotinib". It is being researched for the treatment of rheumatoid arthritis and Crohn's disease.

ALPORA Selection Process

Alpora has developed a completely new method, which identifies innovative companies according to branches, regions or market-capitalisation based on key business ratios, and rates them based on their individual innovation efficiency. The selection is made in a three-stage method through a large number of measurable innovation indicators. This unique analytical approach (ICA – Innovation Capability Analytics) is based on scientific research and comprises purely quantitative criteria. The classification forms the basis for the portfolio definition.

AMG Selection Process

AMG selects the most robust 30 companies according to fundamental criteria from out of Europe's top innovators determined by Alpora. The focus here is placed on the stability of the balance sheet, tradability as well as the development of profitability. The company's financial strength should enable it to achieve its existing potential. Valuation ratios are secondary for this selection, so that also companies in young growth stages can be taken into consideration in the portfolio composition.

Facts

Investment universe:	Listed western European stocks
Domicile of Fund:	Switzerland
Fund description:	Swiss securities fund
Reference currency:	Euro
Tranche EUR (ISIN, Swiss Sec. No.):	CH0248877885, 24887788
Tranche CHF hedged (ISIN, Swiss Sec. No.):	CH0302271066, 30227106
Comparative Index:	MSCI Europe Total Return
Fund Management Company:	LLB Swiss Investment AG, Zürich
Custodian Bank:	Bank J. Safra Sarasin AG, Basel
Investment Manager:	AMG Fondsverwaltung AG, Zug
Launch date:	01.10.2014
Issue price:	EUR 1'000
Subscription/Redemption:	Daily / no fees
Performance Fee:	None
Management Fee:	1.0%
TER (Total Expense Ratio) as of 31.12.2017:	1.31% - Tranche EUR; 1.32% Tranche CHF
Distributions:	None, Dividend reinvested
Tax transparency:	Switzerland, Austria
Tax Status Germany:	Equity Fund within the meaning of the German investment tax Law (InvStG) with partial release
Licensed for public distribution:	Switzerland, Germany

Distribution

AMG Fondsverwaltung Ltd. is responsible for the Distribution of the ALPORA Innovation Europa Fonds:

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Key Figures

Net Asset Value per Share Tranche EUR:	EUR 1'493.59
Number of Shares Issued:	36'593
Net Asset Value per Share Tranche CHF hedged:	CHF 1'618.46
Number of Shares Issued:	11'822
Total Net Asset Value:	EUR 71.6mn

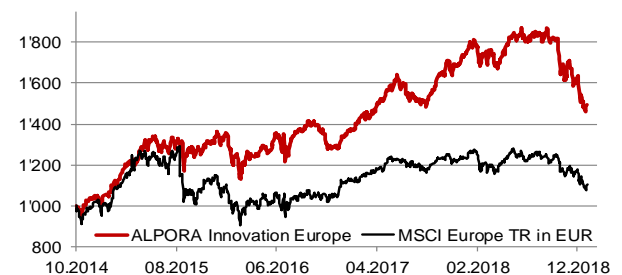
Performance - Tranche EUR

	1 Mt	3 Mt	12 Mt	3 Years*	since Inception*
Fund	-7.8%	-17.1%	-14.3%	3.4%	9.9%
MSCI Eur	-5.5%	-11.3%	-10.6%	0.4%	2.3%

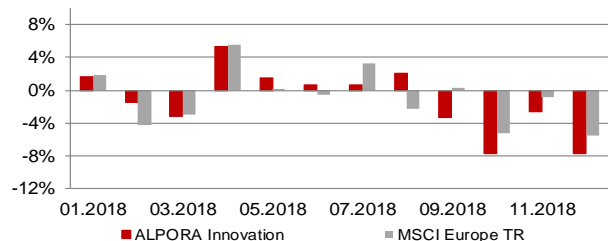
*p.a.

	2018	2017	2016	2015	2014	since Inception
Fund	-14.3%	29.7%	-0.5%	28.0%	5.8%	49.6%
MSCI Eur	-10.6%	10.0%	2.9%	8.2%	0.7%	10.2%

Performance since issue 01.10.2014



Monthly Performance vs. MSCI Europe TR



Risk Ratios

Volatility (p.a.):	13.9%
Sharpe Ratio (-0.31% Risk Free Rate):	0.51
Beta (vs. MSCI Europe):	0.88

Breakdown by Sectors and Currencies

Energy	6.9%	EUR	32.7%
Health Care	19.8%	CHF	20.5%
Basic Materials	7.4%	GBP	29.0%
Industrials	25.0%	SEK	11.6%
Communication	6.9%	NOK	6.2%
Technology	15.1%	DKK	0.0%
Consumer Disc.	2.8%		
Consumer Staples	13.8%		
Utilities	0.0%		
Cash	2.3%		

Breakdown by Countries

Germany	9.6%	Norway	6.2%
United Kingdom	28.9%	Sweden	11.6%
Finland	1.7%	Switzerland	20.1%
Netherlands	4.3%	Spain	3.8%
France	5.5%	Italy	2.6%
Belgium	3.4%	Cash	2.3%