

AMG Europe

Report as of April 30, 2017

Review April

In April, the European stock markets reflected a cautious attitude towards the elections in France and persistent geopolitical tensions. The AMG Europe fund gained 2.9% in April. The benchmark index, the STOXX600 Index, went up 1.6%. Since the beginning of the year, the AMG Europe fund has advanced 10.5%, while the benchmark index has gained 7.1% in the same period.

Paul Hartmann AG produces wound management articles and incontinence supplies. For the full year 2016, on a currency-adjusted basis, the company recorded organic turnover growth of +2.3%, generating sales of close to EUR 2bn. In addition, Paul Hartmann performed even better in terms of EBIT and group result at +4.9% and +6.3% respectively. Both components benefited from a rise in efficiency along the entire value added chain. At 61%, the company's equity capital ratio places the enterprise in a very solid financial situation. Even more so since financial liabilities were reduced further in 2016 and net liquidity rose, giving the company greater financial leeway for future growth. **Baywa** is currently benefiting from rising sentiment on the agricultural market, which should stimulate its weak trading operations and ensure an increase in profits in the agricultural division from EUR 70mn to EUR 126mn. Both the fruit and the energy segment performed well in the last year and generated record profits. Higher agricultural prices remain the key catalyst for higher profits in 2017. The full year 2016 figures of the German pump manufacturer **KSB** clearly reflect the impact of the company's recent restructuring activities: At EUR 74.6mn, pre-tax profits substantially exceeded market expectations. The new sales organisation, a streamlined product range and a consolidated procurement chain all support the company's profitability. For the full year 2017, the management expects a solid upward trend and a significant increase in pre-tax profits. The already published turnover figures in Q1'17 support the positive expectations. As much as 70% of all restructuring activities have been initiated and are currently underway. Likewise, the company announced the successor of the departing CEO Stegmüller: The appointment of Dr. Matthias Schmitz as new CEO signals a further push towards the initiated turnaround, which gives us a lot of confidence. In the current market environment, the valuation of the stock at an estimated 2018 P/E ratio of around 10x and a P/B ratio below 1 reflect a real value stock, supported by net liquidity of EUR 346mn. **Viscofan**, the Spanish-based producer of sausage casings, managed to maintain its previous year's turnover in a highly competitive market, thereby gaining further market share. The company expanded its global market leadership to 30%, which is twice the market share of its next competitor. With the most solid balance sheet and the most substantial margins in the sector, Viscofan is set to gain even further market share in a highly contested market.

Key Figures

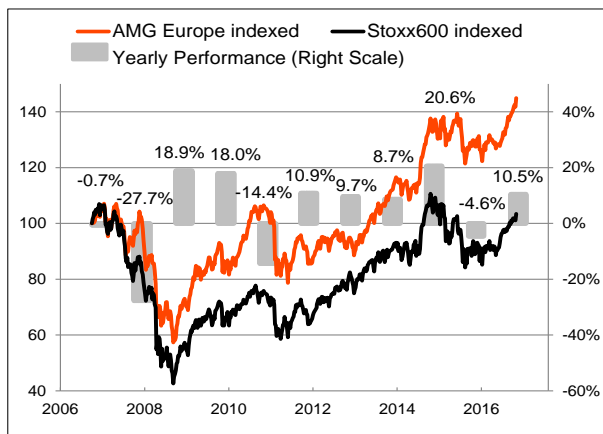
Net Asset Value per Share (Tranche A):	EUR 137.18
Number of Shares Issued:	298'517
Net Asset Value per Share (Tranche B):	EUR 132.76
Number of Shares Issued:	18'050
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 146.48
Number of Shares Issued:	135'000
Total Net Asset Value:	EUR 61.8 mn

Performance - Tranche A

	since inception 01.04.2007 (Distributions included)					since inception
	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	
Fund	2.9%	8.7%	12.8%	9.2%	9.6%	3.7%
Stoxx600	1.6%	7.5%	13.4%	4.6%	8.5%	0.3%

*p.a.

	2017	2016	2015	2014	2013	since inception
Fund	10.5%	-4.6%	20.6%	8.7%	9.7%	44.9%
Stoxx600	7.1%	-1.2%	6.8%	4.4%	17.4%	3.4%



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)	0.87
Beta (vs. Stoxx 600)	0.53

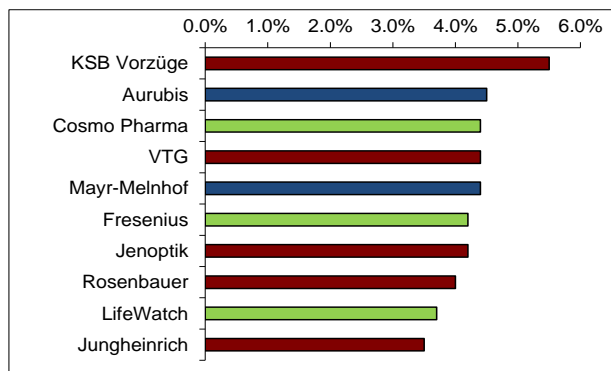
Breakdown by Sectors

Industrials	25.6%
Consumer Disc.	7.6%
Consumer Staples	7.8%
Financials	7.2%
Telecommunication	2.3%
Health Care	16.4%
Energy	0.0%
Basic Materials	17.4%
Technology	6.7%
Utilities	2.6%
Cash	6.4%

Exposure

Long Positions:	93.6%
Hedge Positions:	8.0%
Net Position:	85.6%
Absolute Position:	101.6%

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
Licensed for public distribution:	Switzerland / Germany

Breakdown by Currencies

Currency	Percentage (%)
EUR	80.3%
CHF	14.8%
GBP	0.0%
SEK	0.0%
NOK	2.1%
DKK	2.8%

Distributions

Date	Type	Amount (EUR)
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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