

Investment fund under Swiss law

AMG Europe

Audited annual report as of December 31, 2018

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Facts and figures

Organization

Board of directors of the Fund Management Company

Natalie Epp, President
Bruno Schranz, Vice President
Hans Stamm

Management of the Fund Management Company

Dominik Rutishauser (from January 1, 2019)
Marcel Weiss (until December 31, 2018)
Ferdinand Buholzer

Fund Management Company

LLB Swiss Investment AG
Claridenstrasse 20
CH-8002 Zurich
Phone +41 58 523 96 70
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Custodian Bank

Bank J. Safra Sarasin AG
Elisabethenstrasse 62
CH-4002 Basel
Phone +41 61 277 77 77
Fax +41 61 272 02 05

Investment Manager of the Fund

AMG Fondsverwaltung AG
Bahnhofstrasse 29
CH-6300 Zug

Distribution channels

Investment Manager of the Fund

Auditors

PricewaterhouseCoopers AG
Birchstrasse 160
CH-8050 Zurich

Fund characteristics

The investment objective of AMG Europe is principally to attain an increase in value, by means of investments primarily in the European stock markets. The fund invests mainly in equity securities of companies that are domiciled in Europe or which exercise a predominant proportion of their economic activities in this market.

The long term oriented stock selection forms the basis of the achievement of the investment objective.

Market setbacks are reduced as far as possible by hedging. The fund is denominated in EUR, a currency hedged CHF class is available.

Key figures

	31.12.2018	31.12.2017	31.12.2016
Net fund assets in million EUR	78.67	100.01	50.07
Number of units Class A	386 019	422 819	291 253
Number of units Class B	55 541	45 433	18 020
Number of units Class C	218 728	222 130	94 783
Asset value per unit Class A in EUR	121.62	149.35	124.14
Asset value per unit Class B in EUR	116.71	144.07	120.31
Asset value per unit Class C in CHF	130.02	159.73	133.06
Performance Class A	-18.57%	20.31%	-4.59%
Performance Class B	-18.99%	19.75%	-5.07%
Performance Class C	-18.60%	20.04%	-5.60%
TER Class A	1.27%	1.31%	1.34%
TER Class B	1.77%	1.83%	1.84%
TER Class C	1.26%	1.33%	1.34%
PTR	0.67	0.07	0.59
Transaction costs in EUR ¹	78 797	95 602	80 392

¹ The investment fund bears all incidental costs for the purchase and sale of investments.

Past performance is no guarantee for future results. The performance data do not take on the issue and redemption of units and costs incurred. No benchmark comparison is available for this fund.

Report of the Investment Manager

Review

Solid macro data and good corporate results supported the stock markets in the first half of 2018. The political reversal in Italy with the takeover of the government by the Eurosceptic coalition government of Cinque Stelle and Lega after early parliamentary elections in March increased market volatility, threatening trade wars around the globe, resulting from US punitive tariffs, led to a clouding of market sentiment from June onwards. Concerns about the global economic development as well as high uncertainties due to the effects of political issues such as Brexit, WLTP in connection with the diesel scandal, political unrest in France as well as the still smouldering trade conflict between the USA and China led to significant price falls on the European stock markets in the second half of 2018. The postponement of the vote of the British parliament on the Brexit agreement and ongoing street protests against the French government further unsettled the financial markets, as did the arrest of a top manager of the Chinese technology group Huawei in Canada. In terms of monetary policy, the European Central Bank announced a more restrictive course by discontinuing the bond purchases made since 2015 as part of its crisis policy at the end of 2018.

In the AMG Europe Fund, the focused strategic focus on small to mid-cap European equities was maintained. In order to meet any liquidity requirements, large-capitalized, defensive stocks that have been successful for many years and with a solid balance sheet were added. In addition, an active hedging strategy was implemented throughout the year in view of the continuing uncertainties resulting from political issues as well as emerging fears regarding economic development. The 690,000 shares outstanding at the beginning of the year rose to a high for the year of over 750,000 shares and closed at just around 650,000 shares, close to the same level as at the beginning of the year. Assets under management amounted to EUR 78.7 million at the end of the year (Fig. 1).

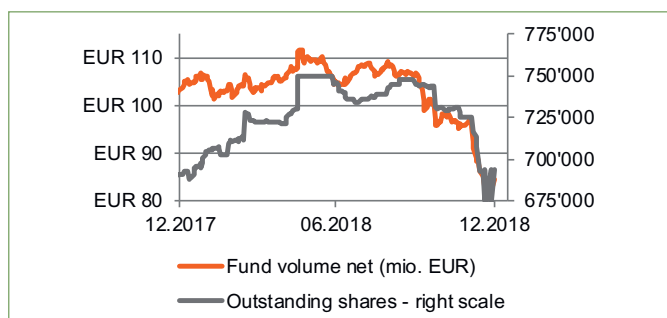


Fig. 1: Net fund volume and number of unit certificates (Source: AMG, Bloomberg)

While the market had received support in the first half of the year, especially from technology-heavy sectors, not only small but also large-capitalized stocks in all sectors were falling, especially in the fourth quarter. The AMG Europe Fund closed the year 18.6% lower, the benchmark index STOXX Europe 600 showed a minus of 13.2% (Fig. 2). Both health sector stocks such as Fresenius SE, which lost about 40% in the course of the year, and Cosmo, as well as the performance of solid industrial stocks

such as Jungheinrich and Palfinger came under massive pressure in an environment of low market liquidity. Even defensive stocks such as Cewe Stiftung and Mayr Melnhof were unable to completely escape the downward trend. Excellent developments of individual stocks such as Do&Co (+64%) or Eckert&Ziegler (+63%) could not compensate for this.

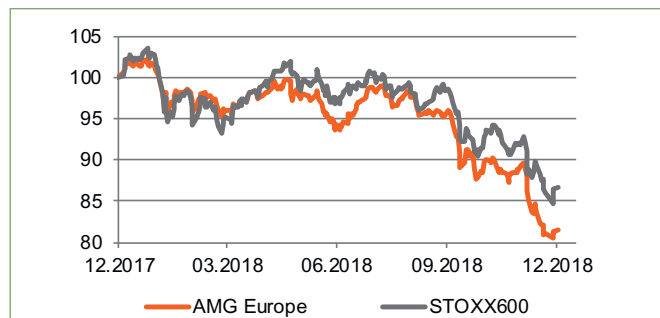


Fig. 2: Performance 2018 AMG Europe vs. STOXX600 (Source: AMG, Bloomberg)

The reported return of the AMG Europa Fund since its launch in April 2007 (Fig. 3) amounts to +28.5% and is above the benchmark index STOXX Europe 600 (-9.8%).

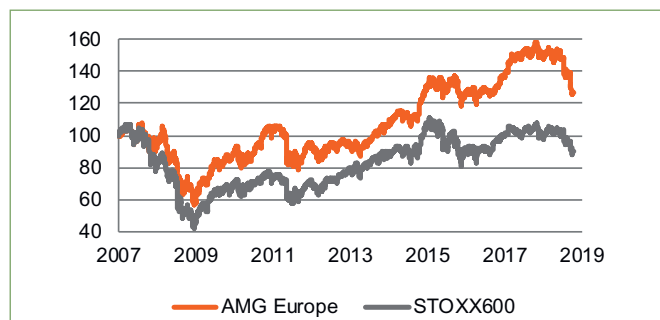


Fig. 3: Performance since launch (Source: AMG, Bloomberg)

The volatility of the fund remains well below the market volatility as measured by STOXX Europe 600 (Fig. 4).

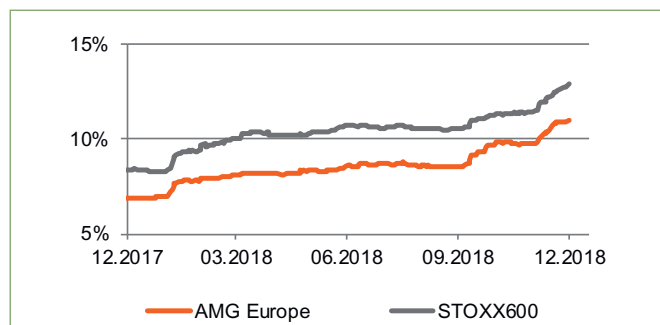


Fig. 4: Volatility AMG Europe vs. STOXX600 (Source: AMG, Bloomberg)

Outlook

At the beginning of 2019, the European financial markets will find the

Report of the Investment Manager

framework of persistently low interest rates in Europe, but at the end of 2018 the bond buybacks by the European Central Bank (ECB), which have been running since 2015, will be discontinued. In the USA, a cautious continuation of the Fed's interest rate hike is to be expected. Economic growth in the USA is still robust, and in Europe there are signs of slower growth, which we had already expected in the 2017 year-end report.

From a fundamental perspective, growth in Europe is expected to slow in 2019, but no recession is expected yet. On the basis of the published macro data, 2019 could continue to be a solid financial year, but several political uncertainties remain: The ongoing tensions in the trade conflict between the US and China are weighing on confidence in Europe, the domestic political squabbles in the US government and side blows by the US President against the US central bank FED are reducing visibility. The Italian debt and budget situation remains critical, not least due to the suspension of bond purchases by the ECB, and the pending agreement on a brexit with a residual risk of an unregulated brexit is weighing on the markets.

The valuation of the equities in the portfolio is consistently attractive following the sharp price falls in 2018.

The current risks, which continue to overshadow the fundamental macroeconomic situation in 2019, could be partially resolved, which could trigger a recovery rally on the stock markets after a shaky 2018. Getting used to the political disruptions and uncertainties could prompt both investors and companies to seize opportunities.

We remain true to our approach of maintaining a portfolio of solidly financed companies with a long-term business model and a reasonable valuation, so that the equities invested can cope well both with the pending liquidity reductions on the part of the central banks and with temporarily rougher business developments over a longer horizon.

We would like to take this opportunity to thank our investors for the trust they are placing in us and wish you a successful 2019.

AMG Fondsverwaltung AG

Statement of Assets

	31. 12. 2018 EUR	31. 12. 2017 EUR	
Bank Balances	6 748 893	12 266 365	
Debtors	137 032	21 338	
Equities	71 842 263	88 685 123	
Derivatives	-38 655	-618 354	
Total Fund Assets	78 689 533	100 354 472	
Bank liabilities	–	-310 477	
Liabilities	-24 233	-32 283	
Net Fund Assets	78 665 300	100 011 712	
Outstanding units	units	units	
Number of units outstanding at the beginning of the reporting period Class A	422 819	291 253	
New Issued Units	57 071	154 968	
Redeemed Units	-93 871	-23 402	
Number of units outstanding at the end of the reporting period Class A	386 019	422 819	
Number of units outstanding at the beginning of the reporting period Class B	45 433	18 020	
New Issued Units	11 980	32 116	
Redeemed Units	-1 872	-4 703	
Number of units outstanding at the end of the reporting period Class B	55 541	45 433	
Number of units outstanding at the beginning of the reporting period Class C	222 130	94 783	
New Issued Units	56 470	161 214	
Redeemed Units	-59 872	-33 867	
Number of units outstanding at the end of the reporting period Class C	218 728	222 130	
Net asset value per unit	Class A EUR in EUR	Class B EUR in EUR	Class C CHF hedged in CHF
31. 12. 2018	121.62	116.71	130.02
Change in net assets	EUR		
Net fund assets at the beginning of the reporting period	100 011 712		
Distribution	–		
Balance from unit trade	-1 686 362		
Total result of the financial year	-19 660 050		
Net fund assets at the end of the reporting period	78 665 300		

Statement of Income Class A

	1.1. – 31.12.2018 EUR	1.1. – 31.12.2017 EUR
Income bank deposits	–	12
Income on shares (dividends)	826 918	478 037
Equalisation income on subscriptions	-2 547	35 713
Total income	824 371	513 762
less:		
Bank charges and debit interest	26	148
Auditor fees	5 193	6 729
Management fees (1.15%)	711 641	579 957
Custodian fees (0.08%)	51 879	50 246
Other expenses	17 512	16 662
Equalisation income on redemptions	15 187	-1 808
Total expenses	801 438	651 934
Net income	22 933	-138 172
Total realized capital gains and losses	4 973 704	1 537 303
Net realized gain	4 996 637	1 399 131
Unrealized capital gains and losses	-17 667 924	6 913 357
Total result	-12 671 287	8 312 488

The income statement will be presented on a share class basis from the financial year 2018 onwards. The comparative figures as of December 31, 2017 have been broken down to the classes accordingly. Because of this new way of presentation, funds with different currency share classes could have minor differences in the prior period numbers disclosed compared with the numbers in the prior annual financial statements.

	Class A EUR
Allocation of income	
Net income 2018	22 933
Income brought forward	56 750
Income available for distribution	79 683
Balance to be brought forward	79 683
Balance to be brought forward (Accumulated capital gains/losses)	–
Distribution per unit	–
Withholding tax 35%	–

Statement of Income Class B

	1.1. – 31.12.2018 EUR	1.1. – 31.12.2017 EUR
Income bank deposits	–	2
Income on shares (dividends)	99 655	28 961
Equalisation income on subscriptions	-1 383	-18 296
Total income	98 272	10 667
less:		
Bank charges and debit interest	3	10
Auditor fees	628	417
Management fees (1.65%) ¹	124 286	52 463
Custodian fees (0.08%)	6 292	3 176
Other expenses	2 116	1 038
Partial transfer of expenses to realized capital gains and losses ²	-20 365	-10 367
Equalisation income on redemptions	-414	-1 399
Total expenses	112 546	45 338
Net income	-14 274	-34 671
Realized capital gains and losses	689 487	159 678
Partial transfer of expenses to realized capital gains and losses ²	-20 365	-10 367
Total realized capital gains and losses	669 122	149 311
Net realized gain	654 848	114 640
Unrealized capital gains and losses	-2 207 313	431 211
Total result	-1 552 465	545 851

¹ Sales commission 2017: EUR 4'458; 2018: EUR 31'642

² According to circular no. 24 of the ESTV

The income statement will be presented on a share class basis from the financial year 2018 onwards. The comparative figures as of December 31, 2017 have been broken down to the classes accordingly. Because of this new way of presentation, funds with different currency share classes could have minor differences in the prior period numbers disclosed compared with the numbers in the prior annual financial statements.

	Class B EUR
Allocation of income	
Net income 2018	-14 274
Income brought forward	1 374
Income available for distribution	1 374
Balance to be brought forward	1 374
Balance to be brought forward (Accumulated capital gains/losses)	14 274
Distribution per unit	–
Withholding tax 35%	–

Statement of Income Class C

	1.1. – 31.12.2018 CHF	1.1. – 31.12.2017 CHF
Income bank deposits	–	7
Income on shares (dividends)	466 339	269 822
Equalisation income on subscriptions	9 489	-9 067
Total income	475 828	260 762
less:		
Bank charges and debit interest	15	83
Auditor fees	2 942	3 348
Management fees (1.14%)	409 469	294 427
Custodian fees (0.08%)	29 488	26 006
Other expenses	9 988	8 307
Equalisation income on redemptions	10 804	3 825
Total expenses	462 706	335 996
Net income	13 122	-75 234
Total realized capital gains and losses	3 293 498	-805 601
Net realized gain	3 306 620	-880 835
Unrealized capital gains and losses	-9 432 783	3 699 585
Total result	-6 126 163	2 818 750

The income statement will be presented on a share class basis from the financial year 2018 onwards. The comparative figures as of December 31, 2017 have been broken down to the classes accordingly. Because of this new way of presentation, funds with different currency share classes could have minor differences in the prior period numbers disclosed compared with the numbers in the prior annual financial statements.

	Class C (CHF hedged) EUR
Allocation of income	
Net income 2018	13 122
Income brought forward	5 215
Income available for distribution	18 337
Balance to be brought forward	18 337
Balance to be brought forward (Accumulated capital gains/losses)	–
Distribution per unit	–
Withholding tax 35%	–

Statement of investments as of December 31, 2018

Description	Currency	Balance at (in 1'000 resp. piece) 31.12.2018	Purchases	Sales	Price at 31.12.2018	Valuation EUR	as % of total assets
Securities							
Equities (traded on an exchange)						71 842 263	91.21
BKW NA	CHF	45 149	3 517		68.700	2 752 450	3.49
Cassiopea NA	CHF	45 200	8 395		36.600	1 468 027	1.86
COSMO Pharmaceuticals NA	CHF	39 809	1 659		87.900	3 105 166	3.94
Novo Nordisk -B-	DKK	76 750	81 000	82 750	297.900	3 061 860	3.89
Aurubis AG	EUR	75 950	21 500	3 900	43.220	3 282 559	4.17
Bechtle	EUR	10 000	3 000	19 760	67.850	678 500	0.86
Bekaert	EUR	40 000	40 000		21.060	842 400	1.07
CEWE Stift	EUR	48 300	11 579		62.100	2 999 430	3.81
Do	EUR	65 550	20 000	4 450	80.800	5 296 440	6.72
Eckert & Ziegler	EUR	46 143	34 335		61.700	2 847 023	3.61
Enel	EUR	400 000	400 000		5.044	2 017 600	2.56
Ferratum	EUR	75 590			8.000	604 720	0.77
freenet	EUR	125 000	50 000		16.945	2 118 125	2.69
Fresenius Medical Care	EUR	26 000	26 000		56.640	1 472 640	1.87
Fresenius SE	EUR	97 850	21 850		42.380	4 146 883	5.26
HORNBACH	EUR	9 539			41.200	393 007	0.50
Hornbach-Baumarkt	EUR	49 222			17.040	838 743	1.06
Jungheinrich Vz	EUR	103 344	10 000		22.840	2 360 377	3.00
KAPSCH TrafficCom	EUR	18 717	18 717		33.250	622 340	0.79
Kendrion	EUR	23 000	30 000	7 000	20.900	480 700	0.61
Koenig & Bauer	EUR	64 900	16 300		36.500	2 368 850	3.01
KSB Vorz.Akt. ohne Stimmrecht	EUR	11 165	1 777	525	272.000	3 036 880	3.86
KWS Saat AG	EUR	6 350	856		260.000	1 651 000	2.10
Mayr-Melnhof Karton	EUR	42 711	22 705	6 500	110.000	4 698 210	5.96
Palfinger	EUR	81 000	27 541		22.200	1 798 200	2.28
Paul Hartmann NA	EUR	6 927	500		292.000	2 022 684	2.57
RIB Software	EUR	54 537			11.830	645 173	0.82
Rosenbauer	EUR	56 059		191	33.300	1 866 765	2.37
SAF Holland	EUR	219 000	113 140	15 000	11.200	2 452 800	3.11
Servizi Italia NA	EUR	211 559	211 559		3.120	660 064	0.84
Sixt Leasing	EUR	132 000	33 234	17 863	11.400	1 504 800	1.91
SURTECO	EUR	111 930	44 048	23 580	22.300	2 496 039	3.17
Unilever	EUR	19 500	19 500		47.420	924 690	1.17
Voestalpine AG	EUR	52 800	52 800		26.100	1 378 080	1.75
Wirecard AG	EUR	15 800		14 700	132.800	2 098 240	2.66
Bakkafrost	NOK	20 000	20 000	56 000	423.200	850 799	1.08
Total securities						71 842 263	91.21
Total derivatives (as per separate list)						-38 655	-0.05
Cash and other assets						6 885 925	8.75
Total fund assets						78 689 533	100.00
Liabilities						-24 233	-0.03
Total net assets						78 665 300	

Divergences in the totals may be attributed to rounding differences.

Statement of investments as of December 31, 2018

Exchange rates:

CHF 1.1269 = EUR 1.0000

DKK 100 = EUR 7.4673

NOK 100 = EUR 9.9483

Breakdown

Equities by country (net)	Valuation EUR	as % of total assets
Belgium	842 400	1.07
Denmark	3 061 860	3.89
Germany	36 960 952	46.92
Faroe	850 799	1.08
Finland	604 720	0.77
Italy	4 145 691	5.26
Luxembourg	2 452 800	3.11
Netherlands	4 510 556	5.73
Austria	15 660 035	19.88
Switzerland	2 752 450	3.49
Total	71 842 263	91.21

Fair value hierarchy

The following table shows the fair value hierarchy of the investments. Fair value is the price, that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment type	Total amount	Valuation		
		Valuated at prices quoted on an active market	Valuation based on obser- vable market parameters	Valuation method not based on market data (valuation models)
Equities	71 842 263	71 842 263	–	–
Bonds	–	–	–	–
Investments in other collective investment schemes	–	–	–	–
Derivatives	-38 655	–	-38 655	–
Futures ¹	0.00	0.00	–	–
Total	71 803 608	71 842 263	-38 655	–

¹ The amount of market profit or loss of the futures is compensated daily on the margin account. For this reason futures are not valued and shown as null.

Divergences in the totals may be attributed to rounding differences.

Transactions during the reporting period

(If they no longer appear in the statement of net assets)

Currency	Description		Purchases	Sales		
Securities						
Equities						
CHF	Komax NA			3 890		
EUR	Agrana		3 000	8 974		
EUR	Agrana I		35 896	35 896		
EUR	Henkel -Stimmrechtslos-		6 500	34 650		
EUR	Luxottica Group		5 200	56 000		
EUR	Viscofan			35 862		
EUR	VTG			118 473		
USD	BioTelemetry			28 449		
Derivatives						
Contracts:						
EUR	Future DAX 18.06.2018		20	20		
EUR	Future DAX 19.03.2018			20		
EUR	Future DAX 24.09.2018		50	50		
EUR	Future DAX 24.12.2018		54	54		
EUR	Future MDAX 18.06.2018		25	25		
EUR	Future MDAX 19.03.2018			25		
EUR	Future MDAX 24.09.2018		25	25		
EUR	Future MDAX 24.12.2018		56	56		
Forward exchange transactions Class C (CHF hedged)						
	Description	Currency	Stock at the end of the previous period	Purchases	Sales	Stock on 31.12.2018
	Forward exchange contract EUR CHF 18.04.18	CHF	-33 327 673	33 327 673	-	-
	Forward exchange contract EUR CHF 18.10.18	CHF	-	4 726 407	4 726 407	-
	Forward exchange contract EUR CHF 18.12.18	CHF	-	34 029 643	34 029 643	-
	Forward exchange contract EUR CHF 20.03.19	CHF	-	1 350 000	1 350 000	-
	Forward exchange contract EUR CHF 20.06.19	CHF	-	2 040 000	30 004 644	-27 964 644

Incl. merger, split, reorganisation, redemption etc. Bonds in thousand.

Derivatives using the commitment approach II

Total derivative financial instruments

	in amount in EUR	as % of net assets
gross	14 805 628	18.80
net	–	0.00

Futures

Number	Title
-37	MDAX Future 15.03.2019
-41	DAX Future 15.03.2019

The derivatives stated hereafter refer to class AMG Europe CHF hedged and serve for the hedging of the currency risk.

Total derivative financial instruments, which are booked in the CHF hedged class

	in amount in CHF	in amount in CHF Class CHF hedged
gross	-28 008 204	-98.49
net	–	0.00

Forward exchange transactions (Safeguarding Class CHF hedged)

Currency	Expiry	Amount of foreign currency	Equivalent value purchase CHF	Value at 31.12.2018 CHF	Income CHF	Income EUR
EUR/CHF	20.6.2019	-24 900 941	27 964 644	-28 014 856	-50 213	-44 558
Result on forward exchange transactions					-50 213	-44 558

Forward exchange transactions (Safeguarding Class CHF hedged) closed

Currency	Expiry	Amount of foreign currency	Equivalent value purchase CHF	Value at 31.12.2018 CHF	Income CHF	Income EUR
EUR/CHF	20.3.2019	–	651 168	-644 515	6 653	5 903
Result on forward exchange transactions closed					6 653	5 903

Identity of contract partners in OTC transactions:

Forward exchange transactions: Frankfurter Bankgesellschaft (Schweiz) AG, Zurich (Custodian Bank).

Supplementary information to the annual report as of December 31, 2018

1. Fund Performance

No benchmark comparison is available for this fund. Past performance is no indicator for current or future results. Performance figures do not take into account any commissions charged on issue or redemption of units.

2. Soft commission agreements

For the period from January 1 to December 31, 2018 no "soft commission agreements" in the name of LLB Swiss Investment AG were applied and no soft commissions were received.

3. Principles for the valuation and the calculation of the net asset value

The valuation is effected as per §17 of the fund contract

§17 Calculation of the Net Asset Value

1. The net asset value of the investment fund and the share of assets attributable to the individual classes [prorated shares] are calculated in CHF at their market value as of the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days when the stock exchanges / markets in the investment fund's main investment countries are closed (e.g., bank and stock exchange holidays).
2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained upon a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with sec. 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank credit balances are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of units of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the given unit class, minus any of the investment fund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded to one centime.
7. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:
 - a) when units are issued and redeemed;
 - b) on the relevant date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes); (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values; or (iii) different commission or expenses are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
 - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued expenses and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or (ii) class-specific expenses are charged;
 - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or several unit classes but disproportionately to their share of the net fund assets.

4. Information about Affairs of Special Economic or Legal Importance

Publication of May 2, 2018

Frankfurter Bankgesellschaft (Schweiz) AG Zurich as the sole former owner of LB (Swiss) Investment AG, has sold 100% of the shares to Liechtensteinische Landesbank AG (LLB), Vaduz. Upon completion of this transaction, the fund management company has been renamed.

Further to this name change of the fund management company effective on May 2, 2018 the fund prospectus and regulations have been amended.

The respective publication was made on May 2 and May 15, 2018. The full text of the publication is available in German at the Fund Management Company.

Additional information for the distribution of Shares in Germany

The following information is directed at potential buyers in the Federal Republic of Germany, in that it more precisely lays out and expands the prospectus with regard to sales in the Federal Republic of Germany:

Information Office

The information office in the Federal Republic of Germany is the
ODDO BHF Aktiengesellschaft
Bockenheimer Landstraße 10
D - 60323 Frankfurt am Main

Redemption and Exchange Orders, Payments

Investors in Germany can submit their redemption and exchange orders at their institution maintaining the custody account in Germany. This institution will forward the orders to be handled at the custodian bank of the fund or request the redemption in its own name to be credited to the account of the investor.

Fund distributions, redemption revenues and other payments to the investor in Germany also go through the institution maintaining the custody account in Germany. It will credit the payments to the account of the investor.

Information

Copies of the sales prospectus, key investor information document (KIID), fund contract, annual and semi-annual report, issuing and redemption prices (as well as possible exchange prices) are available at not charge from the information office.

Price Publications and Other Notifications

The issuing and redemption prices as well as all other legally required notifications to the investor are published in the Internet at www.swiss-funddata.ch.

Short form report of the audit company for collective investment schemes on the financial statements

As audit company for collective investment schemes, we have audited the accompanying financial statements of the investment fund AMG Europe, which comprise the statement of net assets and the income statement, the statement on the appropriation of available earnings and the disclosure of the total costs as well as the supplemental disclosures in accordance with art. 89 para. 1 lit. b–h of the Swiss Collective Investment Schemes Act (pages 3 and 6 to 15 of the annual report), for the year ended December 31, 2018.

Responsibility of the Fund Management Company's Board of Directors

The Board of Directors of the Fund Management Company is responsible for the preparation of the financial statements in accordance with the requirements of the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors of the Fund Management Company is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the audit company for collective investment schemes

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2018 comply with the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and art. 127 CISA as well as on independence (art. 11 AOA) and that there are no circumstances incompatible with our independence.

PricewaterhouseCoopers AG

Andreas Scheibli
Audit Expert, Auditor in charge

René Vogel
Audit Expert

Zurich, February 21, 2019