

AMG Europe Infra

Report as of January 31, 2012

Review January

The European exchanges started on a friendly tone into the new year, the DJ Stoxx 600 advanced by 4%. The liquidity injection by the European Central Bank (ECB), EUR 500bn for banks, and the prolonged low interest rates policy of the Fed have shown a positive effect on stock markets. Also the falling interest rates for Italian and Spanish government bonds came in as a relief. Investors have also mostly ignored the fact of rising interest rates in Portugal and on unsolved negotiations between Greece and their creditors. The higher risk tolerance of investors gets reflected by a significantly lower volatility index, which has come down to the levels of July 2011. Especially worth to highlight is the fact of a strong sector rotation within the equity market. In January investors preferred, apart from financials, also economic sensitive companies such as autos, commodities and constructions. The winners of last year such as pharmaceuticals, foods and telecoms have lost ground compared to the market trend and were the underperformers. The AMG Europa Infra fund had a good performance and moved by +5.7%, which is above average. With hardly any exceptions most of the stocks in the portfolio have performed better than the overall market.

The reporting season has already started but it is quite early to spot a trend. The business developments at **Balfour Beatty** meet expectations. Despite the difficult market environment the order backlog stays on stable levels. Since last November this stock has moved up strongly, but the valuation remains cheap. After a consolidation break, the share price performance should continue onto the upside.

Equity markets have performed very well since November and are short-term overbought. Hence a consolidation can't be ruled out. After price increases of 15-25% since the beginning of the year profits have been partially taken in Prysmian, St.Gobain, Bauer and Hochtief. With that move the liquidity in the portfolio was increased. At the next consolidation phase this cash will be re-invested.

The published economic data over the past weeks have been mixed. They confirm the economic slowdown of the last quarter in 2011. This will be reflected in the upcoming corporate results. But equity prices have priced in a temporarily stagnation of business activity. At the same time leading economic indicators such as the purchasing manager index of the Eurozone or the business climate index "ifo" in Germany point into the direction of stabilisation and even recovery for the upcoming quarters. It has to be assumed that with increasing risk appetite investors will consider an increase in equity allocations. Macroeconomic news or the on-going debt problems within Europe will continue to trigger share price movements. Such temporarily corrections offer good entry levels and opportunities for equities.

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
Tranche A (ISIN, Swiss Sec. No.):	CH0027940730, 2794073 Dividend & Capital Gain distributing
Tranche 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

Monthly Performance - Tranche A

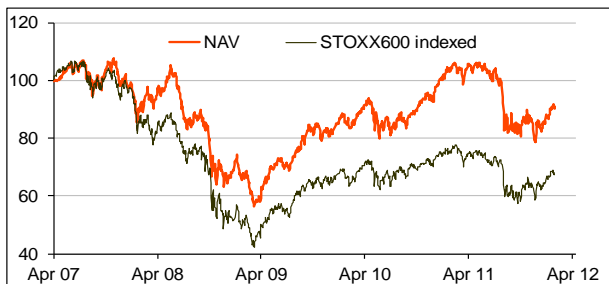
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR	
2012	AMG Europe Infra	5.7%											5.7%	
2012	DJ STOXX 600 in EUR	4.0%											4.0%	
2011	AMG Europe Infra	3.3%	0.9%	0.1%	1.5%	-0.3%	-2.5%	-4.7%	-10.8%	-4.6%	4.3%	-0.9%	0.9%	-14.4%
2011	DJ STOXX 600 in EUR	1.5%	2.3%	-3.7%	2.9%	-1.0%	-2.9%	-2.8%	-10.5%	-4.7%	7.6%	-1.6%	1.9%	-11.3%
2010	AMG Europe Infra	0.4%	-0.4%	5.7%	-0.5%	-5.1%	-2.9%	4.4%	-1.1%	4.8%	4.5%	-0.9%	8.5%	18.0%
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	AMG Europe Infra	-5.8%	-9.1%	-3.6%	15.3%	5.0%	-1.1%	5.0%	7.6%	3.9%	-4.2%	1.1%	5.8%	18.9%
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	AMG Europe Infra	-9.5%	5.7%	0.2%	3.7%	3.8%	-11.1%	-5.2%	2.9%	-10.0%	-12.8%	-2.5%	5.7%	-27.7%
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	AMG Europe Infra				1.3%	4.4%	-1.2%	-1.4%	-1.6%	0.8%	4.8%	-5.9%	-1.3%	-0.7%
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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Key Figures

Total Net Asset Value:	EUR 39.1 m
Net Asset Value per Share (Tranche A):	EUR 89.05
Number of Shares Issued:	385'953
Net Asset Value per Share (Tranche B):	EUR 88.36
Number of Shares Issued:	54'008

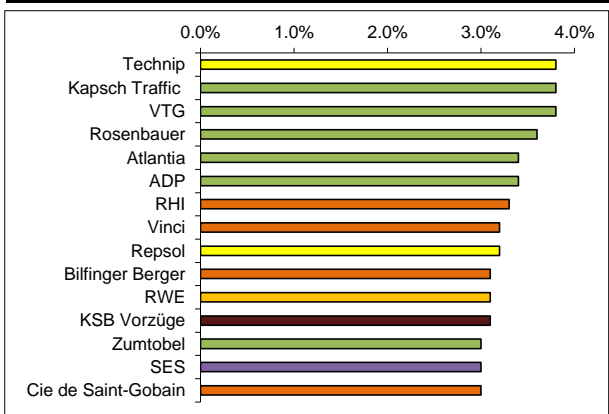
Performance since Inception - Tranche A (EUR, Distributions included)



Performance since 1.4.2007 (Distributions included)

Reference Index DJ STOXX 600	-32.0%
Sharpe Ratio (Yearly, 1% Risk Free Rate)	-0.91
Beta (1 Year, DJ STOXX 600)	0.85

Largest Positions



Breakdown by Sectors

Industrial Goods	13.0%
Utilities	7.8%
Construction	22.6%
Communication	9.2%
Traffic	26.2%
Energy	7.6%
Basic Material	0.0%
Others	-2.1%
Cash	15.7%

Exposure

Long Positions:	91.4%
Hedge Positions:	7.1%
Net Position:	84.3%
Absolute Position:	98.5%
Cash:	15.7%

Breakdown by Currencies

EUR	83.1%	CHF	8.8%
GBP	3.4%	USD	2.0%
		NOK	2.7%

Distributions

22.03.2010	Dividend EUR 1.97
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