

Investment fund under Swiss law

# Alpora Innovation Europe Fund

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Unaudited semi-annual report as of June 30, 2019

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## Facts and figures

### Organization

#### Board of directors of the Fund Management Company

Natalie Epp, President  
Bruno Schranz, Vice President  
Hans Stamm

#### Management of the Fund Management Company

Dominik Rutishauser  
Ferdinand Buholzer

#### Fund Management Company

LLB Swiss Investment AG  
Claridenstrasse 20  
CH-8002 Zurich  
Phone +41 58 523 96 70  
Fax +41 58 523 96 71

#### Custodian Bank

Bank J. Safra Sarasin AG  
Elisabethenstrasse 62  
CH-4002 Basel  
Phone +41 61 277 77 77  
Fax +41 61 272 02 05

#### Investment Manager of the Fund

AMG Fondsverwaltung AG  
Bahnhofstrasse 29  
CH-6300 Zug

#### Distribution channels

Investment Manager of the Fund

#### Auditors

PricewaterhouseCoopers AG  
Birchstrasse 160  
CH-8050 Zurich

### Fund characteristics

The investment objective of this investment fund is to attain an increase in value through investments in shares of innovative European companies (including in Switzerland) or in those, which exercise a predominant proportion of their economic activities in Europe. Companies, which have demonstrated innovation strength, qualify for the share selection. The following evaluation criteria shall be used for the share selection (not exhaustive):

- ♦ Investments in research and development
- ♦ Collaborative research

- ♦ Patent applications
  - ♦ Innovation process management in the company
- Alpora GmbH, Zug, Switzerland, provides the basic research for the asset manager of the investment fund and thus an investment universe. The companies included in the investment universe have a high level of innovation efficiency.

### Key figures

	30.6.2019	31.12.2018	31.12.2017
Net fund assets in million EUR	111.86	71.63	67.41
Number of units Class EUR	41 779	36 594	31 981
Number of units Class CHF hedged	17 978	11 822	7 244
Asset value per unit Class EUR in EUR	1 886.43	1 493.59	1 742.85
Asset value per unit Class CHF hedged in CHF	2 040.81	1 618.46	1 884.98
Performance Class EUR	26.51%	-14.30%	29.72%
Performance Class CHF hedged	26.30%	-14.14%	30.05%
TER Class EUR	1.26%	1.26%	1.31%
TER Class CHF hedged	1.25%	1.26%	1.32%
PTR	0.06	1.61	1.33
Transaction costs in EUR <sup>1</sup>	43 412	175 311	193 722

<sup>1</sup> The investment fund bears all incidental costs for the purchase and sale of investments.

Past performance is no guarantee for future results. The performance data do not take on the issue and redemption of units and costs incurred. No benchmark comparison is available for this fund.

## Report of the Investment Manager

The unique analysis approach ICA – Innovation Capability Analytics – was developed by ALPORA and is based on scientific research. It provides a comprehensive, crossindustry picture of companies in terms of their innovative strength and innovation efficiency.

AMG Fondsverwaltung AG assesses the financial strength of the companies so that the existing potential can be realized.

With an added value of 61.2% since launch, or around 9% on an annualized basis, the fund has impressively outperformed the benchmark index MSCI Euro TRN (Fig. 1). The risk, measured in terms of volatility, is comparable to the market risk (Fig. 2).

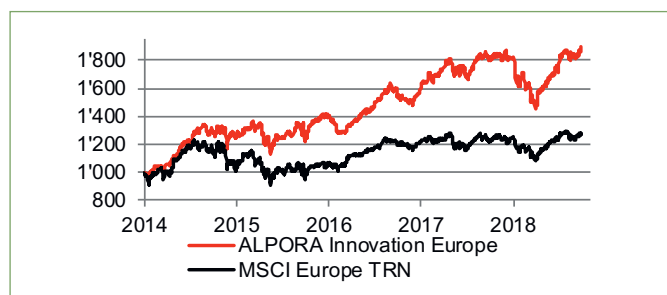


Fig. 1: Performance since launch

Source: AMG, Bloomberg

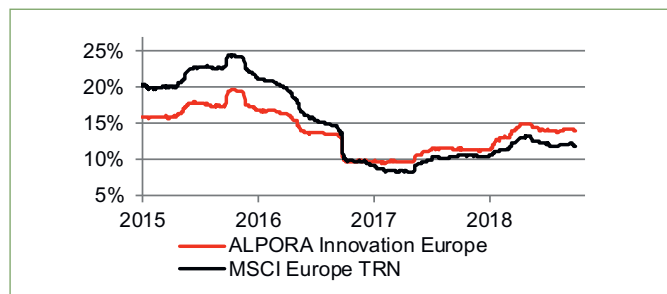


Fig. 2: Volatility (1 year)

Source: AMG, Bloomberg

After the weak final quarter of 2018, the fund benefited extremely well from the rebound on the European equity markets in 2019, outperforming the benchmark index by more than 10.3% ytd (Fig. 3). It reached a new all-time high at the end of June.

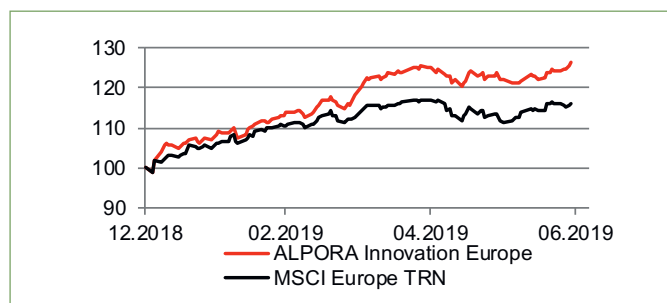


Fig. 3: Performance 2019

Source: AMG, Bloomberg

Thanks to the good performance and new money, the fund volume has increased to over EUR 111 million in less than 5 years since its launch (Fig. 4).

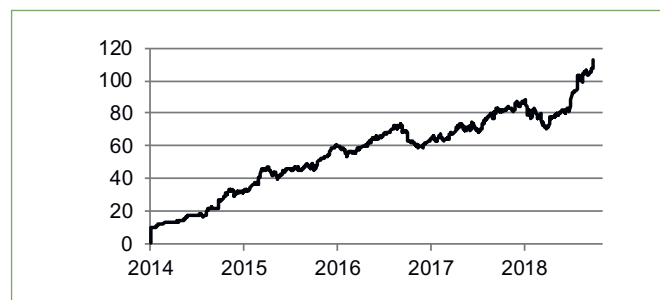


Fig. 4: Fund volume in EUR (million)

Source: AMG

### Current portfolio

The portfolio is geared to the innovation megatrends of industry 4.0, energy efficiency, robotics and artificial intelligence, but also to process-optimized processes and qualitative improvements in production.

### Outlook

At the beginning of July 2019, the portfolio will be reallocated according to ALPORA's latest selection. Approximately 2/3 of the securities will again be part of the fund.

Once again, it is clear that the efficient handling of the topic of innovation has a long-term character. Most of the new values will belong to the same sectors and countries as their predecessors.

We would like to thank our valued investors for the trust they have placed in us.

AMG Fondsverwaltung AG

## Statement of Assets

	30.6.2019 EUR	31.12.2018 EUR
Bank Balances	2 397 129	1 436 359
Debtors	219 504	167 300
Equities	108 789 494	70 027 142
Derivatives	461 146	13 571
Other assets	9 443	-
<b>Total Fund Assets</b>	<b>111 876 716</b>	<b>71 644 372</b>
Bank liabilities	-91	-
Liabilities	-19 287	-9 921
<b>Net Fund Assets</b>	<b>111 857 337</b>	<b>71 634 451</b>
<b>Outstanding units</b>	<b>units</b>	<b>units</b>
Number of units outstanding at the beginning of the reporting period Class EUR	36 594	31 981
New Issued Units	9 766	13 841
Redeemed Units	-4 581	-9 228
<b>Number of units outstanding at the end of the reporting period Class EUR</b>	<b>41 779</b>	<b>36 594</b>
Number of units outstanding at the beginning of the reporting period Class CHF hedged	11 822	7 244
New Issued Units	8 650	7 789
Redeemed Units	-2 494	-3 211
<b>Number of units outstanding at the end of the reporting period Class CHF hedged</b>	<b>17 978</b>	<b>11 822</b>
<b>Net asset value per unit</b>	<b>Class EUR in EUR</b>	<b>Class CHF hedged in CHF</b>
30.6.2019	1 886.43	2 040.81
<b>Change in net assets</b>	<b>EUR</b>	
Net fund assets at the beginning of the reporting period	71 634 451	
Balance from unit trade	20 139 907	
Distribution	-131 870	
Total result of the financial year	20 214 850	
<b>Net fund assets at the end of the reporting period</b>	<b>111 857 337</b>	

## Statement of Income Class EUR

	1.1. – 30.6.2019 EUR	1.1. – 31.12.2018 EUR
Income bank deposits	–	–
Income on shares (dividends)	907 897	1 035 623
Equalisation income on subscriptions	92 455	102 179
<b>Total income</b>	<b>1 000 352</b>	<b>1 137 802</b>
less:		
Bank charges and debit interest	3 614	2 566
Auditor fees	3 119	6 703
Management fees (1.14%)	374 644	710 618
Custodian fees (0.05%)	16 238	31 889
Other expenses	6 880	18 936
Equalisation income on redemptions	27 321	72 835
<b>Total expenses</b>	<b>431 816</b>	<b>843 547</b>
<b>Net income</b>	<b>568 536</b>	<b>294 255</b>
Realized capital gains and losses	316 894	7 851 763
<b>Net realized gain</b>	<b>885 430</b>	<b>8 146 018</b>
Unrealized capital gains and losses	13 952 805	-16 917 120
<b>Total result</b>	<b>14 838 235</b>	<b>-8 771 102</b>

## Statement of Income Class CHF hedged

	1.1. – 30.6.2019 CHF	1.1. – 31.12.2018 CHF
Income bank deposits	3	7
Income on shares (dividends)	367 867	276 128
Equalisation income on subscriptions	96 546	87 940
<b>Total income</b>	<b>464 416</b>	<b>364 075</b>
less:		
Bank charges and debit interest	1 603	798
Auditor fees	1 234	1 951
Management fees (1.13%)	150 001	212 436
Custodian fees (0.05%)	6 513	9 335
Other expenses	2 561	5 531
Equalisation income on redemptions	17 489	30 109
<b>Total expenses</b>	<b>179 401</b>	<b>260 160</b>
<b>Net income</b>	<b>285 015</b>	<b>103 915</b>
Realized capital gains and losses	200 937	2 932 552
<b>Net realized gain</b>	<b>485 952</b>	<b>3 036 467</b>
Unrealized capital gains and losses	5 483 972	-5 451 025
<b>Total result</b>	<b>5 969 924</b>	<b>-2 414 558</b>

## Statement of investments as of June 30, 2019

Description	Currency	Balance at (in 1'000 resp. piece) 30.6.2019	Purchases	Sales	Price at 30.6.2019	Valuation EUR	as % of total assets
<b>Securities</b>							
<b>Equities (traded on an exchange)</b>						<b>108 789 494</b>	<b>97.24</b>
BACHEM NA -B-	CHF	33 327	8 694	1 835	129.000	3 871 917	3.46
Belimo NA	CHF	908	146	87	6 000.000	4 906 561	4.39
Inficon NA	CHF	6 697	1 471	1 038	595.500	3 591 717	3.21
Lem	CHF	2 828	526	293	1 372.000	3 494 408	3.12
Lindt & Spruengli NA	CHF	62	16	6	79 400.000	4 433 557	3.96
Ebro Foods	EUR	187 622	46 315	14 574	18.820	3 531 046	3.16
Eni	EUR	167 982	38 601	5 253	14.606	2 453 545	2.19
Galapagos	EUR	37 338	11 717	4 837	113.450	4 235 996	3.79
Isra Vision	EUR	100 625	52 649	12 306	39.180	3 942 488	3.52
Kaufman et Broad	EUR	87 743	28 181	670	33.640	2 951 675	2.64
Lisi	EUR	128 692	41 361		28.450	3 661 287	3.27
Mensch und Maschine Inh.	EUR	48 767	7 505	5 827	35.800	1 745 859	1.56
Ponsse	EUR	54 273	9 839	2 512	31.800	1 725 881	1.54
RIB Software	EUR	205 351	96 368	16 005	18.040	3 704 532	3.31
Royal Dutch Shell -A-	EUR	149 738	37 932	7 101	28.710	4 298 978	3.84
Stroeer Inh.	EUR	80 290	14 153	4 245	66.050	5 303 155	4.74
A.G.Barr	GBP	440 934	87 760	74 008	9.270	4 568 043	4.08
Abcam	GBP	196 836	64 496	1 528	14.740	3 242 492	2.90
Advanced Medical Solutions	GBP	1 073 035	142 275	34 789	3.000	3 597 593	3.22
Avon Rubber	GBP	263 167	61 359	28 268	13.640	4 011 647	3.59
Gamma Communications	GBP	248 925	30 012	28 803	11.500	3 199 214	2.86
GB Group	GBP	625 870	168 765	5 185	5.530	3 867 997	3.46
Gooch & Housego	GBP	204 721	74 339		11.550	2 642 538	2.36
Rio Tinto Plc	GBP	87 238	20 988	15 968	48.805	4 758 246	4.25
Kvaerner ASA	NOK	3 117 470	965 684	23 941	13.710	4 401 928	3.93
Nordic Semiconducto	NOK	952 646	422 744	45 998	35.800	3 512 511	3.14
Concentric	SEK	183 593	26 324	3 725	139.000	2 415 240	2.16
SCA -B-	SEK	465 109	167 549	3 903	80.700	3 552 366	3.18
Sectra -B-	SEK	142 788	23 477	14 379	336.500	4 547 432	4.06
Swedish Orphan Biovitrum	SEK	154 762	49 551	1 165	178.850	2 619 646	2.34
<b>Total securities</b>						<b>108 789 494</b>	<b>97.24</b>
Total derivatives (as per separate list)						461 146	0.41
Cash and other assets						2 626 076	2.35
<b>Total fund assets</b>						<b>111 876 716</b>	<b>100.00</b>
Bank liabilities						-91	
Liabilities						-19 287	
<b>Total net assets</b>						<b>111 857 337</b>	
<b>Exchange rates:</b>							
EUR 1.0000 = CHF 1.11035							
EUR 1.0000 = GBP 0.894794							
EUR 1.0000 = SEK 10.566							
EUR 1.0000 = NOK 9.709499							

Divergences in the totals may be attributed to rounding differences.



## Statement of investments as of June 30, 2019

### Breakdown

Shares, PS, GS by countries	Valuation EUR	as % of total assets
Belgium	4 235 996	3.79
Germany	14 696 033	13.14
Finland	1 725 881	1.54
France	6 612 962	5.91
Italy	2 453 545	2.19
Norway	7 914 439	7.07
Sweden	13 134 684	11.74
Switzerland	20 298 160	18.14
Spain	3 531 046	3.16
United Kingdom	34 186 748	30.56
<b>Total</b>	<b>108 789 494</b>	<b>97.24</b>

### Fair value hierarchy

The following table shows the fair value hierarchy of the investments. Fair value is the price, that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment type	Total amount	Valuation		
		Valuated at prices quoted on an active market	Valuation based on obser- vable market parameters	Valuation method not based on market data (valuation models)
Equities	108 789 494	108 789 494	–	–
Bonds	–	–	–	–
Investments in other collective investment schemes	–	–	–	–
Derivatives	461 146	–	461 146	–
<b>Total</b>	<b>109 250 640</b>	<b>108 789 494</b>	<b>461 146</b>	<b>–</b>

Divergences in the totals may be attributed to rounding differences.

## Transactions during the reporting period

(If they no longer appear in the statement of net assets)

Currency	Description	Purchases	Sales
<b>Securities</b>			
<b>Subscription rights</b>			
CHF	BACHEM rights 6.5.19	27 545	27 545

Description	Currency	Stock at the end of the previous period	Purchases	Sales	Stock on 30.6.2019
<b>Forward exchange transactions Class CHF hedged</b>					
Forward currency contract EUR CHF 19.12.19	CHF	–	14 485 000	–	14 485 000
Forward currency contract EUR CHF 18.09.19	EUR	–	21 943 302	-520 000	-18 948 669
Forward currency contract EUR CHF 20.03.19	EUR	4 764 350	15 157	-4 779 508	–
Forward currency contract EUR CHF 20.06.19	EUR	14 000 000	3 863 109	-17 863 109	–

Incl. merger, split, reorganisation, redemption etc. Bonds in thousand.

## Derivatives using the commitment approach I

### Total derivative financial instruments, which are booked in the CHF hedged class

	in amount in CHF	as % of net assets class CHF hedged
engagement increasing positions	–	0.00
engagement reducing positions	35 396 270	96.47

### Forward exchange transactions (Safeguarding Class CHF hedged)

Currency	Expiry	Amount of foreign currency	Equivalent value purchase CHF	Value at 30.6.2019 CHF	Income CHF	Income EUR
EUR/CHF	18.9.2019	-18 948 669	21 423 302	-21 019 437	403 866	363 729
EUR/CHF	19.12.2019	-12 973 802	14 485 000	-14 376 833	108 167	97 417
<b>Result on forward exchange contracts</b>					<b>512 033</b>	<b>461 146</b>

Identity of contract partners in OTC transactions:

Forward exchange transactions: Bank J. Safra Sarasin AG, Basel (Custodian Bank).

## Supplementary information to the semi-annual report as of June 30, 2019

### 1. Fund Performance

No benchmark comparison is available for this fund. Past performance is no indicator for current or future results. Performance figures do not take into account any commissions charged on issue or redemption of units.

### 2. Soft commission agreements

For the period from January 1 to June 30, 2019 no "soft commission agreements" in the name of LLB Swiss Investment AG were applied and no soft commissions were received.

### 3. Principles for the valuation and the calculation of the net asset value

The valuation is effected as per §17 of the fund contract

#### §17 Calculation of the Net Asset Value

1. The net asset value of the investment fund and the share of assets attributable to the individual classes [prorated shares] are calculated in CHF at their market value as of the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days when the stock exchanges/markets in the investment fund's main investment countries are closed (e.g., bank and stock exchange holidays).
2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained upon a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with sec. 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank credit balances are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of units of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the given unit class, minus any of the investment fund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded to one centime.
7. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:
  - a) when units are issued and redeemed;
  - b) on the relevant date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes); (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values; or (iii) different commission or expenses are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
  - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued expenses and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or (ii) class-specific expenses are charged;
  - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or several unit classes but disproportionately to their share of the net fund assets.

## Additional information for the distribution of Shares in Germany

The following information is directed at potential buyers in the Federal Republic of Germany, in that it more precisely lays out and expands the prospectus with regard to sales in the Federal Republic of Germany:

### Information Office

The information office in the Federal Republic of Germany is the  
ODDO BHF Aktiengesellschaft  
Bockenheimer Landstraße 10  
D - 60323 Frankfurt am Main

### Redemption and Exchange Orders, Payments

Investors in Germany can submit their redemption and exchange orders at their institution maintaining the custody account in Germany. This institution will forward the orders to be handled at the custodian bank of the fund or request the redemption in its own name to be credited to the account of the investor.

Fund distributions, redemption revenues and other payments to the investor in Germany also go through the institution maintaining the custody account in Germany. It will credit the payments to the account of the investor.

### Information

Copies of the sales prospectus, key investor information document (KIID), fund contract, annual and semi-annual report, issuing and redemption prices (as well as possible exchange prices) are available at not charge from the information office.

### Price Publications and Other Notifications

The issuing and redemption prices as well as all other legally required notifications to the investor are published in the Internet at [www.swiss-funddata.ch](http://www.swiss-funddata.ch).