

Comment December 2024

The ALPORA Innovation Europe Fund lags behind its benchmark index, the MSCI Europe ETF. This underperformance can be attributed to the dominance of financial stocks in the index, which are not represented in the fund's portfolio.

NKT A/S is one of Europe's leading companies in the field of energy transmission, focusing on innovative solutions for energy infrastructure. A key component of its strategy is the expansion of high- and medium-voltage capacities. With its recent acquisition of SolidAI, NKT has significantly strengthened its production capabilities. SolidAI specializes in aluminum cables primarily used in high-voltage applications, thus responding to the increasing demand for transmission system operators in Europe.

One major driver of this development is the global energy transition. Expanding transmission networks is essential to enable the integration of renewable energy sources. NKT's commitment to a more sustainable and flexible energy future is evident in its ongoing investments in innovative technologies. A standout example is the 200-meter-tall extrusion tower in Karlskrona, which enables the production of high-voltage cables at the highest level of quality.

Innovation assessment by the Serafin Innovation Hub

The investment process in the ALPORA Innovation Europe Fund to identify high-quality innovators consists of a four-step procedure. In the first step, we calculate an "Efficient Frontier of Innovation" by considering defined input and output metrics of the innovation process, using a mathematical optimization procedure. The optimization model allows multiple quantitative parameters on both the input and output sides to be dynamically calculated based on the investment universe. This provides an objective performance comparison of the companies. Each company is assigned an innovation score, measured within the context of the investment universe (Western Europe). In addition to our Innovation Factor model, the quality of the companies is measured using the long-established ARTICO model. Based on the Innovation Factor and the Quality Factors model, a combined Quality Innovation Score (including innovation, growth, profitability, balance sheet strength, valuation, and ESG) is calculated in the second step, with the Innovation Factor being the primary factor. In the third step, the investment team conducts a qualitative analysis of the innovators regarding their future viability and coverage of relevant market and technology trends. In the fourth and final step, portfolio construction takes place. Here, the Quality Innovation Scores of the companies are maximized using an optimization approach, while undesired risks are mitigated through relative weight constraints. The target portfolio size is 45 stocks. Valuation metrics are secondary in this selection, allowing companies in early growth stages to be included in the portfolio composition.

Key figures as of 31 December 2024

Net Asset Value Tranche EUR A	EUR 2'542.30
Number of shares	10'119
Total Net Asset Value	EUR 49.0m

Performance Tranche EUR A

Duration	Fund	MSCI Europe ETF
1 month	-2.0%	-1.1%
3 months	-7.8%	-3.2%
12 months	-8.0%	8.1%
3 years p.a.	-8.5%	4.4%
5 years p.a.	3.8%	6.6%
since inception (01.10.2014) p.a.	9.7%	6.6%
Year		
2024	-8.0%	8.1%
2023	8.6%	15.7%
2022	-23.3%	-9.1%
2021	31.4%	24.9%
2020	20.0%	-3.2%
since inception (01.10.2014)	157.9%	92.9%

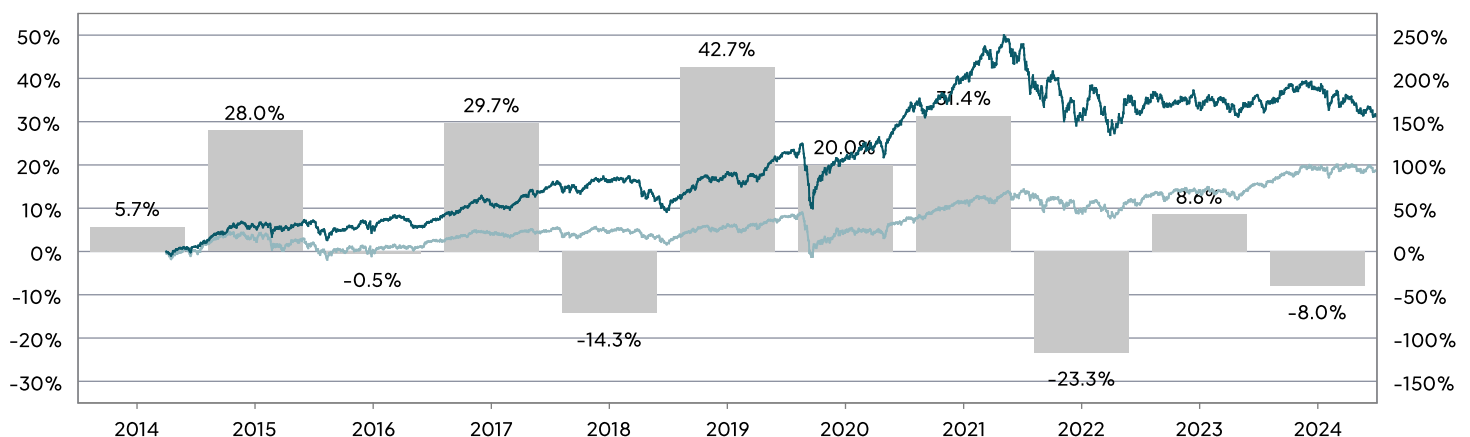
Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	19.6%
Sharpe ratio (2.27% Risk free rate)	n/a
Beta (vs. MSCI Europe ETF)	1.17

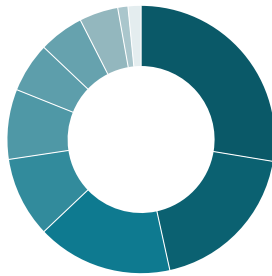
Top 5 positions

AstraZeneca	4.4%
Novo Nordisk	4.2%
L'Oreal	3.3%
Deutsche Telekom	3.2%
Shell	3.2%

Performance since launch Tranche EUR A



Breakdown by sectors



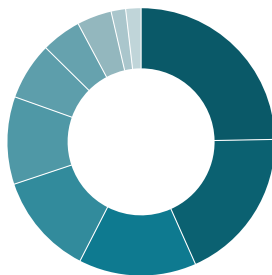
Industrials	27.6%	Consumer Discr.	5.4%
Health Care	18.9%	Communication Serv.	4.7%
IT	16.4%	Real Estate	1.2%
Energy	9.7%	Financials	0.0%
Materials	8.4%	Utilities	0.0%
Consumer Staples	6.0%	Cash	1.6%

Breakdown by currencies



EUR	44.6%	GBP	9.5%
DKK	18.9%	NOK	9.4%
CHF	17.6%		

Breakdown by countries



Switzerland	24.3%	France	6.8%
United Kingdom	18.3%	Finland	4.7%
Denmark	14.0%	Norway	4.1%
Germany	12.1%	Italy	1.7%
Netherlands	10.4%	Others	1.8%

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 share class)	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 (acccr. 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 30.06.2024; TER)	Tranche EUR A: 1.28% Tranche EUR B: 1.28% Tranche CHF-hedged: 1.78%

Portfolio management



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