

AMG Europe

Report as of March 31, 2017

Review March

In context of the upcoming reporting season, March was generally a good month on the stock markets. The AMG Europe gained 2.8% in March and was thus essentially in line with the benchmark index, the STOXX600 (+2.9%). Since the beginning of the year, the AMG Europe has advanced by 7.2%, while the benchmark index went up only 5.5% in the same period. **Freenet**, Germany's biggest independent provider of mobile telephony services, further expanded its customer base in FY 2016. Improved price discipline in the top business segment has resulted in higher gross margins. Given the solidity of Freenet's TV operations, the expansion of this segment is securing the company's dividend: Both the TV and the mobile telephony segments are offered on a subscription basis and are boosting the company's cash flow. In the first six months of financial year 2016/17, **KWS Saat** raised its turnover by 27.6% compared to the previous year, with the corn segment doing particularly well in Latin America. With EUR -70mn, EBIT was significantly higher than expected. Due to the seasonality of the company's operations, EBIT is usually negative in the 1st half of its financial year. The third quarter, which has just started, is decisive for the total annual result since the majority of revenues are generated in this period while costs are spread evenly over all four quarters. Thanks to the result achieved in the first six months, the company's management has raised the turnover and EBIT margin outlook for the full year 2016/17e, which is an encouraging sign. **Mayr Melnhof's** 2016 figures have reached new records, both in terms of turnover and profit. The dividend was raised to EUR 3, which is consistent with a dividend yield of 2.8%. In the short term, the slight rise in commodity prices may have a dampening effect. However, historically, Mayr Melnhof has always managed to pass price rises on to its customers. Following the company's 2015 takeover of **Ileos**, which represented Mayr Melnhof's entry into the high-margin pharmaceutical packaging segment, a possible additional acquisition in this field could provide further growth dynamics. Mayr Melnhof has an excellent track record when it comes to integrating acquired units. The company's healthy balance sheet and strong cash flow provide a solid financial basis for acquisitions. With organic turnover growth of just under 8% in financial year 2016, **Bechtle**, a provider of IT solutions, expanded much faster than the market (3%). The EBITDA margin has risen further to 5.6%. In 2016, the forklift manufacturer **Jungheinrich** raised its global market share to 9.1% while turnover passed the EUR 3bn mark for the first time. This expansion was driven by the company's focus on electric drives and its extensive expertise in field of warehouse automation. Growth is also boosted by the company's international expansion, especially in Asia. The positive outlook for 2017 is supported by a strong increase in incoming orders of +17% in January and February of this year. We remain invested.

Key Figures

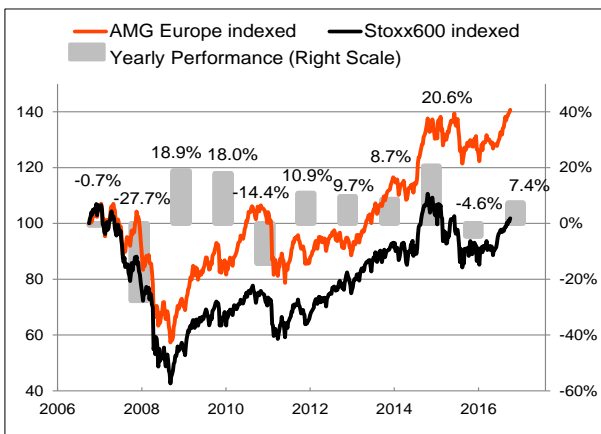
Net Asset Value per Share (Tranche A):	EUR 133.26
Number of Shares Issued:	295'612
Net Asset Value per Share (Tranche B):	EUR 129.02
Number of Shares Issued:	17'735
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 142.42
Number of Shares Issued:	110'528
Total Net Asset Value:	EUR 56.2 mn

Performance - Tranche A

	since inception 01.04.2007 (Distributions included)					since inception
	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	
Fund	2.8%	7.4%	9.5%	8.7%	8.5%	3.5%
Stoxx600	2.9%	5.5%	12.9%	4.5%	7.7%	0.2%

*p.a.

	2017	2016	2015	2014	2013	since inception
Fund	7.4%	-4.6%	20.6%	8.7%	9.7%	40.8%
Stoxx600	5.5%	-1.2%	6.8%	4.4%	17.4%	1.9%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	10.47%
Sharpe Ratio (0.08% Risk Free Rate)	0.78
Beta (vs. Stoxx 600)	0.53

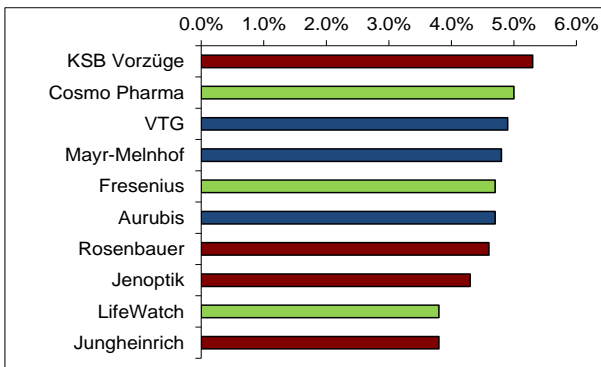
Breakdown by Sectors

Industrials	27.0%
Consumer Disc.	7.4%
Consumer Staples	8.4%
Financials	6.2%
Telecommunication	2.7%
Health Care	14.4%
Energy	0.0%
Basic Materials	19.1%
Technology	6.8%
Utilities	2.9%
Cash	5.1%

Exposure

Long Positions:	95.7%
Hedge Positions:	7.1%
Net Position:	88.6%
Absolute Position:	102.8%

Largest Positions



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 31.12.2016:	1.34% Tranche A; 1.84% Tranche B 1.34% Tranche C / CHF hedged
Tax transparency:	Switzerland / Germany / Austria
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Breakdown by Currencies

EUR	81.2%	CHF	15.9%
GBP	0.0%	SEK	0.0%
NOK	0.0%	DKK	2.9%

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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