

AMG Europe

Report as of March 31, 2016

Review March

Following a turbulent start to the year, European markets had a breather in March. Stronger-than-expected expansion of economic stimulus measures by the European Central Bank influenced equity markets around the middle of the month. Supportive data were also published for the real economy. The European industrial sector, for example, saw a robust start to the new year. Production expanded significantly not only in Germany, but also in Italy and France. AMG Europa Fonds recorded a gain of 1.8% in March, while the benchmark index STOXX600 advanced 1.1%. Since the start of the year, the performance of AMG Europa Fonds has been -6.4%, while that of the benchmark index has been -7.7%.

The Austrian cardboard manufacturer **Mayr Melnhof** reported yet another record result for the 2015 financial year. In the current year, the company expects to grow moderately in both segments, cardboard and packaging. The Cardboard Division will also benefit from significantly lower energy prices in 2016. Over the past financial year, these contributed to the high EBIT margin of 7.9%. Following the recent integration of Ileos, the strong balance sheet allows for further acquisitions within the pharmaceuticals packaging market. In addition, the launch of the premium product **FOODBOARD** is also planned in 1Q 2016. This is environmentally-friendly, purely cardboard-based packaging for foodstuffs that are sensitive to contamination, such as e.g. bakery products and confectionary. In view of the defensive business model with economy-resistant target markets and a regular string of sound results, the company's valuation with a P/E ratio 2016e of 14x is moderate. The rubber and caoutchouc manufacturer **Semperit** recorded healthy sales growth of 6.6% to EUR 915 million, and was able to lift operating earnings at the EBIT level by 11.2%. Both, the medical as well as the industry divisions, contributed to this growth. Expansion of capacities as well as the integration of the building profile manufacturer **Leeser** acquired in 2015 had positive effects. The management has published a very conservative outlook for 2016, and is expecting the performance to remain broadly stable. The order situation in the industrial sector is good, while in the medical sector **Semperit** is set to benefit, as new production capacities in Kamunting (Malaysia) become operational. The industrial group **Jenoptik** published a very upbeat set of final figures for 2015. In particular, the significant improvement in profitability as well as the further strengthening of the balance sheet were convincing. The detailed outlook for 2016 points to moderate earnings growth, which seems very conservative regarding **Jenoptik's** excellent positioning. In 2015, the agricultural group **Baywa** generated sales of EUR 14.9 billion, which was slightly below the level recorded in the previous year. At the same time, however, its operating profit (EBIT) rose 3.9% to EUR 158 million in 2015. One of the main reasons for the rise in profits was project sales in the renewable energy field, including the sale of a wind farm in the USA. The decline in revenues is attributable above all to the sharp fall in raw material prices in the agricultural and energy sectors. The dividend increase to EUR 0.85 (2.8% dividend yield) allows shareholders to participate in the earnings growth.

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	91.4%	CHF	8.6%
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

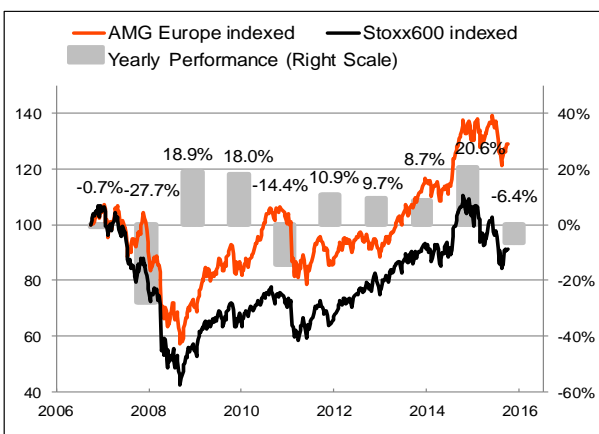
Net Asset Value per Share (Tranche A):	EUR 121.75
Number of Shares Issued:	286'907
Net Asset Value per Share (Tranche B):	EUR 118.43
Number of Shares Issued:	18'785
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 131.45
Number of Shares Issued:	116'592
Total Net Asset Value:	EUR 51.3 mn

Performance - Tranche A

	since inception 01.04.2007 (Distributions included)					since inception
	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	
Fund	1.8%	-6.4%	-3.3%	11.3%	4.2%	2.8%
Stoxx600	1.1%	-7.7%	-15.0%	4.7%	4.1%	-1.1%

*p.a.

	since inception					since inception
	2016	2015	2014	2013	2012	
Fund	-6.4%	20.6%	8.7%	9.7%	10.9%	28.6%
Stoxx600	-7.7%	6.8%	4.4%	17.4%	14.4%	-9.8%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.4%
Sharpe Ratio (0.08% Risk Free Rate)	0.96
Beta (vs. Stoxx 600)	0.61

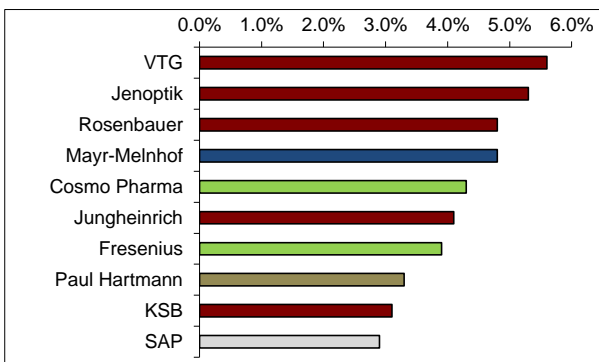
Breakdown by Sectors

Industrials	30.3%
Consumer Disc.	4.9%
Consumer Staples	7.5%
Financials	7.0%
Communication	2.2%
Health Care	11.7%
Energy	0.0%
Basic Materials	15.0%
Technology	6.6%
Utilities	2.6%
Cash	12.2%

Exposure

Long Positions:	87.7%
Hedge Positions:	7.1%
Net Position:	80.6%
Absolute Position:	94.8%

Largest Positions



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