ALPINE FUND SICAV p.l.c.

Annual Report

For the year
ended 31 December 2019

TG Complex, Suite 2, Level 3, Brewery Street, Central Business District,
Birkirkara CBD3040, Malta
Company Registration No. SV 433

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Management and Administration

DIRECTORS	Mr. Oliver Stolte IM Finkenhain 13, 50996, Cologne, Germany Mr. Alessandro Bartoli Sussex Apts, Flat 23, Triq ta' l-Ibrag, Is- Swieqi SWQ2034, Malta Mr. Christoph Kayenburg Fischergasse 6a. D-82211, Herrsching am, Ammersee, Germany *Resigned effective 30 September 2019*
REGISTERED OFFICE AND BUSINESS ADDRESS	TG Complex, Suite 2, Level 3, Brewery Street Central Business District CBD 3040, Malta
COMPANY REGISTRATION NUMBER	SV 433
INVESTMENT MANAGER	Abalone Asset Management Limited Skyway Offices, Block C, Office 1, 179, Marina Street Pieta PTA 9042, Malta *Licensed to conduct Investment Services business by the Malta Financial Services Authority*.
SUB-INVESTMENT MANAGER	Reuss Private Deutschland AG Untermainkai 20, D-60329 Frankfurt AM Main, Germany
ADMINISTRATOR AND COMPANY SECRETARY	BOV Fund Services Limited 58, Zachary Street Valletta VLT 1130 Malta *Recognised to provide fund administration services by the Malta Financial Services Authority.*

Management and Administration (continued)

CUSTODIAN	Bank of Valletta p.l.c. 58, Zachary Street Valletta VLT 1130 Malta *Licensed to conduct investment services business by the Malta Financial Services Authority.*
BANKERS	Bank of Valletta p.l.c. 58, Zachary Street Valletta VLT 1130 Malta
AUDITORS	KPMG Malta 92, Marina Street, Pieta, PTA 9044 Malta

DESCRIPTION OF THE FUND

Alpine Fund SICAV p.l.c. (the "Company") is a company organised as a multi-fund investment company with variable share capital pursuant to the Companies Act [Cap. 386 of the Laws of Malta] registered on the 12 December 2016. The Company consists of one fund, the Alpine Fund Euro Balance. The Company is licensed by the Malta Financial Services Authority as a Retails UCITS Collective Investment Scheme under the Investment Services Act 1994 [Cap. 370 of the Laws of Malta]. The Company has no employees.

MANAGER'S REPORT

The Alpine Fund Euro Balance invests – taking into account the current fundamental and chart information – on the basis of a balanced asset management concept over weighted in high-yield Euro-Bonds and under weighted in stocks long & short. In the asset class stocks, the focus lies on European indices. To complete the investment structure, commodities - in particular Precious Metals and Oil - as well as hedging instruments can be used depending on the current market situation. Each asset category can be reduced dynamically to a weighting of 0%.

In 2019 the Alpine Fund Euro Balance lost 2.5%, especially generated due to losses on Equity Short positions.

SENSITIVITY ANALYSIS

For financial instruments held, the fund has used sensitivity analysis techniques that measure the change in the fair value of the fund's financial instruments, at the reporting date, for hypothetical changes in the relevant market risk variables.

The sensitivity of profit or loss due to changes in the relevant risk variables are set out below. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk, assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets. The sensitivity analysis is for illustrative purposes only, as in practice market variables rarely change in isolation and are likely to be correlated.

As of 31st December 2019, the fund was invested by 61.2% of the NAV in bonds, -0.49% in equity futures and 29.0% in cash.

During the current year, Alpine Fund Euro Balance was exposed for a negligible part to a currency other than the fund base currency (EUR). On 31st December 2019, the fund was exposed by 7.6% of the NAV in USD.

The stress tests scenario analysis performed on the portfolio showed the following results: The sensitivity analysis performed under the simulated scenario of an increase of nominal 1% of interest rates - considering the actual ECB level at 0% and the duration of the bonds in portfolio of approximately 3 years - the would lead to 1% market level, yields a theoretical loss of 0.3% of the NAV of the fund.

The sensitivity analysis performed under the simulated scenario of a sell-off of 10% of the reference stock market yields an impact of a theoretical gain of 1.6% on the NAV given the part of the fund invested in equity.

The sensitivity analysis performed under the simulated scenario of a 5% appreciation of the EUR against all the foreign currencies yields an impact of a theoretical loss of 0.4% on the NAV given the part of the fund denominated in foreign currencies (USD).

The Global Exposure in FDIs of the sub-fund was 16.4% of NAV at the end of the year.

The fund does not have any benchmark.

In early 2020, a global pandemic was declared in relation to Covid-19 which is likely to have a substantial negative impact on both global and local economies. The Company's holdings at the beginning of the crisis in equities short and gold – and especially then later the switch from short to long in equities, should have provided effective mitigation against the challenges posed by this unprecedented event. A significant adverse influence on 2020 performance is probable but a clear determination of the overall financial impact cannot be made at this early stage, primarily due to uncertainties on both the duration of the crisis as well as the scale and effectiveness of mitigating measures provided by the local and EU authorities.

DIRECTORS' REPORT

Year ended 31 December 2019

The Directors present their report and the audited financial statements of the Company for the period ended 31 December 2019.

Principal Activities

Alpine Fund SICAV p.l.c. is a collective investment scheme established an investment company with variable share capital with limited liability registered under the laws of Malta and licensed by the MFSA under the ISA.

The Company qualifies as a 'Maltese UCITS' in terms of the UCITS Regulations. The Company consists of one compartment that is capitalized through the issue of two Classes of investor Shares. The capital raised will be invested in line with its investment objectives, subject to its investment policies and restrictions.

Alpine Fund Euro Balance

- The investment objective of the fund is to generate regular positive returns on a Euro base through investments in a wide range of transferable securities, interest bearing or dividend driven securities in order to achieve an optimum return from capital invested, while reducing investment risk through diversification. There can be no assurance that the Company's investment strategy will achieve profitable results. As a result of investment risks, an investor may lose aII of the capital it has invested in the Company.
- As of 31 December 2019, the Fund was invested in Ordinary Shares (exposure of 0.07% of the NAV), Exchange Traded Commodity (exposure of 9.69% of the NAV), Bonds (exposure of 61.22% of the NAV), Derivatives (exposure of -0.49% of the NAV) and in Bank Accounts (exposure of 28.97% of the NAV).

Performance Review

Alpine Fund Euro Balance

- The Class EURA registered a decrease of 2.47% of the NAV/share during the year 2019.

During the period under review no mergers, de-merger or other corporate restructuring took place with respect to the SICAV.

Principal Risks and Uncertainties

The successful management of risk is essential to enable the Company to achieve its objectives. The ultimate responsibility for risk management rests with the Company's directors, who evaluate the Company's risk appetite and formulate policies for identifying and managing such risks. The principal risks and uncertainties facing the Company are included below:

(a) Market and competition

The Company operates in a highly competitive environment and faces competition from various other entities. Technological developments also have the ability to create new forms of quickly evolving competition. An effective, coherent and consistent strategy to respond to competitors and changing markets enables the company to sustain its market share and its profitability. The company continues to focus on service quality and performance in managing this risk.

(b) Legislative risks

The Company is subject to numerous laws and regulations covering a wide range of matters. Failure to comply could have financial or reputational implications and could materially affect the Company's ability to operate. The Company has embedded operating policies and procedures to ensure compliance with existing legislation.

DIRECTORS' REPORT (continued)

Year ended 31 December 2018

Principal Risks and Uncertainties (continued)

(c) Economic and market environment

Economic conditions have been challenging in recent years across the markets in which the Company operates. A significant economic decline in any of these markets could impact the Company's ability to continue to attract and retain customers. Demand for the Company's products can be adversely affected by weakness in the wider economy which are beyond the company's control. This risk is evaluated as part of the Company's annual strategy process covering the key areas of investment and development and updated regularly throughout the year. The Company continues to make significant investment in innovation. The Company regularly reviews its pricing structures to ensure that its products are appropriately placed within the markets in which it operates.

Results

The results for the period ended 31st December are shown in the Financial Statements section beginning from page 10.

Statement of Regulatory Breaches

As required by the Investment Services Rules, we report that there were no breaches of the Standard License Conditions or other regulatory requirements during the reporting period. No administrative penalties or other regulatory sanctions were imposed during the reporting period.

Subsequent events

The events subsequent to the reporting date, namely COVID-19, are likely to have a substantial negative impact on both global and local economies. The Fund's holdings at the beginning of the crisis in equities short and gold – and especially then later the switch from short to long in equities, should have provided effective mitigation against the challenges posed by this unprecedented event. A significant adverse influence on 2020 performance is probable but a clear determination of the overall financial impact cannot be made at this early stage, primarily due to uncertainties on both the duration of the crisis as well as the scale and effectiveness of mitigating measures provided by the local and EU authorities. The directors do not consider that any adjustments or further disclosures are required to the financial statements at this stage.

Directors

The directors who served during the period were:

Mr Oliver Stolte
Mr Alessandro Bartoli
Mr Christoph Kayenburg (resigned on the 30th of September 2019)

Approved by the board of directors and signed on its behalf on 29 April 2019 by:

Mr Oliver Stolte
Director

Mr Alessandro Bartoli
Director

BOV
Bank of Valletta

Finance
BOV Centre, Triq il-Kanun, Santa Venera SVR 9030 - Malta
T: (356) 2131 2020 F: (356) 2275 3729
E: customercare@bov.com **bov.com**

20th February 2020

Report of the Custodian

Alpine Fund SICAV p.l.c. (the "Company")

We, Bank of Valletta p.l.c., as Custodian to the Alpine Fund Euro Balance (the 'Sub-Fund'), hereby confirm that having enquired into the conduct of the Manager during the year ended 31st December 2019, it is our opinion that during this year, the Company and its Sub-Fund have been managed:-

(i) In accordance with the limitations imposed on the investment and borrowing powers of each Fund by the constitutional documents and by the Malta Financial Services Authority, with the exception of;

On 27th September 2019, the Sub-Fund invested in Virgin Media Secured Finance plc – 2027, a fixed income bond bearing ISIN XS1207459725, and asset currency GBP. The Prospectus clearly states that "*fixed income products shall include listed government bonds which are only Euro-denominated, and/or listed corporate bonds which are only denominated in Euro*". Thus, the Sub-Fund was advertently breaching the aforementioned Prospectus rule. BOV duly notified the Sub-Investment Manager and the Compliance Officer of the Scheme with such matter. The asset in caption was sold on 2nd October. Both the Investment Manager and the Sub-Investment Manager assumed responsibility and duly compensated the Sub-Fund for any losses incurred at disposal stage.

(ii) Otherwise in accordance with the provisions of the constitutional documents and the Fund's license conditions.

Kevin Portelli
Head – Custody Services
Bank of Valletta p.l.c.

Registered Office: 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130 - Malta Registration Number: C 2833
Bank of Valletta p.l.c. is a public limited company licensed to carry out the business of banking and investment services in terms of the Banking Act (Cap. 371 of the Laws of Malta) and the Investment Services Act (Cap. 370 of the Laws of Malta).
Bank of Valletta p.l.c. is an enrolled tied insurance intermediary of MSV Life p.l.c. MSV Life is authorised by the Malta Financial Services Authority to carry on long term business of insurance under the Insurance Business Act 1998.
Bank of Valletta p.l.c. is authorised to act as a trustee by the Malta Financial Services Authority.

ALPINE FUND SICAV P.L.C.
TG COMPLEX, SUITE 2, LEVEL 3,
BREWERY STREET, MRIEHEL
BKR 3000
MALTA

Derivatives Report

As of 31st December 2019, under Alpine Fund SICAV plc (the "Company") there is one active Sub-Fund:

- Alpine Fund Euro Balance

Risk Management Process Highlight

Commitment Approach
Abalone Asset Management Ltd, which acts as the investment manager for the Company (the "**Manager**") measures the market risk in terms of Global Exposure, calculated on the basis of the Commitment approach. This model quantifies the exposure of the Sub-Fund gained through the use of Financial Derivative Instruments (FDIs). In computing such exposure, all the relevant rules set forth in the Investment Services Rules for Retail Collective Investment Schemes – Part B: Standard License Conditions, Appendix VI are followed. The principal benefits of this method are its implementation simplicity and the fact that it follows pre-set rules provided by the Regulator. The principal disadvantage of this method is that for some strategies this approach could not capture the market risk adequately. The Manager ensures that every sub-fund's Global Exposure is within the limit of 100% as set forth in the MFSA Rules.

Financial Derivative Positions as of 31st December 2019

Alpine Fund Euro Balance

- Futures on Index:
  - DAX INDEX:
    - Number of contracts: -5; Multiplier 25 EUR; Expiry 21/03/2020
  - E-MINI NASDAQ:
    - Number of contracts: -10; Multiplier 20 USD; Expiry 31/03/2020

Global Exposure as of 31st December 2019

Alpine Fund Euro Balance: Global Exposure results to be 16.44% of the NAV.

Dr. Oliver Stolte
Director

Stefano Sabbatini
Chief Risk Officer

REMUNERATION POLCY

Period ended 31 December 2019

The investment manager paid in 2019 a total fixed amount of EUR 695,707 to senior employees and staff of the Company, as well as those through service level agreement in respect of the delegated management functions, who are fully or partly involved in the activities of the Company.

The remuneration is further broken down as follows:

Senior management: EUR 511,806
Other members of staff: EUR 183,901
Total number of beneficiaries: 11

The remuneration and the benefits have been calculated on the base of the gross remuneration as shown by the FS3 statement.

No performance fees were paid during the year 2019.

Financial Statements

STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

Alpine Fund SICAV p.l.c.

	Notes	As at 31 December 2019 EUR	As at 31 December 2018 EUR
Assets			
Financial Assets at fair value through profit or loss	5	**13,881,377**	17,576,520
Other Receivables	6	**205,313**	310,066
Cash and cash equivalents	7	**5,665,356**	8,258,511
Total assets		**19,752,046**	26,145,097
Liabilities			
Financial Liabilities at fair value through profit or loss	5	**95,153**	-
Investment management fee payable	8	**20,768**	27,771
Other Payables	8	**77,212**	108,612
Total liabilities		**193,133**	136,383
Net assets attributable to holders of redeemable shares		**19,558,913**	26,008,714

	Shares
Redeemable shares in issue	
Class A – EUR	
31-Dec-2019	**192,936.708**
31-Dec-2018	249,996.622

	EUR
Net asset value per redeemable share	
31-Dec 2019	**101.37**
31-Dec-2018	104.04

	EUR
Net asset value	
31-Dec-2019	**19,558,913**
31-Dec-2018	26,008,714

The accompanying notes are an integral part of these financial statements.
The financial statements on pages 10 to 27 were authorised for issue by the Board of Directors on 29 April 2020 and were signed on its behalf by:

Oliver Stolte
Director

Alessandro Bartoli
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

Alpine Fund SICAV p.l.c.

	Notes	1 January 2019 31 December 2019 EUR	1 January 2018 31 December 2018 EUR
Investment Income			
Interest income using the effective interest method		**616,392**	791,345
Dividend income		**20,000**	17,375
Net (loss)/gain from financial assets and liabilities at fair value through profit or loss		**(547,227)**	(1,296,580)
Other exchange (losses)/gains		**(3,019)**	(1,873)
Net Investment Income		**86,146**	(489,733)
Expenses			
Investment management fees	10	**105,509**	124,623
Administration fees	10	**24,999**	25,706
Custodian fees	10	**16,535**	13,022
Professional fees		**3,500**	7,040
Directors' fees		**8,866**	6,022
Transaction Costs		**15,478**	52,608
Interest Expense		**103,935**	230,943
Other operating expenses		**362,845**	407,317
Total operating expenses		**641,667**	867,281
(Decrease)/Increase in net assets attributable to holders of redeemable shares before tax		**(555,521)**	(1,357,014)
Taxation		**(9,308)**	(769)
(Decrease)/Increase in net assets from operations attributable to holders of redeemable participating shares		**(564,829)**	(1,357,783)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the year ended 31 December 2019

Alpine Fund SICAV p.l.c.

	1 January 2019 to 31 December 2019 EUR	1 January 2018 to 31 December 2018 EUR
Net assets attributable to holders of redeemable shares at beginning of the year	**26,008,714**	28,189,645
Decrease in net assets attributable to holders of redeemable shares	**(564,829)**	(1,357,783)
Subscription of redeemable shares during the year	**55,401**	2,336,811
Redemption of redeemable shares during the year	**(5,940,373)**	(3,159,959)
	(5,884,972)	(823,148)
Net assets attributable to holders of redeemable shares at end of the year	**19,558,913**	26,008,714

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

Alpine Fund SICAV p.l.c.

	1 January 2019 31 December 2019 EUR	1 January 2018 31 December 2018 EUR
Cash flows from operating activities		
Interest received	**720,605**	540,701
Dividend received	**20,000**	30,758
Operating expenses paid	**(664,053)**	(876,779)
Purchase of investments	**(6,409,466)**	(28,204,546)
Proceeds from sale of investments	**9,634,039**	33,828,305
Tax paid	**(9,308)**	(769)
Net cash flows from operating activities	**3,291,817**	5,317,670
Cash flows from financing activities		
Amounts received on creation of shares	**55,401**	2,336,811
Amounts paid on redemption of shares	**(5,940,373)**	(3,159,959)
Net cash flows used in financing activities	**(5,884,972)**	(823,148)
Movements in cash and cash equivalents	**(2,593,155)**	4,494,522
Cash & cash equivalents at beginning of year	**8,258,511**	3,763,989
Cash & cash equivalents at end of year	**5,665,356**	8,258,511

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Alpine Fund SICAV p.l.c. ("the Company") was initially incorporated under the name of Alpine Fund 1 Limited as an exempted limited liability company under the provisions of the Company law of the Cayman Islands on 28 September 2007. The Company was registered on the 12 December 2016 and subsequently licenced on the 15 December 2016 following its re-domiciliation to Malta. In order to do so, the Articles of Association of the Company were amended and restated following the extraordinary general meeting held by the shareholders of the Company held in Malta on the above mentioned date. Pursuant to the decisions of such general meeting, the Company took the form of a "societe d'investissement à capital variable" (SICAV).

The Company's Memorandum and articles of Association have been registered with the Malta Registry of Companies and the Company is registered under registration number SV 433. On the same day, it was granted a licence as a UCITS Fund by the MFSA, with licence number CIS 433/A, in turn with its licenced sub-fund the Alpine Euro Balanced Fund (the sub-fund").

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and comply with the Companies Act, Chapter 386 of the laws of Malta. All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU.

Details of the Company's accounting policies are included in Note 4.

2.2 BASIS OF MEASURMENT

These financial statements have been prepared under the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements for the Company is presented in Euro (EUR), which is the Company's functional currency.

'Functional currency' is the currency of the primary environment in which the Company operates. If indicators of the primary of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of underlying transactions, events and conditions.

Monetary assets and liabilities denominated in currencies other than the functional currency at the reporting date are retranslated into the functional currency at spot exchange rates at that date.

The Company's investments and transactions are denominated in Euro. Subscriptions and redemptions of redeemable shares are denominated in Euro. The expenses (including management fees, administration fees, and custodian fees) are primarily denominated in Euro.

NOTES TO THE FINANCIAL STATEMENTS

3. ACCOUNTING POLICIES

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires Directors to exercise judgements in the process of applying accounting policies.

Estimates and judgements are continually evaluated and based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 – Presentation of Financial Statements.

4.1 FOREIGN CURRENCY

Exchange rate differences arising on the translation of the Shareholders' Funds at the beginning of the year not denominated in Euro are taken to the Statement of Changes in Net Assets attributable to holders of redeemable shares and are shown within unrealised exchange rate differences.

Foreign currency exchange rate differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss. Foreign currency exchange differences relating to investments at fair value through profit and loss and derivative financial instruments, including exchange differences relating to monetary items, are included in realised and unrealised gains and losses on financial assets and financial liabilities.

4.2 FINANCIAL INSTRUMENTS

4.2.1 Classification of financial assets

On initial recognition, the Company classifies its financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include cash and cash equivalents and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOUNTING POLICIES (CONTINUED)

4.2 FINANCIAL INSTRUMENTS (CONTINUED)

4.2.1 Classification of financial assets (continued)

A financial asset is measured at FVTPL if:

- it is not held within a business model whose objective is to collect contractual cash flows;
- it is not held within a business model whose objective is to collect contractual cash flows and sell; or
- its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category, derivative contracts in an asset position and equity and debt instruments classified as held for trading. Financial assets managed, evaluated and reported on a fair value basis in accordance with the Company's documented investment strategy are mandatorily measured at FVTPL.

4.2.1.1 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.2 Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading. The Company includes in this category, derivative contracts in a liability position.

A financial liabiliy that is not classified at FVTPL are classified at amortised cost. Financial liabilities measured at amortised cost include other payables (representing amounts payable for transactions contracted for but not yet delivered by the end of the period).

4.2.3 Recognition

The Company recognises financial assets at FVTPL held by the fund on the date that it commits to purchase the assets, using trade date accounting. Financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position when the Company has a current legally enforceable right to set off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOUNTING POLICIES (CONTINUED)

4.2 FINANCIAL INSTRUMENTS (CONTINUED)

4.2.4 Measurement

Financial instruments are initially measured at fair value (transaction price). Transaction costs on financial assets and financial liabilities at FVTPL are expensed immediately.

Subsequent to initial recognition, all instruments at FVTPL are measured at fair value. Realised and unrealised gains and losses arising from movements in the fair value of the financial assets and financial liabilities at the FVTPL category are included in profit or loss in the period in which they arise. Interest and dividends earned or paid on these instruments are recorded separately in 'Interest income using the effective interest method' and 'Dividend income' in the profit or loss.

Debt instruments, other than those classified as at FVTPL are measured at amortised cost using the effective interest method less allowance for impairment.

4.2.5 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4.2.6 Fair value measurement

'Fair value' is 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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial instruments traded in an active market is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs and adjusted for any tax effect on the maturity of such instruments. These instruments are priced at current mid-market prices. Management concluded that mid-market prices for such instruments are representative of fair value and generally, to use mid-markets prices for such instruments.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Company would receive, or pay, to terminate the contract at the reporting date, taking into account current market conditions, volatility, appropriate yield curve and the current creditworthiness of the counterparties.

The fair value of a forward contract is determined as the net present value of estimated future cash flows, discounted at appropriate market rates on the valuation date. The Fund did not hold any forward contracts at year end.

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOUNTING POLICIES (CONTINUED)

4.2 FINANCIAL INSTRUMENTS (CONTINUED)

4.2.7 Impairment

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to 12-month ECLs for debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due.

Moreover, the Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade' and when the credit risk has not increased significantly.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are eventually measured by considering a probability-weighted estimate of credit losses, which are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOUNTING POLICIES (CONTINUED)

4.2 FINANCIAL INSTRUMENTS (CONTINUED)

4.2.7.1 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

4.2.7.2 Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.2.8 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available price. In the case of financial instruments which are quoted, listed or normally dealt in or under the rules of a regulated market but in respect of which, for any reason, prices on that regulated market may not be available at any relevant time, the value thereof shall be determined by reference to prices sought from dealers, brokers or pricing service providers.

4.3 REDEEMABLE SHARES

The redeemable shares are classified as financial liabilities and are measured at the present value of the redemption amounts, and are measured at present value of the redemption amounts, this being the value of the share should the shareholder exercise the right to redeem such share.

In accordance with the prospectus of the Fund, the redemption amounts of the redeemable shares are calculated using the latest available closing price of the Fund's underlying investments/short positions

4.4 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise deposits held at call with banks, net of outstanding bank overdraft, if applicable

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOUNTING POLICIES (CONTINUED)

4.5 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective interest rate, the Company estimated future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate. Transaction costs directly attributable to the acquisition of a financial instrument classified as at FVTPL are not included in calculating an effective interest rate for the instrument.

Interest is presented in the “interest income using the effective interest method” line in the Statement of Comprehensive Income.

4.6 DIVIDEND INCOME

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividend income from equity securities designated at fair value through profit or loss is recognised in the “dividend income” line in profit or loss.

4.7 NET GAINS OR LOSSES FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gains or losses from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income, and dividend expenses on short positions.

4.8 EXPENSES

All expenses are recognised in profit or loss.

4.9 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS, ISSUED BUT NOT YET ADOPTED

A number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early applied these new or amended standards or interpretations in preparing these financial statements.

Of those standards that are not yet effective, none is expected to have a material impact on the Company’s financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Fair Value 31.12.2019 EUR	**% of Net Assets 31.12.2019 EUR**	Fair Value 31.12.2018 EUR	% of Net Assets 31.12.2018 EUR
Assets:				
Equities	**1,907,548**	**9.75**	4,413	0.02
Foreign bonds	**11,973,829**	**61.22**	17,559,569	67.51
Derivative Future contracts	**-**	**-**	12,538	0.05
	13,881,377	**70.97**	17,576,520	67.58

	Fair Value 31.12.2019 EUR	**% of Net Assets 31.12.2019 EUR**	Fair Value 31.12.2018 EUR	% of Net Assets 31.12.2018 EUR
Liabilities:				
Derivative Future contracts	**95,153**	**0.49**	-	-
	95,153	**0.49**	-	-

6. OTHER RECEIVABLES

	31.12.2019 EUR	31.12.2018 EUR
Interest receivable	**189,327**	293,540
Other receivables	**15,986**	16,526
	205,313	310,066

7. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise bank balances held as follows:

	31.12.2019 EUR	31.12.2018 EUR
Bank balances	**5,665,356**	8,258,511

8. OTHER PAYABLES

	31.12.2019 EUR	31.12.2018 EUR
Management fees	**20,768**	27,771
Administration fees	**2,186**	1,188
Custodian fees	**13,192**	28,233
Audit fees	**7,000**	5,900
Other accrued expenses	**54,834**	73,291
	97,980	136,383

NOTES TO THE FINANCIAL STATEMENTS

9. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

Authorised redeemable share capital

The share capital of the Company shall be equal at any time to the value of the issued share capital of the Company. The Company may issue up to a maximum of 5,000,000,000 (five billion) shares without any nominal value assigned to them. The actual value of the paid up share capital of any Sub-Fund shall be at all times equal to the value of the assets of any kind of the particular Sub-Fund after the deduction of such Sub-Fund's liabilities. Shares will be issued as fully paid. No Shares have preferences, pre-emptive, conversion or exchange rights. Other than as stated herein, there are no outstanding options or any special rights relating to Shares.

The Company issued 1,000 Founder Shares with no nominal value, which Founder Shares constitute a separate Class of Shares of the Company but do not constitute a Sub-Fund. The Founder Shares are held in majority by Alpine Trust Management AG with 999 shares, and Mr. Oliver Stolte with 1 share. The Founder Shares are ordinary shares with voting rights and participate in the net assets of the Company on dissolution and liquidation after all the Investor Shares in the Company have been repurchased. Subject to the Founder Shareholders' exclusive right to appoint one Director, the Directors are to be appointed by the holders of the Founder Shares and the voting Investor Shares.

Issued and fully paid

	31.12.2019 Class A Shares	31.12.2018 Class A Shares
Balance at beginning of year	**249,996.622**	257,580.420
Subscription of redeemable shares during the period	**532.206**	21,387.365
Redemption of redeemable shares during the period	**(57,592.12)**	(28,971.163)
Balance at end of year	**192,936.708**	249,996.622

The Sub-Fund has also the Class I investor shares. As at 31 December 2019, no shares were issued in this Class.

NOTES TO THE FINANCIAL STATEMENTS

10. FEES

Alpine Fund Euro Balance

(a) Management fee

During the first year, the fee is 0.43% of the NAV (0.05% attributable to the Investment Manager and 0.38% to the Sub-Investment Manager). On an ongoing basis, a maximum fee of 1.65% per annum of the NAV is to be charged.

(b) Performance fee

The Performance Fee will be an amount equal to five percent (5%) of the amount of the increase, if any, between the latest High Water Mark and the current Net Asset Value (i.e. the Net Asset Value which shall become the new High-Water-Mark in respect of the Class A Shares). The calculation of the Performance Fee is based on the outstanding Class A Shares at the relevant time; (Highest Net Asset Value as at 31 December 2019 was EUR 104.55; 2018 was EUR 113.49)

(c) Administration fee

Alpine Fund SICAV p.l.c. appointed BOV Fund Services Limited as Administrator to the Company to provide administration services. The Administrator, BOV Fund Services Limited, receives for its services, a fee calculated as 0.10% per annum for the first EUR20 million of the net asset value of the Alpine Fund Euro Balance; 0.08% per annum for the next EUR30 million and any excess over EUR50 million at the rate of 0.06%. This fee is subject to a minimum fee of EUR 25,000 per annum.

(d) Custodian fee

A fee of 5 basis points per annum, based on the NAV of the Fund, and subject to a minimum annual fee of EUR15,000 will be charged.

11. TAX EXPENSE

The Maltese tax system for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund. On this basis, the Company qualifies as a non-prescribed fund for Maltese income tax purposes.

Any sub-fund of the Company which is classified as a prescribed fund is subject to Maltese tax on its investment income as defined in the Income Tax Act at a rate of 10% or 15% depending on the nature of the income. It is exempt from Maltese income tax on other income and gains except in respect of gains from immovable property held in Malta.

On the other hand, any sub-fund which is classified as a non-prescribed fund is not subject to withholding tax on investment income and is exempt from Maltese income tax except in respect of income and gains from immovable property situated in Malta. In the case of the Company's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or by its shareholders.

NOTES TO THE FINANCIAL STATEMENTS

12. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(i) Abalone Asset Management Limited and Reuss Private Deutschland AG are the investment manager and sub-investment manager of the Fund, respectively. They provide management services for fees specified in note 10. Total investment management fees during the year ended 31 December 2019 amounted to €105,509 (2018: €124,623).

(ii) The total directors' fees incurred during the year 31 December 2019 were €8,866 (2018: €6,022). The directors did not hold any shares in the Fund during the reporting period or at the reporting date.

13. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Risk Management

The Fund's activities expose them to a variety of financial risks: market risk (including price risk, fair value interest rate risk, cash flow interest rate risk and currency risk), credit risk and liquidity risk.

13.1 Market Risk

The Company trade in financial instruments, taking positions in traded instruments including derivatives and over-the-counter instruments. All securities present a risk of loss of capital. The investment manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The Fund's overall market positions are monitored on a regular basis by its Investment Manager.

13.2 Interest Rate Risk

The Company is exposed to interest rate risk through directly holding interest-bearing financial assets. Assets earning interest at variable rates expose the Fund to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the Fund to fair value interest rate risk.

	31.12.2019 Assets held at fixed rates (as a % of NAV)	**31.12.2019 Assets held at variable rates (as a % of NAV)**	31.12.2018 Assets held at fixed rates (as a % of NAV)	31.12.2018 Assets held at variable rates (as a % of NAV)
Alpine Euro Balance Fund	**59.42**	**30.76**	67.51	31.75

13.3 Currency Risk

Currency fluctuations between the functional currency of the Funds and the currency of their underlying investments and bank balances, may adversely affect the value of investments and the income derived there from.

The Company has limited exposure of its investments and bank balances in different foreign currencies as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

13.4 Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. Financial assets, which potentially subject the Funds to credit risk, consist principally of debt securities, term deposits and derivative instruments classified at fair value through profit or loss and financial assets classified as measured at amortised cost. Financial assets at amortised cost comprise other receivables and bank balances as disclosed in the Statement of Financial Position.

13.4.1 Cash and cash equivalents

The Company held cash at bank of €5,665,356 at 31 December 2019 (2018: €8,258,511), which represents its maximum credit exposure on these assets. The cash and cash equivalents are mainly held with a local bank which is rated BBB, based on Fitch rating. The Company also held another bank account with a reputable online investment trading bank.

13.4.1 Cash and cash equivalents (continued)

Credit risk is considered insignificant due to the short maturities of the exposures and the high credit quality of the institutions used. Accordingly, as at 31 December 2019, the ECL on the cash and cash equivalents for the Company is considered insignificant.

13.4.2 Investment in debt securities

The following table provides information regarding the Fund's aggregated credit risk exposure with external credit ratings. The credit rating analysis below takes into account the rating of debt securities which are categorized by Standard & Poor's Rating or their equivalent.

	31.12.2019	31.12.2018
	% of Total Net Assets	% of Total Net Assets
Credit Rating		
B+	**2.58**	2.02
B3	**-**	1.90
B-	**1.61**	3.44
Ba1	**-**	2.01
Ba3	**-**	2.10
BAA3	**-**	1.94
BB	**11.55**	12.16
BB-	**7.36**	-
BB+	**19.07**	20.88
BBB	**2.68**	-
BBB-	**9.47**	21.06
BBB+	**1.76**	-
N/R	**5.14**	-
	61.22	67.51

13.5 Liquidity Risk

The Company is exposed to regular cash redemptions of redeemable shares.

The Investment Manager monitors the Fund's liquidity position on a regular basis. Redeemable shares are redeemed on demand at the holder's option. All other liabilities are due within less than one year.

The Company's quoted securities are considered to be readily realisable as the majority are quoted on active markets.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

13.6 Fair value information

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 4. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The tables below analyse the financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Alpine Euro Balance Fund 31.12.19	**Level 1 EUR**	**Level 2 EUR**	**Level 3 EUR**	**Total EUR**
Financial assets at fair value through profit or loss				
Equity securities – long	**1,905,782**	**1,766**	**-**	**1,907,548**
Corporate bonds	**11,973,829**	**-**	**-**	**11,973,829**
	13,879,611	**1,766**	**-**	**13,881,377**

Alpine Euro Balance Fund 31.12.18	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets at fair value through profit or loss				
Equity securities – long	4,413	-	-	4,413
Corporate bonds	17,559,569	-	-	17,559,569
Collective Investment Schemes	12,538	-	-	12,538
	17,576,520	-	-	17,576,520

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

13.6 Fair value information (continued)

Alpine Euro Balance Fund 31.12.19	**Level 1 EUR**	**Level 2 EUR**	**Level 3 EUR**	**Total EUR**
Financial liabilities at fair value through profit or loss				
Derivative future contracts	**95,153**	**-**	**-**	**95,153**
	95,153			**95,153**

Alpine Euro Balance Fund 31.12.18	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial liabilities at fair value through profit or loss				
Derivative future contracts	-	-	-	-
	-	-	-	-

14. SUBSEQUENT EVENTS

The events subsequent to the reporting date, namely COVID-19, are likely to have a substantial negative impact on both global and local economies. The Fund's holdings at the beginning of the crisis in equities short and gold – and especially then later the switch from short to long in equities, should have provided effective mitigation against the challenges posed by this unprecedented event. An significant adverse influence on 2020 performance is probable but a clear determination of the overall financial impact cannot be made at this early stage, primarily due to uncertainties on both the duration of the crisis as well as the scale and effectiveness of mitigating measures provided by the local and EU authorities. The directors do not consider that any adjustments or further disclosures are required to the financial statements at this stage.

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Independent Auditors' Report

To the Shareholders of Alpine Fund SICAV p.l.c.

1 Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alpine Fund SICAV p.l.c. (the "Company"), which comprise the statement of financial position as at 31 December 2019, the statements of other comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

(a) give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU; and

(b) have been properly prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditors' Report (continued)

To the Shareholders of Alpine Fund SICAV p.l.c.

Other information

The directors are responsible for the other information. The other information comprises the Management and Administration, Manager's Report, Directors' Report, Custodian's Report, Derivatives Report, Remuneration Policy, Appendix I – Information about the Scheme, Appendix II – Portfolio Statement, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, other than in the case of the directors' report on which we report separately below in our 'Report on Other Legal and Regulatory Requirements', we do not express any form of assurance conclusion thereon.

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

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Independent Auditors' Report (continued)

To the Shareholders of Alpine Fund SICAV p.l.c.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that (a) give a true and fair view in accordance with IFRS as adopted by the EU, and (b) are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Independent Auditors' Report (continued)

To the Shareholders of Alpine Fund SICAV p.l.c.

Auditors' responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditors' Report (continued)

To the Shareholders of Alpine Fund SICAV p.l.c.

2 Report on Other Legal and Regulatory Requirements

Opinion on the directors' report

The directors are responsible for preparing a directors' report in accordance with the provisions of article 177 of the Act.

We are required to consider whether the information given in the directors' report for the accounting period for which the financial statements are prepared is consistent with those financial statements; and, if we are of the opinion that it is not, we shall state that fact in our report. We have nothing to report in this regard.

Pursuant to article 179(3) of the Act, we are also required to:

- express an opinion on whether the directors' report has been prepared in accordance with the applicable legal requirements; and
- state whether, in the light of the knowledge and understanding of the entity and its environment obtained in the course of our audit of the financial statements, we have identified material misstatements in the directors' report, giving an indication of the nature of any such misstatements.

In such regards:

- in our opinion, the directors' report has been prepared in accordance with the applicable legal requirements; and
- we have not identified material misstatements in the directors' report.

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Independent Auditors' Report (continued)

To the Shareholders of Alpine Fund SICAV p.l.c.

Matters on which we are required to report by exception by the Act

Pursuant to articles 179(10) and 179(11) of the Act, we have nothing to report to you with respect to the following matters:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit.

The Principal authorised to sign on behalf of KPMG on the audit resulting in this independent auditors' report is Noel Mizzi.

KPMG
Registered Auditors

29 April 2020

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Unaudited - Appendix I

INFORMATION ABOUT THE SCHEME

1. AUTHORISATION

The Company is licensed by the Malta Financial Services Authority as a Retail UCITS Collective Investment Scheme pursuant to Section 6 of the Investment Services Act [Cap. 370 of the Laws of Malta].

2. FEES

Alpine Fund Euro Balance (formerly known as Alpine Fund 1 Limited)

Management fee

The sub-fund pays a fee to the Investment Manager amounting to 0.09% of the Net Asset Value of the Fund, and 0.38% to the Sub-Investment Manager. On an ongoing basis, a maximum fee of 1.65% per annum of the NAV is to be charged.

Performance fee
The Performance Fee will be an amount equal to five percent (5%) of the amount of the increase, if any, between the latest High Water Mark and the current Net Asset Value (i.e. the Net Asset Value which shall become the new High-Water-Mark in respect of the Class A Shares). The calculation of the Performance Fee is based on the outstanding Class A Shares at the relevant time; (Highest Net Asset Value as at 31 December 2019 was EUR 104.55)

Administration fee
Alpine Fund SICAV p.l.c. appointed BOV Fund Services Limited as Administrator to the Company to provide administration services.

The Administrator, BOV Fund Services Limited, receives for its services, a fee calculated as 0.10% per annum for the first EUR20 million of the net asset value of the Alpine Fund Euro Balance; 0.08% per annum for the next EUR30 million and any excess over EUR50 million at the rate of 0.06%. This fee is subject to a minimum fee of EUR 25,000 per annum.

Custodian fee
A fee of 5 basis points per annum, based on the NAV of the Fund, and subject to a minimum annual fee of EUR15,000 will be charged.

3. TAX EXPENSE

The Maltese tax system for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund. On this basis, the Company qualifies as a non-prescribed fund for Maltese income tax purposes.

INFORMATION ABOUT THE SCHEME (CONTINUED)

4. TAX EXPENSE *(continued)*

Any sub-fund of the Company which is classified as a prescribed fund is subject to Maltese tax on its investment income as defined in the Income Tax Act at a rate of 10% or 15% depending on the nature of the income. It is exempt from Maltese income tax on other income and gains except in respect of gains from immovable property held in Malta.

On the other hand, any sub-fund which is classified as a non-prescribed fund is not subject to withholding tax on investment income and is exempt from Maltese income tax except in respect of income and gains from immovable property situated in Malta. In the case of the Company's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or by its shareholders.

Resident investors may be subject to a 15% final withholding tax on capital gains realised on any redemption of units. However the investor may request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the normal rates of tax.

Capital gains accruing to members not resident in Malta upon a redemption or transfer of shares or upon a distribution on a winding-up of the Company are not subject to tax in Malta. The redemption transfer of shares and any distribution on a winding-up of the Company may result in a tax liability for the members according to the tax regime applicable in their respective countries of incorporation establishment, residence, citizenship, nationality, domicile or other relevant jurisdiction.

5. RISK WARNINGS

Market Fluctuations
Investment in the Fund should be regarded as a long-term investment. The Fund's investments are subject to normal market fluctuations and the risks inherent in all investments and there are no assurances that capital appreciation will occur.

The price of shares and the income derived from them (if any) can, from time to time, go down as well as up and investors may not realise the amount of their initial investment.

Past performance is no guarantee of future performance. The value of the Fund, including the currency in which it is determined, may fall as well as rise.

Erosion of Capital
When redeeming a holding in the Fund, or part thereof, an investor should be aware that these redemptions will be made from the sale of shares in the Fund and may result in an erosion of capital.

In addition, deduction of the initial charge (where applicable) means that if an investor withdraws from the investment in the short-term he may not get back the amount he invested. Hence, investment in the Funds should be regarded as a long-term investment.

Currency Fluctuations
Currency fluctuations between the base currency of the Fund, and
(i) the investor's currency of reference, and ,
(ii) the currency of the underlying investments of the Fund may adversely affect the value of investments and the income (if any) derived therefrom.

INFORMATION ABOUT THE SCHEME (CONTINUED)

6. SCHEME PARTICULARS

The above details are extracted from the Alpine Fund SICAV p.l.c. offering supplement, dated 28 December 2018. This document is available upon request from the Investment Manager, and were current at the date of publishing of this Annual Report and Audited Financial Statements. Persons wishing to invest in the Alpine Fund Euro Balance should do so on the basis of the full information contained in the relative Supplement.

7. MANAGER'S STATEMENT

In the opinion of the Manager, this Annual Report and Audited Financial Statements contain all the information necessary to enable the investors to make an informed judgement of the results and activities of the Company for the period ended 31 December 2019, and does not omit any matter or development of significance.

Unaudited - Appendix II

Portfolio Statement

ALPINE FUND EURO BALANCE

as at 31 December 2019

	Denominated in	Market Value	% NAV
EQUITIES			
ABENGOA	EUR	1,571	0.01
ABENGOA B SHARES	EUR	11,185	0.06
		12,756	**0.07**
BONDS			
ARCELORMITTA 3 2021/	EUR	516,924	2.64
CNH INDL FIN 2.875 2021/	EUR	523,705	2.68
EC FINANCE P 2.375 2022/	EUR	302,838	1.55
FIAT CYLR FI 4.75 2021/	EUR	317,160	1.62
HERTZ HDG NE 4.125 2021/	EUR	505,110	2.58
PEMEX 5.5 2025/	EUR	343,553	1.76
PETROBRAS 3.75 2021/	EUR	311,679	1.59
PEUGEOT SA 2.375 2023/	EUR	320,724	1.64
PHOENIX PIB 3.125 2020/	EUR	505,815	2.59
TESCO CPRT 2.125 2020/	EUR	506,450	2.59
TEVA PHARM F 3.25 2022/	EUR	302,572	1.55
ABENGOA 2 1.5 2023/	EUR	1,766	0.01
BALL CORP 3.5 2020/	EUR	514,475	2.63
BILFINGER SE 4.5 2024/	EUR	324,075	1.66
HORNBACH 3.875 2020/	EUR	301,140	1.54
K&S AG 4.125 2021/	EUR	318,480	1.63
METRO AG 1.375 2021/	EUR	508,700	2.60
NEXANS SA 3.25 2021/	EUR	518,795	2.65
NOKIA CORP 1 2021/	EUR	504,030	2.58
ORANO SA 3.25 2020/	EUR	510,895	2.61
STENA 7.875 2020/	EUR	504,750	2.58
TELAB LM ERI 0.875 2021/	EUR	504,430	2.58
TELEFONICA E 5.88/F	EUR	351,315	1.80
TUI AG 2.125 2021/	EUR	510,545	2.61
WIENERBERGER 4 2020/	EUR	502,865	2.57
VOLVO CAR AB 3.25 2021/	EUR	521,280	2.67
BURGER KING 6 2024/	EUR	314,265	1.61
GOODYEAR EU 3.75 2023/	EUR	304,458	1.56
TELECOM ITAL 4 2020/	EUR	501,035	2.56
		11,973,829	**61.22**

EXCHANGE TRADED COMMODITY			
XTRACKERS PHYSICAL (FRA)	EUR	**1,894,792**	**9.69**
DERIVATIVE FUTURE CONTRACTS			
MAR20 EURX DAX INDEX	EUR	(23,838)	(0.12)
NQH0	USD	(71,315)	(0.36)
		(95,153)	**(0.49)**
TOTAL PORTFOLIO		**13,773,468**	**70.42**