



## Ad hoc announcement pursuant to Art. 53 LR

Zug, 4 April 2024

### Alpine Select Ltd.: Annual results, portfolio development and investment activities, corporate actions 2023 | Outlook 2024 | Proposal for a new member of the board of directors

#### Looking back at the year 2023

Looking back, 2023 is likely to be remembered as the year when the first applications of artificial intelligence became mainstream. Noteworthy is also the resilience shown by the “magnificent seven” (Apple, Nvidia, Alphabet, Meta, Amazon, Tesla and Microsoft) stocks, which experienced substantial gains throughout the year.

Overall, 2023 surpassed many expectations, with most asset classes ending the year in positive territory. The significant rise in yields, reaching levels not seen since the global financial crisis, initially impacted both stocks and bonds. The bond markets particularly required strong nerves. However, due to a sharper-than-expected decrease in inflation during 2023 and market anticipation of the beginning of an interest rate cutting cycle in 2024, yields declined again, allowing bonds to end the year positively as well. There is an optimistic consensus that 2024 will mark the beginning of interest rate cuts by central banks, heralding a new economic cycle.

The Alpine Select portfolio remained fully invested, yet defensively positioned from a risk-adjusted standpoint. The Net Asset Value (NAV) development for the year was +0.13% (an increase from CHF 7.71 to CHF 7.72 per share). This includes an ordinary dividend of CHF 1.00 per share distributed in May 2023, as well as an extraordinary dividend of CHF 3.00 per share distributed in September 2023. Throughout the reporting period, the shares traded near the NAV.

In the FER financial reporting, Alpine Select (the “Company”) reports an annual loss of CHF 433,000 as of 31 December 2023. In the comparative period (year 2022) a loss of CHF 29.98 million was reported.

#### Portfolio Development and Investment Activities

##### Exit of regional Far East exposure

In the first half of 2023, engagements with a focus on the regional Chinese market were divested. Heightened tensions and mutual hostility observed between the US and China amplified uncertainties and operational risks, prompting a re-evaluation of regional allocations.

Having maintained exposure to the Chinese market for nearly six years, Alpine Select has opted to exit this regional investment theme. As a result, the Alpine Select overall portfolio now holds reduced regional exposure, primarily through one Japanese manager, Bengal Asset Management.

The resurgence of interest rates in Western markets has led to the conclusion that the risk/reward balance in the Western world is now more favorable. Given the economic backdrop in China, in hindsight, this has been the right macro decision.

## Special Situations / Discounted Assets

- IP Group holds a central position in our portfolio, albeit facing structural challenges within the broader UK investment landscape. In December 2023, the announcement of another share buyback program led to a rally in the stock, resulting in a +4% performance for the year. The decision to repurchase their own undervalued shares demonstrates the IP Group board's commitment to addressing the current unjustified discount to NAV, which currently stands above 50%. Regular cash returns to shareholders through realizations will continue, primarily in the form of share buybacks, as long as the discount to NAV remains above 20%.

Alpine Select supports IP Group's proactive undertaking in rectifying their discounted situation until a more 'acceptable' level is attained. Furthermore, Alpine Select maintains optimism that the IP Group's portfolio is well-positioned to benefit from the maturation of its assets rooted in scientific research. Anticipating various catalysts in 2024 and 2025, the Company remains confident in the value creation of IP Group.

- Alpine Select believes that Idorsia convertible bonds have experienced an unwarranted sell-off, primarily driven by negative sentiment surrounding the company, resulting in trading at distressed levels. Despite operational challenges, such as cost reduction measures and the sale of their Asian business, which have already been addressed, Alpine Select stands by its assessment and assumes that the convertible bonds will be redeemed at par value.

Following the business year 2023, Idorsia made a significant announcement on 28 February 2024: The company entered into a substantial global research and development collaboration with Viatris, a prominent U.S.-based global healthcare company. This collaboration entails the joint effort in the global development and commercialization of two Phase 3 assets, 'selatogrel' and 'cenerimod'. As part of this collaboration, Idorsia will receive an upfront payment of USD 350 million, in addition to potential milestone payments and royalties.

Idorsia Pharmaceuticals reported on 20 March 2024 that the US Food and Drug Administration (FDA) approved the company's once-daily TRYMO ('aprocitan') for the treatment of hypertension in combination with other antihypertensive drugs, to lower blood pressure in adult patients who are not adequately controlled on other drugs. This achievement marks another significant milestone in the company's trajectory, as it secures its second potential blockbuster drug approved by the FDA.

- Cheyne Total Return Fund, which invests in global investment grade and crossover credit positions via credit default swaps, forms the core position within the Alpine Select overall portfolio. The fund had a stellar year posting +20%. The strategy has a fixed maturity of December 2024. Alpine Select intends to keep the position as 'invested cash' – given the yield to maturity is expected to be around 8 to 9%.

## Digital Assets

Digital assets witnessed a remarkable year in 2023. Recovering from a bear market, blockchain-based assets experienced a resurgence, especially with the approval and launch of spot Bitcoin exchange-traded funds in the U.S. This move not only opened the asset class to new investors, but also fueled excitement that propelled the market into a new bull phase that continues to this day.

Despite this optimism, it's important to acknowledge that the industry is still maturing. Volatility is expected to persist, given the various challenges that blockchain-based applications still need to overcome.

Alpine Select's exposure to digital assets is managed by specialists through venture capital funds. These experts navigate the landscape of this emerging asset class with expertise.

Alpine Selects reiterates that due to the nature of venture capital investing, the target fund valuations considered for the NAV always lag behind the current market values.

## Annual Shareholders' Meeting 2023

During the ordinary shareholders' meeting held on 17 May 2023, all agenda items and proposals presented by the Board of Directors of Alpine Select Ltd. were passed by the shareholders, after which a dividend of CHF 1.00 gross per registered share was distributed to shareholders on 23 May 2023.

At the extraordinary shareholders' meeting convened on 21 September 2023, shareholders endorsed the sole agenda item proposed by the Board of Directors of Alpine Select Ltd. Consequently, an extraordinary dividend of CHF 3.00 gross per registered share was distributed on 27 September 2023.

## Outlook 2024

Looking ahead, Alpine Select is firmly convinced of the value and growth prospects of the overall portfolio. Alpine Select remains well-positioned to deliver favorable returns, independent of broader market movements.

Alpine Select remains vigilant in identifying discounted and mispriced assets offering an attractive risk/reward profile. Aligned with Alpine Select's mandate, the Company is committed to actively pursue and exploit opportunities for the benefit of its shareholders.

Furthermore, Alpine Select is closely monitoring geopolitical tensions and their potential economic and financial ramifications. Recognizing the possibility of market volatility stemming from the possible return of a former American US president, the Company adjusts its cash position and the corresponding forecasts. The Company's overall asset allocation strategy is continually reassessed considering evolving macroeconomic factors.

---

## Ordinary shareholders' meeting on 27 May 2024

- **The Board of Directors proposes Mr. Rémy A. Bersier for election as a new, additional member of the Board of Directors**

At today's meeting of the board of directors, the members of the board decided to propose the election of Mr. Rémy A. Bersier as a new member of the board of directors at the annual shareholders' meeting to be held on 27 May 2024. In Mr. Rémy A. Bersier, the board of directors is proposing a person for election who, thanks to his many years of experience in the financial industry and his understanding of the market, is an ideal candidate and will make a valuable contribution to the Alpine Select Board of Directors.

- **Agenda and proposals of the Board of Directors**

At its meeting today, the board of directors also approved the other agenda items and proposals to be submitted to the ordinary shareholders' meeting 27 May 2024 as follows:

1. Annual report 2023: Approval of the annual report 2023 as well as the consultative voting on the compensation report 2023
2. Appropriation of available earnings: Carry forward the amount available for distribution to new account (no dividend distribution is proposed)
3. Discharge of the members of the board of directors and the management
4. Elections: All members of the board of directors, as well as the auditors and the independent proxy, stand for re-election for a further term of one year
5. Maximum compensation of the members of the board of directors and the management

---

## Corporate calendar

- 4 April 2024 publication of the annual results 2023
- 9 April 2024 publication of the annual report as per 31 December 2023
- 1 May 2024 publication and distribution of the invitation to the ordinary shareholders' meeting with agenda items and proposals of the board of directors as well as further information regarding the ordinary shareholders' meeting to the shareholders
- 27 May 2024 ordinary shareholders' meeting of Alpine Select Ltd.

---

For further information, please contact Claudia Habermacher ([chabermacher@alpine-select.ch](mailto:chabermacher@alpine-select.ch)) or visit the website [www.alpine-select.ch](http://www.alpine-select.ch).

## **About Alpine Select**

Alpine Select Ltd is an investment company domiciled in Zug and has been listed on the SIX Swiss Exchange since 1998. The Company offers its shareholders the key benefit of investing into a diversified alternative investment portfolio. Alpine Select maintains an active and constructive dialogue with management and board of directors of its portfolio companies in the best interest of its shareholders. Alpine Select does not charge any management or performance fees.