

# AMG Europe

Report as of April 30, 2015

## Review April

The recovery of the European industrial production but also the significantly better than expected German IFO Business Climate index have moved European equity markets to new all-time highs in April. The "AMG Europe" fund, too, has marked a new all-time high on April 15. At the month's end the fund closed virtually unchanged. The benchmark index, the STOXX600, lost 0.7%. For the year 2015, the fund has a year-to-date performance of 16.6%; the index 15.2%.

**SAP** has extended its business field "Cloud Computing". With the acquisition of "Concur" and "Fieldglass" the revenues in this business unit have grown over 100% in the first quarter, which is 11% of the overall revenues. The solid start of the enterprise software "S/4 HANA", too, has supported the revenues development and points to the fact of an accelerating introduction of "HANA" to existing SAP customers. The operating earnings were impacted by high investments into the build-up process of the "cloud" business. Adjusted by one-offs, the result has been convincing. We like the combination of a robust core business with a solid balance sheet, which allows the company to expand into new future technologies. **Mayr-Melnhof**, the Austrian cartonboard and packaging producer, has surpassed the market expectations with its 2014 full-year results. Despite a planned one-month production halt in its production plant "Frohnleiten", the revenues were increased by 4% and the result on EBIT level improved by 9%. In particular the "packaging" unit showed much less seasonality than expected and has surprised with an increase in selling prices by 4%. A continuation of the defensive growth path should be possible on the back of a promising order intake as well as the almost full capacity utilisation in both divisions. The achievement of top margins of 8.6% should also be possible for the full year 2015. **Jenoptik** benefits as a diversified optical electronics company from long-term growth trends for the digitalisation and a global trend for an increasing mobility. We expect on the back of a well filled order pipeline a dynamic revenue growth of over 11%. About three percentage points stem from the consolidation effects of the takeover of "Vysonics" in 2014. Further, the initiation of a delayed international large-scale project from the defence sector is expected. The solid balance sheet allows further acquisitions with an equity capital quota of 50.1%. The current valuation with a P/E 2015e of 13.5x with an expected growth of the net profit of 15% has convinced us, to take a portfolio position in this company. **Aurubis**, the leading integrated copper company and the worldwide largest copper recycler, has benefited from raising smelters and refining charges (TC/RC) for copper concentrates. The company was able to cover large stocks of copper wastes on significantly lower RCs, which clearly supports the visibility for a strong earnings recovery in the business year 2014/15. The current valuation with a P/E 2014/15e of 14.9x and a P/B ratio of 1.4x is not showing the earnings recovery yet, which leaves the stock price on a very attractive level.

## 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	74.0%	CHF	25.6%
GBP	0.0%	SEK	0.0%
NOK	0.4%	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

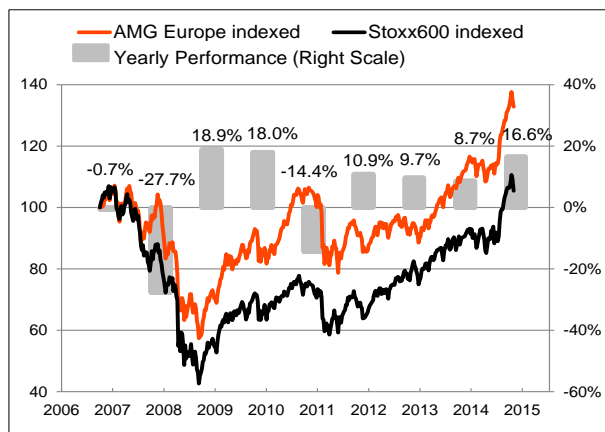
<b>Net Asset Value per Share (Tranche A):</b>	<b>EUR 125.72</b>
Number of Shares Issued:	293'245
<b>Net Asset Value per Share (Tranche B):</b>	<b>EUR 122.87</b>
Number of Shares Issued:	19'945
Total Net Asset Value:	EUR 39.3 m

## Performance - since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception*
Fund	-0.1%	7.8%	19.3%	13.1%	8.2%	3.6%
Stoxx600	-0.7%	7.5%	16.8%	15.3%	8.7%	0.7%

\*p.a.

	2015	2014	2013	2012	2011	since inception
Fund	16.6%	8.7%	9.7%	10.9%	-14.4%	32.8%
Stoxx600	15.2%	4.4%	17.4%	14.4%	-11.3%	5.5%



Please find the detailed performance overview under [www.amg.ch](http://www.amg.ch)

## Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.2%
Sharpe Ratio (0.08% Risk Free Rate)	1.2
Beta (vs. Stoxx 600)	0.7

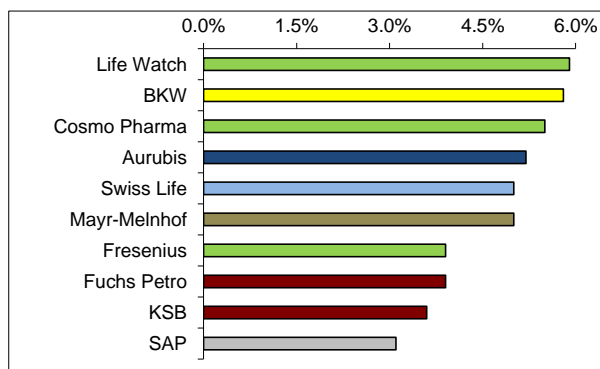
## Breakdown by Sectors

Industrial Goods	30.4%
Construction	0.5%
Consumer Goods	13.5%
Financials	5.3%
Communication	2.7%
Health Care	18.0%
Energy & Utilities	5.8%
Basic Materials	16.7%
Others	-2.1%
Cash	9.2%

## Exposure

Long Positions:	100.9%
Hedge Positions:	10.1%
Net Position:	90.8%
Absolute Position:	111.0%
Cash:	9.2%

## Largest Positions



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