

AMG Europe

Report as of November 30, 2018

Review November

The mood on the stock markets continued to be marked by great nervousness in November. Growth fears as well as monetary policy issues dominated market activity. The comparative index Euro Stoxx600 closed the month with a minus of 1.1%, the AMG Europe Fund has stabilized since mid-month and shows a minus of 0.8%. At the beginning of December, future production cuts will be discussed at the OPEC summit in Vienna. In Great Britain, the parliament will vote on the present resignation treaty with the EU, where the outcome is currently completely open. The outcome of the trade disputes between the USA and China will continue to shape market developments. Volatility is likely to remain high, which is why we are maintaining our cautious positioning.

Luxottica's shares had performed very well in recent weeks in anticipation of the merger with Essilor, which has since taken place. The valuation had risen accordingly, which is why we realised the profit at the beginning of November with the sale of the Luxottica position. Due to unforeseen shutdowns at various production sites, **Aurubis** expects pre-tax earnings for the 2018/19 financial year to be lower than in the previous year. For the past 2017/18 financial year, Aurubis reported pre-tax earnings of EUR 328 million, an increase of around 10% on the previous year. By contrast, the market environment remains intact. The recovery in the oil and gas market and the improved order situation in the mining industry helped the pump manufacturer **KSB** to achieve an 8% increase in incoming orders in the first nine months of 2018 compared with the previous year, with a plus of 3.4% remaining after taking currency effects into account. In contrast to the Middle East/Africa region, the order situation improved significantly in regional terms, particularly in Asia/Pacific and Europe. In the Americas (including Brazil and Argentina), order intake was only slightly higher than in the previous year due to currency effects from the Latin American countries. Under new management, **KSB**, which is solidly financed, is currently expanding its still very low service business worldwide, which should contribute to stronger growth from 2019 onwards. **Mayr-Melnhof** also reported solid earnings as usual for the third quarter: EBIT and earnings per share increased slightly to EUR 58 million and EUR 2.10, respectively. Pleasant to note that the professional stability of the MM Packaging division, with an EBIT margin of 9.6%, is improving faster than expected. In the first half of the year these had still been at 8.4%. The basis for this is the improved product mix. However, Mayr-Melnhof has secured its next major growth driver with the recent acquisition of the TANN Group. This means that a sales volume of 9% flows to the existing group, with an EBITDA margin of approx. 22-23%, which is well above Mayr-Melnhof's margin of 14%. In view of the solid balance sheet, the temporary increase in leverage can be easily absorbed and should soon be reduced. In addition to the takeover of the existing business, further upside potential is likely to lie dormant via cross-selling of traditional Mayr-Melnhof products.

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	84.0%	CHF	9.8%
GBP	0.0%	USD	0.0%
NOK	2.3%	DKK	3.9%

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 133.16
Number of Shares Issued:	430'049
Net Asset Value per Share (Tranche B):	EUR 127.85
Number of Shares Issued:	55'541
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 142.10
Number of Shares Issued:	239'367
Total Net Asset Value:	EUR 93.2mn

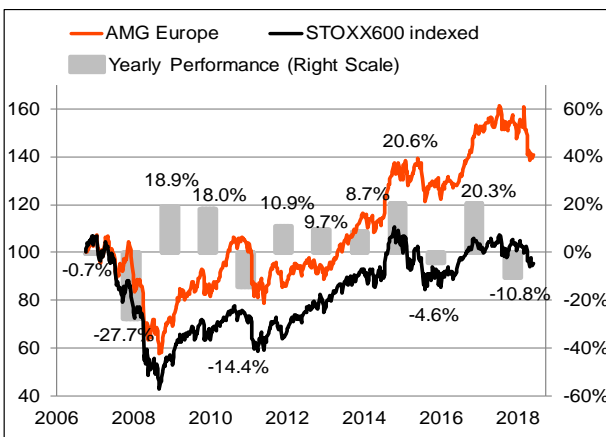
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-0.8%	-8.7%	-7.9%	0.5%	6.4%	3.0%
Stoxx600	-1.1%	-6.5%	-7.6%	-2.5%	1.9%	-0.4%

*p.a.

	2018	2017	2016	2015	2014	since inception
Fund	-10.8%	20.3%	-4.6%	20.6%	8.7%	40.7%
Stoxx600	-8.1%	7.7%	-1.2%	6.8%	4.4%	-4.5%



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)	0.22
Beta (vs. Stoxx600)	0.61

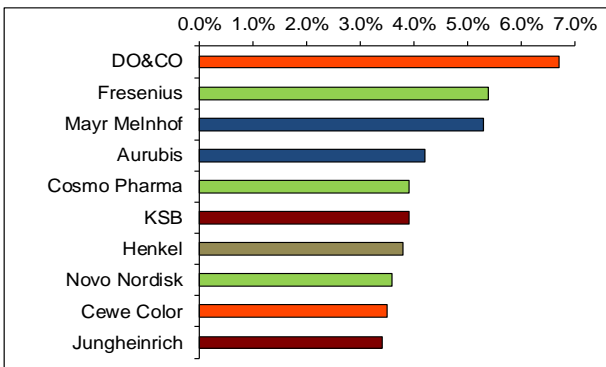
Breakdown by Sectors

Industrials	20.5%
Consumer Disc.	11.8%
Consumer Staples	8.9%
Financials	5.1%
Communication	2.5%
Health Care	20.8%
Energy	0.0%
Basic Materials	16.4%
Technology	1.5%
Utilities	4.4%
Cash	8.1%

Exposure

Long Positions:	91.9%
Hedge Positions:	13.8%
Net Position:	78.1%
Absolute Position:	105.7%

Largest Positions



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