

ALPINE SELECT

SEMI-ANNUAL
REPORT
2017

Investors' Information

Board of Directors

Raymond J. Baer	Chairman
Thomas Amstutz	Member
Dieter Dubs	Member
Michel Vukotic	Member (as of 22-May-17)

Management

Claudia Habermacher	Chief Executive Officer
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Auditors

KPMG Ltd.
Badenerstrasse 172
8036 Zurich / Switzerland

Alpine Facts

Incorporation date	18 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 Shares	Registered shares
Total Shares Issued	11,351,250
Custodian	Bank Julius Baer
Management Fees	None
Performance Fees	None
Distributions	Out of reserves from capital contributions

Corporate Calendar

<http://www.alpine-select.ch/investors/corporate-calendar.aspx>

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Key Figures

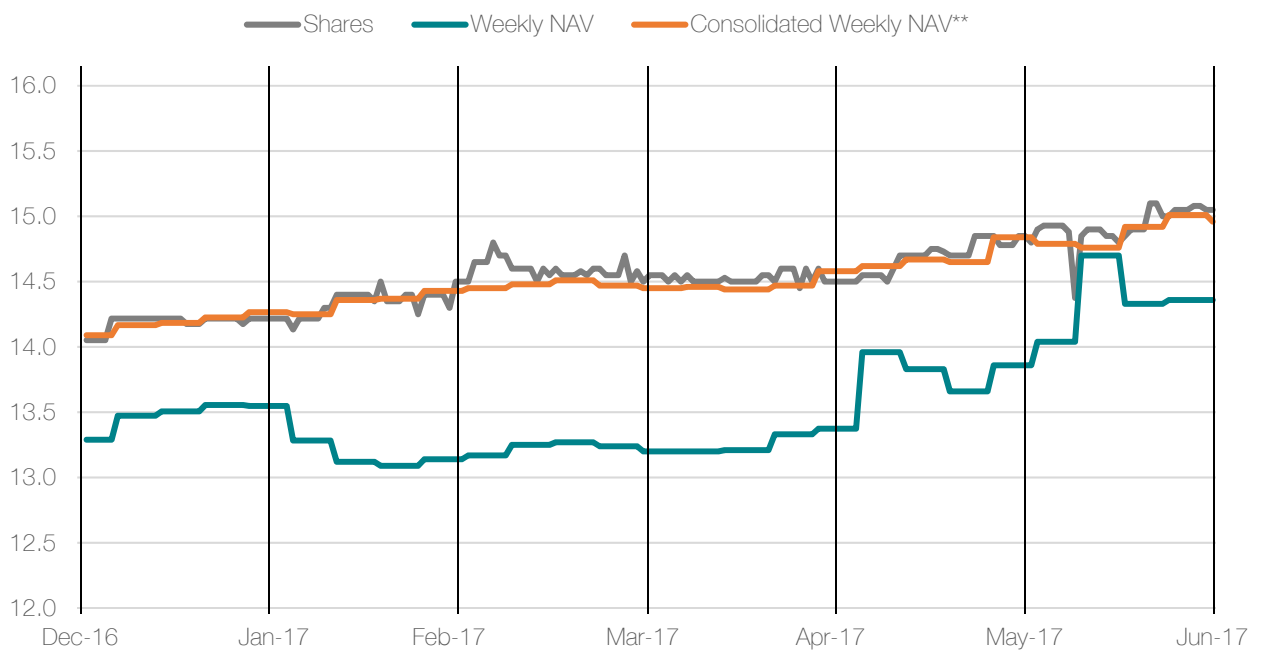
Performance Table*

	30 June 2017	31 Dec 2016
Share price (CHF)	15.00	14.05
Consolidated NAV (CHF) **	15.09	14.00
Non-consolidated NAV (CHF)	14.46	13.29

	High YTD 2017	Low YTD 2017
Share price (CHF)	15.10	14.05
Premium / (Discount) to non-consolidated NAV	12.38%	0.68%
Non-consolidated NAV (CHF)	14.70	13.09

6 Months Price-History in CHF for the Period January to June 2017

Daily closing share price and weekly NAVs



Top Positions of the combined Portfolio of Alpine and Absolute Invest as per 30 June 2017

Altin Ltd.	21.53%
Cheyne New Europe Fund L.P.	9.38%
Vifor Pharma AG	6.53%
Sparx Japan Value Impact Fund	4.99%
Akamatsu Bonsai Fund	4.26%
Other Long Positions	23.91%
Other Hedge Fund Positions	18.88%
Cash and other assets/(liabilities), net	10.53%

Monthly NAV Performance in % ¹⁾

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
2013	1.8	0.2	0.5	-0.7	3.9	-2.1	1.0	-1.2	3.9	3.5	-0.1	1.0	12.2
2014	2.3	1.4	-1.8	-0.8 ²⁾	5.8	1.2	-1.1	0.6	-2.2	2.9	0.9	1.6	11.1
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	-0.6
2016	-1.3	-2.3	2.5	-3.0	1.1	-0.6	1.5	0.3	2.5	0.8	1.3	0.4	3.1
2017	0.8	-3.0	0.3	1.8	4.2	2.5							6.7

1) The monthly NAV performance as disclosed in above performance table is based on the estimated monthly NAV as published by the Company. The NAV effect of the acquisition and consolidation of Absolute Invest Ltd. is considered from April 2014 on. Published NAVs are not adjusted except for the effect of dividend distributions of Alpine Select Ltd. Estimated and effective monthly NAVs may differ.

2) Change to publication of consolidated NAV

Monthly Share Price Performance in %

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
2013	1.9	-0.3	0.6	0.3	2.0	-1.9	1.6	-1.0	2.9	5.1	0.3	0.0	12.0
2014	4.2	1.2	-0.6	-0.6	5.2	1.2	-0.6	0.3	-1.4	1.8	0.6	1.1	12.8
2015	2.3	1.7	3.8	1.1	-0.5	-1.6	1.1	-3.9	-2.9	0.3	0.6	-0.9	0.7
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
2017	1.2	2.0	0.3	-0.3	2.1	1.4							6.8

* All figures are adjusted for the dividend payment in February 2017 out of reserves from capital contributions.

** NAV consolidated: pro forma NAV with Altin Ltd. (press release, dated 9 May 2016)

Chairman's Statement and Review of Operations

Dear Shareholders

Total return to shareholders during the first six months of the year 2017 was 6.75% (increase of the share price from CHF 14.05 to CHF 15.00). This includes a dividend of CHF 3.00 per share. The consolidated Net Asset Value («NAV») recorded a performance of 7.79% for the same period (from CHF 14.00 to CHF 15.09) and the non-consolidated NAV concluded the reporting period with a performance of 8.80% (from CHF 13.29 to CHF 14.46). Throughout the first six months of 2017, the shares traded at or near the NAV thereby delivering on an important commitment of ours.

At year-end 2016, Alpine Select Ltd. («Alpine») together with Absolute Invest Ltd. («Absolute Invest» and together the «Alpine Group»), held 3,018,540 or 87.50% of all outstanding Altin Ltd. («Altin») shares. Our goal remains the possible full consolidation or merger of the business activities of Alpine Group and Altin, and as a consequence the delisting of the Altin shares. We are therefore very pleased that we have succeeded in further increasing our position in Altin: As per 30 June 2017, Alpine Group holds 3,236,478 or 93.82% of all outstanding Altin shares.

We are satisfied with the performance for the first six months of roughly CHF 12.6 million. About CHF 5 million came from all our Japanese investments, 4 long only and 3 long/short investments. They confirm our view that Japan offers fantastic risk/return features for basically three good reasons. First, valuation is by far the lowest of established, mature markets. Second, there are more than 4,000 listed companies in Japan, largely under-researched, making it therefore a «stockpicker's paradise» and third, 25 years of underperforming markets with deflation and multiple recessions have created massive pressure on money managers of which only the fittest have survived. Consequently, we stick to our Japan exposure.

A special situation in our Northwest Warrant Fund with regard to a legal settlement reversed a write-down of last year and contributed CHF 2.1 million to the performance.

In the Swiss market, Alpine further reduced its HBM Healthcare position and doubled up on the Vifor Pharma position. Gains in HBM Healthcare were offset by losses in Vifor Pharma. With CHF 10.6 million, Vifor Pharma has become a sizeable investment and we will monitor the position closely.

A bright spot were our trades in the field of merger arbitrage, where Alpine managed to benefit from «discounts to bid» situations in Syngenta and – indirectly through Altin – in Actelion / Idorsia respectively resulting in a net profit including dividends of approximately CHF 3.2 million. This again confirms that the absence of previously dominant bank proprietary trading books continues to create attractive arbitrage opportunities.

Our credit and global macro positions produced a somewhat muted profit of CHF 1 million. We stick to these investments because we believe that markets will get more volatile in the second half of the year 2017 and these investments tend to show best results in such an environment and will thus protect our portfolio effectively.

One of our largest position, the real estate development fund Cheyne New Europe Fund has started to return money to investors. Alpine received redemption funds of around TCHF 900 and we are optimistic that this will continue over the next years, not only transforming this illiquid legacy asset into cash but also contributing to our performance positively going forward.

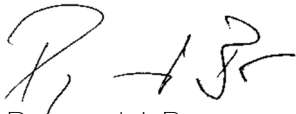
Chairman's Statement and Review of Operations

We have made little changes to the portfolio. We doubled up on Yuki Japan Rebounding Growth Fund, initiated a position with STATS Japan L/S Fund, redeemed 50% of our Northwest Warrant Fund position and are about to increase the position in our defensive «long volatility» Aleutian Fund.

On a consolidated view, we currently hold around CHF 30.7 million in cash. We are therefore well prepared for «rocky markets» when central banks will start to reduce their balance sheets.

Being aware of the important shifts in the currency markets we try to be currency neutral to the extent possible.

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



Raymond J. Baer

Chairman of the Board of Directors of Alpine Select Ltd.

Condensed Interim Financial Statements (IFRS)

Condensed Interim Financial Statements (IFRS)

STATEMENT OF FINANCIAL POSITION

in TCHF	Note	30 June 17 (unaudited)	31 Dec 16 (audited)
ASSETS			
Current assets			
Cash and cash equivalents		2 341	951
Financial assets at fair value through profit or loss – trading	5	1 336	1 177
Other receivables from Absolute Invest Ltd.		0	21
Other current assets	6	12 488	15 727
Total current assets		16 165	17 876
Non-current assets			
Financial assets at fair value through profit or loss – trading	5	39 613	35 551
Investments in non-consolidated subsidiaries at fair value through profit or loss	5.1	137 261	163 414
Total non-current assets		176 874	198 965
Total assets		193 039	216 841
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdrafts		0	18 183
Financial liabilities at fair value through profit or loss – trading	5	60	470
Short-term loan from Altin Ltd.	7	5 049	0
Short-term loan from Absolute Invest Ltd.	7	25 024	14 000
Accounts payable and accrued liabilities		368	239
Total current liabilities		30 501	32 892
Non-current liabilities			
Deferred tax liabilities	8	583	959
Total non-current liabilities		583	959
Equity			
Share capital	9.1	227	286
Additional paid-in capital		9 937	43 546
Treasury shares	9.4	-2 443	-52 848
Retained earnings		154 234	192 006
Total equity		161 955	182 990
Total liabilities and equity		193 039	216 841
Net asset value (NAV) per share in CHF	14	14.46	16.33

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED

in TCHF	Note	30 June 17 (unaudited)	30 June 16 (unaudited) restated *)
INCOME			
Gain on financial assets and financial liabilities at fair value through profit or loss, net – trading	10	4 096	0
Dividend income	12	35 472	99
Other income		16	57
Total income		39 584	156
EXPENSES			
Loss on financial assets and financial liabilities at fair value through profit or loss, net – trading	10	0	-1 823
Loss on investments in non-consolidated subsidiaries at fair value through profit or loss, net	11	-26 153	-4 908
Administrative expenses		-771	-1 057
Commissions and other bank fees		-191	-466
Interest expenses		-117	-55
Net foreign exchange losses		-21	-95
Total expenses		-27 253	-8 404
Profit / (loss) before tax		12 331	-8 248
Income tax income		292	33
Profit / (loss) for the period		12 623	-8 215
Other comprehensive income for the period		0	0
Total comprehensive income / (loss) for the period		12 623	-8 215
Earnings per share in CHF (basic and diluted)	13	1.13	-0.58

*) Further details to the restatement can be seen in Note 2.1

Condensed Interim Financial Statements (IFRS)

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED

in TCHF	Note	30 June 17 (unaudited)	30 June 16 (unaudited) restated *)
Cash flows from operating activities			
Profit / (loss) before tax		12 331	-8 248
Adjustments for:			
• Loss / (gain) on financial assets and financial liabilities at fair value through profit or loss, net – trading	10	-4 096	1 823
• Loss on investments in non-consolidated subsidiaries at fair value through profit or loss, net	11	26 153	4 908
• Dividend income	12	-35 472	-99
• Interest expenses, net		117	55
• Net foreign exchange losses		21	95
• Other non-cash expenses		41	14
Decrease / (increase) in other current assets		8	-45
Increase in accounts payable and accrued liabilities		8	22
Decrease / (increase) in short-term receivables from Absolute Invest Ltd.		21	-4
Withholding taxes received		15 646	988
Dividends received, net of withholding tax if applicable		23 057	99
Interest received		0	13
Interest paid		-44	-68
Income taxes paid		0	0
Net cash from / (used in) operating activities		37 791	-447
Cash flows from investing activities			
Purchases of financial assets at fair value through profit or loss	5.8	-13 663	-72 965
Proceeds from:			
• Sale of financial assets at fair value through profit or loss	5.8	10 655	42 082
• Short sale of trading options at fair value through profit or loss	5.8	27	0
Disposal of trading options at fair value through profit or loss sold short	5.8	-254	0
Net cash inflow from currency forwards	5.8	2 700	1 496
Short-term loan granted to Absolute Invest Ltd.		0	-15 013
Net cash used in investing activities		-535	-44 400

*) Further details to the restatement can be seen in Note 2.1

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED

in TCHF	Note	30 June 17 (unaudited)	30 June 16 (unaudited) restated *)
Cash flows from financing activities			
Increase of short-term bank loans		0	5 500
Repayment of short-term bank loans		0	-5 500
Short-term loans received from:	7		
• Absolute Invest Ltd.		11 500	0
• Altin Ltd.		20 000	0
• Trinsic Ltd.		8 500	0
Short-term loans paid back to:	7		
• Absolute Invest Ltd.		-500	0
• Altin Ltd.		-15 000	0
• Trinsic Ltd.		-8 500	0
Transaction costs related to the cancellation of treasury shares	9.4	-53	0
Acquisition of treasury shares	9.4	0	-2 443
Dividend paid to shareholders of Alpine		-33 609	-14 168
Net cash used in financial activities		-17 662	-16 611
Net foreign exchange difference		-21	-95
Net increase / (decrease) in cash and cash equivalents		19 573	-61 553
Cash and cash equivalents as at 1 January		-17 232	42 523
Cash and cash equivalents as at 30 June		2 341	-19 030
Cash and cash equivalents as at 30 June consist of:			
• Current accounts at banks		2 341	286
• Less bank overdrafts		0	-19 316
Cash and cash equivalents as defined for the statement of cash flows		2 341	-19 030

*) Further details to the restatement can be seen in Note 2.1

Condensed Interim Financial Statements (IFRS)

STATEMENT OF CHANGES IN EQUITY

in TCHF	Note	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Total equity
Balance as at 1 January 2016		286	57 714	0	181 343	239 343
Results for the six-month period 1 Jan to 30 June 2016						
Loss for the period					-8 215	-8 215
Other comprehensive income for the period						0
Total comprehensive loss for the period		0	0	0	-8 215	-8 215
Dividend paid to shareholders of Alpine ¹⁾			-14 168			-14 168
Acquisition of treasury shares	9.4			-2 443		-2 443
Total distributions to owners of the Company		0	-14 168	-2 443	0	-16 611
Balance as at 30 June 2016		286	43 546	-2 443	173 128	214 517
Results for the six-month period 1 July to 31 Dec 2016						
Profit for period					18 878	18 878
Other comprehensive income for the period						0
Total comprehensive income for the period		0	0	0	18 878	18 878
Acquisition of treasury shares	9.4			-50 405		-50 405
Total distributions to owners of the Company		0	0	-50 405	0	-50 405
Balance as at 31 December 2016		286	43 546	-52 848	192 006	182 990
Results for the six-month period 1 Jan to 30 June 2017						
Profit for the period					12 623	12 623
Other comprehensive income for the period						0
Total comprehensive income for the period		0	0	0	12 623	12 623
Dividend paid to shareholders of Alpine ¹⁾			-33 609			-33 609
Cancellation of treasury shares	9.4	-59		50 405	-50 346	0
Transaction costs on cancellation of treasury shares, net of income tax	9.4				-49	-49
Total distributions to owners of the Company		-59	-33 609	50 405	-50 395	-33 658
Balance as at 30 June 2017		227	9 937	-2 443	154 234	161 955

¹⁾ Paid out of the reserves from capital contributions

Selected Notes to the Condensed Interim Financial Statements (IFRS)

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Selected Notes to the Condensed Interim Financial Statements (IFRS)

1. Corporate information

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

Absolute Invest Ltd. («Absolute Invest»), Zug, Switzerland is a wholly owned subsidiary of Alpine. As at 30 June 2017, Alpine also holds 68.16% (31 December 2016: 68.16%) of the shares and voting rights of Altin Ltd. («Altin»), Zug, Switzerland.

The Company offers institutional and individual investors the opportunity to buy into a broad portfolio with core investment strategies focusing on: discount-, risk-arbitrage, tactical exploitation of under-researched companies / situations, short-term opportunities and liquid hedge funds.

As of 30 June 2017, the Company has one employee.

2. Basis of presentation of the condensed interim financial statements

The accompanying condensed interim IFRS financial statements for the six-month period ended 30 June 2017 were prepared in accordance with IAS 34 Interim Financial Reporting, Swiss law and the special provisions for investment companies according to the Listing Rules and the Directive of Financial Reporting of the SIX Swiss Exchange. They do not include all the information and disclosure required for a complete set of International Financial Reporting Standards («IFRS») financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes to the Company's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2016.

The condensed interim financial statements are presented in Swiss Francs («CHF») / thousands of Swiss Francs («TCHF»).

2.1 Changes in accounting policies as at 31 December 2016 with impact on the condensed interim financial statements as at 30 June 2017

As per 1 January 2016, Alpine has adopted Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) (the «Amendments»). The amendments clarify that an investment entity only consolidates its subsidiaries if both the following criteria are met:

- The subsidiary is not itself an investment entity, and
- The subsidiary's main purpose is to provide services that relate to the investment entity's investment activities.

The investment entities consolidation exception is mandatory for an entity that meets the criteria of an investment entity in accordance with IFRS 10.27:

- a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

Management assessed Alpine and its subsidiary Absolute Invest – whereof Alpine holds 100% interest as at 31 December 2016 and 30 June 2017 – and its investment in Altin, whereof Alpine holds directly 68.16% and together with Absolute Invest 93.82% as at 30 June 2017 (31 December 2016: 68.16% and together with Absolute Invest 87.50%). Management concluded that Alpine, its directly owned subsidiary Absolute Invest and Altin meet the definition of an investment entity (see Note 3.2).

Consequently, Alpine has changed its accounting policy on accounting for its investment in subsidiaries and measures them at fair value through profit or loss. Before the adoption of the amendments, Alpine consolidated the subsidiaries. The adoption was performed retrospectively as at 1 January 2015 and is disclosed in the IFRS financial statements as at and for the year ended 31 December 2016.

The following shows the adjustments made to each financial statement line item for the comparative period of the six-month period ended 30 June 2016 for both the statement of comprehensive income and the statement of cash flows:

STATEMENT OF COMPREHENSIVE INCOME			
in CHF	Presented for the six months to 30 Jun 16	Re- statement	Restated for the six months to 30 Jun 16
INCOME			
Dividend income	232	-133	99
Other income	62	-5	57
Total income	294	-138	156
EXPENSES			
Loss on financial assets and financial liabilities at fair value through profit or loss, net – trading	-6 339	4 516	-1 823
Loss on investments in non-consolidated subsidiaries at fair value through profit or loss	0	-4 908	-4 908
Administrative expenses	-1 171	114	-1 057
Commissions and other bank fees	-649	183	-466
Interest expenses	-75	20	-55
Net foreign exchange losses	-67	-8	-66
Total expenses	-8 321	- 83	-8 404
Loss before tax	-8 027	- 221	-8 248
Income tax income / (expense)	356	-323	33
Loss for the period	-7 671	- 544	-8 215
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations	-547	547	0
Other comprehensive loss for the period, net of tax	- 547	547	0
Total comprehensive loss for the period	-8 218	3	-8 215
Loss for the year attributable to:			
Owners of Alpine Select Ltd.	-7 671	-544	-8 215
Non-controlling interests	0	0	0
	-7 671	- 544	-8 215
Total comprehensive loss for the period attributable to:			
Owners of Alpine Select Ltd.	-8 215	0	-8 215
Non-controlling interests	-3	3	0
	-8 218	3	-8 215
Earnings per share in CHF (basic and diluted)	-0.54	-0.04	-0.58

Selected Notes to the Condensed Interim Financial Statements (IFRS)

STATEMENT OF CASH FLOWS							
In TCHF	Presented for the six months to 30 Jun 16	Re-statement	Restated for the six months to 30 Jun 16	In TCHF	Presented for the six months to 30 Jun 16	Re-statement	Restated for the six months to 30 Jun 16
Cash flows from operating activities				Cash flows from financing activities			
Loss before tax	-8 027	-221	-8 248	Increase of short-term bank loans	5 500	0	5 500
Adjustments for:				Repayment of short-term bank loans	-5 500	0	-5 500
• Loss on financial assets and financial liabilities at fair value through profit or loss, net – trading	6 339	-4 516	1 823	Distribution to non-controlling interests	-35	35	0
• Loss on investments in non-consolidated subsidiaries at fair value through profit or loss	0	4 908	4 908	Purchase of treasury shares	-2 443	0	-2 443
• Dividend income	-232	133	-99	Dividend paid to shareholders of Alpine	-14 168	0	-14 168
• Interest expenses, net	75	-20	55	Net cash used in financing activities	-16 646	35	-16 611
• Net foreign exchange losses	87	8	95	Net foreign exchange difference	-119	24	- 95
• Other non-cash expenses	34	-20	14	Net decrease in cash and cash equivalents	-63 062	1 529	-61 553
Decrease / (increase) in other current assets	80	-125	-45	Cash and cash equivalents as at 1 January	44 509	-1 986	42 523
Increase in accounts payable and accrued liabilities	13	9	22	Cash and cash equivalents as at 30 June	-18 573	- 457	-19 030
Decrease other short-term payables to Absolute Invest Ltd.	0	-4	-4	Cash and cash equivalents as at 30 June consists of:			
Withholding taxes received	988	0	988	• Current accounts at banks	1 028	-742	286
Dividends received	232	-133	99	• Less bank overdrafts	-19 601	285	-19 316
Interest received from Absolute Invest Ltd.	0	13	13	Cash and cash equivalents as defined for the statements of cash flows	-18 573	- 457	-19 030
Interest paid	-75	7	-68				
Income taxes paid	0	0	0				
Net cash used in operating activities	- 488	39	- 447				
Cash flows from investing activities							
Purchases of financial assets at fair value through profit or loss	-92 508	19 543	-72 965				
Proceeds from sale of financial assets at fair value through profit or loss	44 713	-2 631	42 082				
Net cash inflow from currency forwards	1 964	-468	1 496				
Short-term loan to Absolute Invest Ltd.	0	-15 013	-15 013				
Net cash used in investing activities	-45 831	1 431	-44 400				

3. Accounting policies

The condensed interim financial statements have been prepared under the historical cost basis except for investments in non-consolidated subsidiaries, for financial assets and financial liabilities at fair value through profit or loss and for all derivative instruments which are recorded at fair value.

3.1 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended standards issued for financial years beginning on or after 1 January 2017.

- IAS 7: Disclosure Initiative – Amendments to IAS 7 (effective 1 January 2017);
- IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses – Amendments (effective 1 January 2017);

The adoption of the amended standards did not have any effect on the condensed interim financial statements or the performance of the Company.

In 2018 and afterwards, the Company will adopt the following new standards and interpretations:

- IFRS 9: Financial Instruments (effective 1 January 2018);
- IFRIC 23: Uncertainty over Income Tax Treatments (effective 1 January 2019).

The Company has not yet determined the potential effects of these new standards and interpretations on its financial statements and performance.

3.2 Accounting estimates and judgment

The preparation of these condensed interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses as well as the disclosure of contingent liabilities. Therefore, management has carefully considered the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. The significant judgements made by the management in applying Alpine's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the IFRS financial statements as at and for the year ended 31 December 2016.

a) Fair value of investments

The most critical judgments and estimates relate to the valuation of the Company's unlisted investments and – hence – to the Company's non-consolidated investment in Absolute Invest, valued at fair value through profit or loss. Unlisted investments as well as the non-consolidated investment in Absolute Invest are recorded at the (adjusted) net asset value as reported by the managers or administrators of such investments, taking into account adjustments based on Alpine's review. 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.

b) Investment entity exemption

Management assessed the definition of «Investment entity» and the investment entities consolidation exception for the parent company Alpine and its wholly owned subsidiary Absolute Invest and its investment in Altin of which Alpine holds directly 68.16% and indirectly via Absolute Invest 93.82% as at 30 June 2017.

The board of directors has assessed the definition of an investment entity and has concluded that Alpine (the parent investment entity), Absolute Invest and Altin meet the three main characteristics of an investment entity in accordance with IFRS 10 paragraph 27. Accordingly, Alpine, Absolute Invest and Altin:

- a) obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- b) commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) measure and evaluate the performance of substantially all of its investments on fair value basis.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

Alpine and its wholly owned subsidiary Absolute Invest as well as Altin have not had any other business activity or separate substantial source of income apart from their business purpose which is to invest solely for capital appreciation, investment income or both. Therefore, Alpine recognizes and measures its subsidiary Absolute Invest and its investment in Altin as investments in non-consolidated subsidiaries at fair value through profit or loss.

3.3 Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. On the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency at the exchange rates prevailing at that date. The resulting exchange gains and losses are included in profit or loss. Non-monetary assets and liabilities in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rate at the date the fair values were determined. The resulting exchange gains and losses are included in profit or loss. The exchange rate differences resulting from foreign currency positions within cash and cash equivalents are disclosed separately in profit or loss. Other exchange rate differences are included in gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net – trading (see also Note 10).

The following exchange rates were applied:

	30 June 17	31 Dec 16	30 June 16
EUR / CHF			
End of month	1.09225	1.07200	1.08230
Average rate for the period	1.07661	1.08981	1.09567
JPY / CHF			
End of month	0.00852	0.00871	0.00881
Average rate for the period	0.00885	0.00908	0.00950
USD / CHF			
End of month	0.95765	1.01635	0.97421
Average rate for the period	0.99405	0.98542	0.98207

3.4 Financial assets, financial liabilities and investments in non-consolidated subsidiaries at fair value through profit or loss

Financial assets at fair value through profit or loss may comprise equity investments, bonds, collective investment schemes, hedge funds, futures, options, warrants, swaps as well as currency forward contracts. Financial liabilities at fair value through profit or loss mainly include equity investments, futures and options sold short as well as currency forward contracts with a negative fair value balance at the balance sheet date.

Financial assets, financial liabilities and non-consolidated investments in subsidiaries are recorded at fair value at inception and are subsequently measured at fair value through profit or loss.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

A financial asset or a financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it. Currency forwards and options are also categorized as held for trading. The Company may engage in short sales anticipating a decline in the respective market (mainly trading options sold short). Short sales are classified as financial liabilities at fair value through profit or loss. Transactions are recognized on the trade date.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). That definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

IFRS 13 established a single source of guidance under IFRS for all fair value measurements providing guidance on how to measure fair value under IFRS when fair value is required or permitted.

The fair value of investments that are traded in an active financial market (level 1) is determined by reference to quoted market prices on principal markets at the close of business on the balance sheet date.

In order to determine whether a market is active or not, the board of directors takes the following into consideration:

- Few recent transactions; there is not sufficient frequency or volume of transactions to provide pricing information on an ongoing basis;
- There are no price quotes available or are not based on current information; and
- Little information is published.

When a price for an identical asset or liability is not observable (level 2 and level 3), fair value is measured using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Investments in level 2 and level 3 are carried at estimated fair value. The valuation method used for unquoted funds and equities is the «adjusted net asset 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 in accordance with IFRS 13. 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. The adjusted net asset 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. In addition, the Company has the following control procedures in place to ensure that the NAV of the underlying fund investments is calculated in a manner consistent with IFRS 13:

Selected Notes to the Condensed Interim Financial Statements (IFRS)

- Thorough initial due diligence process and ongoing monitoring procedures;
- Comparison of historical realizations to last reported fair values;
- Qualifications, if any, in the auditor's report;
- Comparing the NAV as per the latest audited financial statements (if available) with the NAV that was reported by the fund manager for the respective period.

The Company invests if:

- the investment manager of the fund is reputable within the industry and has a reasonable track record;
- there is an appropriate transparency in the fund's investments and regular statements are provided.

All realized and unrealized gains and losses including foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss – trading, are recognized in profit or loss. The realized and unrealized gains and losses are calculated based on the weighted average cost formula.

Due to the inherent uncertainty of the valuation of unlisted investments and considering a potential market turmoil which (among other things) may lead to illiquidity in markets for certain financial products, the estimated values may differ significantly from the values that would have been recorded had a ready market for these investments existed. These differences could be material.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash at banks and short-term deposits with an original maturity of up to three months. Cash and cash equivalents are carried at amortized costs in the statement of financial position.

3.6 Other current assets

Other current assets result from withholding tax, receivables from investments sold or other miscellaneous events. Other current assets are initially recognized at their fair values; subsequently they are measured at amortized cost, which approximates nominal value.

3.7 Other receivables from Absolute Invest

Loan and other receivables from Absolute Invest are initially recognized at their fair values and subsequently measured at amortized cost, which approximates nominal value.

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 Short-terms loans

Short-term loans are expected to be settled within twelve months after the reporting period. They are carried at amortized cost, which approximates nominal value.

3.10 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 carried at amortized cost, which approximates nominal value.

3.11 Deferred tax assets and deferred tax liabilities

Deferred tax liabilities result from valuation differences between tax value and IFRS carrying amounts of financial assets and financial liabilities at fair value through profit or loss – trading. Deferred tax assets are recognized for tax losses carried-forward to an extent to which the realization of the related tax benefit is probable through future taxable profits. Deferred tax assets and deferred tax liabilities are disclosed net.

3.12 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 the ex-dividend date.

3.13 Taxes

Alpine 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 and from the complete exemption at cantonal and communal level. For federal tax purposes, the Company is subject to income tax at a rate of 7.83% (based on the profit before tax) on income, which does not qualify for the participation exemption.

4. Operating segments

IFRS 8 requires entities to define operating segments and segment performance in the condensed interim financial statements based on information used by the «Chief operating decision-maker». The board of directors is considered to be the «Chief operating decision-maker». An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The Company invests in securities, quoted or non-quoted, of Swiss and foreign corporations, taking advantage of significant transactional events such as spin-offs, acquisitions, mergers, carve-outs and recapitalizations. The board of directors work as a team for the entire portfolio, asset allocation is based on a single, integrated investment strategy and the Company's performance is evaluated on an overall basis and is not based on specific markets or industries. Thus, the Company operates as one segment.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

5. Financial assets and financial liabilities at fair value through profit or loss – trading

The financial assets and financial liabilities at fair value through profit or loss – trading consist of the following:

in TCHF	30 June 17	31 Dec 16
Financial assets at fair value through profit or loss – trading		
Positive fair value of currency forward contracts	1 336	1 177
Trading securities	39 613	35 551
Total	40 949	36 728
• current	1 336	1 177
• non-current	39 613	35 551
Financial liabilities at fair value through profit or loss – trading		
Trading options sold short (current)	0	470
Negative fair value of currency forward contracts (current)	60	0
Total	60	470

5.1 Investments in non-consolidated subsidiaries at fair value through profit or loss

The investments in non-consolidated subsidiaries at fair value through profit or loss for the six-month period under review include Alpine's investment in its wholly owned subsidiary Absolute Invest and its investment in Altin Ltd. in which Alpine directly holds 68.16% (31 December 2016: 68.16%) of the capital and voting rights as at 30 June 2017.

in TCHF	30 June 17	31 Dec 16
Opening balance at 1 January	163 414	98 546
Reclassification of Altin from trading securities (Long Positions)	0	37 706
Investments in non-consolidated subsidiaries	0	89 846
Reductions (capital repayment and distribution out of reserves from capital contributions)	0	-37 269
Realized losses	-35 272	-42 326
Unrealized gains / (losses)	9 119	16 911
Ending balance	137 261	163 414
• Absolute Invest	111 928	104 623
• of which financial assets and financial liabilities at fair value through profit or loss *	80 384	86 376
• of which other current assets	32 999	19 729
• of which liabilities	-1 455	-1 482
• Altin Ltd.	25 333	58 791

* see Note 5.9

Selected Notes to the Condensed Interim Financial Statements (IFRS)

The following table analyzes Absolute Invest's financial assets and financial liabilities at fair value through profit or loss by categorizing the inputs to the valuation techniques:

in TCHF	30 June 17	31 Dec 16
Level 1	13 778	22 979
Level 2	33 291	29 684
Level 3	33 315	33 713
Total	80 384	86 376

Absolute Invest and Altin are both invested in equity investments, hedge funds, bonds or collective investment schemes, the latter doing this through its wholly owned subsidiary Altin (Cayman) Ltd., Cayman Islands.

IFRS 13 established a single source of guidance under IFRS for all fair value measurements providing guidance on how to measure fair value under IFRS when fair value is required or permitted.

5.2 Fair value hierarchy

The different levels of the fair value hierarchy have been defined as follows:

- Level 1 Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Fair values measured using directly or indirectly observable inputs, other than quoted prices included in level 1. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. In cases where funds utilize quotes from a fund manager or a broker to assess valuation, it is checked whether such quotes are «binding and executable» or not. When the Company has evidence that such quotes are «binding and executable», the investment is classified within level 2.
- Level 3 Fair values measured using inputs that are not based on observable market data (due to little – if any – market activity). The inputs into the determination of fair value require significant management judgment and estimates, and the estimated values may differ significantly from the values that would have been recorded if an active market for these financial instruments existed. These differences could be material.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investments into hedge funds in which the Company invests. These investments are open end, for which observable information for transactions exists and their valuation is published by the administrator of such funds. Usually, no adjustment is made by the Company on valuation. Every transaction occurs at the underlying's price.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

The following table analyses financial instruments – carried at fair value – by categorizing the inputs to the valuation techniques:

in TCHF	Level 1	Level 2	Level 3	Total
30 June 2017				
Positive fair value of currency forward contracts	0	1 336	0	1 336
Trading securities	16 013	23 600	0	39 613
Negative fair value of currency forwards contracts	0	-60	0	-60
Total financial assets / (liabilities)	16 013	24 876	0	40 889
Investments in non-consolidated subsidiaries	25 333	0	111 928	137 261
31 December 2016				
Positive fair value of currency forward contracts	0	1 177	0	1 177
Trading securities	11 664	23 887	0	35 551
Trading options sold short	-470	0	0	-470
Total financial assets / (liabilities)	11 194	25 064	0	36 258
Investments in non-consolidated subsidiaries	58 791	0	104 623	163 414

The Company has investments in listed and unlisted equities and funds as well as currency forwards. The level 3 caption of investments in non-consolidated subsidiaries pertains to Alpine's investment in its wholly owned subsidiary Absolute Invest which is recognized at the adjusted net asset value per share.

Level 2 investments comprise currency forwards, CLO-investments as well as certain investments in Japanese hedge-funds («Japan-investments»). The total fair value of these Japan-investments amounts to CHF 22.7 million as at 30 June 2017 (31 December 2016: CHF 22.0 million). CLO-investments are recognized at the adjusted net asset value set by the market participants whereas currency forwards are recognized based on observable spot exchange rates. Level 2 investments (excluding currency forwards) are recognized at the adjusted net asset value (quotes) reported by the investment manager or the broker of the fund on a monthly, in some cases on a weekly basis. The Company has evidence that these quotes are «binding and executable».

Transfers between the levels of the fair value hierarchy are recognized as of the beginning of the reporting period during which the transfer has occurred. During the six-month period to 30 June 2017 no transfers happened between the levels. During the year to 31 December 2016, a transfer within level 1 took place when the investment in Altin Ltd. of CHF 37.7 million was transferred as of 1 January 2016 from trading securities to investments in non-consolidated subsidiaries.

5.3 Changes in level 2 investments in financial assets and financial liabilities at fair value through profit or loss

The changes in investments measured at fair value for which the Company has used level 2 inputs to determine fair value for the six-month period ended 30 June 2017 and for the year ended 31 December 2016 respectively are as follows:

in TCHF	Level 2
Fair value as at 1 January 2016	20 538
Purchase of investments	968
Proceeds on disposal of investments	-1 201
Net gains recognized in the statement of comprehensive income ¹⁾	4 759
Fair value as at 31 December 2016	25 064
Purchase of investments	0
Proceeds on disposal investments	-1 111
Net gains recognized in the statement of comprehensive income ¹⁾	923
Fair value as at 30 June 2017	24 876

¹⁾ In the caption gain resp. loss on financial assets and financial liabilities at fair value through profit or loss, net – trading

5.4 Changes in level 3 investments in non-consolidated subsidiaries at fair value through profit or loss

The changes in investments in non-consolidated subsidiaries measured at fair value for which Alpine has used level 3 inputs to determine fair value for the six-month period ended 30 June 2017 and for the year ended 31 December 2016 respectively are as follows:

in TCHF	Level 3
Fair value as at 1 January 2016	98 546
Net gain recognized in the statement of comprehensive income ¹⁾	6 077
Fair value as at 31 December 2016	104 623
Net gain recognized in the statement of comprehensive income ¹⁾	7 305
Fair value as at 30 June 2017	111 928

¹⁾ In the caption loss on investments in non-consolidated subsidiaries at fair value through profit or loss, net

The net change in unrealized gains / (losses) for the level 3 investments in non-consolidated subsidiaries held as at 30 June 2017 resulted in a gain of TCHF 7,305 for the six-month period ended then (31 December 2016: gain of TCHF 6,077). The amounts are included in the statement of comprehensive income within loss on investments in non-consolidated subsidiaries at fair value through profit or loss, net.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

5.5 Valuation technique used to derive level 2 and level 3 fair values

The level 2 foreign currency forwards are measured based on observable spot exchange rates. The level 2 investments further include investments in CLOs. There are market makers that are expected to be willing to set prices and on the other side market participants that are willing to buy such products at the offered prices. Thus, Alpine considers the market for CLOs as at least indirectly observable (comparable transactions in the same instrument) and classifies the CLOs within level 2.

The valuation technique of level 2 and level 3 investments has not changed compared to the prior reporting periods.

5.6 Sensitivity analysis level 3 fair values

Alpine does not utilize valuation models with model inputs to calculate the fair value of its level 3 investments. Rather, the Company utilizes a methodology that uses as a key input NAV («adjusted net asset value method»). Thus, the key «unobservable input» would be the NAV itself. A change in the fair value of the underlying input factors could cause the fair value of level 3 financial instruments to significantly change. Changes in the fair value could result from business, economical or environmental risks.

5.7 Investments in which the Company has an ownership of more than 20%

In addition to the information disclosed in the investment table on the following pages, the below disclosures are made for those investments at fair value through profit or loss in which the Company has an ownership of 20% or more.

	30 June 2017			31 December 2016		
	Fair value in TCHF	Ownership in %	Place of business	Fair value in TCHF	Ownership in %	Place of business
Absolute Invest Ltd.	111 928	100.00%	Switzerland	104 623	100.00%	Switzerland
Altin Ltd.	25 333	68.16%	Switzerland	58 791	68.16%	Switzerland

Selected Notes to the Condensed Interim Financial Statements (IFRS)

5.8 Investment table of Alpine Select as at 30 June 2017

in TCHF	Number of shares at 1-Jan-17	Fair value at 1-Jan-17	Additions	Reductions ¹⁾	Realized gains/ (losses)	Unrealized gains/ (losses) ²⁾	Fair value at 30-Jun-17	Number of shares at 30-Jun-17	Level at 30-Jun-17
LONG POSITIONS									
Aleutian Fund	38 978	4 891				-71	4 820	38 978	II
Arcus Genseki Fund	30 000	3 960				65	4 025	30 000	II
GCI Trust / GCI Japan Hybrids	20 813	3 606				-186	3 420	20 813	II
Hayate Japan Equity Long-Short Fund	111	3 814				749	4 563	111	II
Stone Tower CLO VI Ltd.	2 000	843		-915		72	0	2 000	II
Stone Tower CLO VII Ltd.	2 000 000	131		-133		2	0	2 000 000	II
Syngenta Ltd.	9 000	3 623	5 394	-9 544	521	-6	0	0	
UMJ Kotoshiro Feeder Fund	30 113	5 716				198	5 914	30 113	II
Vifor Pharma AG ³⁾	5 000	5 745	5 878			-1 053	10 570	100 000	I
Voya CLO IV Ltd.	2 000	926		-63		-5	858	2 000	II
Yuki Japan Rebounding Growth Fund	10 413	2 296	2 391			756	5 443	20 413	I
Total long positions		35 551	13 663	-10 655	521	533	39 613		
of which gains					521	3 203			
of which losses					0	-2 670			
INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES									
Absolute Invest Ltd.	5 995 552	104 623				7 305	111 928	5 995 552	III
Altin Ltd. (Note 11)	2 351 430	58 791			-35 272	1 814	25 333	2 351 430	I
Total investments in non-consolidated subsidiaries		163 414	0	0	-35 272	9 119	137 261		
of which gains					0	9 119			
of which losses					-35 272	0			
TRADING OPTIONS									
Call Syngenta Ltd., Strike CHF 400	-500	-164		251	-62	-25	0	0	
Put Syngenta Ltd., Strike CHF 400	-800	-306	-27	3	393	-63	0	0	
Total trading options		-470	-27	254	331	-88	0		
of which gains					393	0			
of which losses					-62	-88			
of which assets		0					0		
of which liabilities		-470					0		

¹⁾ Reductions may include capital repayments | ²⁾ Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year | ³⁾ Previous name: Galenica Ltd.; share split 1:10

Selected Notes to the Condensed Interim Financial Statements (IFRS)

Investment table of Alpine Select as at 30 June 2017 (continued)

in TCHF	Number of shares at 1-Jan-17	Fair value at 1-Jan-17	Additions	Reductions ¹⁾	Realized gains/ (losses)	Unrealized gains/ (losses) ²⁾	Fair value at 30-Jun-17	Number of shares at 30-Jun-17	Level at 30-Jun-17
CURRENCY FORWARDS									
Currency Forwards CHF/EUR; EUR/CHF		42			-102	-75	-33		II
Currency Forwards CHF/JPY; JPY/CHF		11			-139	531	542		II
Currency Forwards CHF/USD; USD/CHF		1 124			2 941	-357	767		II
Total currency forwards		1 177	0	0	2 700	99	1 276		
of which gains					7 643	531			
of which losses					-4 943	-432			
of which assets		1 177					1 336		
of which liabilities		0					-60		

¹⁾ Reductions may include capital repayments | ²⁾ Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year

Selected Notes to the Condensed Interim Financial Statements (IFRS)

5.9 Investment table of Alpine's non-consolidated investment Absolute Invest Ltd. as at 30 June 2017

in TCHF	Number of shares at 1-Jan-17	Fair value at 1-Jan-17	Additions	Reductions ¹⁾	Realized gains/ (losses)	Unrealized gains/ (losses) ²⁾	Currency translation adjustments	Fair value at 30-Jun-17	Number of shares at 30-Jun-17	Level at 30-Jun-17
LONG POSITIONS										
Akamatsu Bonsai Fund	25 100	6 532				362		6 894	25 100	II
Arbiter Partners Offshore Ltd.	2 592	3 028				-143		2 885	2 592	III
Arcus Genseki Fund	20 000	2 772				50		2 822	20 000	II
Cheyne New Europe Fund L.P. ³⁾	1 041 213	14 787		-914	-147	2 363	-901	15 188	990 343	III
Cheyne TR Credit Fund – Dec 2019	20 092	3 349		-3 400	439	-388		0	0	
Cheyne TR Credit Fund – June 2022 ⁵⁾	0	0	3 400			217		3 617	31 037	III
CQS Directional Opportunities Feeder Fund Ltd.	1 150	6 716				-190		6 526	1 150	III
Gold Coin Invest Ltd.	84	230				-11		219	84	III
HBM Healthcare Investments Ltd.	58 000	5 742	212	-3 259	473	471		3 639	32 000	I
Julius Baer Balkan Tiger Fund in liquidation	50 000	873				16		889	50 000	III
Laurus Master Fund Ltd. ³⁾	35 475	255		-179			-8	68	35 475	III
New Carpathian Fund	1 000	1 123				37		1 160	1 000	II
Northwest Feilong Fund Ltd.	3 090	4 982				-70		4 912	3 090	II
Northwest Warrant Fund Ltd. ⁴⁾	1 823	1 895				2 115		4 010	1 823	II
Private Equity Holding Ltd.	8 000	558				46		604	8 000	I
Romanian Investment Fund	877	818				74		892	877	III
Sanuwave Health Inc. ³⁾	213 553	38				-13	-2	23	213 553	III
Silverbell Capital Ltd.	2 500 000	39				1		40	2 500 000	III
Sparx Japan Value Impact Fund	100 000	9 397		-2 581	381	884		8 081	75 000	II
Stats Investments Japan Long & Short Fund	0	0	2 618			-169		2 449	3 821	II
Syngenta Ltd.	0	0	2 135	-2 229	94			0	0	
Truston Asset Management Co. Ltd.	19 492	563				-156		407	19 492	III
Valens Offshore Fund ³⁾	8 481	3 017		-189	-1 358	1 255	-164	2 561	4 078	III
Venture XIX CLO Ltd.	4 000 000	2 744		-291		75		2 528	4 000 000	II
Total long positions		69 458	8 365	-13 042	- 118	6 826	-1 075	70 414		
of which gains					1 065	9 229				
of which gains from second line trades					363	0				
of which losses					-1 546	-2 403				
of which losses from second line trades					0	0				

¹⁾ Reductions may include capital repayments | ²⁾ Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year | ³⁾ Held by Absolutissimo Limited | ⁴⁾ Includes positive / negative equalization | ⁵⁾ Share-split 1:2

Selected Notes to the Condensed Interim Financial Statements (IFRS)

Investment table of Alpine's non-consolidated investment Absolute Invest Ltd. as at 30 June 2017 (continued)

in TCHF	Number of shares at 1-Jan-17	Fair value at 1-Jan-17	Additions	Reductions ¹⁾	Realized gains/ (losses)	Unrealized gains/ (losses) ²⁾	Currency translation adjustments	Fair value at 30-Jun-17	Number of shares at 30-Jun-17	Level at 30-Jun-17
INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES										
Altin Ltd.	667 110	16 679	5 067	-32	-13 095	916		9 535	885 048	I
Total investments in non-consolidated subsidiaries		16 679	5 067	-32	-13 095	916	0	9 535		
of which gains					21	916				
of which losses					-13 116	0				
CURRENCY FORWARDS										
Currency Forward CHF/USD; USD/CHF		239			1 071	196		435		II
Currency Forward CHF/JPY; JPY/CHF		0			-5			0		
Total currency forwards		239	0	0	1 066	196	0	435		
of which gains					1 610	435				
of which losses					-544	-239				
of which assets		239						435		
of which liabilities		0						0		

¹⁾ Reductions may include capital repayments | ²⁾ Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year

Selected Notes to the Condensed Interim Financial Statements (IFRS)

5.10 Investment table of Alpine's non-consolidated investment Altin Ltd. as at 30 June 2017

in TUSD	Number of shares at 1-Jan-17	Fair value at 1-Jan-17	Additions	Reductions ¹⁾	Realized gains/ (losses)	Unrealized gains/ (losses) ²⁾	Fair value at 30-Jun-17	Number of shares at 30-Jun-17	Level at 30-Jun-17
LONG POSITIONS									
(incl. equalization shares)									
Actelion Ltd. ³⁾	0	0	30 408	-30 564	156		0	0	
Aristeia International Ltd.	3 413	4 605		-4 605	711	-711	0	0	
Atlas Enhanced Fund, Ltd.	2 352	3 634		-3 624	592	-602	0	0	
Capstone vol Offshore Ltd.	4 025	4 342		-4 342	364	-364	0	0	
Claren Road Credit Fund, Ltd.	437	730		-322	24	5	437	244	II
Clearline Capital Partners Offshore, Ltd.	3 927	4 136		-2 876	175	14	1 449	1 315	II
Coatue Offshroe Fund, Ltd.	20 338	3 779		-3 779	1 177	-1 177	0	0	
Contrarian Emerging Markets	30 632	6 430		-6 430	70	-70	0	0	
Drake Global Opportunities Fund	65	79		-38	13	5	59	39	III
Finisterre Global Opportunity	40 000	4 177		-4 177	177	-177	0	0	
Firebird Aurora Fund Ltd.	151	225					225	151	III
Hermitage Global	2 149	48				-4	44	2 149	III
Idorsia Ltd. ³⁾	0	0	23	-1 573	1 550		0	0	
Jana Nirvana Offshore Fund, Ltd.	2 956	6 914		-6 914	-71	71	0	0	
LL Assets Ltd.	4 724	0					0	4 724	III
LLSOF L.P.	0	1 771		-1 039	129	-11	850	0	II
Marathon Special Opportunity Fund Ltd.	52 740	7 799		-5 032	267	-450	2 584	17 607	III
Paulson Enhanced Ltd.	76 500	3 055		-3 052	-497	494	0	0	
Providence MBS Offshore Fund Ltd.	767	4 270		-4 270	884	-884	0	0	
QVT SLV Offshore Ltd.	577	522		-94	34	-19	443	477	III
QVT Special Investment Offshore	212	279		-297	158	23	163	74	III
R3 (C), Ltd.	214	199		-87	-8	4	108	118	III
SFP Value Realization Fund Ltd.	27 815	7 878		-360	-141	137	7 514	25 479	II
Stratus Feeder Limited	3 924	6 511		-6 501	1 710	-1 720	0	0	
The Tudor BVI Global Fund Ltd.	134	3 737		-3 616	618	-618	121	98	III
Titan Structed Credit, Ltd. ³⁾	0	0	2 032			-60	1 972	2 000	II
Venture Capital Accel VIII	0	135					135	0	III
York European Focus Unit Trust	2 475	5 259		-5 259	733	-733	0	0	
ZP Offshore Utility Fund, Ltd.	2 348	7 794		-7 794	3 908	-3 908	0	0	
Total long positions		88 308	32 463	-106 645	12 733	-10 755	16 104		
(incl. equalization shares)									
CURRENCY FORWARDS									
Currency Forwards CHF/USD; USD/CHF ³⁾		0			428	-320	-320		II
Total currency forwards		0	0	0	428	- 320	- 320		
of which assets		0					0		
of which liabilities		0					-320		

¹⁾ Reductions may include capital repayments | ²⁾ Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year | ³⁾ Held by Altin Ltd.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

6. Other current assets

in TCHF	30 June 17	31 Dec 16
Withholding tax	12 415	15 646
Other receivables	73	81
Total	12 488	15 727

7. Short-term loans

During the six-month period to 30 June 2017, Alpine received further short-term borrowings from Absolute Invest of CHF 11.5 million and paid back CHF 0.5 million in the same period. The short-term loan is denominated in CHF and is interest bearing at a rate of 0.25% p.a. In January 2017, Alpine received a short-term loan of CHF 8.5 million from Trinsic Ltd., Zug. The loan was denominated in CHF at an interest rate of 0.75% p.a. and was fully paid back end of May 2017. Also in January 2017, Alpine received a short-term loan from Altin Ltd. denominated in CHF of total CHF 20 million. The loan is interest bearing at a rate of 0.75% p.a. During the six-month period to 30 June 2017, CHF 15 million were paid back.

8. 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 financial liabilities at fair value through profit or loss	Deferred tax assets from capitalized tax losses carried forward	Deferred tax (liabilities) / assets, net
Balance as at 1 January 2016	-310	0	- 310
Deferred tax (expense) / income	-706	57	-649
Balance as at 31 December 2016	-1 016	57	-959
Deferred tax (expense) / income	433	-57	376
Balance as at 30 June 2017	-583	0	-583

Deferred tax assets and deferred tax liabilities are netted in case there is a legally enforceable right. Provisions for deferred taxes are calculated in accordance with the liability method using a tax rate of 7.83% (based on the result before tax).

As at 30 June 2017, Alpine has no tax losses. As at 31 December 2016, Alpine had tax losses of approximately CHF 0.7 million which will expire in the year 2023 and of which CHF 0.7 million were capitalized as deferred tax assets.

9. Share capital and treasury shares

9.1 Share capital

Alpine's extraordinary shareholders' meeting held on 7 February 2017 decided to reduce the share capital of the Company by CHF 59,299.64 from CHF 286,324.64 to CHF 227,025.00 by cancelling 2,964,982 treasury shares with a nominal value of CHF 0.02 each. As of 30 June 2017, the Company's fully paid-in share capital amounts to CHF 227,025.00 (31 December 2016: CHF 286,324.64) and is divided into 11,351,250 (31 December 2016: 14,316,232) registered shares with a nominal value of CHF 0.02 each. 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.

9.2 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 amount of CHF 100,000.00 at any time until 22 May 2019 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, the method of payment, the conditions for existing subscription rights and the date of the dividend entitlement.

9.3 Conditional share capital

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 granted to the shareholders. No such rights existed at 30 June 2017 and at 31 December 2016, respectively.

9.4 Treasury shares

The annual shareholders' meeting held on 22 May 2017 decided to cancel the 148,350 treasury shares in the amount of TCHF 2,443 that the Company repurchased under a share buyback program during the period February to December 2016. The respective entry in the Commercial Register of the Canton of Zug was executed following the expiration of the filing period on 3 August 2017. The same meeting entitled the Company's board of directors to repurchase own shares up to a maximum of 10% of the share capital, starting 22 May 2017 until the ordinary shareholders' meeting in 2019. The Company has no treasury shares purchased since and until 30 June 2017.

Selected Notes to the Condensed Interim Financial Statements (IFRS)

The annual shareholders' meeting held on 24 May 2016 authorized the Company's board of directors to buy-back in 2016 and at its own discretion up to 25% of the shares outstanding. Under this repurchase-program, Alpine Select purchased a total of 2,964,982 own shares for a total amount of CHF 50.4 million, which then were approved to be cancelled by the extraordinary shareholders' meeting held on 7 February 2017, reducing the Company's share capital by CHF 59,299.64. The respective entry was registered in the Commercial Register of the Canton of Zug on 20 April 2017. This cancellation of treasury shares does not include transaction costs of TCHF 53. The income tax effect on these transaction costs amounts to TCHF 4 applying the tax rate of 7.83%.

10. Gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net – trading

in TCHF	30 June 17	30 June 16 (restated)
Financial assets held for trading (Long positions)		
Realized gains	521	7 489
Realized losses	0	-4 664
Net realized currency losses	0	-340
Net realized	521	2 485
Unrealized gains	4 016	3 973
Unrealized losses	-3 309	-9 733
Net unrealized currency (losses) / gains	-174	1 266
Net unrealized	533	-4 494
Total long positions, net	1 054	-2 009
Financial assets held for trading (Trading options)		
Realized gains	393	0
Realized losses	-62	0
Unrealized losses	-88	0
Total trading options, net	243	0
Currency forwards		
Realized gains	7 643	13 236
Realized losses	-4 943	-11 740
Unrealized gains	531	167
Unrealized losses	-432	-1 477
Total currency forwards, net	2 799	186
Gain / (loss) on financial assets and financial liabilities at fair value through profit or loss, net – trading	4 096	-1 823

Unrealized gains / (losses) also include reversed unrealized gains / (losses) from prior year.

11. Loss on investments in non-consolidated subsidiaries at fair value through profit or loss, net

in TCHF	30 June 17	30 June 16 (restated)
Realized losses on the investment in Altin Ltd. in connection with its dividend distribution	-35 272	0
Unrealized gains / (losses)	9 119	-4 908
Loss on investments in non-consolidated subsidiaries at fair value through profit or loss, net	-26 153	-4 908

12. Dividend income

CHF 35.3 million (30 June 2016: CHF 0) of the dividend income relates to the dividend received from the non-consolidated subsidiary Altin Ltd. This dividend was distributed net of 35% withholding tax.

13. Earnings per share

	30 June 17	30 June 16 (restated)
Net profit / (loss) in TCHF as per the statement of comprehensive income for the six-month period ended	12 623	-8 215
Weighted average number of outstanding shares	11 202 900	14 243 266
Earnings per share in CHF (basic and diluted)	1.13	-0.58

14. Net asset value (NAV) per share

	30 June 17	31 Dec 16
Total equity as per the statement of financial position (in TCHF)	161 955	182 990
Total number of shares outstanding	11 202 900	11 202 900
Net asset value per share (in CHF)	14.46	16.33
Adjusting factor		0.81384
Net asset value per share (in CHF) when adjusted for the distribution out of the reserves from capital contributions in February 2017	-	13.29

Selected Notes to the Condensed Interim Financial Statements (IFRS)

15. Pledged assets

Alpine, Absolute Invest and Absolute Invest's wholly owned subsidiary Absolutissimo entered into standard pledge agreements with Bank Julius Baer & Co. Ltd. («BJB»), Zurich under which their cash and portfolios at BJB of approximately CHF 150.1 million as at 30 June 2017 (31 December 2016: CHF 180.1 million) – and of which CHF 67.4 million (31 December 2016: CHF 94.4 million) relate to Alpine – are pledged as security for any amounts due to BJB.

16. Significant shareholders

To the best knowledge of the Company, the following shareholders held a participation exceeding 3% of the Company's share capital at:

	30 June 17	31 Dec 16
Hans Müller, Hergiswil	12.77%	10.13%
Raymond J. Baer, Küsnacht	8.53%	6.76%
Hans Ulrich Rihs, Stäfa	5.29%	4.28%
Trinsic Ltd., Zug ¹⁾	4.80%	<3.00%
Hans Hornbach, Vufflens-le-Château	4.17%	3.31%

¹⁾ Number of shares, including 170,000 shares directly held by the beneficial owners of Trinsic Ltd. Beneficial owners of Trinsic Ltd. comprise Daniel Sauter, Zug; Regina Barbara Young, Walchwil; Viktoria Louise Sauter, Zug; Florian Sauter, Zug, 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).

17. Related party transactions

Baer & Karrer Ltd., Zurich («Baer & Karrer») is the legal advisor of Alpine and Absolute Invest. Dr. Dieter Dubs, partner of Baer & Karrer is a member of the Board of Directors of Alpine and of the Absolute Invest. During the six-month period ended 30 June 2017, TCHF 16 (30 June 2016: TCHF 33) were booked in connection with legal services rendered by Baer & Karrer.

Effective 1 January 2017, Alpine entered into a new advisory agreement with JAAM Ltd., Zurich («JAAM»). Thomas Amstutz, member of the Board of Directors of Alpine, is a founding partner and member of the Board of Directors of JAAM. For the period until 30 June 2017, JAAM received advisory fees of TCHF 60.

Regarding the short-term loan transactions between Alpine and its non-consolidated subsidiaries Absolute Invest and Altin Ltd. (both domiciled in Zug) and between Alpine and Trinsic Ltd., Zug during the six-month period to 30 June 2017, reference is made to the statement of financial position, the statement of cash flows and Note 7 respectively.

At the ordinary shareholders' meeting on 22 May 2017, Michel Vukotic was elected as member of the Company's board of directors. Michel Vukotic is also a shareholder of Trinsic Ltd., Zug. Michel Vukotic and Trinsic Ltd. are considered related parties.

Transactions with related parties are conducted at arm's length.

18. Events after the balance sheet date

The condensed interim financial statements (IFRS) for the six-month period ended 30 June 2017 were authorized for issue by the board of directors on 17 August 2017. There were no significant events to report until this date.

ALPINE SELECT

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