

Monthly Report February 2020

Review

The ALPORA Innovation Europe Fund developed somewhat better than the market, despite the turbulent environment. The takeover offers for two portfolio companies helped.

The English company **Gamma Communications** is the leading provider of telecommunications services in the United Kingdom and the Netherlands. Its product portfolio includes UCaaS (Unified Communications as a Service) products, such as voice, data and mobile services, primarily for SMEs.

The innovation focus is on the digitalization of company-wide communication. One example is Internet telephony (hosted Private Branch Exchange). On the one hand, telephone lines can be connected via IP to any desired voice connection using cloud-based SIP trunking (Session Initiation Protocol). On the other hand, internal transmission infrastructures enable customers to use multimedia services such as voice, video and cloud based/SaaS applications. This allows collaborative tools with end-to-end encryption to be used worldwide between internal branch offices and partners. These technological trends are increasingly replacing the use of traditional fixed or mobile connections.

ALPORA Selection Process

Alpora has developed a 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 business model. 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 (EUR A + CHF-hedged) 09.07.2019 (EUR B)
ISIN:	CH0248877885 (EUR A) CH0436491234 (EUR B) CH0302271066 (CHF-hedged)
Distributions:	none, dividend reinvested
Subscription / Redemption:	Daily / no fees
Performance Fee:	None
Management Fee:	1.0% (EUR A + CHF-hedged) 1.5% (EUR B)
TER (31.12.2019):	1.25% (EUR A + CHF-hedged) 1.78% (EUR B)
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:

AMG Fondsverwaltung AG
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6300 Zug
Phone +41 41 726 71 71
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Key Figures

Net Asset Value Tranche EUR A:	EUR 1'936.68
Number of Shares Issued:	53'351
Net Asset Value Tranche EUR B:	EUR 1'929.99
Number of Shares Issued:	2'396
Net Asset Value Tranche CHF-hedged:	CHF 2'095.87
Number of Shares Issued:	25'448
Total Net Asset Value:	EUR 160.8 Mio.

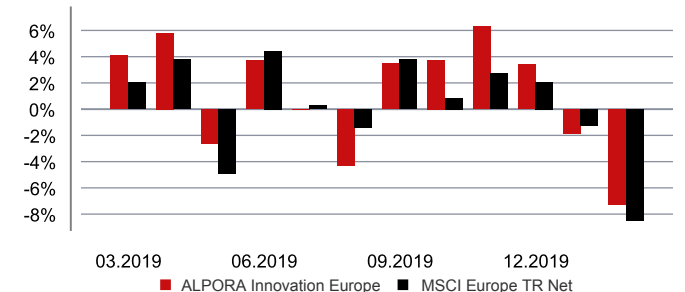
Performance - Tranche EUR A

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since Inception*
Fund	-7.3%	-5.9%	14.2%	10.7%	10.1%	13.1%
MSCI Europe TRN	-8.5%	-7.8%	3.0%	3.1%	1.7%	4.3%
						*p.a.
	2020	2019	2018	2017	2016	since Inception
Fund	-9.0%	42.7%	-14.3%	29.7%	-0.5%	94.3%
MSCI Europe TRN	-9.6%	26.1%	-10.6%	10.2%	2.6%	25.5%

Performance since issue



Monthly Performance vs. MSCI Europe TR Net



Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	15.6%
Sharpe Ratio (-0.42% Risk Free Rate):	0.73
Beta (vs. MSCI Europe TR Net):	1.05

Breakdown by Sectors and Currencies

Technology	28.9%	EUR	42.6%
Health Care	20.2%	CHF	25.7%
Industrials	14.8%	GBP	18.8%
Consumer Staples	13.5%	SEK	6.7%
Energy	8.1%	NOK	6.3%
Basic Materials	7.4%		
Consumer Disc.	3.1%		
Communication	2.8%		
Cash	1.1%		

Breakdown by Countries

Switzerland	25.6%	Norway	6.3%
United Kingdom	18.6%	Spain	4.3%
Germany	14.9%	Belgium	3.9%
Italy	7.5%	France	2.3%
Netherlands	7.0%	Others	1.7%
Sweden	6.7%	Cash	1.1%