

Review

After the new highs in April, the ALPORA Innovation Europe Fund consolidated in May, but outperformed the MSCI Europe TRN benchmark index further.

The Swedish company **Svenska Cellulosa AB (SCA)** is a forestry operator and wood processor. With around 2.6 million hectares of forest, it is the largest private forest owner in Europe. The innovation activities focus on processes in forest management and are intended to reduce costs while improving the quality and properties of the timber. The Forest Business Accelerator is also used to promote start-ups in the forestry sector. The joint venture between SCA, IBM, Processum and the Bizmaker Business Incubator offers selected ideas tailor-made coaching through to commercialisation. The current programme supports a biocompost project, a process for the production of mineral fertiliser from cellulose waste and an automated cultivation system that rationalises and digitises the pre-cultivation of plants. SCA itself is researching the production of renewable fuels. In a pilot plant, biofuel is produced from black liquor, another by-product of pulp production.

With its innovation activities, SCA supports the long-term, careful use of wood as a resource and responds to the megatrend of sustainability with biofuel production.

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

| | |
|-------------------------------------|---|
| Domicile of Fund: | Switzerland |
| Fund Management Company: | LLB Swiss Investment Ltd, Zurich |
| Custodian Bank: | Bank J. Safra Sarasin Ltd, Basel |
| Investment Manager: | AMG Fondsverwaltung AG, Zug |
| Reference currency: | EUR |
| Launch date: | 01.10.2014 |
| ISIN: | CH0248877885 (EUR) CH0302271066 (CHF-hedged) |
| Distributions: | none, dividend reinvested |
| Subscription / Redemption: | Daily / no fees |
| Performance Fee: | None |
| Management Fee: | 1.0% |
| TER (31.12.2018): | 1.26% |
| Tax transparency: | Switzerland, Austria |
| Tax Status Germany: | Equity Fund within the meaning of the German investment tax law (InvStG) with part. release |
| Registered for public distribution: | Switzerland, Germany |

Distribution

AMG Fondsverwaltung Ltd. is responsible for the Distribution of the ALPORA Innovation Europe Fund:

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Key Figures

| | |
|--|---------------------|
| Net Asset Value Tranche EUR: | EUR 1'819.19 |
| Number of Shares Issued: | 39'951 |
| Net Asset Value Tranche CHF-hedged: | CHF 1'969.23 |
| Number of Shares Issued: | 17'458 |
| Total Net Asset Value: | EUR 103.4 Mio. |

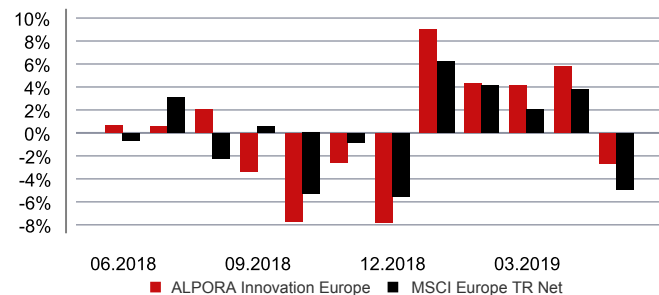
Performance - Tranche EUR

| | 1 Month | 3 Months | 12 Months | 3 Years* | since Inception* | |
|-----------------|---------|----------|-----------|----------|------------------|-----------------|
| Fund | -2.6% | 7.2% | 0.9% | 10.4% | 13.8% | |
| MSCI Europe TRN | -4.9% | 0.6% | -0.7% | 5.1% | 4.5% | |
| | | | | | *p.a. | |
| | 2019 | 2018 | 2017 | 2016 | 2015 | since Inception |
| Fund | 22.0% | -14.3% | 29.7% | -0.5% | 28.0% | 82.5% |
| MSCI Europe TRN | 11.3% | -10.6% | 10.2% | 2.6% | 8.2% | 22.7% |

Performance since issue



Monthly Performance vs. MSCI Europe TRN Net



Risk Ratios (rolling over the last 3 Years)

| | |
|---------------------------------------|-------|
| Volatility (p.a.): | 13.3% |
| Sharpe Ratio (-0.41% Risk Free Rate): | 0.83 |
| Beta (vs. MSCI Europe TRN Net): | 0.80 |

Breakdown by Sectors and Currencies

| | | | |
|------------------|-------|-----|-------|
| Industrials | 24.8% | EUR | 33.3% |
| Health Care | 20.5% | GBP | 29.4% |
| Technology | 18.0% | CHF | 18.3% |
| Consumer Staples | 11.4% | SEK | 11.7% |
| Communication | 7.7% | NOK | 7.1% |
| Basic Materials | 7.0% | | |
| Energy | 5.9% | | |
| Consumer Disc. | 2.5% | | |
| Cash | 2.1% | | |

Breakdown by Countries

| | | | |
|----------------|-------|-------------|------|
| United Kingdom | 29.4% | Netherlands | 3.8% |
| Switzerland | 17.4% | Belgium | 3.5% |
| Germany | 12.2% | Spain | 3.2% |
| Sweden | 11.7% | Italy | 2.1% |
| Norway | 7.1% | Finland | 1.5% |
| France | 5.8% | Cash | 2.1% |