

ALPINE SELECT

Press Release

Zug, 20 August 2019

Alpine Select: Half-year results and further information on the course of business in the first half of 2019

- Alpine Select Ltd. («Alpine Select», the «Company») ended the financial reporting period (1 January to 30 June 2019) with a profit of CHF 8.8 million. In the comparative period (as per 30 June 2018) a loss of TCHF 879 was reported.
- The share recorded a positive performance of 0.16% over the first six months of 2019, after paying a dividend of CHF 0.30 per registered share in May 2019. The Net Asset Value («NAV») increased by 6.23% over the same period.

Portfolio Development

- Following the turbulences in the fourth quarter of 2018, the hedge fund managers were positioned too cautiously at the beginning of 2019, and thus initially provided somewhat muted results. This was particularly true for the Japanese Long/Short managers. The best strategies for the first half of 2019 were Credit, CLO, Equity Long Only and Chinese Convertible Bonds. The Alpine Select Alternative Fund achieved a performance of +2.00% in the first half of 2019.
- The listed positions in the portfolio were up CHF 6.7 million, making a significant positive contribution to the overall portfolio performance. The profits came mainly from the core holdings in HBM Healthcare Investments Ltd. («HBM»), Castle Alternative Invest AG («Castle AI») and Vifor Pharma AG («Vifor»). The only notable negative contributor in this sector is the participation in Leonteq Securities Ltd. with a book loss of CHF 0.2 million.
- The holding in SFP Value Realization Fund («SFP») was up 15% in the first six months, outperforming peers and the Japanese market.
- The legacy real estate investment in Cheyne New Europe Fund L.P. contributed around CHF 0.6 million book profit and thus further delivering on our expectations. Redemptions from this position are expected to start during the fourth quarter 2019.

Investment Activity

- Alpine Select continued focusing on optimizing the portfolio composition in the first six months of 2019. However, losses because of the time lag between investment decisions and the redemption notice periods were experienced.
- The participation in Castle AI was increased to a reportable size of more than 10% in the first half of 2019. The well diversified alternative portfolio continues to trade at an attractive discount. The Company also participated in a corporate action program from Castle AI as arbitrage opportunity arose to generate additional income.

- Alpine Select reduced its stake in Elara India Gateway Fund by one-third in March 2019 and redeemed 50% of the holding in the SFP fund. Furthermore, the Company started taking profits in the Vifor-investment. Given the continued NAV premium in BB Biotech AG («BB Biotech») and NAV Discount in HBM, the Company held short position in BB Biotech on one hand and increased the allocation to HBM on the other hand.
- In April 2019 the Company entered a research position (USD 1 million) with Atlas Principals, LLC, a thematic long/short equity manager specializing in early identification of paradigm-shifting themes. Selecting and engaging with small- and mid- cap Investment Managers with dedicated strategies is still one of Alpine Select's focus areas.

Ordinary shareholders' meeting 2019 / Corporate Actions

- At the ordinary shareholders' meeting held on 16 May 2019, shareholders passed all agenda items and proposals submitted by the Board of Directors of Alpine Select. The distribution of a dividend in the amount of CHF 0.30 gross per registered share was paid to shareholders on 23 May 2019.
- Furthermore, shareholders approved the reduction of the share capital to CHF 205,662.10 by cancelling 919,795 registered shares of Alpine Select, which the Company had repurchased under previous share buyback programs. The implementation of the capital reduction was entered in the commercial register on 23 July 2019.
- The shareholders also authorized the board to launch at its discretion a new share buyback program up to a maximum of 10% of the total share capital in the period up to the ordinary shareholders meeting in 2021, and for the subsequent cancellation of the shares by capital reduction.
- Based on this authorization, on 27 June 2019, Alpine Select launched a buyback program at a fixed price by issuing tradable put options. As of 19 July 2019, a total of 510,980 registered shares (or 4.56% of the share capital then registered in the commercial register) were tendered.
- On 25 July 2019 Alpine Select launched a new share buyback program on a separate trading line at SIX Swiss Exchange. Since 29 July 2019 (first trading day) a maximum of 514,155 registered shares or an equal of 5.00% of the share capital are purchased for cancellation purposes. To view the current status of the share buyback program, please refer to the Alpine Select website: <https://www.alpineselect.ch/investors/corporate-actions>.

Switch to the Swiss Reporting Standard of the SIX Swiss Exchange

- SIX Swiss Exchange approved on 25 July 2019 Alpine Select's application to switch the Standard segment: Since 5 August 2019, all Alpine Select shares are traded in the Swiss Reporting Standard of the SIX Swiss Exchange (2 August 2019: Last trading day in the Segment of Investment Companies). A mandatory change in the accounting standard to Swiss GAAP FER is associated with the aforementioned change in the standard. Given the increasing complexity of IFRS and its focus on international companies, Alpine Select believes that Swiss GAAP FER is the more appropriate accounting standard for the Company. For example, and among other things, this change enables Alpine Select to consolidate the portfolio again and thus offer its shareholders more transparency.

Outlook

- Alpine Select's rigorous approach to portfolio construction held volatility low at 3.08% compared to Swiss Performance Index (SPI: 9.01%) and Global Hedge Fund Index CHF (HFRX: 2.92%).
- The Company maintains a view of heightened volatility in the global markets as global growth might slow. Given the fiscal and monetary stimulus Alpine Select does not see an abrupt end to the markets but believes that dispersion opportunities might be more prominent in the future.
- Therefore, the Company slightly adjusted the overall portfolio strategy further, increasing the exposure to China and NASDAQ.

Alpine Select will publish the semi-annual report 2019 on 28 August 2019.

For further information, please contact Claudia Habermacher (chabermacher@alpine-select.ch) or visit our website www.alpine-select.ch.

About Alpine Select

Alpine Select Ltd is an investment company domiciled in Zug and has been listed on the SIX Swiss Exchange since 1998 (since 5 August 2019 in the Swiss Standard Segment). The company offers its shareholders the key benefit of investing into a diversified alternative investment portfolio. Alpine Select maintains an active and constructive dialogue with management and board of directors of its portfolio companies in the best interest of its shareholders. Alpine Select does not charge any management or performance fees. The Company's shares are liquid and have traded at or close to its Net Asset Value. Alpine Select further acts as a FINMA-licensed distributor of foreign collective investment schemes to qualified investors in Switzerland.