

# AMG Europe Infra

Report as of December 31, 2011

## Review December

The European Central Bank ECB eased its monetary policy in December to avoid a liquidity crisis. It reduced the reference rate to 1% and provided financial institutes with massive liquidity for lowest rates at mid-term durations. This calmed down the markets and prices recovered. European stock exchanges ended their price actions slightly in the plus zone (DJ Stoxx 600 +1.8%), the AMG Europe Infra moved in parallel to the market and closed at +0.9%.

**Rosenbauer** received the biggest order in its history from Far-East. Despite declining market conditions Rosenbauer is now able to secure its capacity utilisation for the next 2 years. The stock price reacted positively with a plus of more than 10%. **Repsol** bought back 10% of their own shares from its big shareholder Sacyr Vallehermoso with part of their liquidity. The shareholder was forced to sell the stake as they could not refinance a loan. Repsol wants to place those shares with a strategic partner in due time. There are enough potential buyers around such as the current major shareholder Petroleos Mexicanos. The share price reacted positively.

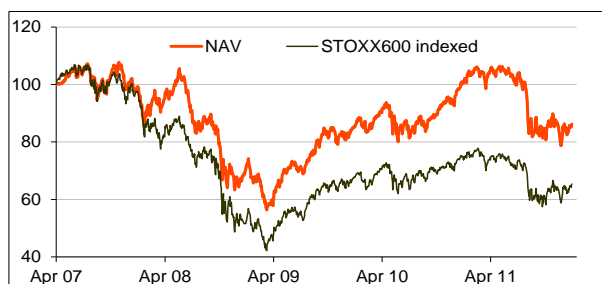
**Telenor** got a solid business development, positive outlook and a sustainable dividend yield. Reason enough to build a new position in the portfolio. A new position was also established in **RWE**, after news came out that they want to increase their net assets. Due to this transaction and the upcoming divestment a high dividend should result and be paid out.

Beginning of 2011 investors had a rather positive outlook for the future. The economy was on the mend, company results were positive and the debt crisis was under control. But they were surprised negatively as the debt crisis worsened, economic dynamics slowed and prices dropped sharply in the second quarter of the year. Investors are cautiously positioned now and are holding a low share and a high cash stake. Due to low interest rates secure government bonds pay out hardly anything. On the other hand shares are dealing with an attractive rate/profit ratio of around 9.5x in 2012 and a dividend yield of 4%, which should be paid out for a long time given solid balance sheets. The on-going financial crisis will keep hurting the economy. Industrial countries which have to reduce their debts are putting a strain on economic growth. Though, should the economy develop in a less negative manner as expected, which is forecasted by some business indicators, investors could be caught on the wrong foot again. Investments in shares are currently rewarded with a high risk premium. Much negative news is priced in. The AMG Europe Infra Fund will use price set-backs to build up new positions in companies with solid balance sheets and attractive evaluations.

## Key Figures

Total Net Asset Value:	EUR 37.6 m
<b>Net Asset Value per Share (Tranche A):</b>	<b>EUR 84.23</b>
Number of Shares Issued:	382'243
<b>Net Asset Value per Share (Tranche B):</b>	<b>EUR 83.61</b>
Number of Shares Issued:	64'573

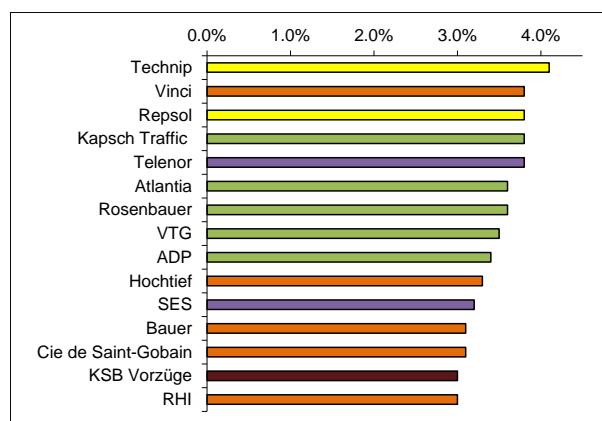
## Performance since Inception - Tranche A (EUR, Distributions included)



## Performance since 1.4.2007 (Distributions included) -13.9%

Reference Index DJ STOXX 600	-34.7%
Sharpe Ratio (Yearly, 1% Risk Free Rate)	-0.65
Beta (1 Year, DJ STOXX 600)	0.85

## Largest Positions



## Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LB(Swiss) Investment AG, Zürich
Custodian Bank:	Bank Sarasin & Co. Ltd, Basel
Investment Advisor:	AMG Analysen & Anlagen AG, Zug Erdoğan Benli
<b>Tranche A</b> (ISIN, Swiss Sec. No.):	CH0027940730, 2794073 Dividend & Capital Gain distributing
<b>Tranche B</b> (ISIN, Swiss Sec. No.):	CH0048476664, 4847666 Dividend distributing only
Subscription/Redemption:	Daily, 0.5% Redemption Fee
Performance Fee:	8% over 2% Hurdle, with High Water Mark
High Water Mark and Hurdle:	EUR 99.99 - Tranche A EUR 99.99 - Tranche B
Fee Investment Advisor:	1.0% Tranche A; 1.5% Tranche B
TER (Total Expense Ratio) as of 30.06.2011:	1.29% Tranche A; 1.79% Tranche B

## Breakdown by Sectors

Industrial Goods	14.5%
Utilities	6.8%
Construction	24.2%
Communication	8.4%
Traffic	25.5%
Energy	10.4%
Basic Material	0.0%
Others	3.8%
Cash	6.4%

## Exposure

Long Positions:	97.1%
Hedge Positions:	3.5%
Net Position:	93.6%
Absolute Position:	100.6%
Cash:	6.4%

## Breakdown by Currencies

EUR	81.1%	CHF	8.6%
GBP	5.4%	USD	2.0%
		NOK	2.9%

## Distributions

22.03.2010	Dividend EUR 1.97
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## Monthly Performance - Tranche A

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2011	<b>AMG Europe Infra</b>	<b>3.3%</b>	<b>0.9%</b>	<b>0.1%</b>	<b>1.5%</b>	<b>-0.3%</b>	<b>-2.5%</b>	<b>-4.7%</b>	<b>-10.8%</b>	<b>-4.6%</b>	<b>4.3%</b>	<b>-2.5%</b>	<b>0.9%</b>	<b>-14.4%</b>
2011	DJ STOXX 600 in EUR	1.5%	2.3%	-3.7%	2.9%	-1.0%	-2.9%	-2.8%	-10.5%	-4.7%	7.6%	-1.4%	1.9%	-11.3%
2010	<b>AMG Europe Infra</b>	<b>0.4%</b>	<b>-0.4%</b>	<b>5.7%</b>	<b>-0.5%</b>	<b>-5.1%</b>	<b>-2.9%</b>	<b>4.4%</b>	<b>-1.1%</b>	<b>4.8%</b>	<b>4.5%</b>	<b>-0.9%</b>	<b>8.5%</b>	<b>18.0%</b>
2010	DJ STOXX 600 in EUR	-2.7%	-0.5%	7.2%	-1.4%	-5.7%	-0.7%	4.9%	-1.6%	3.4%	2.4%	-1.6%	5.3%	8.6%
2009	<b>AMG Europe Infra</b>	<b>-5.8%</b>	<b>-9.1%</b>	<b>-3.6%</b>	<b>15.3%</b>	<b>5.0%</b>	<b>-1.1%</b>	<b>5.0%</b>	<b>7.6%</b>	<b>3.9%</b>	<b>-4.2%</b>	<b>1.1%</b>	<b>5.8%</b>	<b>18.9%</b>
2009	DJ STOXX 600 in EUR	-2.9%	-9.6%	1.0%	13.5%	4.0%	-1.1%	8.9%	4.9%	2.7%	-2.3%	0.9%	5.8%	28.6%
2008	<b>AMG Europe Infra</b>	<b>-9.5%</b>	<b>5.7%</b>	<b>0.2%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>-11.1%</b>	<b>-5.2%</b>	<b>2.9%</b>	<b>-10.0%</b>	<b>-12.8%</b>	<b>-2.5%</b>	<b>5.7%</b>	<b>-27.7%</b>
2008	DJ STOXX 600 in EUR	-11.6%	-1.0%	-4.1%	5.6%	-0.3%	-10.2%	-1.9%	1.6%	-11.3%	-13.2%	-7.1%	-4.5%	-46.0%
2007	<b>AMG Europe Infra</b>				<b>1.3%</b>	<b>4.4%</b>	<b>-1.2%</b>	<b>-1.4%</b>	<b>-1.6%</b>	<b>0.8%</b>	<b>4.8%</b>	<b>-5.9%</b>	<b>-1.3%</b>	<b>-0.7%</b>
2007	DJ STOXX 600 in EUR				3.4%	2.5%	-0.8%	-3.5%	-1.1%	0.5%	2.5%	-4.4%	-1.5%	-2.6%

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