

AMG Europe

Report as of February 28, 2015

Review February

The European Union is prepared to offer the new Greek government the urgently needed support. A "Grexit" or a state bankruptcy of Greece is therefore postponed. The reaction of the European markets thereafter was very positive. The QE initiated by the EZB fuelled the rally as well. The stock markets performed strongly as the bond market as an alternative is getting less and less importance for investors. The European stock market, measured with the STOXX 600 index, closed the month with plus of 6.9%. The AMG Europe fund despite its defensive character almost matched this performance (+4.5%).

Rosenbauer delivered its preliminary 2014 set of numbers. The builder of fire engines released a turn-over increase of 6%. In addition the company was able to increase the EBIT-margin from 5.7% to 6.1%. The again higher order back log (+14% compared to 2013) makes sure that the production sites operate at full capacity for the whole 2015. **Fuchs Petrolub** released preliminary figures which just live up to the high analyst expectations. The company was able to increase its turnover in the first three quarter of the 2014/15 business year by 2% despite a demanding currency environment; the EBIT was reported on previous year's level. Thanks to the high free cash-flow a higher dividend will be proposed to the shareholders. A dividend yield of 2.4% is not bad in a zero interest rate environment. Despite the elevated valuation (P/E 2014 of 23x) we keep our position, as we believe the company is very well managed and will deliver also in 2015. **Grammer**, a specialist in developing and manufacturing components and systems for car interiors, was added to the portfolio in February. The international exposure and the broad range of products made 2014 a new record year. The management was able to keep margins on previous year's level. The valuation of this innovative company with a P/E 2015 of 10x is attractive. **DO&CO** does roughly two thirds of its turnover with airline catering in more than 25 countries. The company also runs restaurants and lounges. Additionally it specialises in high end catering for international big events like Formula 1 races, the European Football Championship or the catering in the Allianz arena in Munich. During the last five years the turnover was doubled. Thanks to its focus towards the premium segment high EBIT-margins are possible. The reputation of the company increases with every successful managed event. With a 3.125% € 150m bond issue till 2021 the company demonstrates that it is able to finance its growth prospects without any problems. The numbers for the first 3 quarters support our view of a successful completion of the 2014/15 business year. We bought a stake during February and will increase the position should there be a correction. **KSB** was able to raise its turnover in the 4th quarter by 4.6%. In 2015 the company will profit from several cost-cutting measures introduced earlier. The low valuation, the P/E 2015 stands at 14x, is attractive to increase our position.

Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LB(Swiss) Investment AG, Zürich
Custodian Bank:	Bank J. Safra Sarasin Ltd., Basel
Investment Manager:	AMG Fondsverwaltung AG, Zug Roger Fischer, Patrick Hofer
Launch date:	01.04.2007
Tranche A (ISIN, Swiss Sec. No.):	CH0027940730, 2794073
Distributions:	Dividend & Capital Gain distributing
Tranche B (ISIN, Swiss Sec. No.):	CH0048476664, 4847666
Distributions:	Dividend distributing only
Subscription/Redemption:	Daily / no fees
Performance Fee:	None
Management Fee:	1.0% Tranche A; 1.5% Tranche B
TER (Total Expense Ratio) as of 31.12.2014:	1.41% Tranche A; 1.91% Tranche B

Breakdown by Currencies

EUR	68.9%	CHF	28.9%
GBP	0.8%	SEK	0.6%
NOK	0.8%	DKK	0.0%

Distributions

22.03.2010	Dividend	EUR 1.97
12.03.2013	Dividend	EUR 2.00
18.03.2015	Dividend	EUR 1.40

Key Figures

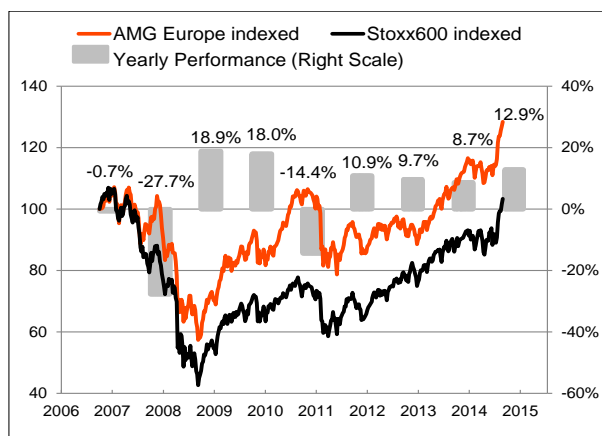
Total Net Asset Value:	EUR 34.7 m
Net Asset Value per Share (Tranche A):	EUR 123.19
Number of Shares Issued:	261'834
Net Asset Value per Share (Tranche B):	EUR 120.53
Number of Shares Issued:	19'980

Performance - since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception*
Fund	4.5%	13.3%	20.3%	10.8%	8.6%	3.2%
Stoxx600	6.9%	13.0%	16.0%	14.1%	1.5%	0.6%

*p.a.

	2015	2014	2013	2012	2011	since inception
Fund	12.9%	8.7%	9.7%	10.9%	-14.4%	28.7%
Stoxx600	14.5%	4.4%	17.4%	14.4%	-11.3%	4.8%



Please find the detailed performance overview under www.amg.ch

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.3%
Sharpe Ratio (0.7% Risk Free Rate)	0.8802
Beta (vs. Stoxx 600)	0.72

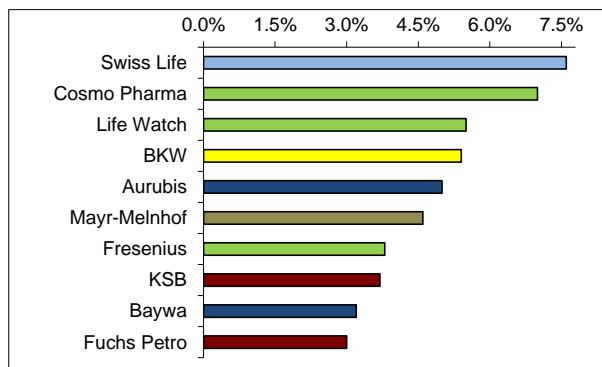
Breakdown by Sectors

Industrial Goods	27.5%
Construction	1.7%
Consumer Goods	11.0%
Financials	7.7%
Communication	2.8%
Health Care	16.3%
Energy & Utilities	5.4%
Basic Materials	17.4%
Others	-8.9%
Cash	19.1%

Exposure

Long Positions:	95.3%
Hedge Positions:	14.4%
Net Position:	80.9%
Absolute Position:	109.7%
Cash:	19.1%

Largest Positions



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