

AMG Europe

Report as of April 30, 2016

Review April

Markets gained further confidence in April. Inter alia, the unexpectedly strong recovery in energy prices encouraged buying. On the central bank side, the ECB stuck to its monetary policies, which had been made even more expansive in March. The strong upturn was led predominantly by big caps. Smaller stocks only partly managed to keep pace. AMG Europa Fund modestly decreased by -0.1% in March, while the benchmark index STOXX600 advanced by 1.2% over the month. Since the start of the year, the performance of AMG Europa Fund has been -6.5%, while that of the benchmark index has been -6.7%.

SAP saw earnings rise strongly in the 1st quarter of 2016, thanks to cost cutting measures. Despite the weak performance of the licence business in 1Q16, organic growth of 6% was recorded for the group. The performance of the gross margin has been particularly impressive for cloud activities, as it has been expanded. The future lies in the cloud business, and here SAP is generating not merely growth, but also profits – in contrast to its main competitors. The company confirmed the guidance for 2016 published at the start of the year. A strong order pipeline is expected to support this, along with the weak EUR. Spain's **Viscofan** saw sales decline in the 1st quarter of 2016, resulting from very weak demand in Brazil, compounded by negative currency effects. Excluding currency effects, however, the operating margin actually improved. If currencies (in particular BRL) stabilise, which has been the case since October 2015, the negative effect will be reduced. The dividend yield is an attractive 3%. The sound capital base also allows the company to play an active part in the consolidation of the market. In view of quarterly figures that came in significantly above market expectations, the copper product manufacturer **Aurubis** has published its pre-tax results ahead of schedule. The main reason for the very strong performance is likely to be the robust returns from gold and silver. These offset the slightly weaker – yet still reasonable – returns on smelting. Demand for copper products has also been sound. The company confirmed the outlook for the year as a whole: following the record previous year, lower profits are set to be generated, not least as a consequence of the refurbishment of the smelting furnace in Bulgaria that is scheduled to begin this quarter. **Palfinger**, the global leader in the construction of loader cranes, profited from the growth momentum in Southern Europe, and saw sales grow by a robust 9% in the 1st quarter of 2016. Thanks to a favourable product mix, operating earnings at the EBIT level rose by a superb 28%, which is clearly above market expectations. Strong demand in Europe is likely to be maintained throughout the coming months. At the same time, the BAUMA construction equipment trade fair, the largest event of its kind in Germany, which is taking place in April, will provide a further boost. In addition to strong organic performance, growth through acquisitions is also being targeted. The aim here is to see the marine activities add sales of EUR 150 - 200 million. In view of the sound performance of the business, the valuation of Palfinger is very attractive with a P/E ratio 2016e of 13.6x.

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	89.9%	CHF	10.1%
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 121.61
Number of Shares Issued:	294'622
Net Asset Value per Share (Tranche B):	EUR 118.25
Number of Shares Issued:	19'625
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 131.25
Number of Shares Issued:	116'622
Total Net Asset Value:	EUR 52.3 mn

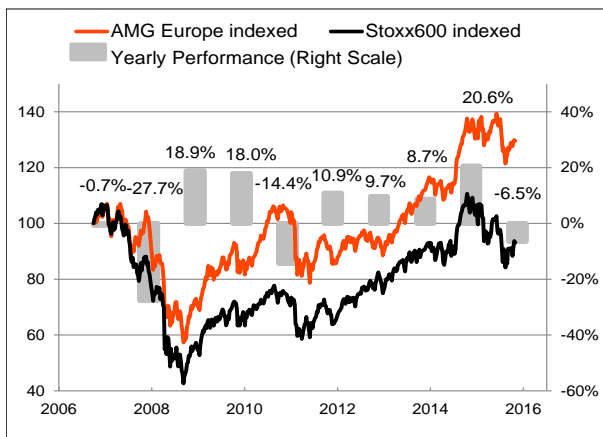
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-0.1%	1.1%	-3.3%	11.3%	3.8%	2.8%
Stoxx600	1.2%	-0.2%	-13.5%	4.8%	3.8%	-1.0%

*p.a.

	2016	2015	2014	2013	2012	since inception
Fund	-6.5%	20.6%	8.7%	9.7%	10.9%	28.5%
Stoxx600	-6.7%	6.8%	4.4%	17.4%	14.4%	-8.8%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.12%
Sharpe Ratio (0.08% Risk Free Rate)	0.98
Beta (vs. Stoxx 600)	0.59

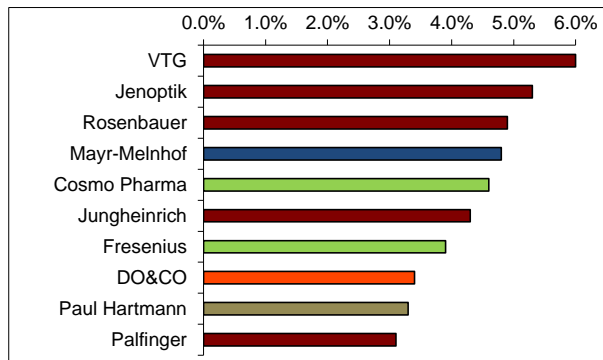
Breakdown by Sectors

Industrials	32.7%
Consumer Disc.	7.7%
Consumer Staples	6.1%
Financials	7.0%
Communication	2.3%
Health Care	12.6%
Energy	0.0%
Basic Materials	15.2%
Technology	6.4%
Utilities	2.7%
Cash	7.3%

Exposure

Long Positions:	92.7%
Hedge Positions:	7.2%
Net Position:	85.5%
Absolute Position:	99.9%

Largest Positions



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