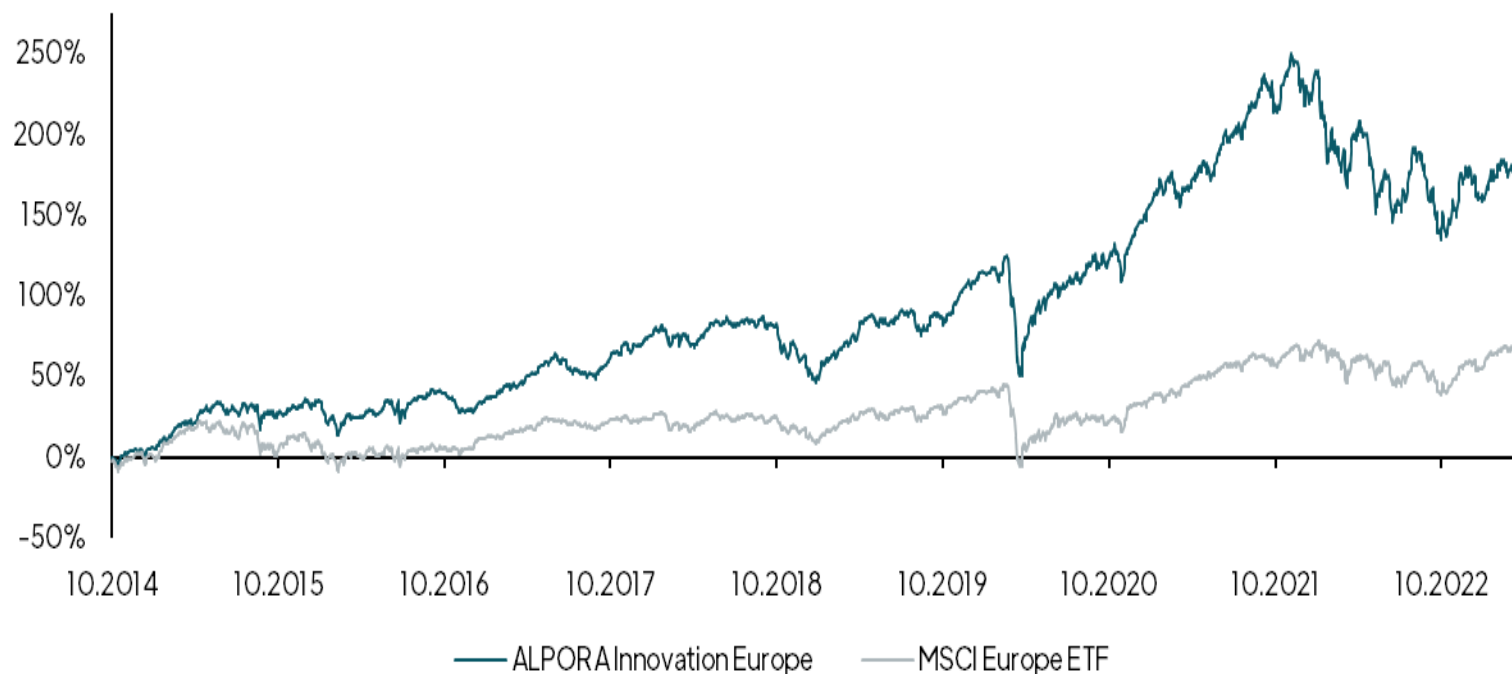


Innovation as a Performance Driver

May 11th 2023

ALPORA Innovation Europe

Net return since issue date (in %)
October 2014 – March 2023



Fund overview

Fund name	ALPORA Innovation Europe
Strategy	Investments in the most innovative listed companies
Type	Mutual fund
Number of shares	30-40
Weighting of the individual securities	approx. 2 - 5%
SFDR classification	Article 8
ISIN / WKN	D-tranche: CH0494981860 / A2PQ59
Currency	EUR
Issue date	October 1, 2014
AUM	EUR 229.0 million

Source: Serafin. Performance, AUM, Ratings as of March 31, 2023. Data based on monthly figures, in EUR.
Past performance is not necessarily indicative of future performance.



Interdisciplinary investment team

Innovation Hub



Dr. Julian Kauffeldt
Dr.rer.pol.
M.Sc.oec.phys.
Head Innovation Investment
Products



Dr. Niklas Bayrle
Dr.rer.pol.
M.Sc.oec.phys.
Role: Innovation Specialist
Expertise: Investment Analytics
focus on Innovation

We identify and analyze the most innovation-efficient companies through proprietary mathematical methods and select them for our innovation funds. We founded the approach in 2013 (as Alpora AG) and have been part of Serafin Asset Management since 2021.

Multidisciplinary team

Dr. Julian Vincent Kauffeldt

Econophysicist: 10 years of analytical experience in innovation management

Dr. Niklas Bayrle

Econophysicist: 8 years of analytical experience in innovation management

Quality analysis and fund management



Patrick Hofer
Portfolio Management
Client Relationship
Management



Christian Bader
Portfolio Management
Research

We analyze the quality of a company through our own fundamental analysis and perform a sustainability assessment with Sustainalitics data (ESG scores, UN execution of stress tests, etc.).

Multidisciplinary team

Patrick Hofer

Business economist BVS, over 30 years of experience in the financial industry

Christian Bader

Economist, over 25 years of experience in the financial industry



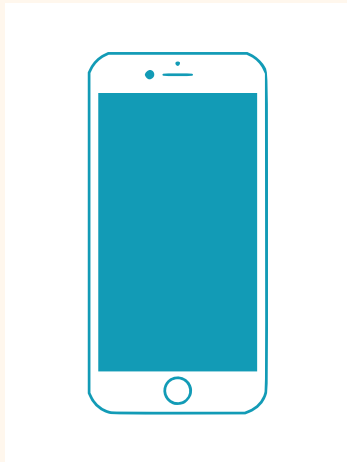
Expertise in innovation management

- More than 50 consulting projects in innovation and technology management carried out in various industries
- Close involvement in international innovation research and large number of research projects accompanied
- Diverse research papers, publications and analysis reports published

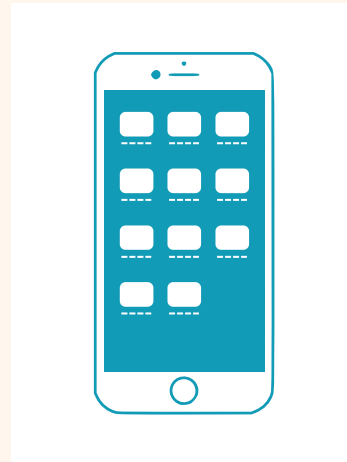
What innovation involves

Innovation refers to something new that produces an increase in benefit compared to the previous situation and is actually implemented. Innovation can manifest itself in many different ways. Four types of innovation are particularly central.

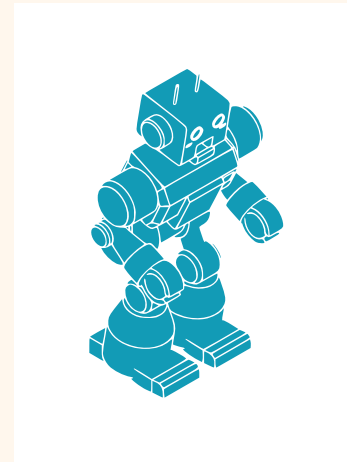
Product-Innovation



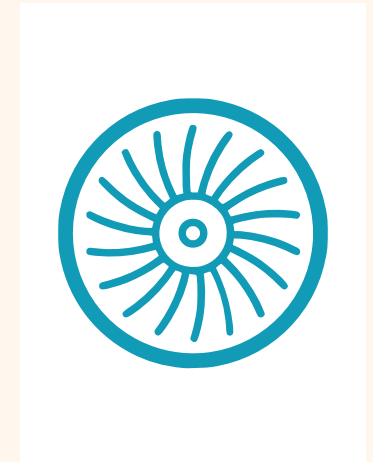
Service-Innovation



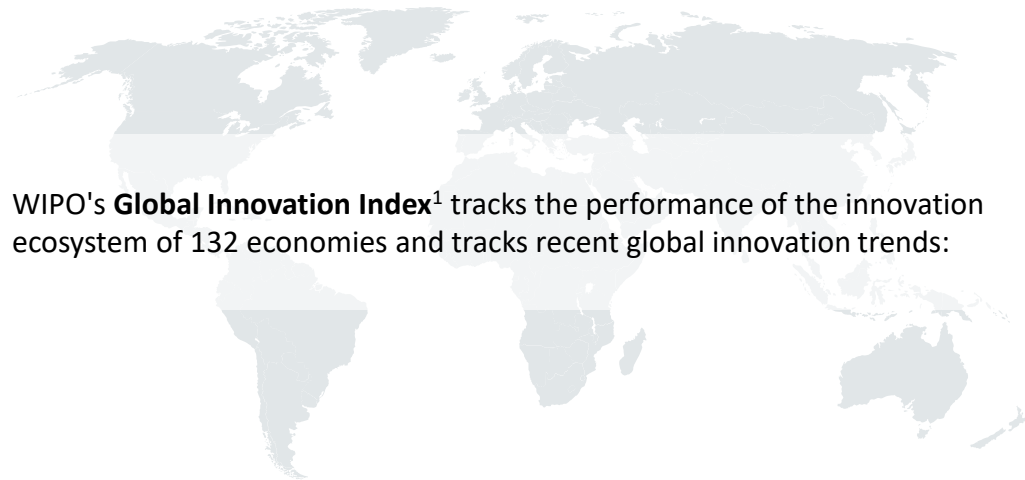
Process-Innovation



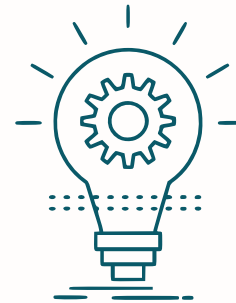
Business Model-Innovation



Innovation in the world



WIPO's **Global Innovation Index**¹ tracks the performance of the innovation ecosystem of 132 economies and tracks recent global innovation trends:



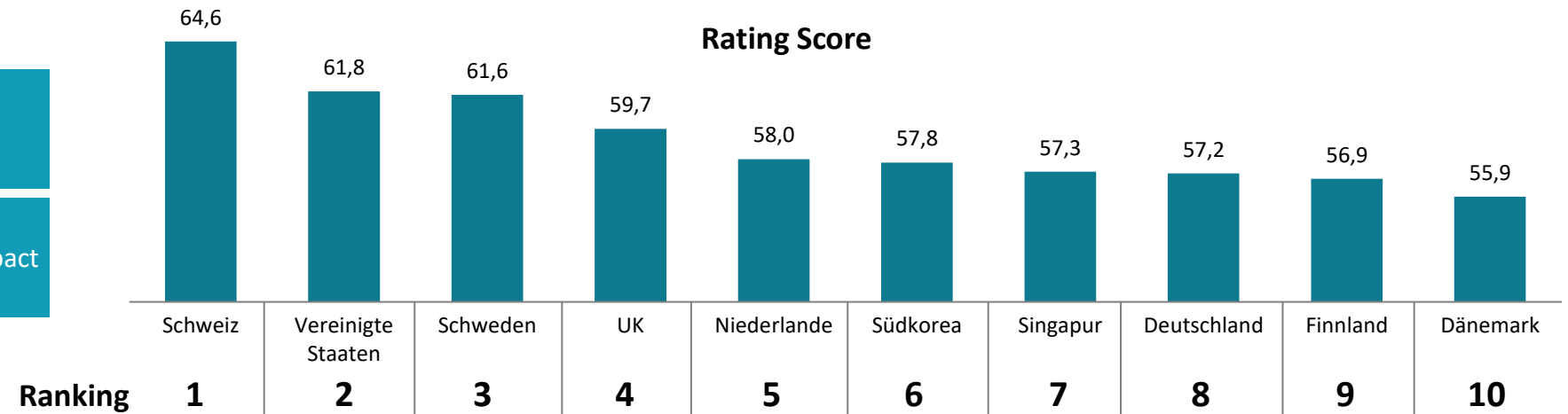
7 of the **10** most innovative countries are European countries

The three leading European innovation economies are **Switzerland, Sweden and the UK**

Switzerland occupies - for the 12th time in a row - first place in this ranking.
first place in this ranking

The ranking is based on **4 main criteria**:

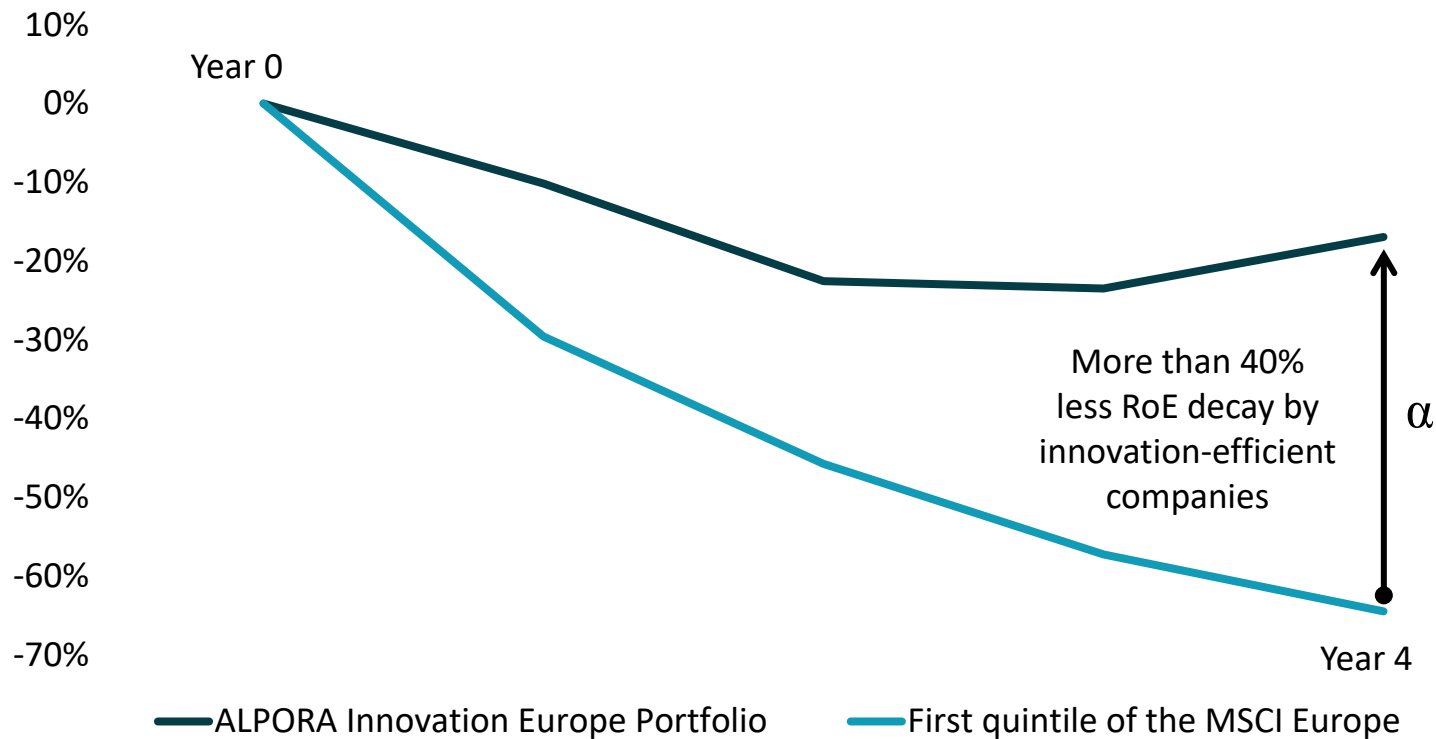
Investing in science and innovation	Technical Progress
Technology introduction	Socio-economic impact



¹World Intellectual Property Organization

Source: WIPO, 2022 - 15th Edition: "Global Innovation Index 2022: What is the future of innovation-driven growth?"

Return on Equity (RoE) decay in % (vertical axis) over 4 years of ALPORA Innovation Europe versus MSCI Europe



Companies show a decline in their ROE over time.

Particularly innovation-efficient companies show a lower average decline in their ROE over the entire period and are thus at an advantage compared with the broad market. This correlation has not yet been properly priced in by the market.

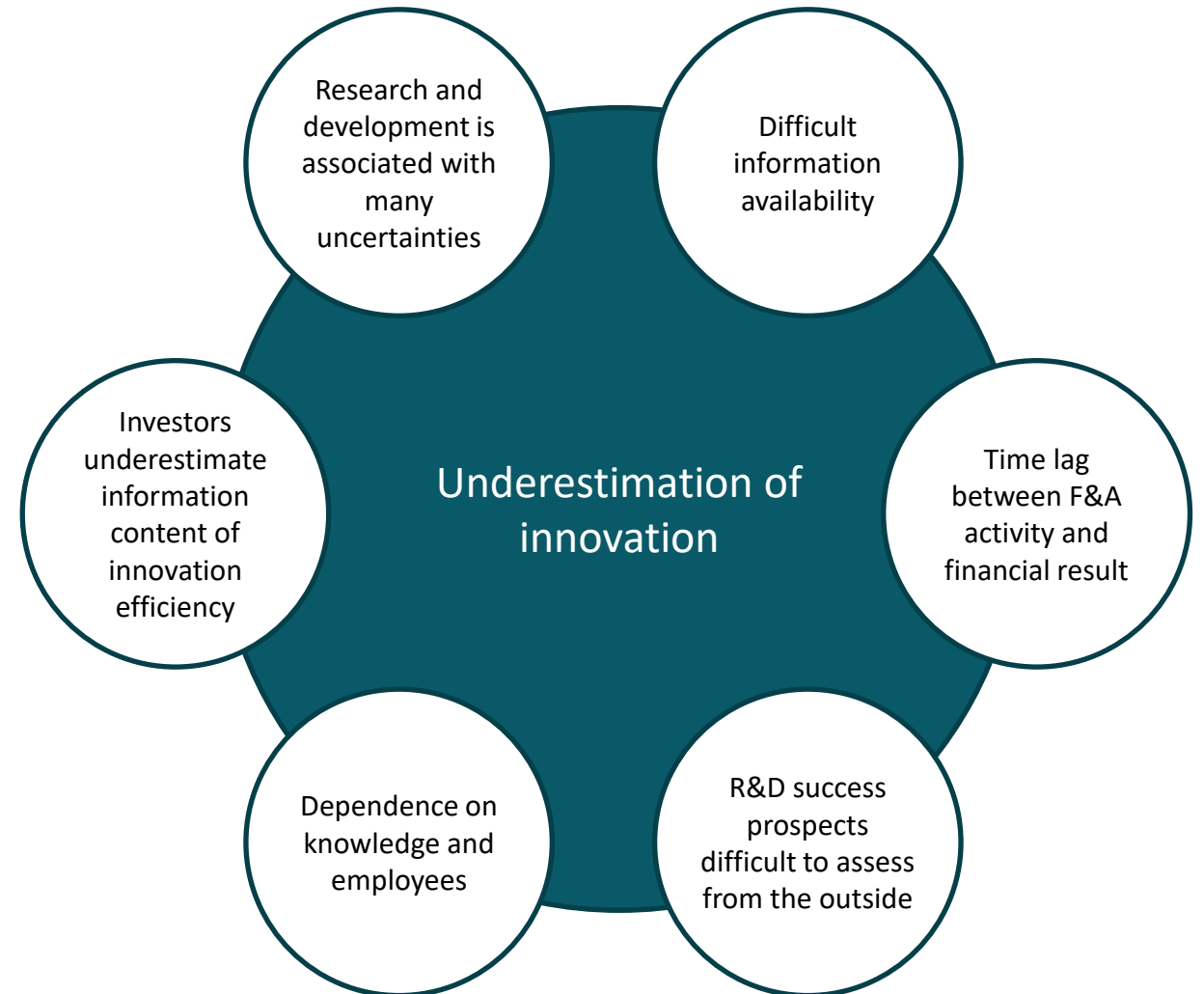
The result is an outperformance of innovation-efficient companies.

Source: Bloomberg, Serafin Asset Management. Decay of RoE over time for the first quintile in MSCI Europe versus innovation efficient companies in ALPORA Innovation Europe, identified by Serafin Asset Management's own analysis.

Why innovation is underestimated by the market

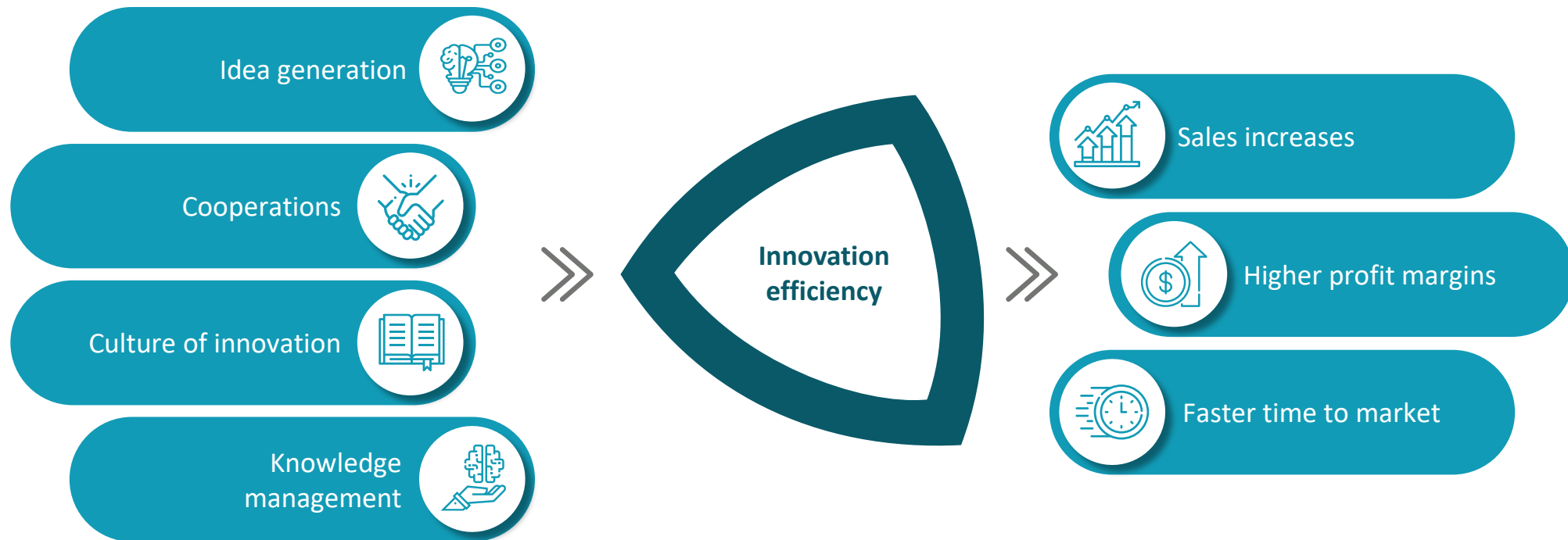
Innovation as an investment criterion is still underestimated by many market participants. The reason for this lies in the difficulty of measuring innovation.

Only if innovation and the mechanisms of innovation generation are understood in depth can they be used beneficially for capital investment.



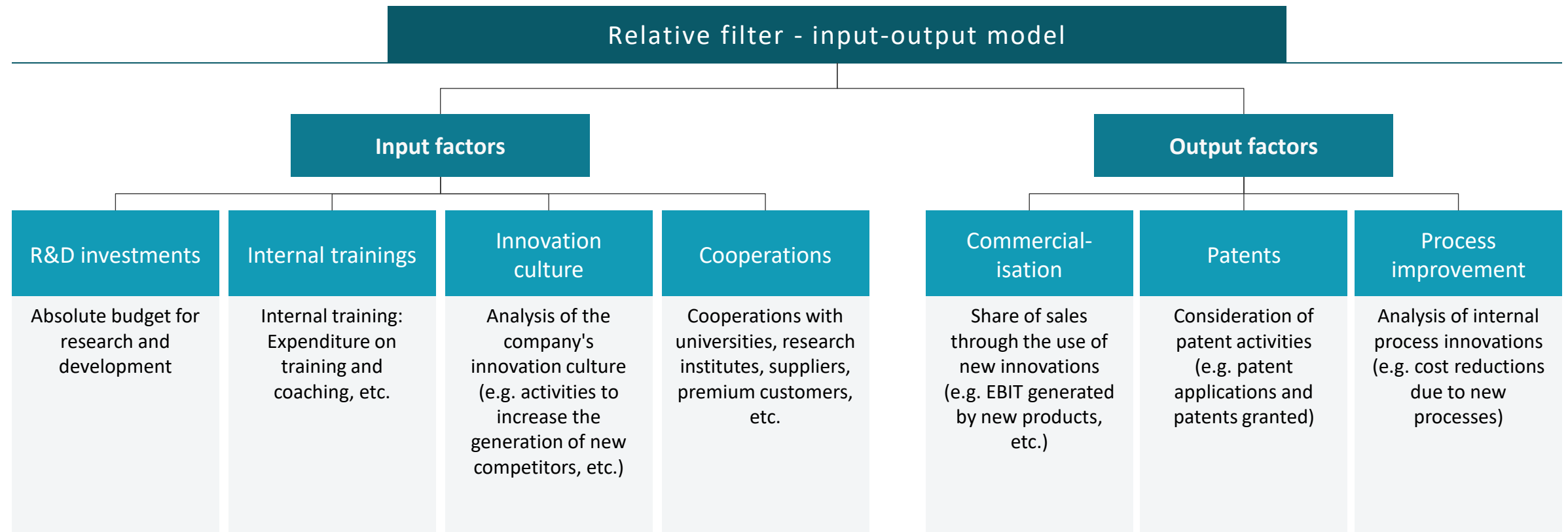
Innovation creates added value

Companies with high innovation efficiency can realize financial advantages.



Exploit Innovation

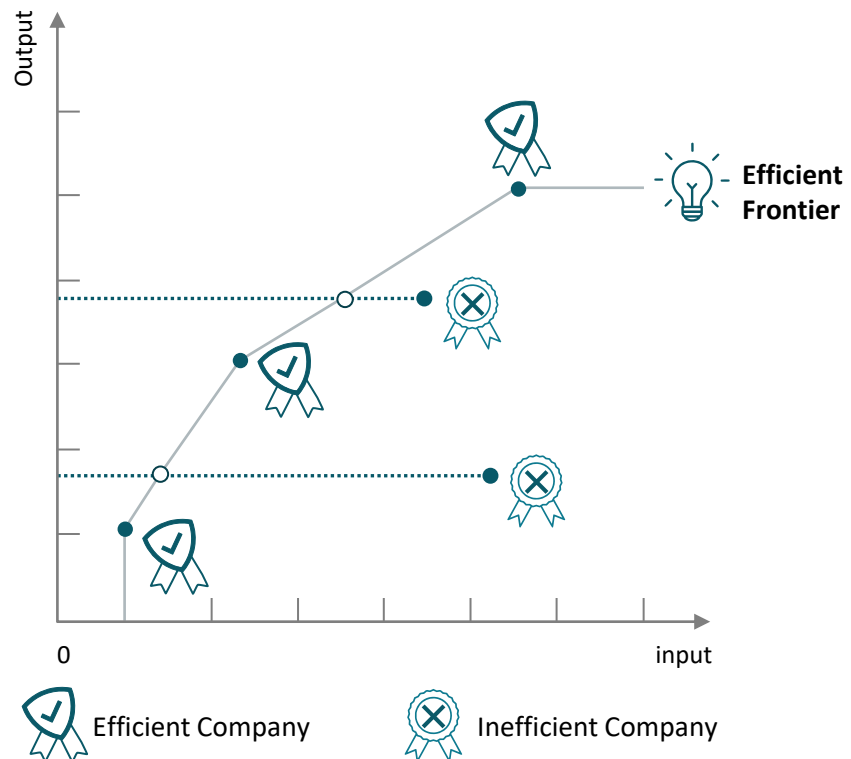
We identify and analyze the most innovation-efficient companies in a market using a mathematical procedure.
The most innovation-efficient companies then form the equity portfolio.



Exploit Innovation

We identify and analyze the most innovation-efficient companies in a market using a mathematical procedure.
The most innovation-efficient companies qualify for the portfolio.

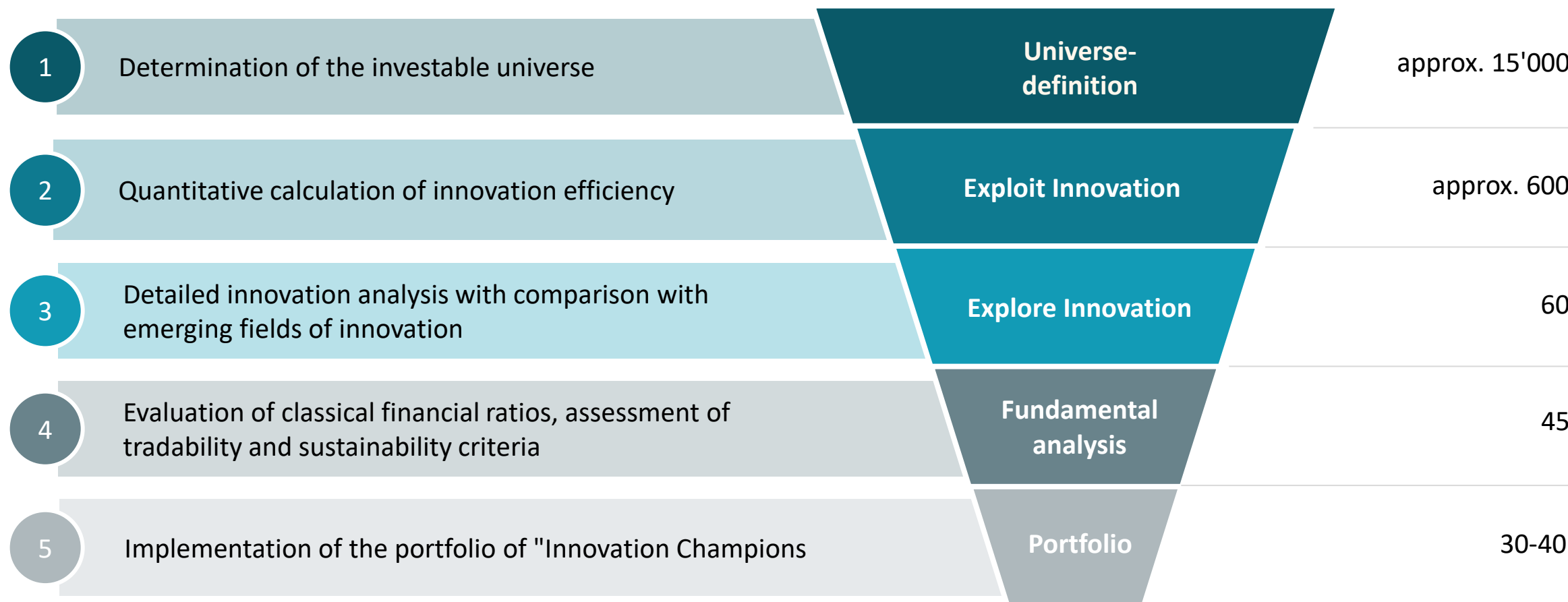
Quantitative calculation of innovation efficiency



- In a mathematical procedure, **innovation inputs** and **innovation outputs** of all companies in the universe under consideration are analyzed and an **Innovation Efficient Frontier** is calculated
- The companies that qualify for the investment portfolio are those that are on the Innovation Efficient Frontier or just below it.
- The future viability of the companies is objectified via supplementary **Big Data analyses** of innovation and **technology fields**.
- The **top 60** portfolio candidates are intensively examined with regard to their **innovation activities, solidity** and **sustainability**

A structured selection process in 5 steps

The different stages of the selection process: ALPORA Innovation Europe

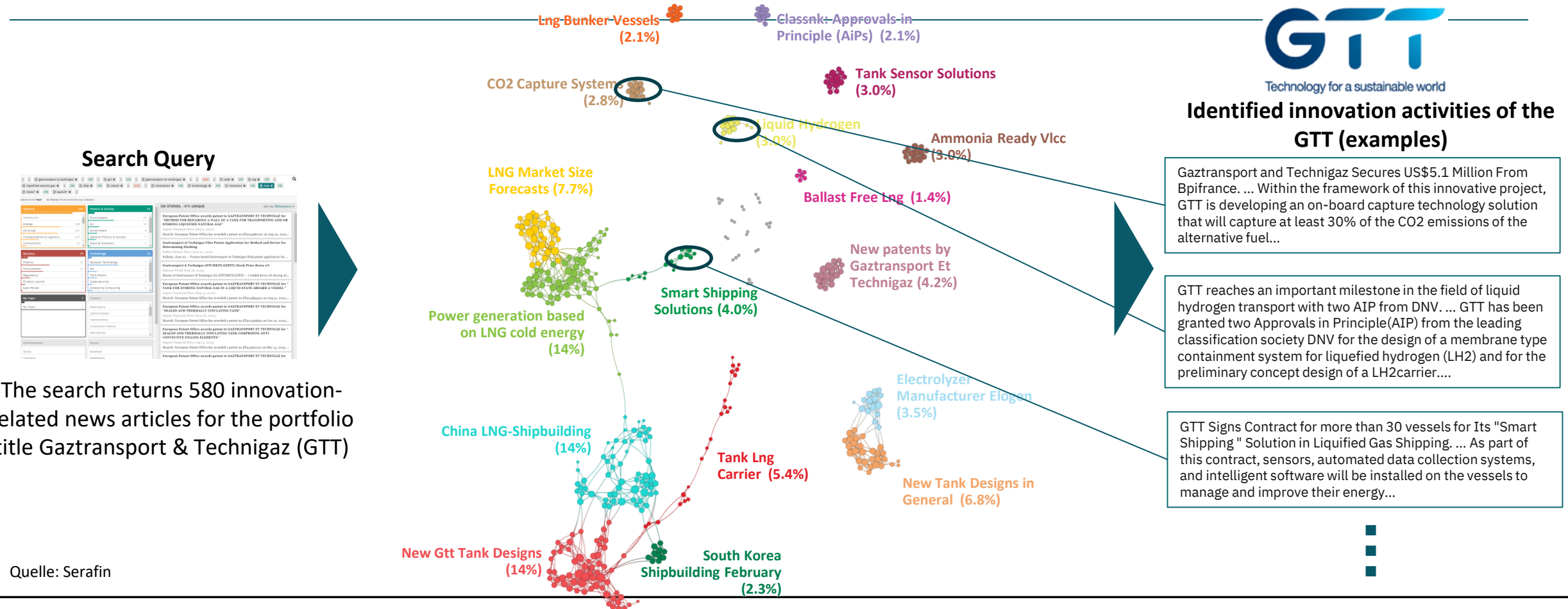


Source: Serafin. Discretionary decisions can be made in stage 3, 4 and 5.

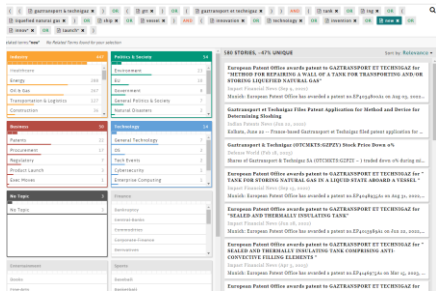
Explore Innovation

Using an advanced Big Data algorithm, emerging innovation trends are identified and innovation activities of portfolio candidates within these innovation fields are determined.

Determination of Innovation Fields



Search Query



The search returns 580 innovation-related news articles for the portfolio title Gaztransport & Technigaz (GTT)

Quelle: Serafin

Fundamental analysis

We analyze the top 60 companies in detail according to the previous steps, focusing on further innovation activities, a review of sustainability, and an evaluation of the fundamental situation. Companies that do not meet the requirements are excluded from the selection.

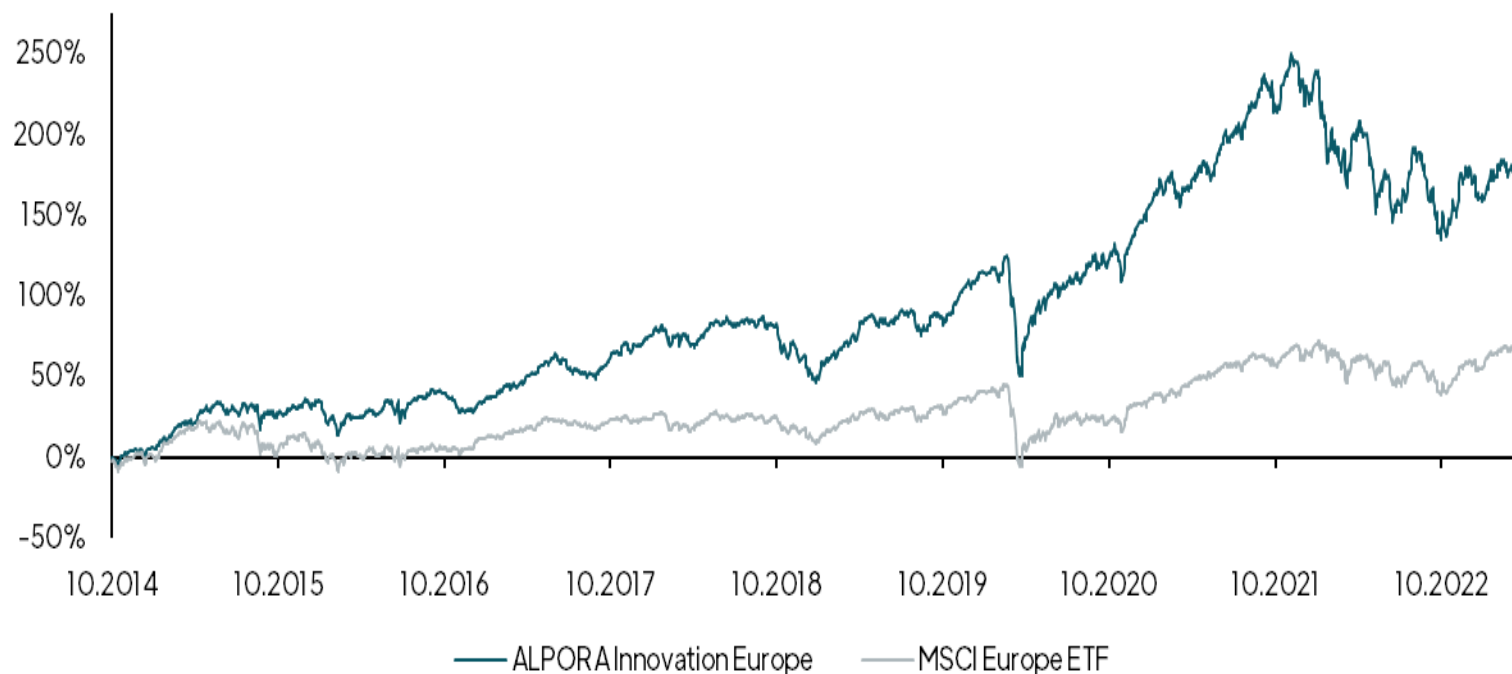
Evaluation of classic financial ratios and sustainability ratios

- In-depth **innovation analysis** (analysis of innovation pipeline, new innovation projects, new product launch, patent situation, etc.)
 - Conduct a **sustainability review** with Sustainalytics ESG data (ESG scores, UN Global Compact criteria, controversies, etc.)
 - **Fundamental analysis** (consideration of balance sheet ratios, profit/loss account, etc.)
-
- Additional data sources such as patent databases are used to conduct detailed analyses of the top 60 companies. If necessary, direct contact is also made with the companies in order to question the current and future innovation activities with the person responsible for innovation in the company (e.g. CTO).

Source: Serafin. In stage 4, discretionary decisions can be made.

ALPORA Innovation Europe

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“We are here for you – please contact us for further information”

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