

Comment August 2023

European equity markets we in correction mode in the month under review after reaching highs at the end of July. The Alpora Innovation Europe Fund lost ground in step with the comparable MSCI Europe ETF.

Dutch machine builder **ASM International N.V.** develops, manufactures and sells coating equipment used in the production of semiconductor devices or integrated circuits. The company supplies wafer processing equipment, mainly for thin film deposition, to leading global semiconductor manufacturers. Its diversified product offering includes atomic layer deposition (ALD), the most advanced deposition method on the market.

ASM expects ALD to continue to grow as a core technology and that the ALD market will be the fastest growing segment in the coating technologies sector in the coming years. Accordingly, the innovation focus is concentrated on this area. The expansion of the service and spare parts business is another clearly defined goal. The company aims to grow faster than the market through differentiated, results-oriented services.

Innovation assessment by the Serafin Innovation Hub

Within Serafin Asset Management, the Innovation Hub is responsible for developing innovation-oriented models and conducting innovation analysis. In addition, the Innovation Hub provides assessments of the latest technology and innovation trends and their impact on the equity market. The investment process in the Alpora Innovation Europe Fund to identify high-quality innovators consists of a three-step process. In a first step, we use a mathematical optimization procedure to calculate an Efficient Frontier of Innovation, taking into account defined input and output metrics of the innovation process. Thanks to the optimization model, several quantitative parameters on both the input and output side can be calculated in dynamic dependence on the comparison group. This allows an objective comparison of the companies' performance. This results in an innovation score for each company, each measured in the context of the investment universe, which in this case is equities Western Europe. Furthermore, in a second step, the Serafin Innovation Hub performs a qualitative detailed analysis of the innovators with regard to their future viability and coverage of relevant market and technology trends. In the third, final step, the portfolio construction takes place, in which the approximately 30 most robust companies in Western Europe are selected based on a proprietary fundamental analysis. The focus is on the stability of the balance sheet, the business model and the tradability. The financial strength of the company should enable the realization of the existing potential. Valuation ratios are secondary in this selection, so that companies in young growth phases can also be included in the portfolio composition.

Awards



Key figures as of 31 August 2023

Net Asset Value Tranche EUR A	EUR 2'733.39
Number of units	35'637
Net Asset Value Tranche EUR B	EUR 2'689.51
Number of units	2'522
Net Asset Value Tranche CHF-hedged	CHF 2'917.18
Number of units	30'882
Total Net Asset Value	EUR 217.1m

Performance Tranche EUR A

Duration	Fund	MSCI Europe ETF
1 month	-1.7%	-2.3%
3 months	1.6%	1.8%
12 months	3.4%	13.9%
3 years p.a.	7.4%	11.3%
5 years p.a.	8.1%	6.6%
since inception (01.10.2014) p.a.	12.0%	6.1%
Year		
2023	6.8%	10.3%
2022	-23.3%	-9.1%
2021	31.4%	24.9%
2020	20.0%	-3.2%
2019	42.7%	27.8%
since inception (01.10.2014)	175.7%	70.2%

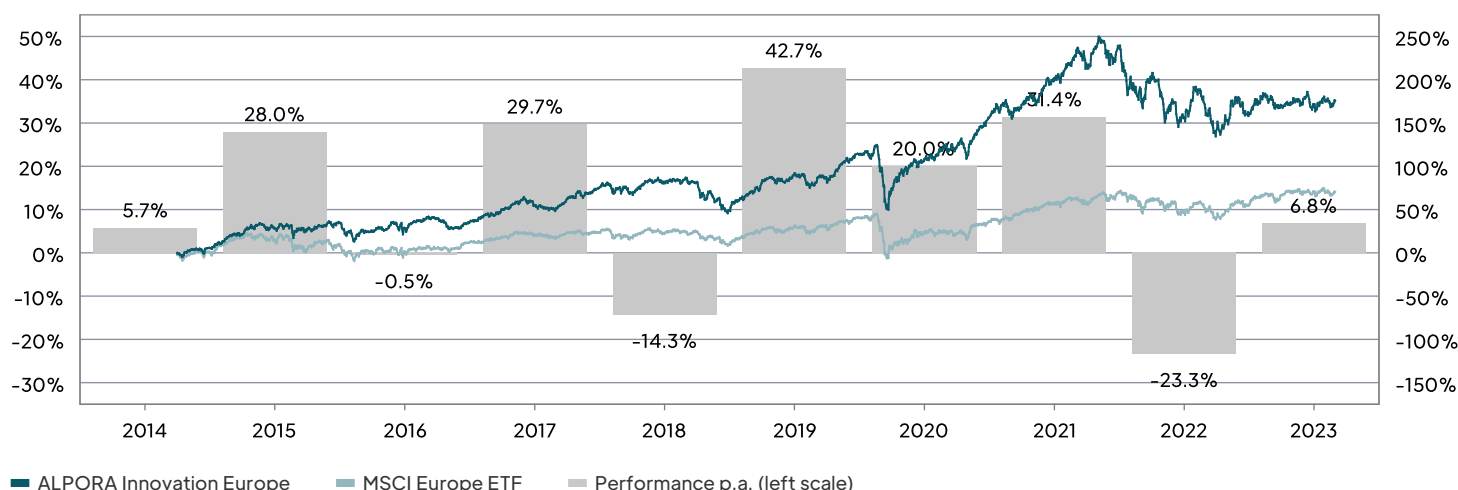
Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	19.2%
Sharpe ratio (0.40% Risk free rate)	0.35
Beta (vs. MSCI Europe ETF)	1.14

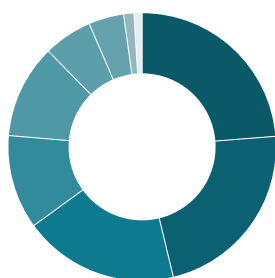
Top 5 positions

Novo Nordisk	4.8%
VERBIO Vereinigte BioEnergie	4.6%
Equinor	4.5%
Shell	4.4%
Wacker Chemie	4.3%

Performance since launch Tranche EUR A



Breakdown by sectors



Materials	23.7%	Communication Serv.	4.2%
Energy	22.5%	Consumer Staples	1.3%
IT	18.7%	Financials	0.0%
Health Care	11.4%	Utilities	0.0%
Industrials	11.3%	Real Estate	0.0%
Consumer Discr.	5.9%	Cash	1.0%

Breakdown by currencies



EUR	62.3%	DKK	9.1%
CHF	10.4%	NOK	8.6%
GBP	9.6%		

Breakdown by countries



Germany	25.8%	Norway	8.5%
United Kingdom	13.8%	Italy	6.0%
Switzerland	11.6%	France	4.6%
Netherlands	10.4%	Spain	3.8%
Denmark	9.1%	Others	5.4%

Sustainability

Applied ESG characteristics

<input checked="" type="checkbox"/> Exclusion Criteria	<input checked="" type="checkbox"/> Reporting
<input checked="" type="checkbox"/> Integration	<input type="checkbox"/> Benchmark

This is a financial product within the meaning of Art. 8 of the Disclosure Regulation (EU) 2019/2088.

Fund facts

Domicile of fund	Switzerland
Legal form	Contractual investment fund
Investment universe	Europe
Investment manager	Serafin Asset Management Ltd, Zug
Management company	LLB Swiss Investment Ltd, Zurich
Custodian bank	Bank J. Safra Sarasin Ltd, Basel
Launch date	01.10.2014
Recommended investment horizon	5 years
Reference currency	EUR
ISIN / Bloomberg-Ticker (respective Tranche)	EUR A: CH0248877885 / ALPIEUR SW EUR B: CH0436491234 / ALPIEUB SW CHF-hedged: CH0302271066 / ALPICHF SW
Distributions	accumulating
Subscription and redemption	daily (cut-off 09.00 CET)
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
UK Tax Reporting Status	Tranche EUR A
Registered for public distribution	CH, DE; SGP (accr. investors only)
Fee structure	
Subscription and redemption fee	none
Management fee p.a.	Tranche EUR A: 1.00% Tranche EUR B: 1.50% Tranche CHF-hedged: 1.00%
MiFID fee for third party research p.a.	0.04%
Total expense ratio p.a. (per 31.12.2022; TER)	Tranche EUR A: 1.25% Tranche EUR B: 1.75% Tranche CHF-hedged: 1.24%

Portfolio management



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