

AMG Europe

Report as of March 31, 2018

Review March

Following substantial price losses in February, the European stock markets remained volatile in March. While the published data were generally still convincing, fears of an imminent trade war significantly affected sentiment on the financial markets. In this environment, the AMG Europe, which dropped by 2.2%, while the overall market lost 2.3%.

Thanks to healthy fourth-quarter turnover and revenue figures, **Koenig & Bauer** fully achieved or exceeded its targets for 2017. The consolidated figures submitted by the printing machine manufacturer, including a rise in turnover, revenue and incoming orders in the reporting year, reflect the progress achieved in the company's medium-term targets until 2021. The trend in the 'banknote and security division' was satisfactory. Koenig & Bauer recorded substantial growth in the packaging markets for cardboard printing, metal, glass and hollow container decorating and coding as well as with new products such as rotary and flatbed die-cutters. The company gained further market share in all business divisions. On top of this, the share of service solutions in total turnover is now above the 25% mark. Thanks to the 8.7% increase in incoming orders, the company is once again set to achieve its annual targets in 2018, which involve 4% turnover growth and a 7% EBIT margin. In 2017, **CEWE Foundation** once again achieved its corporate targets. The sound result and a further strengthening of its financial position allow the company to propose its ninth dividend increase to EUR 1.85 (2.3% dividend yield). CEWE is aiming for further turnover and revenue growth in 2018, relying specifically on the earning power of the photofinishing business and a further positive result in the commercial online printing and retail divisions. Focusing on cable processing, the mechanical engineering company **Komax** reported a substantial increase in turnover of +21% for financial year 2017. Thanks to the technological leadership of its extensive product portfolio, Komax benefits from the growing cable component percentage in vehicles that results from the rising electrification trend in automobile construction. At 13.5%, the company's EBIT margin was slightly below market expectations, which can be explained by substantial investments in future growth and research & development. These investments form the basis for the next few years' turnover growth of +10% p.a., which is expected to result in turnover of CHF 550mn – 600mn by 2021, accompanied by a further increase in margins. Substantial incoming orders in 2017 (+21% to CHF 449mn) and in early 2018 suggest a 2018 turnover increase in excess of market growth. The Austrian cardboard packaging manufacturer **Mayr-Melnhof** published another record result including a 3% rise in turnover. In a consistently volatile market environment, a track record of reliable revenue generation and a fundamentally solid picture continue to support the share in 2018. At an estimated 2018 P/E ratio of 15.3x, the share essentially has a competitive valuation.

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 31.12.2017:	1.31% Tranche A; 1.83% Tranche B 1.33% Tranche C / CHF hedged
Tax transparency:	Switzerland, Austria
Tax Status Germany:	Equity Fund within the meaning of the German investment tax Law (InvStG) with partial release
Licensed for public distribution:	Switzerland, Germany

Breakdown by Currencies

EUR	85.1%	CHF	8.9%
GBP	0.0%	USD	0.0%
NOK	2.4%	DKK	3.6%

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 143.52
Number of Shares Issued:	444'442
Net Asset Value per Share (Tranche B):	EUR 138.27
Number of Shares Issued:	54'547
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 153.31
Number of Shares Issued:	223'168
Total Net Asset Value:	EUR 101.2 mn

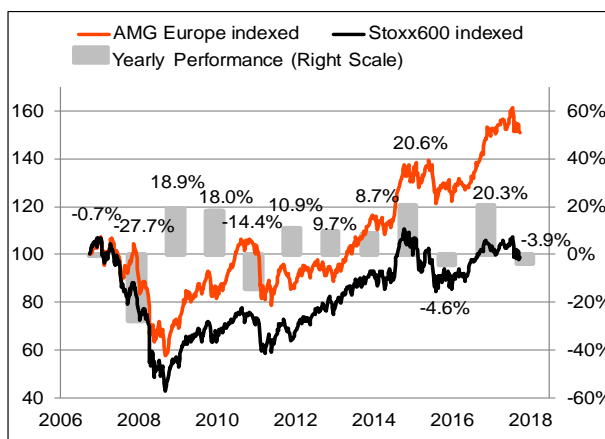
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-2.2%	-3.9%	7.7%	4.5%	10.2%	3.9%
Stoxx600	-2.3%	-4.5%	-2.7%	-2.3%	4.8%	0.1%

*p.a.

	2018	2017	2016	2015	2014	since inception
Fund	-3.9%	20.3%	-4.6%	20.6%	8.7%	51.6%
Stoxx600	-4.5%	7.5%	-1.2%	6.8%	4.4%	-0.9%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	9.9%
Sharpe Ratio (-0.31% Risk Free Rate)	0.36
Beta (vs. Stoxx600)	0.54

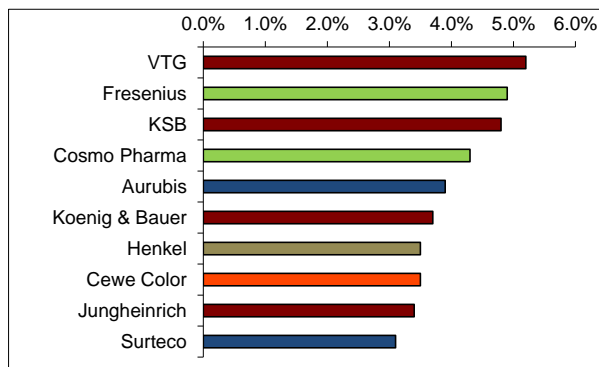
Breakdown by Sectors

Industrials	26.3%
Consumer Disc.	11.1%
Consumer Staples	6.1%
Financials	7.2%
Telecommunication	2.3%
Health Care	11.6%
Energy	0.0%
Basic Materials	15.9%
Technology	2.7%
Utilities	2.4%
Cash	14.4%

Exposure

Long Positions:	85.6%
Hedge Positions:	9.1%
Net Position:	76.5%
Absolute Position:	94.7%

Largest Positions



Disclaimer: While AMG Fondsverwaltung AG has made every effort to ensure that the information on this document is correct at the time of publication, AMG can make no representation or warranty (including liability to third parties) either expressly or by implication as to the accuracy, reliability or completeness of the said information. The future performance of an investment cannot be deduced from previous market value, i.e. the value of an investment may fall as well as rise. Performance was calculated without commissions and fees for subscription or redemption.