

AMG Europe

Report as of February 29, 2016

Review February

January's downwards slide on European stock markets persisted in February. Recovery phases are being nurtured above all by expectations of rising oil prices. At the macro level, data was mixed. The ECB is concerned about the economic and inflationary outlook within the Eurozone, and according to ECB President Draghi the monetary policy course will be reviewed at the next meeting that is scheduled for early March. Uncertainties remain high, and we are positioning ourselves defensively at the strategic level. In overall terms, the AMG Europa Fonds declined slightly by 0.6%. The benchmark index STOXX600 lost 2.4%.

Since the start of the year, the AMG Europa Fund has posted a performance of -8.1%, while the benchmark index STOXX600 lost 8.7%.

Once again, **Fresenius** delivered a strong result for the 2015 financial year. Both sales as well as earnings saw double-digit growth. The company is expecting the growth phase to continue, due to the expansion of its activities around the globe. The new group targets for 2019 reflect this confidence. Group sales of EUR 36-40 billion and a net profit of approx. EUR 2.0 billion have been set. In the current uncertain stock market environment, the consistently sound sales and earnings performance, coupled with a very defensive business model, justifies the price/earnings ratio 2016e of 20.3x. The railcar hire company **VTG** was also able to report a good 2015 result. The changed product mix, due to the recovery of its lower-margin Logistics Division, means lower EBITDA margins on a group level. The net result, however, is supported by cheaper finance and tax conditions. **Munich Re** benefitted in 2015 from lower claims and the reduced need to liquidate reserves. By contrast, the low-interest environment squeezed the result from capital investments. In view of the positive price reaction, we have reduced the position and have taken profits. With its 2015 results the Austrian crane manufacturer **Palfinger** exceeded market expectations across the board. Following the good start to 2016, the positive news-flow is likely to continue. Growth momentum in Europe remains strong, and targeted acquisitions in the marine crane field are set to ensure additional tailwind. In order to boost profitability, the focus in the current year is on optimising deployed capital, production process throughput times as well as customer payment behaviour. In addition to the attractive valuation with a price/earnings ratio 2016e of 12.6x, the positive outlook, the high quality of the results, as well as improved balance sheet parameters all speak for Palfinger. Results reported by the catering company **Do&Co** fulfilled the ambitious goals. Fantasy for the stock lies in the ongoing contractual renegotiations with an Asian airline; like the profitable contracts with Turkish Airlines. These are set to encompass the comprehensive supply of all flights from headquarters by Do&Co. Negotiations for the gastronomy contract at the new airport in Istanbul are also proceeding well, and are likely to be wrapped up in the coming months. The acquisition of airline catering competitors as well as the expansion into international event catering also represent medium-term sales drivers.

Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LB(Swiss) Investment AG, Zürich
Custodian Bank:	Frankfurter Bankgesellschaft, Zurich
Investment Manager:	AMG Fondsverwaltung AG, Zug Birgit Heim, 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
Tranche C (ISIN, Swiss Sec. No.), CHF hedged:	CH0297417534, 27941753
Distributions:	Dividend & Capital Gain distributing
Subscription/Redemption:	Daily / no fees
Performance Fee:	None
Management Fee:	1.0% Tranche A & C; 1.5% Tranche B
TER (Total Expense Ratio) as of 31.12.2015:	1.35% Tranche A; 1.86% Tranche B 1.38% Tranche C, CHF hedged
Tax transparency:	Switzerland / Germany
Licensed for public distribution:	Switzerland / Germany / Austria

Breakdown by Currencies

EUR	89.8%	CHF	10.2%
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

Key Figures

Net Asset Value per Share (Tranche A):	EUR 119.56
Number of Shares Issued:	276'580
Net Asset Value per Share (Tranche B):	EUR 116.35
Number of Shares Issued:	18'875
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 129.24
Number of Shares Issued:	117'062
Total Net Asset Value:	EUR 49.1 mn

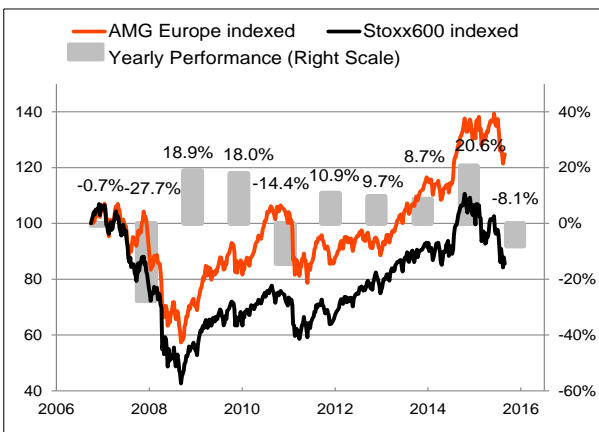
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-0.6%	-8.9%	-1.9%	9.9%	3.8%	2.7%
Stoxx600	-2.4%	-13.4%	-14.9%	4.8%	3.1%	-1.3%

*p.a.

	2016	2015	2014	2013	2012	since inception
Fund	-8.1%	20.6%	8.7%	9.7%	10.9%	26.3%
Stoxx600	-8.7%	6.8%	4.4%	17.4%	14.4%	-10.8%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.5%
Sharpe Ratio (0.08% Risk Free Rate)	0.86%
Beta (vs. Stoxx 600)	0.62%

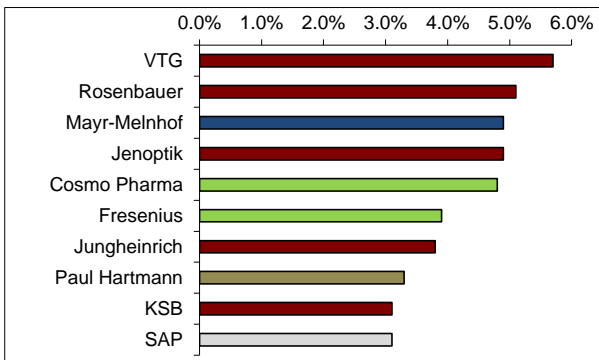
Breakdown by Sectors

Industrials	30.2%
Consumer Disc.	6.7%
Consumer Staples	7.6%
Financials	5.7%
Communication	2.5%
Health Care	13.2%
Energy	0.0%
Basic Materials	15.4%
Technology	7.0%
Utilities	2.7%
Cash	9.0%

Exposure

Long Positions:	91.0%
Hedge Positions:	14.7%
Net Position:	76.3%
Absolute Position:	105.7%

Largest Positions



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