

AMG Europe

Report as of May 31, 2018

Review May

The European stock markets had a dynamic start to the month of May, although uncertainty regarding the formation of the new Italian government led to significant reversals towards the end of the month. The AMG Europe closed the reporting month 0.4% lower, the benchmark index lost 0.6%. Year to date the fund shows a minus of 2.5%, the index 1.4%.

The IT service provider **Bechtle** had a very positive start to the year 2018: 1st-quarter turnover increased by 19% and net profit by 12%, combined with a positive outlook for the remainder of the year. The acquisition of the Swiss IT service provider **Evulusys** in May 2018 adds to Bechtle's expertise in the fields of analytics, artificial intelligence and cloud solutions. The wagon leasing company **VTG** reported solid turnover growth of just under 5% for the 1st quarter 2018. High capacity utilisation and substantially lower maintenance costs resulted in a significant increase in EBITDA and hence in an increase in margins to 34.8%. The integration of the acquired **Naccos** will fuel this trend, with the full effect expected to take hold in 2019. The 1st-quarter figures presented by **Wirecard** exceed market expectations at all levels. After the record year in 2017, Wirecard has managed to kick off the year 2018 with a fresh record. New customers acquired via the Credit Agricole arrangement (online payment services) made a substantial contribution to growth. Based on this excellent start, it may be assumed that their future contribution will also be higher than previously expected. The company is in a perfect position to benefit from the payment digitalisation megatrend. Recording 10.1% turnover growth in the 1st quarter, the **CEWE Foundation** had a solid start to the year. Growth was boosted by the CEWE photobook and the acquisition of the French photo app **Cheerz** in February 2018. Another takeover, the **Laserline** acquisition, buoyed up turnover growth in the commercial online print division. In terms of margins, the photofinishing division performed well although the consolidation of Laserline is placing a strain on profitability for the time being. Nevertheless, CEWE's acquisitions have created a solid base for future growth for the year 2018. **Surteco SE**, which specialises in the manufacture of paper and plastic coatings, for instance for kitchen or bathroom furniture, reported substantial growth for the 1st quarter 2018. Higher profitability generated by the recently acquired Portuguese company **Propos** made up for rising material costs in the paper segment. On top of this, the discontinuation of low-margin product segments resulted in a 100 basis-point rise in the EBITDA margin to 12.5%. Given the evidently successful integration and further expected synergies, at an expected 2018 PER of 12.8x, the solidly-financed company has a very attractive valuation. Following an excellent performance, we sold our holdings in the salmon manufacturer **Bakkafrost**, taking our profits before the publication of the quarterly result.

Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LLB 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	86.2%	CHF	8.4%
GBP	0.0%	USD	0.0%
NOK	2.0%	DKK	3.4%

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 145.56
Number of Shares Issued:	447'079
Net Asset Value per Share (Tranche B):	EUR 140.12
Number of Shares Issued:	55'806
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 155.31
Number of Shares Issued:	246'924
Total Net Asset Value:	EUR 105.3 mn

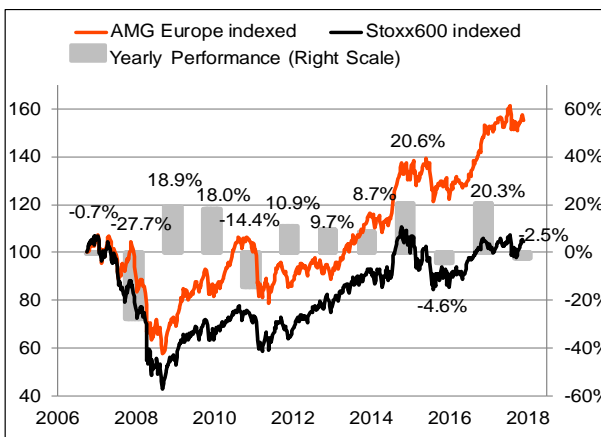
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-0.4%	-0.8%	1.7%	4.3%	10.5%	3.9%
Stoxx600	-0.6%	0.9%	-1.8%	-1.4%	5.0%	0.2%

*p.a.

	2018	2017	2016	2015	2014	since inception
Fund	-2.5%	20.3%	-4.6%	20.6%	8.7%	53.8%
Stoxx600	-1.4%	7.5%	-1.2%	6.8%	4.4%	2.4%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	9.6%
Sharpe Ratio (-0.31% Risk Free Rate)	0.55
Beta (vs. Stoxx600)	0.53

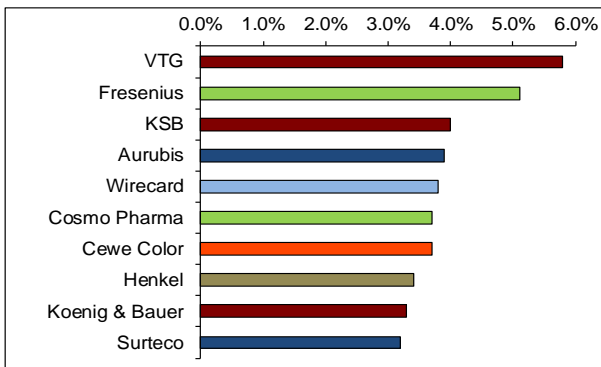
Breakdown by Sectors

Industrials	29.5%
Consumer Disc.	11.0%
Consumer Staples	5.6%
Financials	8.1%
Telecommunication	2.2%
Health Care	11.3%
Energy	0.0%
Basic Materials	13.0%
Technology	3.0%
Utilities	2.3%
Cash	14.0%

Exposure

Long Positions:	86.0%
Hedge Positions:	9.1%
Net Position:	76.9%
Absolute Position:	95.1%

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.