

Innovation World Large Caps by AMG



Comment November 2021

The Innovation World Large Caps fund reached new highs in November, but closed at an unchanged level due to profit taking.

Alphabet Inc. is a holding company in the communications sector based in Silicon Valley, California. The company's businesses include Google Inc. and its internet products Calico, Nest, SideWalk, GV, Verily, DeepMind, Waymo, Access, Capital and X. It primarily offers performance and brand advertising through its search engine and Google Ads advertising service.

The innovation focus is on the digital networking of any services and products such as Android, Chrome, Google Cloud, Google Maps, various hardware and YouTube. Another focus is on artificial intelligence to help develop new products from various data interfaces. Machine learning and artificial intelligence are the driving forces behind many of the recent innovations. DeepMind, part of Alphabet since 2014, made a breakthrough in protein recognition (protein folding) at the end of 2020 thanks to artificial intelligence, enabling researchers to tackle difficult problems in fighting diseases.

ALPORA selection process

Alpora has developed a method, which identifies innovative companies according to branches, regions or market-capitalisation based on key business ratios, and rates them based on their individual innovation efficiency. The selection is made in a three-stage method through a large number of measurable innovation indicators. This unique analytical approach (ICA – Innovation Capability Analytics) is based on scientific research and comprises purely quantitative criteria. The classification forms the basis for the portfolio definition.



AMG selection process

AMG Fonds selects the most robust 30 companies according to fundamental criteria from out of top innovators determined by Alpora. The focus here is placed on the stability of the balance sheet, tradability as well as the business model. The company's financial strength should enable it to achieve its existing potential. Valuation ratios are secondary for this selection, so that also companies in young growth stages can be taken into consideration in the portfolio composition.

Key figures

Net Asset Value Tranche A USD	USD 1'284.58
Number of shares	14'799
Net Asset Value Tranche B CHF-hedged	CHF 1'233.43
Number of shares	18'745
Net Asset Value Tranche C USD	USD 1'227.98
Number of shares	3'058
Net Asset Value Tranche D USD	USD 1'284.55
Number of shares	3'237
Net Asset Value Tranche E EUR-hedged	EUR 1'551.08
Number of shares	468
Net Asset Value Tranche G EUR-hedged	EUR 1'541.28
Number of shares	2'328
Total Net Asset Value	USD 57.4m

Performance Tranche A USD

Duration	Fund	MSCI World ETF
1 month	-2.2%	-1.4%
3 months	-2.5%	-0.6%
12 months	16.4%	23.0%
since inception p.a.	13.7%	17.7%
Year		
2021	10.6%	17.3%
2020	16.0%	16.3%
since inception	28.5%	37.5%

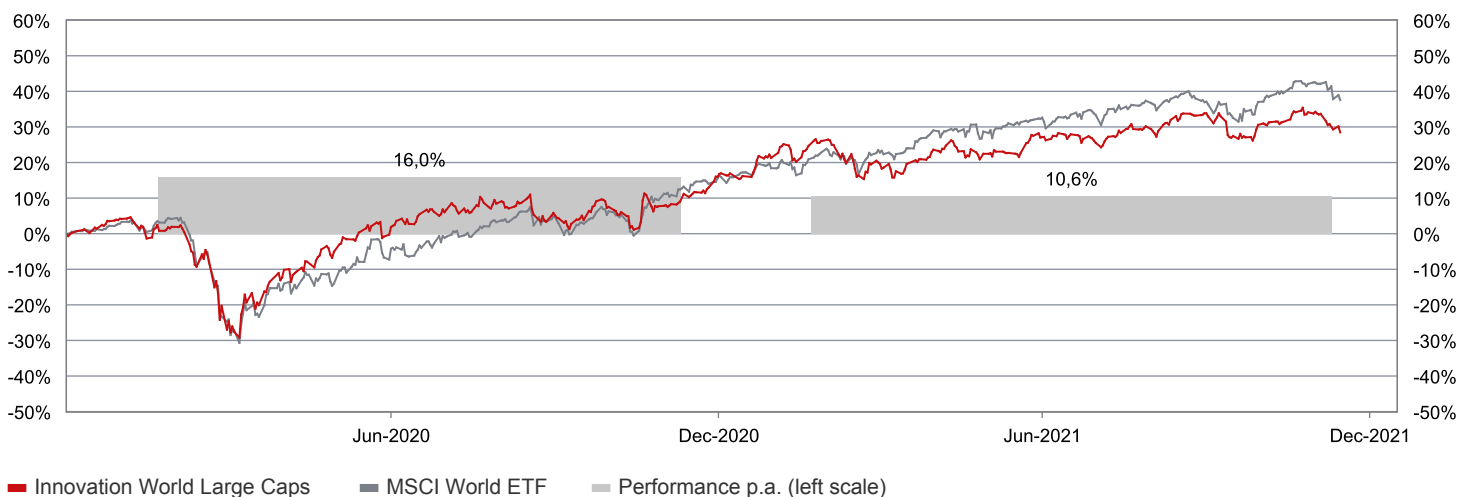
Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	n/a
Sharpe ratio (1.07% Risk free rate)	n/a
Beta (vs. MSCI World ETF)	n/a

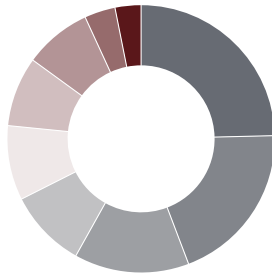
Top 5 positions

Trex	5.4%
VAT	5.1%
Apple	5.1%
Verisign	4.7%
Cheniere Energy	4.7%

Performance since launch Tranche A USD

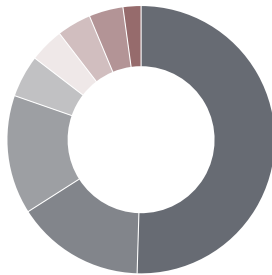


Breakdown by sectors



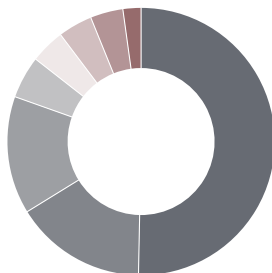
IT	24.6%	Health Care	19.6%
Industrials	13.9%	Communication Serv.	9.5%
Energy	9.0%	Consumer Staples	8.4%
Materials	8.1%	Consumer Discr.	3.7%
Real Estate	0.0%	Financials	0.0%
Utilities	0.0%	Cash	3.1%

Breakdown by currencies



USD	50.5%	CHF	15.5%
JPY	14.4%	EUR	5.1%
DKK	4.1%	NOK	4.1%
GBP	4.1%	SEK	2.2%

Breakdown by countries



United States	48.7%	Switzerland	15.4%
Japan	13.8%	Germany	5.0%
Norway	4.0%	United Kingdom	4.0%
Denmark	3.8%	Sweden	2.1%

Sustainability

Applied ESG characteristics

<input checked="" type="checkbox"/> Exclusion Criteria	<input checked="" type="checkbox"/> Reporting
<input checked="" type="checkbox"/> Integration	<input type="checkbox"/> Benchmark

This is a financial product within the meaning of Art. 8 of Regulation (EU) 2019/2088 (Disclosure Regulation).

Fund facts

Domicile of fund	LU
Legal form	SICAV (UCITS V)
Investment universe	Global (Developed Markets)
Investment manager	AMG Fondsverwaltung AG, Zug
Management company	VP Fund Solutions (Luxembourg) SA, Lux
Custodian bank	VP Bank (Luxembourg) SA, Lux
Launch date	17.12.2019
Recommended investment horizon	5 years
Reference currency	USD
ISIN / Bloomberg-Ticker (respective Tranche)	A USD: LU2084863575 / GIWLCALX B CHF-hedged: LU2084868962 / GIWLCBLX C USD: LU2084869424 / GIWLCCLX E EUR-hedged: LU2127862683 / GLWLAELX G EUR-hedged: LU2127862840 / GLWLAGLX

Distributions	accumulating
Subscription and redemption	daily (cut-off 12.00 CET)
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
Registered for public distribution	CH, D, LUX, UK

Fee structure

Subscription and redemption fee	none
Management fee p.a.	Tranche A USD: 1.04% Tranche B CHF-hedged: 1.04% Tranche C USD: 1.54% Tranche E EUR-hedged: 1.04% Tranche G EUR-hedged: 1.54%
MiFID fee for third party research p.a.	0.04%
Total expense ratio p.a. (per 31.03.2021; TER)	Tranche A USD: 1.49% Tranche B CHF-hedged: 1.50% Tranche C USD: 1.98% Tranche E EUR-hedged: 1.55% Tranche G EUR-hedged: 2.00%

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