

AMG Europe

Report as of May 31, 2015

Review May

As deflation concerns vanished during May, bond yields surged unexpectedly strong and equity markets experienced a setback. Different to bond prices, equity markets were able to rebound towards the month end. The "AMG Europe" fund has marked a new all-time high on May 22nd. At the month's end the fund closed with a plus of 2.0%. The benchmark index, STOXX600, advanced by 1.3%. For the year 2015, the fund has a year-to-date performance of 18.9%; the index has risen by 16.7%.

Lenzing, the Austrian producer of textile fibres published convincing results for the 1st quarter of 2015. Slightly higher fibre sales volumes, an improvement of the product mix and a more efficient cost situation supported the increase of the operating result on EBIT level by more than 60%. The company managed to successfully implement price increases in the second quarter. Thanks to the ongoing strong volume demand for its fibres, Lenzing continues to expect full utilization of all its production capacities. The intensified marketing activities should lead to a steady improvement of the product mix. Together with the continuation of the "excellenz-program" and additional cost-cutting measures, this should allow for a pleasant operating earnings development for the full-year 2015. **VTG**, an international market leader in wagon hire and rail logistics, also had a strong start into the new year. The takeover of the Swiss Ahaus-Alstätter Eisenbahn Gruppe (AAE) at the beginning of the year led to a volume growth of 26%, the operating result grew above average by 90% and the EBIT margin has improved to 13.8% compared to 9% one year ago. The acquired AAE, as a pure wagon provider, had a higher margin than VTG. The profit development in the first quarter has already shown the potential of this acquisition when it will be fully integrated. **AT&S**, one of the worldwide largest manufacturer and technical leader for printed circuit boards, benefits from a continuous trend for more electronic in vehicles and mobile devices along with the requirements for miniaturization. Focused in the high-end segment (HDI), the company has manufacturing facilities in Austria, China, India and South Korea. With the planned production start of "IC" substrates for 2016 in the Chinese town of Chongqing they will further develop their production range to invigorate their margin goals. With a P/E 2015/16e of 12.9x and P/B ratio of 1.0x the stock remains an interesting investment opportunity to benefit from the trend towards the "internet of things". **Freenet**, the largest independent German telecom provider, was able to increase its revenues in the first quarter 2015 with a plus of 4.3%, which was significantly above market expectations. A well-received marketing campaign increased the client base. In addition the strong demand for hardware (iPhones) resulted in a robust revenue growth. The company generates pleasant strong free cash-flows; it increased 9% in the first quarter. With an estimated dividend yield 2015e of 5.1% the stock remains a dividend pearl in the current low interest rates environment.

Key Figures

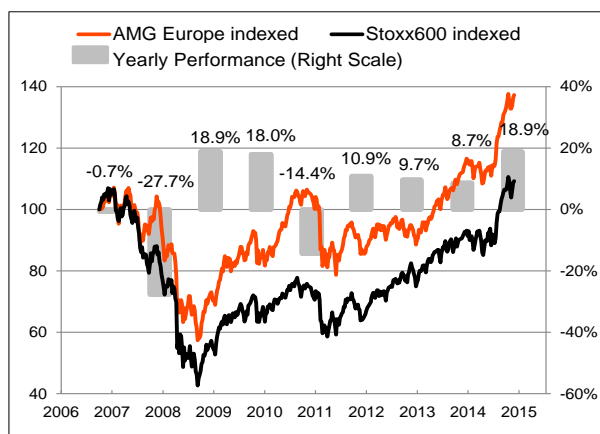
Net Asset Value per Share (Tranche A):	EUR 128.25
Number of Shares Issued:	293'545
Net Asset Value per Share (Tranche B):	EUR 125.30
Number of Shares Issued:	19'945
Total Net Asset Value:	EUR 40.1 m

Performance - since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception*
Fund	2.0%	5.3%	19.2%	16.5%	9.8%	3.8%
Stoxx600	1.3%	2.0%	16.2%	18.6%	10.3%	0.8%

*p.a.

	2015	2014	2013	2012	2011	since inception
Fund	18.9%	8.7%	9.7%	10.9%	-14.4%	35.5%
Stoxx600	16.7%	4.4%	17.4%	14.4%	-11.3%	6.9%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.0%
Sharpe Ratio (0.08% Risk Free Rate)	1.6
Beta (vs. Stoxx 600)	0.7

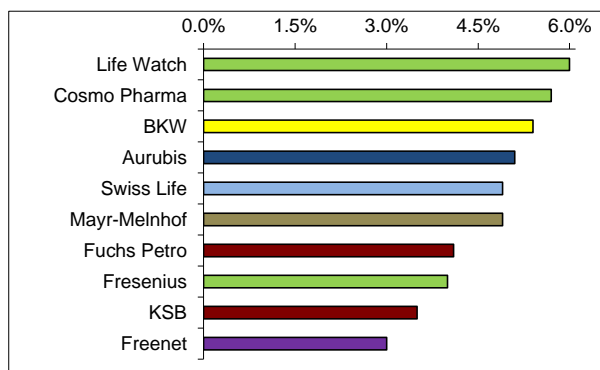
Breakdown by Sectors

Industrial Goods	31.2%
Construction	1.3%
Consumer Goods	13.2%
Financials	7.4%
Communication	3.0%
Health Care	18.6%
Energy & Utilities	5.4%
Basic Materials	16.1%
Others	2.9%
Cash	0.9%

Exposure

Long Positions:	102.1%
Hedge Positions:	3.0%
Net Position:	99.1%
Absolute Position:	105.1%
Cash:	0.9%

Largest Positions



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	75.2%	CHF	24.8%
GBP	0.0%	SEK	0.0%
NOK	0.0%	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

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