

ALPINE SELECT

ANNUAL
REPORT
2020

Board of Directors

Raymond J. Baer	Chairman
Thomas Amstutz	Member
Dieter Dubs	Member
Michel Vukotic	Member

Management

Claudia Habermacher	Chief Executive Officer
Lukas Hoppe	Chief Operating Officer
Michel Vukotic	Chief Investment Officer

Auditors

BDO AG
Schiffbaustrasse 2
8031 Zurich / Switzerland

Alpine Select Facts

Incorporation date	17 September 1997
Listing	SIX Swiss Exchange
Stock Exchange Symbol	ALPN
Swiss Security Number	1.919.955
ISIN Code	CH0019199550
Reuters	ALPN.S
Bloomberg	ALPN SW EQUITY
Type of Share	Registered share
Total Shares Issued	9,257,970
Custodian	Bank Julius Baer
Management Fees	None
Performance Fees	None
Distributions	Out of retained earnings

Corporate Calendar

<https://www.alpine-select.ch/en/investors#calendar>

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<https://www.alpine-select.ch/>

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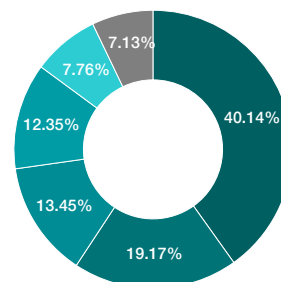
Key Figures

Performance Table ¹⁾

	Share price (CHF)	NAV (CHF)	Premium / Discount to NAV
31 Dec 2020	13.70	13.96	-1.86%
31 Dec 2019	13.22	13.36	-1.07%
High 2020	13.70	13.94	
Low 2020	11.55	12.08	

¹⁾ All figures are adjusted for the dividend payment in May 2020 out of retained earnings.

Allocation by Region (in % of Total Assets)

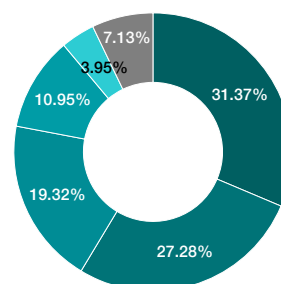


Selected Balance Sheet Items ²⁾

In TCHF	31-Dec-20 (audited)	31-Dec-19 (audited)
Current assets	9 615	25 630
Non-current assets	125 151	127 150
Current liabilities	2 125	1 857
Non-current liabilities	134	877
Equity attributable to shareholders of Alpine Select	125 294	134 804
Non-controlling interests	7 213	15 242

²⁾ Information herein is presented in addition to the consolidated financial statements.

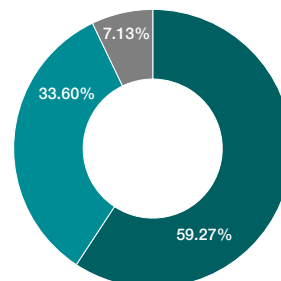
Allocation by Asset Class (in % of Total Assets)



Top Positions of the Portfolio as per 31 December 2020 (in % of Total Assets)

Fund name	Asset Class	Allocation
Castle Alternative Invest AG	Hedge Funds	14.50%
Cheyne New Europe Fund Ltd.	Real Estate (Legacy)	10.95%
Cash and other Current Assets		7.13%
IP Group PLC	Equity	6.83%
Yuki Japan Rep. Growth Fund	Equity	4.61%
Nishkama Capital Offshore	Hedge Funds	4.39%
Orchard Liquid Credit Fund	Credit	4.20%
Northwest Feilong Fund Ltd.	Equity	4.18%

Allocation by Listed/Unlisted Investments and Cash and other Current Assets (in % of Total Assets)

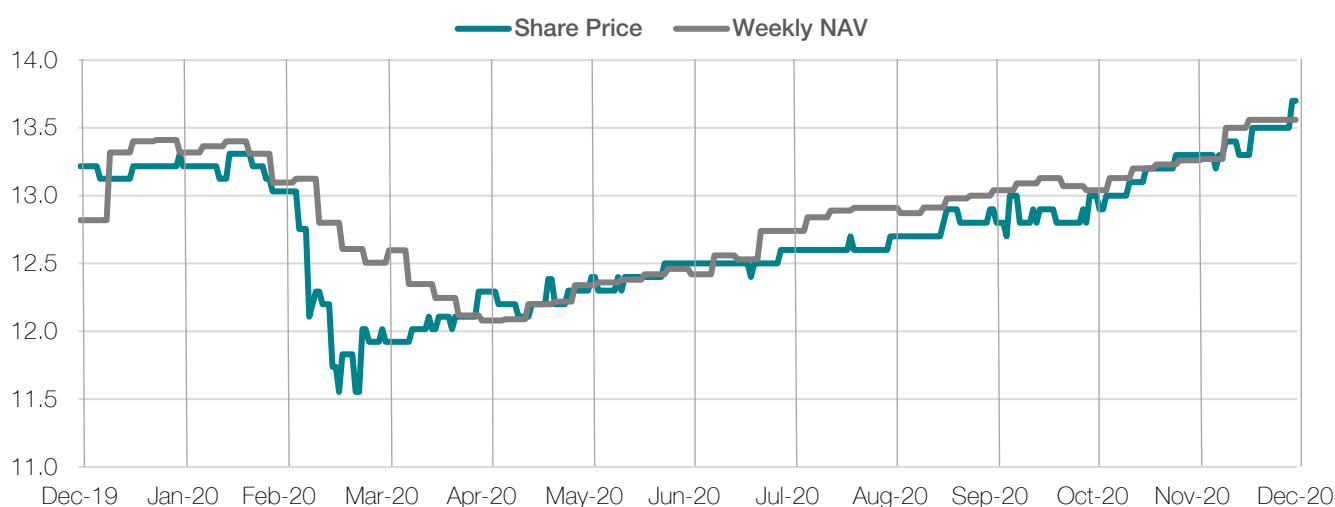


Net annualized return (30 September 2003 to 31 December 2020)

Share Price	6.22%
Monthly NAV ³⁾	5.96%

12 Months Price-History in CHF for the Year 2020

Daily closing share price and weekly NAV



Monthly NAV Performance in % ^{3) 4)}

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
2020	-0.1	-1.6	-3.4	-4.6	2.4	0.6	2.6	0.9	1.4	-0.2	1.7	3.5	3.1
2019	0.5	1.1	1.8	0.9	0.5	-0.9	1.7	-1.3	0.4	0.1	2.7	0.5	9.5
2018	2.4	0.3	-0.2	-0.1	0.4	-1.5	0.9	-0.2	-0.1	-1.9	-4.7	-3.0	-9.9
2017	0.8	-3.0	0.3	1.8	4.2	2.5	1.3	0.4	1.6	3.2	0.2	4.6	22.0
2016	-1.3	-2.3	2.5	-3.0	1.2	-0.6	1.5	0.3	2.5	0.8	1.3	0.4	3.7
2015	0.6	3.2	2.8	-0.8	0.2	-0.8	-1.0	-1.8	-1.8	-1.7	1.8	-1.2	-1.2

³⁾ The monthly NAV performance as disclosed is based on the estimated monthly NAV as published by the Company. Published NAVs are not adjusted except for the effect of dividend distributions and the issuance of tradeable put options of Alpine Select Ltd. Estimated and effective monthly NAVs may differ.

⁴⁾ Change to publication of formerly consolidated NAV in December 2017, following the merger of Altin Ltd. into Absolute Invest Ltd.

Monthly Share Price Performance in %

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
2020	0.0	-1.4	-7.8	2.3	0.1	1.6	0.8	0.8	1.6	0.8	2.3	3.0	3.7
2019	0.0	0.7	0.7	1.4	-1.4	0.0	1.2	0.7	0.0	0.7	1.4	0.7	6.4
2018	1.8	0.0	-0.6	0.0	0.5	-1.3	0.6	-0.7	0.0	-4.6	-1.4	-3.1	-8.3
2017	1.2	2.0	0.3	-0.3	2.1	1.4	1.7	0.0	1.6	5.8	-0.6	0.0	16.0
2016	-1.8	-1.2	0.0	1.8	3.0	0.0	0.0	0.9	0.9	0.6	1.8	0.6	6.8
2015	2.3	1.7	3.8	1.0	-0.5	-1.6	1.1	-3.9	-2.9	0.3	0.6	-0.9	0.7

Chairman's Statement and Review of Operations

Dear Shareholders

The COVID pandemic caused the biggest global economic contraction since the Great Depression and the sharpest fall in equity markets since 1987. The entire world was affected and brought changes to a new normal. It has transformed the way we live, work, access services, and much more. Video conferencing soon became the favorite option to connect, interact and to uphold a new way of business. Consistent with the experience of most companies, also Alpine Select's business practices were tested by the impact of the pandemic. We mastered that test well, largely due to the remote work infrastructure already in place.

In financial terms, 2020 was another solid year. Total return to shareholders in 2020 was +3.7% (adjusted for dividends increase of the share price from CHF 13.22 to CHF 13.70). The dividend of CHF 1.00 per share was paid out to shareholders in May 2020. The Net Asset Value («NAV») recorded an increase of 4.5% in the year under review (from CHF 13.36 to CHF 13.96). Throughout the year, the shares traded at or near the NAV thereby delivering on an important commitment of ours. Due to the reduced total assets (following the share buyback programs), the members of the Board of Directors of Alpine Select Ltd. («Alpine Select») continue waiving 10% of their compensation, which is granted in addition to their ordinary board of directors' fee.

Portfolio Development

The global sharp drop in asset prices in Q1 2020 due to the COVID shock was followed by unprecedented economic and fiscal stimuli. Whilst the remarkable market recovery for the rest of 2020 appears to be driven by central banks liquidity injections and fiscal policy responses – and not by the sustainable foundations of improved fundamental outlooks by the listed companies – we acknowledge the coordinated action's necessity to uphold stability and continuation. The asset price inflation initially lifted all boats; however, we are convinced the rising tide will be more selective. Fundamentally sound and future oriented business models will prevail. Now, more than ever, we remain passionate advocates of active asset management and compose our portfolio with these beliefs.

Our **quoted portfolio** contributed with a net gain of CHF 4.63 million. Our long-term position in HBM Healthcare Investments Ltd. added a realized profit of CHF 2.58 million. The position has been fully exited once its share price exceeded NAV. Our new position IP Group PLC («IP Group») contributed net gains of CHF 1.97 million, which underpins the benefits of Alpine Select as an agile investment organization with short decision-making processes when valuable assets fall into discount. Our core holding Castle Alternative Invest Ltd. («Castle») had a solid NAV performance, however, discount to NAV increased and thus led to a net loss contribution of CHF 1.35 million. One special situation investment to highlight was XBiotech Inc. (participation in Dutch Auction) which contributed a realized gain of CHF 0.77 million.

Our **unquoted investments** saw a negative contribution of a net loss of CHF 2.04 million. The main draw-down came from our Global Macro strategies, which were redeemed consequently with realized losses of CHF 3.4 million. Unrealized gains were derived from Aleutian Fund (Volatility, Convexity, CHF 0.96m), Nishikama Capital Offshore Fund (L/S Equity, CHF +0.88m) and Yuki Japan Rebounding Growth Fund (Long Only EQ Growth, CHF +0.74m). Our Chinese Exposure contributed CHF 0.65 million unrealized gains: GH China (L/S China Equity, CHF +0.59m), FengHe Asia (USTE) Fund (L/S Greater China Equity, CHF +0.35m) and Northwest Feilong Fund (China Convertible Bond Strategy, CHF -0.29m).

During 2020 Alpine Select started building initial positions in the Crypto Market. Our investment with Systematic DLT Fund, SwissRex Crypto Fund and a Bitcoin Tracker Certificate resulted in net profits of CHF 1.88 million.

Investment Activity

We started 2020 with a cash quota of 16.8% which enabled us to trade actively throughout the year.

The COVID crisis resulted in global equity index drawdowns between 25% and 35% and investment-grade credit spread widening up to 230%. Such a rare situation could successfully be exploited by participating in a special dealing with our existing Investment Grade Credit Manager Cheyne Capital. We added risk to the portfolio by increasing the allocation to Cheyne Total Return Credit Fund in Mid-March 2020, which turned out to be a good call.

In early Summer of 2020, we started building an exposure to the London based Investment Company IP Group which has been trading at a steep discount to NAV. In the weeks before, we held various interviews with the Management Team of IP Group and fellow independent researchers. Learning from IP Group's history we could identify a structural overhang on the sell side in combination with a COVID sell-off resulting in the steep discount of around 35% to 40% to NAV. The portfolio itself did not reveal any obvious weakness that would justify such a situation. On the contrary, IP Group's most valuable holding (Oxford Nanopore Technologies) developed strongly during the year, with management confirming in October 2020 that overall revenues to date were in line with their significant year on year growth targets. In addition, the company created a new diagnostics business unit, which launched LamPORE, a rapid, scalable diagnostic for SARS-COV-2, the company's first regulatory approved diagnostic product.

This is just one relevant example within the well-diversified, future-oriented and Intellectual Property backed 100+ company portfolio of IP Group. It is our belief that time of change and shifting priorities towards more inclusive solutions in the fields of Technology, Cleantech and Life Science will create corporate winners. As such, we are confident that the IP Group portfolio will further progress (cash realizations and portfolio returns) and that plenty of catalysts are ahead for its core holding Oxford Nanopore Technologies.

We slightly built on our allocation to Castle at an attractive discount of 8%. Castle manages a defensive and well-diversified alternative investment portfolio with remarkable stability. We maintain this position as a stability component to our overall portfolio going into 2021.

During 2020 we also evaluated the potential of Crypto Assets as a stand-alone asset class within a contemporary investment portfolio. In our opinion the macroeconomic situation, the global and unavoidable adoption of digitalization, the somewhat structural weakness of the US Dollar and nonetheless the existing sustainability concerns refraining to own commodity-related assets as 'store of value' favors Crypto Assets.

We seek to identify suitable manager and investment styles to give our shareholders a balanced and actively managed exposure to this new asset class. Bitcoin is obviously the industry's most important asset, but there is much more. There is also Ethereum as the crypto industry's most important smart-contract platform. This ecosystem of decentralized applications built on the Ethereum Blockchain enables, for example, decentralized finance innovation that carry out financial functions (e.g., trading, lending) without the need of a centralized financial intermediary such as banks, brokers, or exchanges. We see potential in this evolution.

Chairman's Statement and Review of Operations

Consequently, we have built an initial Crypto exposure of 3.95% by end of 2020. We continue to source ideal managers which will contribute to our contemporary and diversified investment portfolio.

Annual Shareholders' Meeting / Corporate Actions

At the annual shareholders' meeting held on 20 May 2020, shareholders passed all agenda items and proposals submitted by the Board of Directors of Alpine Select Ltd. («BoD»). The distribution of a dividend of CHF 1.00 gross per registered share was paid to shareholders on 27 May 2020.

Furthermore, shareholders approved the reduction of the share capital from CHF 205,662.10 to CHF 185,159.40 by cancelling 1,025,135 registered shares that the Company had repurchased under a share buyback program. The implementation of the capital reduction was entered in the commercial register on 27 July 2020.

The shareholders also authorized the BoD to repurchase up to 10% of the share capital in the period up to the ordinary shareholders' meeting in 2022 for the subsequent definitive cancellation of the shares through a capital reduction. Based on this authorization the BoD decided to launch a share buyback program on a second trading line at SIX Swiss Exchange. Starting 26 June 2020 (first trading day) a maximum of 925,797 registered shares will be repurchased. To view the current status of the share buyback program, please refer to our website: <https://www.alpine-select.ch/en/investors#action>.

Outlook

We have witnessed a combination of re-opening economies following vaccine rollouts around the world, pent-up consumer and business demand, potentially still constrained supply chains, and ongoing fiscal and monetary stimuli. Such circumstances are causing many market participants to increasingly focus on a return of inflation, with a potential to overshoot. We however see inflation rather as a transitory phenomenon on the back of a few forthcoming strong economic quarters. A normalized yield curve should benefit valuable business models and organizations capable of capturing profitable growth. With these beliefs we are confident to be well-positioned with a robust and diversified investment portfolio to take on the uncertainties and challenges 2021 may provide.

The board of directors proposes to the ordinary shareholders' meeting to be held on 17 May 2021 to distribute again a dividend of CHF 1.00 gross per outstanding share, to be paid to the shareholders out of available retained earnings.

On behalf of the board of directors, I would like to thank you for your continued support and trust in our ongoing activities.

Raymond J. Baer
Chairman of the Board of Directors of Alpine Select Ltd.

Corporate Governance

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Alpine Select Ltd. (the «Company», «Alpine Select») is committed to good corporate governance and transparency and accountability to its shareholders.

The following Corporate Governance report is structured in accordance with the Directive on Information relating to Corporate Governance (DCG) published by SIX Swiss Exchange. All information presented reflects the situation at 31 December 2020, unless otherwise stated.

1. Group structure and shareholders

1.1 Group structure

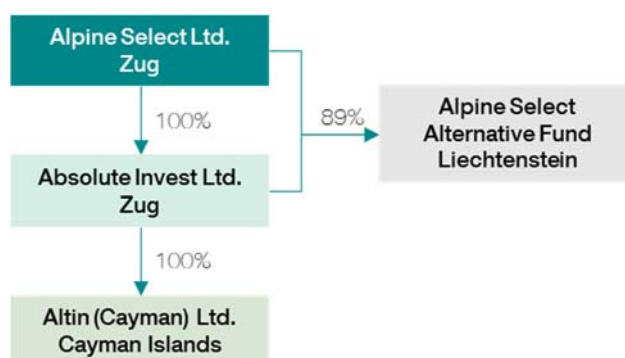
Alpine Select is a limited liability company incorporated on 17 September 1997 under the laws of Switzerland. The address of its registered office is Gotthardstrasse 31, 6300 Zug / Switzerland. The shares of Alpine Select are listed on the SIX Swiss Exchange under the Stock Exchange symbol ALPN, ISIN code: CH0019199550. At 31 December 2020, market capitalization stood at CHF 122.9 million (2019: CHF 133.4 million).

Alpine Select offers its shareholders the key benefit of investing into a diversified alternative investment portfolio with core investment strategies: discount-, risk-arbitrage, tactical exploitation of under-researched companies / situations, short-term opportunities and liquid hedge funds.

The Alpine Group comprises Alpine Select and its subsidiary Absolute Invest Ltd., c/o Alpine Select Ltd., Gotthardstrasse 31, Zug/Switzerland («Absolute Invest»), wholly owned by Alpine Select. In addition, Altin (Cayman) Ltd. based in the Cayman Islands is a wholly owned subsidiary of Absolute Invest.

Absolutissimo Limited, Cayman Islands, a former subsidiary of Absolute Invest was put into voluntary liquidation in 2019 and its remaining assets were transferred to Altin (Cayman) Ltd. The certificate of dissolution was issued on 20 December 2019 and the company was dissolved on 2 March 2020 and thereupon removed from the Companies Register, Cayman Islands.

In addition, Alpine Select and Absolute Invest are both invested in Alpine Select Alternative Fund and together hold an investment size of 88.61% at 31 December 2020.



1.2 Significant shareholders

As of 31 December 2020, Alpine Select had 9,257,970 shares issued and 429 registered shareholders. Shareholders are institutional and private investors.

For details of shareholders with equity holdings of three percent or more, see Note 18 of the Consolidated Financial Statements on page 57.

All changes in the Company's shareholder base that were reported and disclosed in accordance with Art. 120 of the Swiss Financial Market Infrastructure Act (FMIA) and the provisions of the Swiss Financial Market Infrastructure Ordinance (FMIO) can be obtained from the SIX Exchange Regulation website at: [Significant Shareholders \(ser-ag.com\)](https://www.six.ch/en/significant-shareholders-ser-ag-com).

1.3 Cross-shareholdings

As of 31 December 2020, there were no cross-shareholdings.

2. Capital structure

2.1 Capital

As of 31 December 2020, the Company's share capital amounts to CHF 185,159.40 and is divided into 9,257,970 registered shares with a par value of CHF 0.02.

2.2 Authorized and conditional share capital

Authorized share capital

The share capital of the Company may be increased by a maximum amount of CHF 100,000.00 at any time until 16 May 2021 by issuing a maximum of 5,000,000 registered shares with a nominal value of CHF 0.02 each to be fully paid-in.

The board of directors is authorized to exclude the subscription rights of the shareholders and to allocate them to third parties, if the new registered shares are used for a merger with a company, an acquisition of enterprises, parts of enterprises or participations in companies by share exchange, for the financing or refinancing of acquisitions of enterprises, parts of enterprises or participations in companies or new investment projects.

For further details on the Company's authorized share capital, please refer to Art. 4a of the articles of association (<https://www.alpine-select.ch/images/alpine/ALPN-Articles-of-Association.pdf>).

Conditional share capital

The share capital may be increased by a maximum amount of CHF 121,779.54 by issuing a maximum of 6,088,977 registered shares with a nominal value of CHF 0.02 each to be fully paid-in, through the exercise of option and/or conversion rights granted in connection with bonds or similar debt instruments of the Company or its subsidiary, and/or through the exercise of option rights granted to the shareholders.

The respective owners of option and/or conversion rights are entitled to subscribe the new shares. The subscription right of the current shareholder is excluded for such new shares. The board of directors shall determine the option and/or conversion conditions.

For further details on the Company's conditional share capital, please refer to Art. 4b of the articles of association.

2.3 Changes in share capital

A review of the Company's changes in capital during the reporting period is provided in Note 10 of the Consolidated Financial Statements on page 51.

2.4 Shares and participation certificates

The shares are fully paid-in and listed in CHF on the SIX Swiss Exchange in Zurich under the Stock Exchange symbol ALPN or ISIN code CH0019199550, respectively. All outstanding shares are entitled to voting rights and dividends. All shares are equally entitled to dividends.

There are two share certificates outstanding for 525 shares in total.

The Company has not issued any participation certificates.

2.5 Treasury shares

For details on the development of own shares held by the Company, please refer to Note 10.5 of the Consolidated Financial Statements on page 53.

2.6 Dividend-right certificates

Alpine Select has not issued any dividend-right certificates.

2.7 Limitation on transferability and nominee registration

Registered shareholders are those recognized as such by a corresponding entry in the Company's share register. Acquirers of registered shares shall be registered in the share register as shareholders with voting rights upon request without limitation, provided they explicitly declare that they acquired these registered shares in their own name and on their own account (Art. 6 para. 1 and para. 2 of the articles of association).

Persons who do not confirm in their registration application to hold the shares for their own account (hereinafter «Nominees») shall be registered in the share register with voting rights up to a maximum of 9% of the share capital as registered in the commercial register. Nominees who are affiliated by capital or vote, through common management or otherwise, or who coordinate their actions through agreement, syndicate or otherwise in order to avoid the registration restrictions are to be considered as one Nominee. Beyond this limit, Nominees are only registered as shareholders with voting rights if the respective Nominee discloses the names, addresses, nationalities, and shareholdings of the persons for whose account the Nominee holds 1% or more of the share capital as registered in the commercial register (Art. 6 para. 3 and para. 4 of the articles of association).

After hearing the person affected, the board of directors may cancel entries in the share register, if these were based on wrong information provided by the acquirer. The acquirer shall immediately be informed about the cancellation. The board of directors shall take the measures necessary to ensure the compliance with the aforementioned provisions. It is authorized to conclude agreements with Nominees regarding their notification duties (Art. 6 para. 5 and para. 6 of the articles of association).

With the reservation of article 653c paragraph 3 of the Swiss Code of Obligations («CO»), these restrictions also apply in case of the acquisition of registered shares by exercising subscription, option, and conversion rights (Art. 6 para. 7 of the articles of association).

The alleviation or suspension of the restriction regarding the transfer of registered shares requires a resolution of the shareholders' meeting passed by at least two thirds of the voting shares represented and the absolute majority of the par values of the shares represented (Art. 12 of the articles of association).

2.8 Convertible bonds and/or warrants or options

The Company does not have convertible bonds and/or warrants or options outstanding.

3. Board of directors

3.1 Members of the board of directors

Raymond J. Baer, born 1959, Swiss citizen – Chairman and non-executive member

Raymond J. Baer holds a law degree (lic.iur. HSG) from the University of St. Gallen (1984) and a master's degree in law (LL.M.) from Columbia Law School, New York (1985).

From 1988 to 2003, he held various executive positions within the Julius Baer Group Ltd. abroad and in Switzerland, lastly as head of Private Banking Business Line and vice-president of the group executive board. From 2003 to 2012, he was the chairman of the Board of Directors of the Julius Baer Group and board member as well as member of the Committee of the Governing Board of the Swiss Bankers Association (1999 – 2012). Raymond J. Baer was the president of the Association of Swiss Commercial & Investment Banks (2003 – 2012) and a member of the Regulatory Board of SIX Swiss Exchange (1999 – 2010).

Since December 2013, Raymond J. Baer is also the chairman and non-executive member of the Board of Directors of Absolute Invest. He has no significant business relationship with Alpine Select or its subsidiary.

Thomas Amstutz, born 1962, Swiss citizen – non-executive member

Thomas Amstutz completed his bank apprenticeship at Credit Suisse and graduated from the Commercial School of Business Administration, Zurich in 1981.

Between 1981 and 2004, he held various management positions at different entities of the Credit Suisse Group, based in Geneva, Frankfurt, and Zurich. From 2005 to 2014, he acted as the chairman and chief executive officer of Absolute Investment Services Ltd., Zurich. Since 2014, he is partner and director of JAAM AG, Zurich. JAAM AG provides consultancy services to Alpine Select (for more see Note 19 of the Consolidated Financial Statements on page 57).

Since December 2013, Thomas Amstutz is also a non-executive member of the Board of Directors of Absolute Invest (between 2000 and 2013 he acted as the Chairman of the board).

Dieter Dubs, born 1965, Swiss citizen – non-executive member

Dieter Dubs holds a law degree (lic.iur.) from the University of St. Gallen (1993), one (Dr.iur.) from the University of St. Gallen (2000) and an LL.M. from the Harvard Law School (2002).

Dieter Dubs is a partner of Baer & Karrer Ltd, Zurich, since 2005. He has broad experience in M&A transactions with a focus on public tender offers, having represented several target companies in unfriendly takeover situations. In addition, Dieter Dubs advises listed companies on corporate and regulatory matters.

Since December 2013, he is a non-executive member of the Board of Directors of Absolute Invest. Baer & Karrer advises Alpine Select in legal matters (for more see Note 19 of the Consolidated Financial Statements on page 57).

Michel Vukotic, born 1958, Swiss citizen – executive member

Michel Vukotic completed the Wirtschaftsgymnasium, Freudenberg with certificate, Type E in 1978. Between 1978 and 1984 he studied at University of St. Gallen and graduated with a Business Management degree. Following this, he completed four post-graduate Seminars at University of Zurich.

During his studies he held an Internship at FIDES Revision, Zurich, before joining Etterlin, Klipstein & Partner AG, Zurich, as a tax advisor (1984 – 1987). Between 1987 and 2017, he held various positions at Bank Julius Baer, Zurich, starting in the Capital Market Department (1987 – 1992), then Derivatives Switzerland (1992) before being the sector head at Equity Trading (1993 – 1997). Following this he was the head of the Securities Department (1997 – 2001), key account manager at Special Client Services (2001 – 2004) and relationship manager in the Zurich Special Client Services department (2004 – 2017).

Since May 2017, Michel Vukotic is also a non-executive member of the Board of Directors of Absolute Invest and since September 2017, he acts as the head of the Investment Committee of Alpine Select Ltd.

3.2 Other current key activities and functions held by board members

In accordance with the Corporate Governance Directive and the corresponding commentary of the SIX Swiss Exchange, mandates, and interest ties of the members of the Board of Directors of Alpine Select with exchange-listed domestic and foreign companies as well as with domestic and foreign finance companies outside the Alpine Group are listed below and are in addition to those stated in Note 3.1 above.

Raymond J. Baer

- Honorary Chairman of the Julius Baer Group and of Bank Julius Baer & Co. AG, Zurich
- President of the Julius Baer Group pension fund
- Chairman of the Board of Directors of Longbow Finance SA, Lutry and of Benecare Foundation, Vaduz
- Vice-chairman of the Board of Directors of Crypto Fund AG, Zug and of the Foundation Board of the Asia Society Switzerland Foundation, Zurich
- Member of the Board of Directors of AMAG Automobil und Motoren AG, Cham and of Crypto Finance AG, Zug
- Member of the supervisory board of Lakestar SPAC 1 SE, Luxembourg

Thomas Amstutz

- Member of the Board of Directors of Castle Private Equity AG, Freienbach; Baloise Bank SoBa AG, Solothurn and Vicenda Asset Management AG, Baar
- Member of the Asset Allocation Committee of Hesta AG, Zug

Michel Vukotic

- Member of the Board of Directors of richnerstutz ag, Villmergen and Trinsic AG, Zug
- Senior advisor for Bank Julius Baer & Co. AG, Zurich

3.3 Statutory clause regarding the number of allowed mandates

The members of the board of directors are not allowed to exercise more than seven additional mandates in companies listed on an official stock exchange and ten additional mandates in companies that are not listed on a stock exchange. Mandates in different legal entities, which are under common control, are to be considered as one mandate (Art. 13, para. 5 of the articles of association).

The following mandates do not fall under the aforementioned restrictions, provided that a member of the board of directors does not exercise more than ten such mandates:

- a. Mandates in enterprises controlled by the Company; and
- b. mandates in associations, foundations, non-profit organizations, trusts, employee benefit schemes and other comparable structures.

3.4 Elections and term of office

The board of directors consists of no less than three and no more than six members (Art. 13, para. 1 of the articles of association).

The chairman, the other members of the board of directors as well as the members of the compensation committee of the board of directors are elected by the shareholders' meeting on an individual basis for a term of office of one year. The term of one year is deemed to signify the period from one ordinary shareholders' meeting to, and including, the next. Members whose term of office expires are eligible for immediate re-election.

If the office of chairman becomes vacant, the board of directors shall appoint a new chairman for the remaining term of office. If vacancies arise in the compensation committee, the board of directors may, for the period until the next ordinary shareholders' meeting, either fill such vacancies with its members or leave them open.

Information concerning the term of office of the current members of the board of directors is listed in the following table:

Member	Function	1st time election	Elected until
Raymond J. Baer	Chairman and non-executive member BoD	25 April 2013	2021
	Chairman of the compensation committee	26 May 2014	2021
Thomas Amstutz	Non-executive member BoD	18 April 2012	2021
Dieter Dubs	Non-executive member BoD	25 April 2013	2021
	Member of the compensation committee	26 May 2014	2021
Michel Vukotic	Executive member BoD	22 May 2017	2021

3.5 Internal organization

3.5.1 Responsibilities and competencies

The board of director consists of no less than three and no more than six members. The board constitutes itself subject to legal and statutory provisions. It appoints a secretary who does not need to be a member of the board of directors.

The chairman, the other members of the board of directors as well as the members of the compensation committee are elected by the shareholders' meeting on an individual basis for a term of office of one year (from one ordinary shareholders' meeting to, and including, the next). Members whose term of office expires are eligible for immediate re-election. If the position of chairman becomes vacant, the board of directors shall appoint a new chairman for the remaining term of office.

The board of directors meets at the invitation of the president as often as business requires, but at least four times a year. During 2020, the board convened four times.

The Board of Directors has a quorum if the majority of members are present. The board passes its resolutions and carries out its elections with a majority of the votes of the members in attendance. In the event of a tie, the president's vote is decisive. No quorum is required for resolutions on statements about capital increases that have already taken place.

Resolutions may also be passed by way of a circular resolution in writing or by using electronic means or email respectively, unless a member requests an oral discussion within five days of receipt of the proposed resolution. Circular resolutions and resolutions taken by telephone conference require the approval of the majority of the members of the board of directors.

The board of directors operates according to the CO, the Company's articles of association and its organizational regulations. The board's non-transferable and inalienable tasks are outlined in the Company's organizational regulations (<https://www.alpine-select.ch/images/alpine/ALPN-Organizational-Regulations.pdf>).

3.5.2 Committees

The board of directors has formed a compensation and an investment committee.

The compensation committee of Alpine Select

The compensation committee consists of two to three members of the board of directors who are elected individually by the shareholders' meeting. The board of directors appoints one of the members as chairman and issues regulations for the compensation committee.

The compensation committee in principle has the following duties and responsibilities:

1. Proposal to the board of directors on the structure of the compensation policy and the compensation guidelines;
2. Proposal to the board of directors on the maximum total amount of compensation to the board of directors and the management in accordance with article 22 of the articles of association;
3. Proposal to the board of directors on the compensation for members of the board of directors;
4. Proposal to the board of directors on the compensation and conditions of employment of the members of the management, including compensation-relevant decisions in connection with the termination of the employment relationship;
5. Proposal of the compensation report to the board of directors;
6. Proposal to the board of directors for changes to the compensation rules;
7. Other duties and responsibilities entrusted to it by the articles of association or the board of directors.

In 2020, the compensation committee met once. As per 31 December 2020, the committee consists of Raymond J. Baer (chairman) and Dieter Dubs.

The investment committee of Alpine Select

The investment committee advises the board of directors extensively on investment issues. The committee consists of two to six members of the board of directors. The board of directors appoints the chairman from the members of the investment committee. Any board member who is not a member of the investment committee has the right to attend the meetings as a guest. The investment committee meets as often as business requires, but at least four times a year. The chairman of the committee is free to invite guests for special topics.

The investment committee has the following duties and responsibilities:

1. Proposal to the board of directors on the direction of the investment policy and the investment strategy in general, in line with the investment guidelines;
2. Proposal to the board of directors on investment allocations (geographical or by investment styles) and «exit scenarios», in line with the investment guidelines;
3. Proposal to the board of directors on specific investments and/or divestments, in line with the investment guidelines;
4. Recommendations to the board of directors on framework decisions in regard to investments in financial products;
5. Continuous monitoring and – if required – suggestions to the board of directors on changes to the investment guidelines;
6. Other duties and responsibilities entrusted to it by the articles of association or the board of directors.

The investment committee submits recommendations to the board of directors. The ultimate investment decision lies with the board of directors.

In 2020, the members of the investment committee met three times in person. Further discussion on the topics of investments, the Alpine Group portfolio, etc. took place in the board meetings and on a bilateral level. As per 31 December 2020, the committee consists of Michel Vukotic (head), Raymond J. Baer (member) and Thomas Amstutz (member).

3.6 Definition of areas of responsibility

The board of directors is entrusted with the ultimate direction of the Company as well as the supervision of the management. It represents the Company towards third parties and attends to all matters which are not delegated to or reserved for another corporate body of the Company by law, the articles of association or the regulations.

The board of directors may entrust the management, wholly or in part, and the representation of the Company to one or several individual persons, members of the board of directors or third parties. It may entrust the asset management, wholly or in part, to a legal person. The board of directors shall enact the organizational regulation and arrange for the appropriate contractual relationships or take the appropriate resolutions for the transfer of the management.

3.7 Information and control instruments vis-à-vis the management

Internal Control System («ICS»)

The board of directors ensures that the executive committee establishes and maintains an ICS, which is tailored to the dimensions of the Alpine Group and the risks involved in its business activities. The external auditors review the existence of the ICS as part of the annual audit and submit an annual report to the board of directors.

The members of the board of directors receive the NAV calculation and details for the valuation of specific assets on a weekly basis. In order to control and review the functioning of and the compliance with the ICS as well as the Company's general activities, the chairman of the board of directors regularly discusses with the chief executive officer issues at hand, identifies and discusses risks and possible remedies and works through a checklist to e.g. ensure processes are followed, payments are made, dividends are collected, risks are weighted.

Risk management

The board of directors conducts an annual risk assessment that is usually discussed and approved at the board's year-end meeting. Depending on the outcome, internal processes might be amended.

4. Management

4.1 Members of management

The board of directors has delegated the operational management of the Company to the members of the management.

As of 31 December 2020, the members of the management are:

Claudia Habermacher, Swiss citizen, born 1969, joined the Company on 1 July 2013 and acts as the Company's chief executive officer since 1 January 2014. Before joining Alpine Select, Claudia Habermacher was a project manager at GAM Anlagefonds Ltd. («GAM») for more than seven years. Among others, at GAM she was in charge of the fund administration of a Swiss listed hedge fund. Prior to her engagement with GAM, she was at creInvest Ltd. responsible for heading the office and overall responsibility in the day-to-day work required to provide professional and administrative support to the CEO and the members of the board of directors. Claudia Habermacher completed her commercial apprenticeship in 1989. She has attended various professional training courses, lastly the certified Swiss Fund Officer FAIAF (fund-academy AG, Zurich).

Since 23 December 2013, Claudia Habermacher also acts as the chief executive officer of Absolute Invest. In addition, she is a member of the managing board of the Swiss Association of Investment Companies («SAIC») since March 2014.

Lukas Hoppe, Swiss citizen, born 1983, joined the Company on 1 May 2018 and acts as the Company's chief operating officer. Before joining Alpine Select, Lukas Hoppe was with Bank Julius Baer in a Business Development role (2015-2018). Before that he held various business and risk management functions with Credit Suisse Group Ltd. as well as with UBS Ltd. (2009-2015). Lukas Hoppe holds a Bachelor's Degree in Business Management (Major in International Management) from Zurich University of Applied Sciences (2009).

Michel Vukotic, Swiss citizen, born 1958, is a member of the Board of Directors of Alpine Select since 1 May 2017 and acts as the Company's chief investment officer since 1 September 2017. For more on Michel Vukotic please see the respective section in Note 3.1 and 3.2.

4.2 Statutory clause regarding the number of allowed mandates

Members of the management may, subject to the approval of the board of directors, exercise a maximum of five mandates in listed or unlisted companies (Art. 13, para. 5 of the articles of association). Mandates in different legal entities, which are under common control, are to be considered as one mandate.

4.3 Management contracts

Neither management contracts nor agreements of a similar nature exist. Regarding advisory contracts see Note 19 of the Consolidated Financial Statements on page 57.

5. Compensation, shareholdings and loans

5.1 Compensation of the board of directors and the management

Details of the compensation to the members of the board of directors and the management, as well as how this is determined, can be found in the Compensation Report (Note 2 *Determination principles and authority of compensation*) on page 26ff.

5.2 Approval of the compensations by the shareholders' meeting

The shareholders' meeting approves the motions of the board of directors separately and annually with regard to (Art. 22 of the articles of association):

- a. The maximum total amount of the fixed compensation for the board of directors for the period until the next ordinary shareholders' meeting; and
- b. the maximum total amount of the fixed compensation and the variable compensation component for the management for the following business year.

If new members of the management are appointed after a resolution has been approved, a supplementary amount of a maximum of 100% of the total amount approved for the management for the year in question is available for their compensation and to offset any disadvantages in connection with the change of job. This does not require the approval of the shareholders' meeting.

5.3 Share ownership of members of the board of directors and management

The share ownership of members of the board of directors and management is disclosed in the statutory financial statements, see Note 9 on page 70.

6. Shareholders' participation rights

6.1 Voting-rights restrictions and representation

Each share entitles to one vote. There are no voting right restrictions and each shareholder can exercise his voting rights at the annual shareholders' meeting.

Each shareholder may be represented at the shareholders' meeting only by his legal representative or, by virtue of a written proxy, by another shareholder entitled to vote, or by the independent proxy. Members of the board of directors and the management may represent other shareholders provided that this is not an institutionalized practice.

The board of directors may establish procedural rules for the participation in and the representation at the shareholders' meeting and in particular rules on issuing instructions to the independent proxy. The board of directors ensures that shareholders may submit electronic proxies and instructions to the independent proxy, by which he/she is authorized to wholly or partially waive the requirement for a qualified electronic signature.

6.2 Quorums

A resolution of the shareholders' meeting passed by at least two thirds of the voting shares represented and the absolute majority of the par values of the shares represented is required for:

1. The cases listed in article 704 paragraph 1 CO;
2. The alleviation or suspension of the restriction regarding the transfer of registered shares;
3. The conversion of registered shares into bearer shares;
4. The dissolution of the Company by way of liquidation;
5. The dismissal of the board of directors according to article 705 paragraph 1 CO;

6. The amendment of article 13 of the articles of association regarding election and term of office of the board of directors;
7. The removal of restrictions contained in the articles of association regarding the adoption of resolutions in the shareholders' meeting, in particular those of article 12.

6.3 Convocation of the shareholders' meetings

The shareholders' meetings shall be convened by the board of directors and, if needed, by the auditors. The liquidators are also entitled to convene a shareholders' meeting. The shareholder's meeting shall be convened by letter to the shareholders and usufructuaries at least 20 days prior to the meeting. The convocation letter must include the date, time and place of the meeting, the agenda items as well as the motions of the board of directors and of the shareholders who have requested that a shareholders' meeting be called or that an item be placed on the agenda (Art. 9 para. 1 and para. 2 of the articles of association).

Extraordinary shareholders' meetings shall be convened by the board of directors within 60 days if shareholders representing at least ten percent of the share capital request such meeting in writing, setting forth the agenda items and the motions (Art. 8 para. 3 of the articles of association).

6.4 Inclusion of items on the agenda

Shareholders representing at least ten percent of the share capital may request items to be placed on the agenda. Such request must be filed at least 45 days prior to the respective shareholders' meeting in writing, setting forth the agenda items and the motions (Art. 8 para. 4 of the articles of association).

6.5 Entries in the share register

The board of directors maintains a share register for registered shares in which owners and benefactors are listed with name and address. Only those persons who are registered in the share register are recognized as shareholders or benefactors. No entries are made in the share register between the cut-off date determined by the board of directors and the day following the shareholders' meeting. The board of directors announces the cut-off date in the invitations to the shareholder's meeting. No exception was granted in the reporting year.

7. Changes in control and defense measures

7.1 Duty to make an offer

No rules regarding change of control and defensive measures have been made in the Company's articles of association.

7.2 Clauses on change-of-control

No agreements or statutory requirements which could affect or influence a change in control of the Company do exist. In particular, no member of the board of directors nor of the management benefits from a contractual clause on change-of-control situations.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The external auditors are elected by the shareholders' meeting each year, and have the rights and obligations, assigned to them by law (Art. 18 of the articles of association). The lead auditor may hold his engagement for a maximum of seven consecutive years but may resume the engagement after a break of three years.

At the annual shareholders' meeting on 20 May 2020, BDO Ltd. («BDO»), was elected as the Company's new auditor, replacing KPMG Ltd., Zurich («KPMG»). Marc Escher is the lead auditor, responsible for BDO's first audit for the financial year 2020.

8.2 Audit fees

BDO's fees for auditing the 2020 annual report and the 2020 compensation report are CHF 71,500 (2019: CHF 95,000 to KPMG).

8.3 Additional fees

An amount of CHF 18,000 was paid to BDO in connection with their interim review as of 30 June 2020. During the year 2019 an amount of CHF 45,000 was paid to KPMG in connection with their interim review as of 30 June 2019. KPMG billed the cost for the conversion from IFRS to Swiss GAAP FER at around CHF 34,000. In addition, an amount of CHF 7,000 regarding the reduction of capital and CHF 12,600 regarding various projects were paid to KPMG.

8.4 Informational instruments pertaining to the external audit

The work of external auditors and their independence is assessed and examined by members of the board of directors and the chief executive officer in a post audit meeting. The quality, the know-how and the timely reports are major factors in assessing the work of the auditors. Their written reports, findings and suggestions are discussed regularly at meetings of the board of directors. Meetings between members of the board of directors and/or the management as well as the auditors are held whenever deemed necessary. In 2020, four such meetings took place.

9. Information policy

The Company maintains a transparent and pertinent information policy and complies with the ad-hoc publicity guidelines. Shareholders and any other stakeholders are regularly and timely informed through weekly NAV estimates, monthly reports, half-year and annual reports as well as at the annual shareholders' meeting. In addition, the NAV is also published in the Swiss newspaper 'Finanz und Wirtschaft' and is available at various data providers.

In accordance with legal requirements, the annual report is published no later than 20 days prior to the annual shareholders' meeting. A copy of the report is downloadable from the Company's website and is emailed to all shareholders and interested parties that have subscribed the specific service. In addition, investors receive a print copy of the annual report by mail upon their respective request.

Additional information which could affect the share price is published in accordance with SIX Exchange Regulation, Directive on Ad hoc Publicity.

News releases (including ad-hoc news, estimated NAV, monthly reports) can be downloaded from the Company website <https://www.alpine-select.ch/en/news>. Investors are invited to join the email distribution by subscribing to the respective service at [Register for Email Alerts \(alpine-select.ch\)](#).

The corporate calendar is published on the Company's website at [Investors \(alpine-select.ch\)](#).

10. Contact address

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Compensation Report

1.	Introductory note	26
2.	Determination principles and authority of compensation	26
3.	Compensation of as well as loans and credits to the board of directors, the management and related parties	28

Compensation Report

The compensation report contains information about the compensation system, establishment procedures and compensation components for the members of the Board of Directors and the members of the Management of Alpine Select Ltd. (the «Company», «Alpine Select»). It also details, the compensation awarded in the last two financial years.

The content and scope of the disclosures comply with the transparency requirements set out in Articles 13 – 16 of the Swiss Ordinance against Excessive Compensation in Listed Stock Companies («OaEC»), the SIX Swiss Exchange Directive on Information relating to Corporate Governance and article 663b^{bis} of the Swiss Code of Obligations («CO»), and the Company's articles of association.

1. Introductory note

Alpine Select is an investment company with the objective to obtain capital appreciation from investments in core investment strategies: discount-, risk-arbitrage, tactical exploitation of under-researched companies / situations, short term opportunities and liquid hedge funds.

Pursuant to article 716b CO and article 14, paragraph 2 of the articles of association, the board of directors may entrust the management, wholly or in part, and the representation of the Company to one or several individual persons, members of the board of directors or third parties. It may entrust the asset management, wholly or in part, to a legal person. The board of directors has exercised this authority in accordance with article 716b CO and has delegated the responsibility for running the Company to the management.

The board of directors established a compensation committee in year 2014.

2. Determination principles and authority of compensation

2.1 Compensation of the members of the board of directors

The individual members of the board of directors receive a function and task-related fixed compensation of which the majority is paid in cash, and may receive other benefits and services, which also qualify as compensation. In addition, the members of the board of directors are entitled to reimbursement of the expenditures incurred by them in the interest of the Company. The board of directors regulates the details of the compensation of its members in the compensation rules (Art. 19 of the articles of association).

2.2 Compensation of the members of the management

The members of the management receive a fixed compensation as well as, if applicable, a variable compensation.

The fixed compensation consists of basic compensation or the basic salary including fringe benefits plus employer contributions to social security and, if applicable, contributions to occupational provisions. The variable compensation for the management is paid as a short-term variable compensation component in cash, plus employer contributions to social security and, if applicable, contributions to occupational provisions. If members of the management receive a variable compensation, the following principles apply:

1. The short-term variable compensation component is determined by the board of directors at the request of the compensation committee.

2. The variable compensation component is linked to the success of the investments made by the Company and the therewith associated financial targets, to possible special projects as well as to the personal goals of the individual members of the management. The board of directors determines the variable compensation for the members of the management on this basis and in accordance with the corresponding regulations, taking into account the Company's success and the achievement of personal goals.
3. The variable compensation principles are implemented by the board of directors in regulations and explained in the annual compensation report.

2.3 Common provisions for the compensation of the board of directors and the management

Members of the board of directors and the management receive neither credits nor loans from the Company and do not participate in any share or option-based profit and/or participation plans of the Company.

The compensations may be paid by the Company or its group companies.

Compensations to members of the board of directors or the management for activities in companies which are directly or indirectly controlled by Alpine Select are admissible. These compensations are included in the amount of the total compensation to the board of directors and the management, which the shareholders' meeting needs to approve according to article 22 of the articles of association.

The Company may compensate and pay appropriate advance payments to the members of the board of directors and the management for any disadvantages incurred in relation to proceedings, litigations or settlements in connection with their activities for the Company or one of its participations and may conclude insurances.

Further details on the compensation of the board of directors and the management are determined by the board of directors in the compensation rules. The document can be downloaded from the Company's website, in German only <https://www.alpine-select.ch/images/downloads/ALPN-Compensation-Rules.pdf>.

Employment contracts with the members of the management and possible contracts with members of the board of directors, which form the basis of the compensation of the respective members, are concluded for a fix period of a maximum of one year or for an indefinite period of time with a cancellation period of a maximum of twelve months at the end of a calendar month.

2.4 Authority and determination of compensation

Alpine Select's compensation committee acts as the relevant body in accordance with the OaEC and the articles of association, subject to revision in accordance with the OaEC.

The compensation committee consists of two to three members. The shareholders' meeting elects the members of the compensation committee on an individual basis for a term of office of one year. The term of one year is deemed to signify the period from one ordinary shareholders' meeting to, and including, the next. Members whose term of office expires are eligible for immediate re-election.

Compensation Report

The board of directors appoints the chairman from the members of the compensation committee and issues regulations that define the responsibilities of this committee, taking into account Swiss law and the Company's articles of association. If vacancies arise in the compensation committee, the board of directors may, for the period until the next ordinary shareholders' meeting, either fill such vacancies with its members or leave them open.

The compensation committee in principle has the following tasks and responsibilities:

1. Proposal to the board of directors on the structure of the compensation policy and the compensation guidelines;
2. Proposal to the board of directors for the maximum total amount of compensation to the board of directors and the management in accordance with article 22 of the articles of association;
3. Proposal to the board of directors on the compensation for members of the board of directors;
4. Proposal to the board of directors on the compensation and conditions of employment of the members of the management, including compensation-relevant decisions in connection with the termination of the employment relationship;
5. Proposal of the compensation report to the board of directors;
6. Proposal to the board of directors for changes to the compensation rules;
7. Other duties and responsibilities entrusted to it by the articles of association or the board of directors.

The compensation of the board of directors and the management according to article 22 of the articles of association are subject to authorization by the annual shareholders' meeting.

3. Compensation of as well as loans and credits to the board of directors, the management and related parties

3.1 Compensation of the board of directors and the management in 2020 (audited)

in CHF	Gross salary	Various compensation	Social security contributions	Pension fund contributions	Total compensation
Name/Function					
Raymond J. Baer <i>Chairman and non-executive member BoD</i>	135 000		11 029	14 415	160 444
Thomas Amstutz ¹⁾ <i>Non-executive member BoD</i>	40 000		0	0	40 000
Dieter Dubs <i>Non-executive member BoD</i>	40 000		3 268		43 268
Michel Vukotic <i>Executive member BoD</i>	40 000		3 268		43 268
<i>Head of the investment committee</i>	180 000		14 275	16 670	210 945
Claudia Habermacher <i>Chief executive officer</i>	150 000		12 244	13 939	176 183
Lukas Hoppe <i>Chief operating officer</i>	200 000	20 000	17 543	15 565	253 108

¹⁾ The fee for the board of directors' compensation is billed by LotusPeak with the additional services provided by the company (see Note 3.6 below).

Additionally, and in accordance to the Company's compensation rules as approved by the Cantonal Tax Administration of the Canton of Zug on 15 May 2006, a flat-rate allowance was paid out as follows:

- Raymond J. Baer CHF 15,000
- Claudia Habermacher CHF 10,000
- Michel Vukotic CHF 15,000
- Lukas Hoppe CHF 15,000

For further compensation paid in 2020 to the members of the board of directors and the management, see Note 3.6 below.

3.2 Compensation of the board of directors and the management in 2019 (audited)

in CHF	Gross salary	Social security contributions	Pension fund contributions	Total compensation
Name/Function				
Raymond J. Baer <i>Chairman and non-executive member BoD</i>	135 000	10 824	14 402	160 226
Thomas Amstutz <i>Non-executive member BoD</i>	40 000	3 207	0	43 207
Dieter Dubs <i>Non-executive member BoD</i>	40 000	3 207		43 207
Michel Vukotic <i>Executive member BoD</i>	40 000	3 207		43 207
<i>Head of the investment committee</i>	180 000	13 998	16 857	210 855
Claudia Habermacher <i>Chief executive officer</i>	150 000	12 014	14 045	176 059
Lukas Hoppe <i>Chief operating officer</i>	200 000	15 722	15 584	231 306

Additionally, and in accordance to the Company's compensation rules as approved by the Cantonal Tax Administration of the Canton of Zug on 15 May 2006, a flat-rate allowance was paid out as follows:

- Raymond J. Baer CHF 15,000
- Claudia Habermacher CHF 10,000
- Michel Vukotic CHF 15,000
- Lukas Hoppe CHF 15,000

3.3 Loans and credits to the board of directors and the management

For the year 2020, no loans or credits by the Company or its subsidiary have been granted to members of the board of directors or the management, and there were none outstanding at year-end (year 2019: None).

3.4 Compensation, loans and credits to related parties

No compensation was paid, nor loans or credits granted to related parties at non-market conditions in 2020, and there were none outstanding at year-end 2020 (year 2019: None).

3.5 Compensation to former members of the board of directors and management

No payments were made to former members of the board of directors or management during the year 2020 (year 2019: None).

3.6 Advisory agreements

Effective 1 January 2020 a consulting and service agreement exists between Alpine Select and Lotus Peak Capital Pte Ltd («Lotus Peak») for a total amount of TCHF 148 per year (of which TCHF 40 pertain the board fee of Thomas Amstutz). Thomas Amstutz, member of the Board of Directors of Alpine Select, is a member of the management of Lotus Peak.

Dieter Dubs is a partner of Baer & Karrer Ltd., Zurich. During the year to 31 December 2020, TCH 50 were booked in connection with legal services rendered by Baer & Karrer of which TCHF 0 were not yet paid at 31 December 2020 (2019: TCHF 108 / TCHF 0).

**Report of the
Statutory Auditor on the
Compensation Report**

Report of the Statutory Auditor on the Compensation Report to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



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REPORT OF THE STATUTORY AUDITOR

To the General Meeting of
Alpine Select Ltd., Zug

We have audited the accompanying remuneration report of Alpine Select AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14 - 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the notes 3.1 to 3.6 on pages 28 to 30 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 - 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 - 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2020 of Alpine Select Ltd. complies with Swiss law and articles 14 - 16 of the Ordinance.

Zurich, 7 April 2021

BDO Ltd

Franco A. Straub

Licensed Audit Expert

Marc Escher

Auditor in Charge
Licensed Audit Expert

**Consolidated
Financial Statements**

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

in TCHF	Note	31-Dec-20 (audited)	31-Dec-19 (audited)
Cash		6 425	20 972
Derivatives	5/6	1 150	1 652
Other receivables		1 921	2 952
Prepayments and accrued income		119	54
Total current assets		9 615	25 630
Financial assets	6	125 151	127 150
Total non-current assets		125 151	127 150
TOTAL ASSETS		134 766	152 780
Bank overdrafts		0	639
Derivatives	5/6	85	22
Other short-term liabilities		448	99
Accrued liabilities and deferred income		1 592	1 097
Total current liabilities		2 125	1 857
Deferred tax liabilities		134	877
Total non-current liabilities		134	877
Share capital	10.1	185	206
Capital reserves		15 388	15 388
Treasury shares	10.5	-3 712	-14 975
Cumulative translation adjustments		-4 121	-2 413
Retained earnings		117 554	136 598
Equity attributable to shareholders of Alpine Select		125 294	134 804
Non-controlling interests		7 213	15 242
Total equity		132 507	150 046
TOTAL LIABILITIES AND EQUITY		134 766	152 780
Net asset value (NAV) per share in CHF	16	13.96	14.45

The consolidated financial statements 2020 have been prepared in accordance with Swiss GAAP FER. The enclosed notes form an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

in TCHF	Note	2020	2019
Net investment gain	11	8 495	17 082
Dividend income		473	638
Interest income		136	87
Other income		97	92
Operating income		9 201	17 899
Administrative expenses	12	-2 592	-2 654
Net foreign exchange loss		-25	-45
Interest expenses		-112	-56
Operating expenses		-2 729	-2 755
Profit before income tax		6 472	15 144
Income tax expense	14	-633	-1 400
PROFIT FOR THE YEAR		5 839	13 744
• Of which attributable to shareholders of Alpine Select		6 128	13 484
• Of which attributable to non-controlling interests		-289	260
Earnings per share in CHF (basic and diluted)	15	0.67	1.35

The consolidated financial statements 2020 have been prepared in accordance with Swiss GAAP FER. The enclosed notes form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

in TCHF	Note	2020	2019
Profit for the year		5 839	13 744
Adjustments for:		0	
• Net investment gain	11	-8 495	-17 082
• Dividend income		-473	-638
• Interest income		-136	-87
• Interest expenses		112	56
• Income tax		633	1 400
• Other non-cash items		88	-54
Decrease in other receivables, prepayments, and accrued income		9	196
Increase / (decrease) in other short-term liabilities, accrued liabilities and deferred income		109	-281
Withholding taxes received		2 886	2 720
Dividends received		466	558
Interest paid		-112	-56
Interest received		70	120
Income tax paid		-721	-740
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		275	-144
Purchases of		0	
• Financial assets (long positions)	6/7.1	-63 230	-59 925
• Derivatives (trading options)	6	0	-1 330
• Financial assets previously sold short	6	-2 979	-6 627
Proceeds from		0	
• Sale of financial assets (long positions)	6/7.2	64 812	108 134
• Sale of derivatives (trading options)	6	0	47
• Short sale of derivatives (trading options sold short)	6	2 621	4 259
Net cash inflow / (outflow) from currency forwards		6 282	-3 425
CASH INFLOW FROM INVESTING ACTIVITIES		7 506	41 133

The consolidated financial statements 2020 have been prepared in accordance with Swiss GAAP FER. The enclosed notes form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)

in TCHF	Note	2020	2019
Acquisition of treasury shares	10.5	-4 677	-20 089
(Outflows) for / inflows from shares from non-controlling interests		-7 740	1 136
Dividend paid to shareholders of Alpine Select		-9 258	-3 085
CASH OUTFLOW FROM FINANCING ACTIVITIES		-21 675	-22 038
Translation adjustment on net cash		-14	-67
Net (decrease) / increase in cash		-13 908	18 884
Net cash at 1 January		20 333	1 449
NET CASH AT 31 DECEMBER		6 425	20 333
Net cash at 31 December consists of:			
• Current accounts at banks		6 425	20 972
• Less bank overdrafts		0	-639
NET CASH AS DEFINED FOR THE CONSOLIDATED CASH FLOW STATEMENT		6 425	20 333

The consolidated financial statements 2020 have been prepared in accordance with Swiss GAAP FER. The enclosed notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TCHF	Note	Share capital	Capital reserves	Treasury shares	Cumulative translation adj.	Retained earnings	Equity attributable to shareholders of Alpine Select Ltd.	Non-controlling interests	Total equity
Balance at 1 January 2019		224	15 388	-9 878	-2 017	141 167	144 884	13 846	158 730
Profit for the year						13 484	13 484	260	13 744
Currency translation adj. recognized in the year					-396		-396		-396
Dividend paid to shareholders of Alpine Select						-3 085	-3 085		-3 085
Acquisition of shares by non-controlling interests							0	1 136	1 136
Acquisition of treasury shares, net of income tax	10.5			-20 083			-20 083		-20 083
Cancellation of treasury shares	10.5	-18		14 986		-14 968	0		0
Balance at 31 December 2019		206	15 388	-14 975	-2 413	136 598	134 804	15 242	150 046
Profit / (loss) for the year						6 128	6 128	-289	5 839
Currency translation adj. recognized in the year					-1 708		-1 708		-1 708
Dividend paid to shareholders of Alpine Select						-9 258	-9 258		-9 258
Acquisition of shares by non-controlling interests							0	-7 740	-7 740
Acquisition of treasury shares, net of income tax	10.5			-4 672			-4 672		-4 672
Cancellation of treasury shares	10.5	-21		15 935		-15 914	0		0
Balance at 31 December 2020		185	15 388	-3 712	-4 121	117 554	125 294	7 213	132 507

The consolidated financial statements 2020 have been prepared in accordance with Swiss GAAP FER. The enclosed notes form an integral part of the consolidated financial statements.

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1. General information

Alpine Select Ltd. (the «Company», «Alpine Select») is a limited liability company incorporated on 17 September 1997 under the laws of Switzerland. Its registered shares are listed on the SIX Swiss Exchange since 1998. The address of its registered office is Gotthardstrasse 31, 6300 Zug / Switzerland.

The Company offers institutional and individual investors the key benefit of investing into a diversified alternative investment portfolio with core investment strategies: discount-, risk-arbitrage, tactical exploitation of under-researched companies / situations, short-term opportunities, and liquid hedge funds.

As of 31 December 2020, the Company has three employees.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements of Alpine Select are based on uniform accounting and valuation principles applicable to all subsidiaries of Alpine Group and have been prepared in accordance with Swiss GAAP FER 31 «Additional recommendations for listed companies» and the requirements of the Swiss Code of obligations (CO).

The consolidated financial statements were approved by the Board of Directors of Alpine Select on 7 April 2021 and released for publication on 16 April 2021. They are also subject to approval by the shareholders' meeting on 17 May 2021.

2.2 Basis of preparation

The consolidated financial statements were prepared in Swiss Francs («CHF») or thousands of Swiss Francs («TCHF»). In some cases, the sum of the figures given in this report may not precisely equal the stated totals, and percentages may not be exact due to rounding.

Financial reporting in compliance with Swiss GAAP FER requires management to make estimates and assumptions as well as to exercise its judgment in applying the accounting principles. This can affect the reported amounts of income, expense, assets, liabilities and contingent liabilities as at the reporting date. If, at a later date, estimates and assumptions of this kind, which were made by management at the reporting date to the best of its knowledge, should deviate from the actual situation, the original estimate and assumptions will be adjusted in the reporting year in which the conditions have changed.

The consolidated financial statements have been prepared under the historical cost principle except for financial assets and derivatives which are recorded at fair value (see also Note 3.5).

3. Basis of consolidation

3.1 Scope and principles of consolidation

The consolidated financial statements comprise the financial statements of Alpine Select («parent company») and the subsidiaries which the parent company, directly or indirectly, controls either by holding more than 50% of the voting rights or by otherwise having the power to govern their operating and financial policies («Alpine Group»). These subsidiaries are fully consolidated. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The following table shows the companies that are included in the consolidation:

Company	Country	Currency	Share capital in TLC	31-Dec-20	31-Dec-19
Alpine Select Ltd.	Switzerland	CHF	185	100.00%	100.00%
Absolute Invest Ltd.	Switzerland	CHF	600	100.00%	100.00%
Altin (Cayman) Ltd.	Cayman Islands	USD	n/a	100.00%	100.00%
Alpine Select Alternative Fund	Liechtenstein	CHF	n/a	88.61%	77.86%

Intercompany balances and transactions are eliminated during consolidation. Gains arising from intercompany transactions would be eliminated if such occur. Non-controlling interests are presented as component of equity in the consolidated balance sheet and of the profit / (loss) for the year in the consolidated income statement.

Acquisitions of subsidiaries and business are accounted for using the purchase method. The consideration paid plus directly attributable transactions costs for each acquisition are eliminated at the date of acquisition against the fair value of the net assets acquired, determined based on uniform accounting policies. Any excess of the consideration transferred over the net assets acquired would be recognized as goodwill.

For investments in which Alpine Group holds an interest of 20% to 50% and over which Alpine Group exercises significant influence but neither controls nor manages them («associated companies»), the equity method is applied to include such investments in the consolidated financial statements. Associated companies would be included in the balance sheet under the caption «Financial assets». Investments in which Alpine Group holds an interest of 20% to 50% but neither exercises significant influence nor controls or manages them are recognized in the consolidated financial statement at fair value in the income statement and are reported in the balance sheet under the caption «Financial assets».

Investments in which Alpine Group holds less than 20% voting rights are accounted for at fair value and presented under «Financial assets».

All companies within the scope of consolidation have a 31 December year-end.

The above-described scope of consolidation applies to the years ended 31 December 2020 and 2019.

3.2 Critical accounting estimates and judgment

The most critical judgments and estimates relate to the valuation of Alpine Group's unlisted investments valued at fair value. Unlisted investments are recorded at the (adjusted) net asset value as reported by the managers or administrators of such investments. This value is considered fair value as this amount is estimated to represent the amount at which the unlisted investment funds could be exchanged in an arm's length transaction. Fair value estimates are made at a specific point in time and are subjective in nature. Fair values can therefore not be determined with precision. The fair values might be impacted by changes in factors such as the nature of the business, the industry and economic outlook (local as well as global) and earnings capacity of the fund.

Alpine Group holds multiple investments and ownership interests in the form of redeemable shares.

3.3 Foreign currency conversion

Transactions in foreign currencies are converted at the rate of exchange as of the transaction date. Gains and losses from foreign currency transactions and from converting year-end foreign currency balances are recognized in the income statement.

The financial statements of subsidiaries that report in foreign currencies are translated into Swiss Francs as follows:

- Balance sheet items: at year-end exchange rates
- Income statement and cash flow statement items: at average exchange rates for the year
- Equity: at historical rates

The translation differences resulting from the conversion of financial statements denominated in foreign currencies are directly charged to equity.

		31-Dec-20	31-Dec-19
USD / CHF			
Balance sheet	End of December	0.88394	0.96819
Items of income statement and cash flow	Average rate for the year	0.93861	0.99369

3.4 Cash

Cash is stated at nominal value and includes bank accounts at sight.

3.5 Derivates (current)

Derivates may include trading options, currency forwards and short positions.

3.6 Other receivables

Other receivables are stated at nominal values and result from withholding taxes, receivables from investments sold, subscriptions or other miscellaneous events. Value adjustments for doubtful positions are recognized if needed.

3.7 Financial assets

Financial assets may include equity investments, bonds, collective investment schemes, hedge funds or futures. They are recorded at fair value, which for listed investments is determined by reference to the quoted market price at the balance sheet date. Changes in fair value are recorded in the consolidated income statement in the line *net investment gain / (loss)*. Transactions are recognized on the trade date. The valuation method used for unlisted funds and equities is the «adjusted net asset value method». In determining the fair value of investments for which quotations are not readily available, the valuation is generally based on the latest available net asset value («NAV») of the fund reported by the corresponding fund manager provided the NAV has been appropriately determined by using proper fair value principles. The Company reviews and approves the NAV provided by the investment manager unless it is aware of reasons that such a valuation may not be the best approximation of fair value (for example if there is evidence that the investment cannot be redeemed at the net asset value or if other restrictions for example capital commitments exist).

The adjusted net asset value method is the single technique used across all fund investment types. The NAV would also be adjusted if the Company becomes aware of significant market changes or events that have a significant impact on the value of the underlying investments and that are not yet included in the NAV as reported by the fund manager.

3.8 Bank overdrafts

Bank overdrafts reflect the negative balance of the Company's bank accounts at the balance sheet date. Due to the short-term nature of this position, the carrying amount of the bank overdraft approximates the nominal value.

3.9 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as short-term liabilities since they are expected to be settled within twelve months after the reporting period. Accounts payable and accrued liabilities are stated at nominal values.

3.10 Deferred tax assets and deferred tax liabilities

Deferred taxes are calculated by applying the balance sheet liability method for any temporary difference between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. *Deferred tax assets* are recognized for tax loss carryforwards only to the extent that it is probable that future taxable profits or deferred tax liabilities will be available against which they can be offset. *Deferred tax assets* and *deferred tax liabilities* are disclosed net in case there is a legally and enforceable right. Deferred taxes are calculated based on tax rates that are applied or enacted at the balance sheet date.

3.11 Dividend income

Dividend income is recognized in profit or loss on the date the Company's right to receive payments is established. For quoted equity securities, the date usually equals to the ex-dividend date.

3.12 Income tax

Income tax includes current and deferred taxes. Alpine Select has the status of a holding company in the Canton of Zug and as such benefits from the participation exemption at federal level on income from dividends, stock dividends and capital gains. Until the end of the 2019 financial year, the company also benefited from the full exemption at cantonal and communal level. Current income taxes are calculated on the taxable profit.

4. Segment information

The Company invests in listed or unlisted securities of Swiss and foreign companies and uses significant transaction events such as spin-offs, acquisitions, mergers, carve-outs and recapitalizations. The Company operates in only one segment.

5. Derivatives

Derivatives consist of the following:

in TCHF	31-Dec-20	31-Dec-19
Derivatives with positive replacement values		
• Currency forwards	1 150	1 652
Total	1 150	1 652
Derivatives with negative replacement values		
• Currency forwards	85	22
Total	85	22

6. Financial assets

6.1 Listed and unlisted financial assets

Alpine Group holds investments in listed and unlisted financial assets as disclosed in the following table:

in TCHF	31-Dec-20	31-Dec-19
Fair value of listed financial assets	45 280	36 015
Fair value of unlisted financial assets	79 871	91 135
Total	125 151	127 150

Notes to the Consolidated Financial Statements

6.2 Consolidated investment table at 31 December 2020

in TCHF	Fair value at 1-Jan-20	Additions	Reductions ¹⁾	Gains / (losses)	Currency translation adj.	Fair value at 31-Dec-20	Number of shares at 31-Dec-20
LONG POSITIONS							
Acoro Global Ltd.	1 018			18		1 036	9 256
Akamatsu Bonsai Fund	5 714		-5 181	-533		0	
Alegra ABSI (Euro) Fund	2 361			-217		2 144	469
Aleutian Fund	3 115			958		4 073	16 476
Alibaba Group Holding Ltd.	0	4 234	-2 960	269		1 543	7 500
Arcus Genseki Fund	5 810			-1 019		4 791	40 000
Castle Alternative Invest Ltd.	18 482	3 004	-642	-1 309		19 535	1 502 725
Cheyne New Europe Fund Limited	15 939			223	-1 400	14 762	990 343
Cheyne Total Return Credit Fund	4 740	7 652	-7 461	-216		4 715	47 438
CQS Directional Opp. Feeder Fund Ltd.	7 352			-2 969		4 383	1 149
Fenghe Asia (USTE) Fund Ltd.	2 087	1 952		352		4 391	3 453
GH China Century Offshore Feeder Fund	2 946			589		3 535	21 459
HBM Healthcare Investments Ltd.	8 900	11 724	-23 201	2 577		0	
Immunomedics Inc.	0	3 120	-3 202	82		0	
IP Group PLC	0	7 486	-255	1 971		9 202	7 700 000
iShares VI PLC MSCI Japan	0	4 137	-4 035	-102		0	
LafargeHolcim Ltd.	0	1 023		144		1 167	24 000
MCH Group Ltd.	266	2 227		126		2 619	2 735 000
Nasdaq Biotechnology	0	421	-435	14		0	
New Carpathian Fund	1 601			-28		1 573	1 241
Nishkama Capital Offshore Fund Ltd.	5 032			879		5 911	4 992
Northwest Feilong Fund Ltd.	5 929			-290		5 639	3 090
Novartis Ltd.	0	2 289		136		2 425	29 000
Orchard Liquid Credit Fund	5 466			195		5 661	50 000
SBI Holdings Inc.	0	514		-95		419	20 000
Schroder International Select. Fund SICAV	963		-1 252	289		0	
SFP Value Realization Fund Ltd.	5 477		-4 209	-1 101	-167	0	
SPDR S&P Biotech	0	412	-427	15		0	
SUN Corporation	0	47	-60	13		0	
Swissrex Crypto Fund Ltd.	0	1 000		316		1 316	1 000
Systematic DLT Fund	0	2 636		1 365		4 001	23 000
Tekmerion Capital Offshore Fund	2 865			-444		2 421	3 000
Thalos Invest	0	2 143		20		2 163	2 000 000
The Snowball Offshore Fund, Ltd.	911			194		1 105	1 000
Three Court Fund Offshore, LP	2 100	891		-75		2 916	3 347
Titan Emerging Managers Offshore Fund, Ltd.	1 956		-1 662	-231		63	2 000
Tracker Certificate BTC	0	1 234	-1 432	198		0	
UMJ Kotoshiro Feeder Fund	2 223		-2 195	-28		0	
Valens Offshore Fund	2 604		-179	106	-221	2 310	3 495
Value Multiplier Feeder Fund	0	457		123		580	468
Venture XIX CLO, Ltd.	2 786			-1 046		1 740	4 500 000
Vifor Pharma Ltd.	0	3 407	-3 457	50		0	
Xbiotech Inc.	1 937	751	-3 455	767		0	
Y-Mabs Therapeutics Inc.	0	469	-605	136		0	
Yuki Japan Rebounding Growth Fund	5 467			740		6 207	20 679
	126 047	63 230	-66 305	3 162	-1 788	124 346	

¹⁾ Reductions may include capital repayments

Consolidated investment table at 31 December 2020 (continued)

in TCHF	Fair value at 1-Jan-20	Additions	Reductions ¹⁾	Gains / (losses)	Currency translation adj.	Fair value at 31-Dec-20	Number of shares at 31-Dec-20
LONG POSITIONS (continued)	126 047	63 230	-66 305	3 162	-1 788	124 346	
Others ²⁾	1 103		-250	-26	-22	805	n/a
Total long positions	127 150	63 230	-66 555	3 136	-1 810	125 151	
of which gains				12 865			
of which losses				-9 729			
CURRENCY FORWARDS							
Currency Forwards CHF/EUR; EUR/CHF	94			5		-6	
Currency Forwards CHF/GBP; GBP/CHF	0			-125		-55	
Currency Forwards CHF/JPY; JPY/CHF	211			285		-11	
Currency Forwards CHF/USD; USD/CHF	1 325			5 552		1 137	
Total currency forwards	1 630	0	0	5 717	0	1 065	
of which gains				19 617			
of which losses				-13 900			
of which assets	1 652					1 150	
of which liabilities	-22					-85	
SHORT POSITIONS							
BB Biotech Inc.	0	-2 621	2 979	-358	0	0	
Total short positions	0	-2 621	2 979	-358	0	0	
of which gains				18			
of which losses				-376			

¹⁾ Reductions may include capital repayments | ²⁾ The position «Others» includes legacy investments, which individually amount to less than TCHF 500

Notes to the Consolidated Financial Statements

6.3 Consolidated investment table at 31 December 2019

in TCHF	Fair value at 1-Jan-19	Additions	Reductions ¹⁾	Gains / (losses)	Currency translation adj.	Fair value at 31-Dec-19	Number of shares at 31-Dec-19
LONG POSITIONS							
About Capital Asian Special Opportunities Fund	839		-722	-117		0	
Acoro Global Ltd.	975			43		1 018	10 000
Akamatsu Bonsai Fund	6 637		-1 380	457		5 714	20 000
Alegra ABSI (Euro) Fund	2 217			144		2 361	469
Aleutian Fund	6 389		-3 196	-78		3 115	16 476
Alpine Select – Oil Basket investments	1 529		-1 442	-87		0	
Arbiter Partners Offshore Limited	62			1		63	69
Arcus Genseki Fund	6 606		-1 402	606		5 810	40 000
Castle Alternative Invest Ltd.	6 332	30 555	-23 475	5 070		18 482	1 320 150
Chemoxentrx Inc.	968	528	-3 239	1 743		0	
Cheyne New Europe Fund Limited	17 623			-1 407	-277	15 939	990 343
Cheyne Total Return Credit Fund	3 996			744		4 740	31 037
CPH Chemie & Papier Holding AG	2 809		-2 780	-29		0	
CQS Directional Opp. Feeder Fund Ltd.	6 666			686		7 352	1 150
Elara India Gateway Fund	3 317		-3 091	-226		0	
Fenghe Asia (USTE) Fund Ltd.	1 024	2 028	-1 013	48		2 087	2 037
GCI Japan Hybrids	3 246		-3 237	-9		0	
GH China Century Offshore Feeder Fund	968	2 074	-1 093	997		2 946	21 213
Hayate Japan Equity Long-Short Fund	4 698		-4 612	-86		0	
HBM Healthcare Investments Ltd.	12 121	3 197	-11 254	4 836		8 900	40 000
iShares Nasdaq Biotechnology ETF	0	638	-667	29		0	
Leonteq Ltd.	1 071	523	-1 317	-277		0	
MCH Group Ltd.	0	641	-429	54		266	270 000
NCR Corporation	683		-1 001	318		0	
New Carpathian Fund	1 211	296		94		1 601	1 241
New Venturetec Ltd. in liquidation	0	8 811	-9 773	962		0	
Nishkama Capital Offshore Fund Ltd.	3 802	978		252		5 032	5 000
Northwest Feilong Fund Ltd.	4 953			976		5 929	3 090
Northwest Warrant Fund Limited	1 215		-1 176	-39		0	
Orchard Liquid Credit Fund	5 188			278		5 466	50 000
Private Equity Holding Ltd.	779		-796	17		0	
Schroder International Select. Fund SICAV	704			259		963	8 665
SFP Value Realization Fund Ltd.	7 815		-4 319	2 062	-81	5 477	12 090
Sparx Japan Value Impact Fund	5 866		-6 074	208		0	
SPDR ® S&P Biotech ETF	708	644	-1 596	244		0	
Stats Investment Japan Long & Short Fund	6 233		-6 225	-8		0	
Tekmerion Capital Offshore Fund	0	3 000		-135		2 865	3 000
The Snowball Offshore Fund, Ltd.	0	1 004		-93		911	1 000
Three Court Fund Offshore, LP	1 978			122		2 100	2 354
Titan Emerging Managers Offshore Fund, Ltd.	1 966			-10		1 956	2 000
Truston Asset Management Co. Ltd.	560			-169		391	19 492
UMJ Kotoshiro Feeder Fund	6 367		-3 518	-626		2 223	12 000
Valens Offshore Fund	2 825		-188	13	-46	2 604	3 769
	142 946	54 917	-99 015	17 867	-404	116 311	

¹⁾ Reductions may include capital repayments

Consolidated investment table at 31 December 2019 (continued)

in TCHF	Fair value at 1-Jan-19	Additions	Reductions ¹⁾	Gains / (losses)	Currency translation adj.	Fair value at 31-Dec-19	Number of shares at 31-Dec-19
LONG POSITIONS (continued)	142 946	54 917	-99 015	17 867	-404	116 311	
Venture XIX CLO, Ltd.	2 361	342	0	83		2 786	4 500 000
Vifor Pharma Ltd.	8 018	681	-11 506	2 807		0	0
Xbiotech Inc.	0	2 013	0	-76		1 937	107 188
Yuki Japan Rebounding Growth Fund	4 546	2 006	-1 651	566		5 467	20 679
Others ²⁾	1 623	0	-551	-419	-4	649	n/a
Total long positions	159 494	59 959	-112 723	20 828	-408	127 150	
of which gains				24 719			
of which losses				-3 891			
TRADING OPTIONS							
Put Castle Alternative Invest Ltd. ³⁾	0	1 330	-47	-1 283		0	
Total trading options	0	1 330	-47	-1 283	0	0	
of which gains				29			
of which losses				-1 312			
CURRENCY FORWARDS							
Currency Forwards CHF/EUR; EUR/CHF	77			602		94	
Currency Forwards CHF/GBP; GBP/CHF	17			32		0	
Currency Forwards CHF/JPY; JPY/CHF	-127			-447		211	
Currency Forwards CHF/USD; USD/CHF	377			-2 326		1 325	
Total currency forwards	344	0	0	-2 139	0	1 630	
of which gains				634			
of which losses				-2 773			
of which assets	471					1 652	
of which liabilities	-127					-22	
SHORT POSITIONS							
BB Biotech Inc.	-2 044	-4 259	6 627	-324		0	
Total short positions	-2 044	-4 259	6 627	-324	0	0	
of which gains				126			
of which losses				-450			

¹⁾ Reductions may include capital repayments | ²⁾ The position «Others» includes legacy investments, which individually amount to less than TCHF 500 | ³⁾ The put options of Castle Alternative Invest Ltd. were acquired in connection with its share buyback program.

Notes to the Consolidated Financial Statements

7. Cash flows from purchase and disposal of financial assets

7.1 Cash flows from purchase of financial assets

in TCHF	Note	2020	2019
Purchase of financial assets as per the consolidated investment table (additions total long positions)	6.2/6.3	-63 230	-59 959
Adjustment for stock-dividends, equalization shares and other non-cash additions		0	34
Effect cash outflow from purchases		-63 230	-59 925

7.2 Cash flows from disposal of financial assets

in TCHF	Note	2020	2019
Disposal of financial assets as per the consolidated investment table (reductions total long positions)	6.2/6.3	66 555	112 723
Receivables from sale of financial assets		-1 651	0
Withholding tax on disposal of financial assets		-92	-4 589
Effect cash inflow from disposals		64 812	108 134

8. Other receivables

in TCHF	31-Dec-20	31-Dec-19
Withholding tax	100	2 887
Other receivables	1 821	65
Total	1 921	2 952

9. Deferred tax assets and deferred tax liabilities

The movements of deferred tax assets and liabilities are as follows:

in TCHF	Deferred tax liabilities on financial assets and derivatives with positive or negative replacement values	Deferred tax assets from capitalized tax loss carryforwards	Deferred tax (liabilities) / assets, net
Balance at 1 January 2019	-403	0	-403
Deferred tax expense	-474	0	-474
Balance at 31 December 2019	-877	0	-877
Deferred tax income	587	156	743
Balance at 31 December 2020	-290	156	-134

Deferred tax assets and deferred tax liabilities are netted in case there is a legally enforceable right. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse.

As of 31 December 2020, Alpine Group has tax loss carryforwards of CHF 1.5 million which will expire in the year 2027 and of which CHF 1.3 million were capitalized as deferred tax assets applying the tax rate of 11.91%.

10. Share capital, treasury shares and capital reserves

10.1 Share capital

	Number of registered shares	Nominal value per share in CHF	in CHF
Share capital at 1 January 2019	11 202 900	0.02	224 058.00
Approval of the share capital reduction on 16 May 2019	-919 795	0.02	-18 395.90
Share capital at 31 December 2019	10 283 105	0.02	205 662.10
Approval of the share capital reduction on 20 May 2020	-1 025 135	0.02	-20 502.70
Share capital at 31 December 2020	9 257 970	0.02	185 159.40

The shares are fully paid in and listed in CHF at the SIX Swiss Exchange. No preferential or similar rights exist. Each share has one vote and all shares are equally entitled to dividends. There are no voting right restrictions. There are two share certificates outstanding for 525 shares in total. The Company does not have participation certificates.

10.2 Authorized share capital

	Number of registered shares	Nominal value per share in CHF	in CHF
Authorized share capital at 1 January 2019	5 000 000	0.02	100 000.00
Approval of the creation of authorized share capital on 16 May 2019	5 000 000	0.02	100 000.00
Authorized share capital at 31 December 2019	5 000 000	0.02	100 000.00
Authorized share capital at 31 December 2020	5 000 000	0.02	100 000.00

The board of directors is authorized to increase the share capital according to article 4a of the Company's articles of association by a maximum amount of CHF 100,000.00 at any time until 16 May 2021 by issuing a maximum of 5,000,000 registered shares with a nominal value of CHF 0.02 each to be fully paid-in.

Increases by way of firm underwriting and partial increases are permitted. The board of directors shall determine the date of issuance of the new shares, their issue price, method of payment, the conditions for exercising subscription rights and the date of the dividend entitlement.

10.3 Conditional share capital

	Number of registered shares	Nominal value per share in CHF	in CHF
Conditional share capital at 1 January 2019	6 088 977	0.02	121 779.54
Conditional share capital at 31 December 2019	6 088 977	0.02	121 779.54
Conditional share capital at 31 December 2020	6 088 977	0.02	121 779.54

According to article 4b of the Company's articles of association, the Company's share capital may be increased by a maximum amount of CHF 121,779.54 by issuing a maximum of 6,088,977 registered shares with a nominal value of CHF 0.02 each to be fully paid-in, through the exercise of option and/or conversion rights to be granted in connection with bonds or similar debt instruments of the Company or its subsidiary, and/or through the exercise of option rights to be granted to the shareholders. No such rights existed at 31 December 2020 and 2019, respectively.

10.4 Legal reserves

As at 31 December 2020 retained earnings contain legal reserves of CHF 37,031.88 (2019: CHF 41,132.42) which are not distributable to the shareholders' pursuant to Swiss law.

10.5 Treasury shares

	Quantity	Transaction price (Ø) in CHF	Purchase cost in TCHF
At 1 January 2019	558 134	17.70	9 878
Purchases (including transaction costs)	1 316 501	15.25	20 083
Cancellation	-919 795	16.29	-14 986
At 31 December 2019	954 840	15.68	14 975
Purchases (including transaction costs)	355 934	13.13	4 672
Cancellation	-1 025 135	15.54	-15 935
At 31 December 2020	285 639	13.00	3 712

Treasury shares are valued at acquisition cost and reported in shareholders' equity as a debit item.

The annual shareholders' meeting held on 16 May 2019 authorized the Company's board of directors to launch – at its own discretion and between 16 May 2019 and the ordinary shareholders' meeting in 2021 – a new share buyback program of up to 10% of the total share capital.

- At 31 December 2019 the Company held 954,840 treasury shares (9.29% of the issued share capital).
- During the period 1 January to 20 May 2020 the share buyback program was continued and another 70,295 own shares for a total amount of TCHF 960 were repurchased by Alpine Select.
- The annual shareholders' meeting held on 20 May 2020 approved the cancellation of the 1,025,135 shares repurchased under the abovementioned share buyback program. The respective entry in the Commercial Register of the Canton of Zug was executed on 27 July 2020, following the expiration of the filing period.

The annual shareholders' meeting held on 20 May 2020 authorized the Company's board of directors to repurchase up to 10% of the total share capital in the period up to the ordinary shareholders' meeting in 2022 – should such need arise.

- On 24 June 2020 and based on this authorization Alpine Select launched the new share buyback program on a separate trading line at SIX Swiss Exchange for a maximum of 925,797 registered shares being 10% of the share capital. This program started on 26 June 2020.
- During the period 26 June to 31 December 2020, Alpine Select repurchased 285,639 own shares for a total of TCHF 3,676 (including transaction costs of TCHF 41). The income tax effect on the transaction costs is CHF 5.

At 31 December 2020 the Company held 285,639 treasury shares (3.09% of the share capital).

11. Net investment gain

in TCHF	2020	2019
Long positions		
Gains	12 865	24 719
Losses	-9 729	-3 891
Trading options		
Gains	0	29
Losses	0	-1 312
Currency forwards		
Gains	19 617	634
Losses	-13 900	-2 773
Short positions		
Gains	18	126
Losses	-376	-450
Net investment gain	8 495	17 082

12. Administrative expenses

in TCHF	2020	2019
Personnel expenses, board of directors' fees incl. social costs	-1 048	-1 025
Legal, consulting, accounting, and auditing fees	-405	-451
Commissions and other bank fees	-527	-591
Advisory fees	-108	-108
Other office expenses	-504	-479
Total	-2 592	-2 654

13. Pension plans

in TCHF	Surplus / (deficit)	Economical part of Alpine Group		Change to prior year or recognized in the year	Contributions concerning the reporting period	Pension benefit expenses within personnel costs	
	31-Dec-20	31-Dec-20	31-Dec-19	2020	2020	2020	2019
Pension plans with surplus	12	0	0	0	0	61	61
Pension plans with deficit	0	0	0	0	0	0	0
Total	12	0	0	0	0	61	61

Alpine Select operates independent pension plans, which conform to the legal regulations and provisions in force in Switzerland. An economic obligation is recognized as a liability if the requirements for the recognition of a provision according to Swiss GAAP FER 16.7 are met. An economic benefit is capitalized if it is permitted and intended to be used for future Alpine Group pension contributions.

There were no employer contribution reserves held in the reporting or previous year.

14. Income tax expense

in TCHF	2020	2019
Current tax expense	-1 376	-926
Deferred tax income / (expense)	743	-474
Total	-633	-1 400

Deferred tax income and expense is presented on a net basis.

The average applicable tax rate in relation to the ordinary result is 10.8% (2019: 8.8%).

15. Earnings per share

	2020	2019
Profit for the year in TCHF attributable to the shareholders of Alpine Select	6 128	13 484
Weighted average number of outstanding shares	9 185 989	10 011 452
Earnings per share in CHF (basic and diluted)	0.67	1.35

16. Net asset value (NAV) per share

	31-Dec-20	31-Dec-19
Equity attributable to the shareholders of Alpine Select as per the consolidated balance sheet (in TCHF)	125 294	134 804
Total number of shares outstanding	8 972 331	9 328 265
Net asset value per share (in CHF)	13.96	14.45
Adjusting factor		0.924242
Net asset value per share (in CHF) when adjusted for the distribution out of retained earnings in May 2020	—	13.36

17. Contingencies, commitments, and pledged assets

17.1 Pledged assets

Alpine Select, Absolute Invest and Absolute Invest's wholly owned subsidiary Altin (Cayman) Ltd. entered into standard pledge agreements with Bank Julius Baer & Co. Ltd. («BJB»), Zurich under which their cash and portfolios at BJB of approximately CHF 141.4 million at 31 December 2020 (2019: CHF 126.8 million) and of which CHF 32.0 million (2019: CHF 40.1 million) relate to Alpine Select, are pledged as security for any amounts due to BJB.

17.2 Operating lease

In 2020 Alpine Select made use of its option to extend its lease for a further five years. The non-cancellable term of the lease was therefore set for 31 March 2026.

At 31 December, the future minimum lease payments were payable as follows:

in TCHF	2020	2019
Within one year	48	48
Between one and five years	192	192
More than five years	12	60
Total	252	300

18. Significant shareholders

Based on the information available to the Company, the following shareholders are exceeding a threshold of 3% of voting rights as of 31 December:

	2020	2019
Trinsic Ltd., Zug ¹⁾	17.48%	12.78%
Raymond J. Baer, Maur	11.42%	10.14%
Hans Müller, Hergiswil	11.34%	10.21%
Stefan Rihs, Hong Kong	6.48%	5.83%
Thomas Amstutz, Singapore ²⁾	4.12%	3.66%
Walter Berchtold, Uitikon-Waldegg	3.24%	–
Alpine Select ³⁾	3.09%	9.29%

¹⁾ Number of shares, including 77,760 shares directly held by the beneficial owners of Trinsic Ltd. as per 31 December 2020 (2019: 77,760 shares). Beneficial owners of Trinsic Ltd. comprise Daniel Sauter, Zug; Regina Barbara Young, Walchwil; Viktoria Louise Sauter, Zug; Florian Sauter, Unterägeri, Michel Vukotic, Meilen; Corinne Vukotic, Meilen; Aline Vukotic, Bever and Fabienne Vukotic, Zurich. Joint holding in Trinsic Ltd., Zug (partially indirectly through Talpas Ltd., Bever)

²⁾ Number of shares, including 65,000 shares held through JAAM AG (2019: 60,000 shares)

³⁾ Treasury shares, see also Note 10.5

19. Related party transactions

Baer & Karrer Ltd., Zurich («Baer & Karrer») is the legal advisor of Alpine Select and of Absolute Invest. Dr. Dieter Dubs, partner of Baer & Karrer is a member of the board of directors of Alpine Select and of Absolute Invest. During the year to 31 December 2020, TCHF 50 (2019: TCHF 108) were booked in connection with legal services rendered by Baer & Karrer of which TCHF 0 were not yet paid at 31 December 2020 (2019: TCHF 0).

According to the service agreement between Alpine Select and Lotus Peak Ltd. («Lotus Peak»), dated 1 July 2016 and amended in terms of services rendered, remuneration and fee structure as per 1 January 2020, the latter received a total compensation of CHF 148,000 for 2020 (including CHF 40,000 board member fees for Thomas Amstutz). (Total remuneration to Lotus Peak Ltd. in 2019: CHF 20,000.)

The advisory agreement between Alpine Select and JAAM AG («JAAM») was terminated by mutual agreement with effect from 31 December 2019. JAAM received total remuneration of CHF 108,000 for their services provided in 2019. Thomas Amstutz, member of the Board of Directors of Alpine Select, is a founding partner and member of the Board of Directors of JAAM.

in TCHF		2020	2019
Baer & Karrer, Zurich	Legal advice	50	108
Lotus Peak, Singapore	Investment advice	108	20
JAAM AG, Zurich	Investment advice	–	108

Notes to the Consolidated Financial Statements

Furthermore, the following table provides information on the remuneration of and – if any – other significant transactions with members of the board of directors during the year ended 31 December 2020 and 2019:

in TCHF		2020	2019
Remuneration of the Board of Directors of Alpine Select			
Raymond J. Baer	Chairman and non-executive member	160	160
Dieter Dubs	Non-executive member	40	43
Thomas Amstutz	Non-executive member	43	43
Michel Vukotic	Executive member	43	43
	Head of the investment committee	211	211
Total		497	500

20. Events after the balance sheet date

There have been no material events subsequent to 31 December 2020, which would affect the 2020 consolidated financial statements.

Since the balance sheet date 31 December 2020, Alpine Select continued the share buyback program (please refer to Note 10.5 of the Consolidated Financial Statements on page 53) and bought back additional treasury shares. As per 7 April 2021 the Company held in total 328,162 own shares. The board of directors will propose the cancellation of all repurchased shares to the next shareholders' meeting, which will take place on 17 May 2021.

**Report of the
Statutory Auditor on the
Consolidated Financial Statements**

Report of the Statutory Auditor on the Consolidated Financial Statements to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



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STATUTORY AUDITOR'S REPORT

To the General Meeting of Alpine Select Ltd., Zug

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alpine Select Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements (pages 34 to 58) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The consolidated financial statements of Alpine Select Ltd. for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 8 April 2020.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report of the Statutory Auditor on the Consolidated Financial Statements to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



Key Audit Matter

How our audit addressed the key audit matter

Valuation of unlisted financial assets

The investment portfolio of Alpine Select Ltd. and its subsidiaries (the Group) comprises a number of unlisted investments. These investments are presented as part of the caption financial assets presenting TCHF 125'151. Thereof, TCHF 79'871 is the amount of the unlisted financial assets. Unlisted investments consist of investments in hedge funds, direct investments and Collateralized Loan Obligations (CLOs).

Owing to the unlisted nature of these investments, the assessment of the fair value can be subjective and sometimes requires a number of significant judgements and estimates to be made by management.

The Group recognizes such unlisted investments at the latest available net asset value (NAV) reported by the investment manager or the broker of the fund.

Due to the inherent uncertainty related to the valuation of such unlisted investments and due to the absence of a liquid market and the involved judgement, we consider the valuation of unlisted financial assets a key audit matter.

For further information on the valuation of unlisted investments refer to note 6 of the consolidated financial statements.

Our procedures included, amongst others, obtaining an understanding of management's processes and controls around the valuation of unlisted investments by performing walkthrough procedures and reviewing the valuation governance structure.

We tested the valuation of the unlisted investments by reconciling the portfolio to bank confirmations. For a substantial part of the unlisted investments, we challenged the prices of the assets with the latest NAV reported by investment manager, broker of the fund or received audited annual report of the funds.

For a sample of investments, we challenged the prices from the corresponding investments with the data from an independent data provider.

We also considered the appropriateness of disclosures in relation to the valuation of unlisted investments in the consolidated financial statements.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Report of the Statutory Auditor on the Consolidated Financial Statements to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 7 April 2021

21601747

BDO Ltd

Franco A. Straub

Licensed Audit Expert

Marc Escher

Auditor in Charge

Licensed Audit Expert

**Statutory
Financial Statements**

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER

in CHF	Note	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents		578 772	10 970 630
Unrealized gains from currency forward contracts, net		0	93 979
Other short-term receivables and prepaid expenses	3	1 972 661	3 211 542
Total current assets		2 551 433	14 276 151
Non-current assets			
Securities	4	31 755 942	27 504 355
Investment in Absolute Invest	5	78 000 000	78 000 000
Total non-current assets		109 755 942	105 504 355
Total assets		112 307 375	119 780 506

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER

in CHF	Note	2020	2019
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		403 353	18 143
Short-term interest-bearing loan payable to Absolute Invest		13 539 197	5 500 000
Unrealized losses from currency forward contracts, net		8 227	0
Accrued expenses		176 763	728 640
Total current liabilities		14 127 540	6 246 783
Equity			
Share capital	6	185 159	205 662
Legal capital reserves		0	0
• Reserves from capital contributions		0	421 812
• Reserves from capital contributions – not yet approved	7	8 196 358	8 196 358
• Other capital reserves		6 769 759	6 769 759
Voluntary retained earnings		0	0
• Accumulated profit brought forward		88 164 933	87 039 510
• (Loss) / profit for the year		-1 460 752	25 804 146
Treasury shares	8	-3 675 622	-14 903 524
Total equity		98 179 835	113 533 723
TOTAL LIABILITIES AND EQUITY		112 307 375	119 780 506

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

in CHF	Note	2020	2019
INCOME			
Gain on securities, net		0	10 152 169
Gain on derivative financial instruments, net		28 120	0
Dividend income		14 000	18 304 663
Foreign exchange gains, net		24 758	0
Interest income		35 438	62 096
Other income		443 981	713 236
TOTAL INCOME		546 297	29 232 164
EXPENSES			
Loss on securities, net		-153 673	0
Loss on derivative financial instruments, net		0	-675 290
Dividend expense on securities sold short		-68 000	0
Personnel expenses		-640 236	-618 220
General and administrative expenses		-909 130	-1 051 151
Commissions and other bank fees		-138 286	-377 044
Foreign exchange losses, net		0	-33 664
Interest expenses		-89 716	-51 873
TOTAL EXPENSES		-1 999 041	-2 807 242
(Loss) / profit before taxes		-1 452 744	26 424 922
Tax expense		-8 008	-620 776
(LOSS) / PROFIT FOR THE YEAR		-1 460 752	25 804 146

Notes to the Statutory Financial Statements

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1. Organization and business activity

Alpine Select Ltd. (the «Company», «Alpine Select») is a limited liability company incorporated on 17 September 1997 under the laws of Switzerland. The address of its registered office is Gotthardstrasse 31, Zug / Switzerland.

The Company offers institutional and individual investors the key benefit of investing into a diversified alternative investment portfolio with core investment strategies: discount-, risk-arbitrage, tactical exploitation of under-researched companies / situations, short-term opportunities, and liquid hedge funds.

The shares of the Company are listed on the SIX Swiss Exchange and are traded in Swiss Francs (Stock Exchange symbol: ALPN; Swiss Security number: 1.919.955; ISIN code: CH 0019199550).

2. Principles

2.1 General aspects

The financial statements of Alpine Select are prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 Unrealized gains / (losses) from currency forward contract, net

Open currency forward contracts are valued at market prices.

3. Other short-term receivables and prepaid expenses

in CHF	2020	2019
Receivable from sale of securities	1 650 878	0
Withholding tax	99 462	2 885 851
Prepaid expenses	158 953	176 488
Receivables from Absolute Invest	0	117 775
Other	63 368	31 428
Total	1 972 661	3 211 542

4. Securities

The Company holds investments in listed and unlisted securities as disclosed in the following table. They are valued at the lower of cost or market.

in CHF	2020	2019
Carrying amount of listed securities	22 856 515	18 859 616
Carrying amount of unlisted securities	8 899 427	8 644 739
Total	31 755 942	27 504 355

5. Investment in Absolute Invest Ltd.

Absolute Invest Ltd. («Absolute Invest»), domiciled in Zug, Switzerland with a nominal share capital of CHF 559,555.20 is a wholly owned subsidiary of the Company. The investment in Absolute Invest is stated at acquisition costs less value adjustment. Absolute Invest invests in listed and unlisted securities and hedge funds, partly indirectly through its wholly owned subsidiary Altin (Cayman) Ltd., domiciled in the Cayman Islands.

6. Share capital

The annual shareholders' meeting of Alpine Select held on 20 May 2020 approved the reduction of the share capital of the Company by CHF 20,502.70 (from CHF 205,662.10 to CHF 185,159.40) by cancelling 1,025,135 treasury shares with a nominal value of CHF 0.02 each.

As of 31 December 2020, the Company's share capital amounts to CHF 185,159.40 and is divided into 9,257,970 registered shares with a nominal value of CHF 0.02 (31 December 2019: CHF 205,662.10 divided into 10,283,105 registered shares). The shares are fully paid-in and listed in CHF on the SIX Swiss Exchange. No preferential or similar rights exist. Each share has one vote, and all shares are equally entitled to dividends. There are no voting right restrictions. There are two share certificates outstanding for 525 shares in total. The Company does not have participation certificates.

6.1 Authorized share capital

The board of directors is authorized to increase the share capital according to article 4a of the articles of association by a maximum of CHF 100,000.00 at any time until 16 May 2021 by issuing a maximum of 5,000,000 registered shares with a nominal value of CHF 0.02 each to be fully paid-in. Increases by way of firm underwriting and partial increases are permitted. The board of directors shall determine the date of issuance of the new shares, their issue price, method of payment, the conditions for existing subscription rights and the date of the dividend entitlement (Art. 4a of the Company's articles of association).

6.2 Conditional share capital

The Company's articles of association (Art. 4b) provide that the Company's share capital can be increased by a maximum amount of CHF 121,779.54 by issuing a maximum of 6,088,977 registered shares with a nominal value of CHF 0.02 each to be fully paid-in, through the exercise of option and/or conversion rights granted in connection with bonds or similar debt instruments of the Company or its subsidiary, and/or through the exercise of option rights granted to the shareholders. No such rights existed at 31 December 2020 and 2019, respectively.

7. Reserves from capital contributions – not yet approved

Reserves from capital contributions of CHF 8,196,358 were applied by the Company but not (yet) approved by the Swiss Federal Tax Authorities.

8. Treasury shares

The annual shareholders' meeting held on 16 May 2019 authorized the Company's board of directors to launch – at its own discretion and between 16 May 2019 and the ordinary shareholders' meeting in 2021 – a new share buyback program of up to 10% of the total share capital.

- At 31 December 2019 the Company held 954,840 treasury shares (9.29% of the issued share capital).
- During the period 1 January to 20 May 2020 the share buyback program was continued and another 70,295 own shares for a total amount of CHF 959,544 were repurchased by Alpine Select.
- The annual shareholders' meeting held on 20 May 2020 approved the cancellation of the 1,025,135 shares repurchased under the abovementioned share buyback program. The respective entry in the Commercial Register of the Canton of Zug was executed on 27 July 2020, following the expiration of the filing period.

The annual shareholders' meeting held on 20 May 2020 authorized the Company's board of directors to repurchase up to 10% of the total share capital in the period up to the ordinary shareholders' meeting in 2022 – should such need arise.

- On 24 June 2020 and based on this authorization Alpine Select launched the new share buyback program on a separate trading line at SIX Swiss Exchange for a maximum of 925,797 registered shares being 10% of the share capital. This program started on 26 June 2020.
- During the period 26 June to 31 December 2020, Alpine Select repurchased 285,639 own shares for a total of CHF 3,675,622.

At 31 December 2020 the Company held 285,639 treasury shares (3.09% of the share capital).

9. Share ownership

At 31 December, members of the Board of Directors and the management of Alpine Select owned shares of the Company as set out in the following table:

		2020	2019
Raymond J. Baer	Chairman and non-executive member of the board of directors	1 057 708	1 042 708
Michel Vukotic ¹⁾	Executive member of the board of director	770 309	618 010
Thomas Amstutz ²⁾	Non-executive member of the board of director	381 000	376 000
Dieter Dubs	Non-executive member of the board of director	7 500	7 500
Lukas Hoppe	Member of the management	8 000	7 000
Total		2 224 517	2 051 218

¹⁾ Michel Vukotic is a beneficial owner of Trinsic Ltd, indirectly through Talpas Ltd., Bever (see Note 10). | ²⁾ 65,000 shares are held directly through JAAM AG (2019: 60,000 shares)

10. Significant shareholders

According to the information available to the Company, the following shareholders are exceeding a threshold of 3% of voting rights as of 31 December:

	2020	2019
Trinsic Ltd., Zug ¹⁾	17.48%	12.78%
Raymond J. Baer, Maur	11.42%	10.14%
Hans Müller, Hergiswil	11.34%	10.21%
Stefan Rihs, Hong Kong	6.48%	5.83%
Thomas Amstutz, Singapore ²⁾	4.12%	3.66%
Walter Berchtold, Uitikon-Waldegg	3.24%	–
Alpine Select Ltd. ³⁾	3.09%	9.29%

¹⁾ Number of shares, including 77,760 shares directly held by the beneficial owners of Trinsic Ltd. as per 31 December 2020 (2019: 77,760 shares). Beneficial owners of Trinsic Ltd. comprise Daniel Sauter, Zug; Regina Barbara Young, Walchwil; Viktoria Louise Sauter, Zug; Florian Sauter, Unterägeri, Michel Vukotic, Meilen; Corinne Vukotic, Meilen; Aline Vukotic, Bever and Fabienne Vukotic, Zurich. Joint holding in Trinsic Ltd., Zug (partially indirectly through Talpas Ltd., Bever)

²⁾ Number of shares, including 65,000 shares held through JAAM AG (2019: 60,000 shares)

³⁾ Treasury shares, see also Note 8

11. Pledged assets

Alpine Select has a standard pledge agreement with Bank Julius Baer & Co. Ltd. («BJB»), Zurich under which the Company's portfolio (measured at market value) of approximately CHF 32.0 million at 31 December 2020 (2019: CHF 40.1 million) is pledged as security for any amounts due to BJB. At 31 December 2020, the amount due to BJB was zero (2019: zero).

12. Employees (full-time equivalents)

The annual average number of full-time equivalents for the reporting year is three (2019: three).

13. Residual amount of leasing obligations

The residual amount of leasing obligations (under a rent agreement for the Company's offices) with a remaining term of more than twelve months or that cannot be terminated within the next twelve months is as follows:

in CHF	2020	2019
Within one year	48 000	48 000
Between one and five years	192 000	192 000
More than five years	12 000	60 000
Total	252 000	300 000

The above amounts include payments related to rental contracts up to the end of their contract or notice period, as applicable.

14. Events after the balance sheet date

There have been no material events subsequent to 31 December 2020, which would affect the 2020 statutory financial statements.

Since the balance sheet date 31 December 2020, Alpine Select continued the share buyback program (please refer to Note 10.5 of the Consolidated Financial Statements on page 53) and bought back additional treasury shares. As per 7 April 2021 the Company held in total 328,162 own shares. The board of directors will propose the cancellation of all repurchased shares to the next shareholders' meeting, which will take place on 17 May 2021.

The statutory financial statements for the year ended 31 December 2020 were approved by the Board of Directors of Alpine Select on 7 April 2021 and released for publication on 16 April 2021. They are subject to the approval of the shareholders at the Alpine Select ordinary shareholders' meeting on 17 May 2021.

**Proposed Appropriation of
Available Earnings
(Proposal of the Board of Directors)**

**Proposed appropriation of available earnings
(Proposal of the board of directors)**

in CHF	2020	2019
Accumulated profit brought forward at 1 January	103 585 686	101 888 859
Net (loss) / profit for the year	-1 460 752	25 804 146
Accumulated profit at end of year	102 124 934	127 693 005
Decisions of the annual shareholders' meeting, dated 20 May 2020		
Capital reduction	-15 420 753	-14 849 349
Available for distribution at 31 December	86 704 181	112 843 656
Proposal of the board of directors for appropriation of available earnings		
Dividend ¹⁾	8 929 808	9 257 970
To be carried forward	77 774 373	103 585 686
Available for distribution at 31 December	86 704 181	112 843 656
Dividend distribution out of accumulated profits	8 929 808	9 257 970

¹⁾ The proposed dividend for the year 2020 is calculated based on all outstanding registered shares less those shares held by the Company (treasury shares) – if any – as they are not entitled to a dividend. At the date of declaration of the dividend, the number of shares held by the Company could be different from the amount reported here and therefore the reported dividend sum may differ as well.

**Report of the
Statutory Auditor on the
Financial Statements**

Report of the Statutory Auditor on the Financial Statements to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



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STATUTORY AUDITOR'S REPORT

To the General Meeting of Alpine Select Ltd., Zug

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alpine Select Ltd., which comprise the balance sheet as at 31 December 2020, the income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the accompanying financial statements (pages 64 to 74) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Alpine Select Ltd. for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 8 April 2020.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report of the Statutory Auditor on the Financial Statements to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



Key Audit Matter

How our audit addressed the key audit matter

Valuation of unlisted investments and of Investment in Absolute Invest

As of 31 December 2020 the balance sheet is presenting investments in non-current assets of CHF 109'755'942. The position securities of CHF 31'755'942 contains unlisted securities of a carrying amount of CHF 8'899'427. The balance sheet is presenting investment in Absolute Invest of CHF 78'000'000. Absolute Invest pursues the same investment strategy as Alpine Select Ltd. The unlisted investment portfolio of the Company consists of investments in hedge funds and alternative investment funds, direct investments and Collateralized Loan Obligations (CLOs).

The Company recognizes such investments at the lower of historical cost or fair value.

Management uses the latest available net asset value (NAV) reported by the investment manager or the broker of the fund as reference to the fair value.

Due to the inherent uncertainty related to the valuation of such unlisted investments and due to the absence of a liquid market and the involved judgement, we consider the valuation of unlisted investments a key audit matter.

For further information on the valuation of unlisted investments refer to note 4 of the financial statements.

Our procedures included, amongst others, obtaining an understanding of management's processes and controls around the valuation of unlisted investments by performing walkthrough procedures and reviewing the valuation governance structure.

For each unlisted investment, we compared historical cost to the latest available net asset value as reported by the bank and tested whether the lower amount was used.

For a significant amount of unlisted investment, we compared the values of the portfolio with bank confirmation. For a substantial part of the unlisted investments, we challenged the prices of the assets with the latest NAV reported by investment manager, broker of the fund or received audited annual report of the funds.

For a sample of investments, we challenged the prices from the corresponding investments with the data from an independent data provider.

We also considered the appropriateness of disclosures in relation to the valuation of unlisted investments in the financial statements.

Report of the Statutory Auditor on the Financial Statements to the Annual Shareholders' Meeting of Alpine Select Ltd., Zug



Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 7 April 2021

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BDO Ltd

Franco A. Straub

Licensed Audit Expert

Marc Escher

Auditor in Charge

Licensed Audit Expert

ALPINE SELECT

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