

AMG Europe

Report as of May 31, 2017

Review May

The upward trend on the European stock markets remains intact. While the STOXX600 Index gained 0.8% in May, the AMG Europe Fund advanced by 4.3%, exceeding the index substantially. Since the beginning of the year, the fund has increased by 15.3%, outperforming the benchmark index (+7.9%) by more than 7%.

The 2nd quarter 2016/17 figures delivered by the copper group **Aurubis** significantly exceeded market expectations. The outlook for the full year was confirmed and now involves a substantially higher EBIT. CEO Schachler, who was appointed in mid-2016, has introduced the "Vision 2025" strategic programme, which targets to extend the company's metallurgical expertise in the copper market to other metals. An efficiency programme involving improved capacity utilisation, centralised purchasing and removal of administrative redundancies has been launched to generate additional EBIT of EUR 200mn by 2019/20. Moreover, the net liquidity expected by the end of 2016/17 could be employed for growth through acquisitions. The Danish insulin manufacturer **Novo Nordisk** raised its 1st quarter 2107 profit by 5% to DKK 28.5bn. Growth was mainly driven by new diabetes and obesity products. Net earnings increased by 7% to DKK 10.2bn, a trend supported by turnover growth as well as cost savings. Thanks to the positive trend in the first quarter, Novo Nordisk revised its full-year turnover outlook, which had previously included the possibility of a slight decline, up to a range of +1% to +4%. The EBIT outlook has been raised too. Aside from the historically attractive PER 2017e of 17.4x, the share stands out for its rock-solid balance sheet and margins that remain substantially higher than the sector average. In a healthy e-commerce environment, **Wirecard** generated substantial turnover growth of +31% in the 1st quarter 2017. Once again, the company's turnover grew much faster than the overall payment services market. Wirecard's EBITDA also expanded by 31%, while significant economies of scale were partially offset by the integration costs associated with the latest acquisition. The company's solid growth justifies its estimated 2018 P/E of 18.6x. The **Hornbach Group** raised its turnover in financial year 2016/17 by 4.9% to EUR 3.9mn. The group's EBIT went up 14% to EUR 156.8mn while higher like-for-like sales and improved cost structures more than compensated for the lower trade margin. The network of international branches was expanded in Prague, Innsbruck and Amsterdam. Aside from DIY supplies, profit growth was also driven by the building material and real estate segments. The progressive implementation of the company's digitalisation strategy combines online trade with branch business: Customers can 'click and collect', 'order at shop plus delivery' or make online purchases. Hidden real estate reserves and the company's strategic orientation add to the share's attractiveness.

Key Figures

Net Asset Value per Share (Tranche A):	EUR 143.12
Number of Shares Issued:	300'677
Net Asset Value per Share (Tranche B):	EUR 138.47
Number of Shares Issued:	18'621
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 152.86
Number of Shares Issued:	192'307
Total Net Asset Value:	EUR 72.9 mn

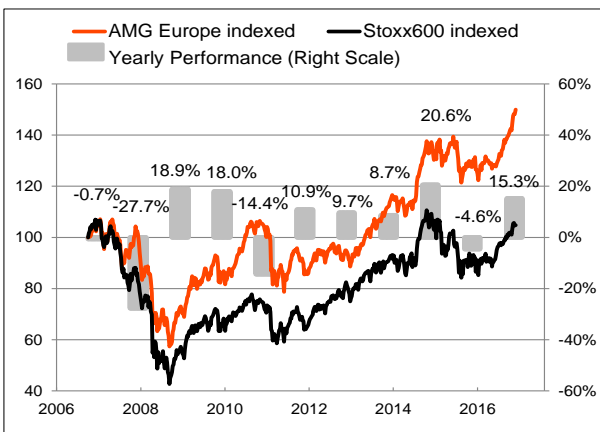
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	4.3%	10.4%	15.1%	10.0%	12.1%	4.2%
Stoxx600	0.8%	5.3%	12.2%	4.3%	10.2%	0.4%

*p.a.

	2017	2016	2015	2014	2013	since inception
Fund	15.3%	-4.6%	20.6%	8.7%	9.7%	51.2%
Stoxx600	7.9%	-1.2%	6.8%	4.4%	17.4%	4.2%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	10.52%
Sharpe Ratio (-0.20% Risk Free Rate)	0.94
Beta (vs. Stoxx 600)	0.53

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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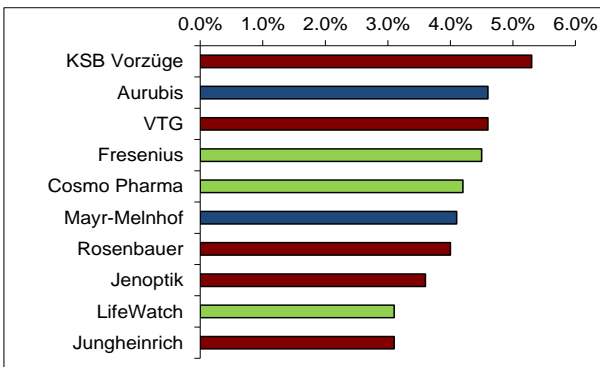
Breakdown by Sectors

Industrials	24.0%
Consumer Disc.	8.3%
Consumer Staples	7.3%
Financials	6.3%
Telecommunication	2.2%
Health Care	15.9%
Energy	0.0%
Basic Materials	17.6%
Technology	6.7%
Utilities	2.4%
Cash	9.3%

Exposure

Long Positions:	90.7%
Hedge Positions:	4.8%
Net Position:	85.9%
Absolute Position:	95.5%

Largest Positions



Breakdown by Currencies

EUR	82.8%	CHF	12.4%
GBP	0.0%	SEK	0.0%
NOK	1.8%	DKK	3.0%

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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