

AMG Europe

Report as of January 31, 2019

Review January

After a very difficult December, the international stock markets were opening 2019 with a strong recovery rally. The political uncertainties surrounding the trade disputes and the still open Brexit question were not taken into account by the markets in January after the overreactions of the previous month. The AMG Europe Fund recovered strongly in this environment and generated a plus of 7.6%, 1.4% more than the benchmark index EuroStoxx600 (+6.2%). In the current reporting season, the focus is on the outlook of the individual companies for fiscal 2019. After the strong rally since the beginning of the year, the markets are likely to have become more vulnerable. Accordingly, we will maintain our hedging position for the time being.

Eckert & Ziegler was the best performer in the fund in January. The supplier of isotope products for industry and the radiopharmaceutical market has revised its expectations for sales and earnings development in 2018 upward for the third time to EUR 180 million and EUR 3.05 earnings per share, respectively. Sales thus increased by 24% compared to the previous year. The dynamic pace of growth is expected to continue in 2019, as demand from large pharmaceutical groups such as Novartis increases, particularly in the pharmaceutical sector. The resulting change in the product mix will significantly improve the company's EBIT margin. The takeover of the cancer treatment specialist SIRTEX by a consortium around the Chinese CDH Investments also brings new sales potential for Eckert & Ziegler. It supplies SIRTEX with isotopes for Europe and Asia. The acquiring CDH sees significant potential for the introduction of SIRTEX's therapy in China. In addition to the high growth potential, Eckert & Ziegler has a solid net liquidity of EUR 45.6 million, which will enable the upcoming capacity expansion. The CFO of **Bak** **kafrost** has resigned, which is regrettable. However, the 2019 course of business is promising: in addition to an increase in harvested volume, almost 5% more young salmon are to be released into the sea in the current year than in the previous year. This is an elementary component of future production. The car leasing company **Sixt Leasing** continues to expand in Europe: with lberfleeting, the company starts an exclusive cooperation in fleet leasing in Spain and Portugal. This is in line with the strategy of focusing primarily on franchise partners in Southwest Europe. Core markets such as Italy and the Netherlands, on the other hand, are being served through cooperation agreements with established brands. In this way, in addition to the 130,000 direct Sixt leasing contracts, a total of around 60,000 customer contracts from partnerships are added. The aim is to offer international customers from Germany and abroad a Europe-wide network and thus to be able to take a stronger position in cross-border tenders. Even though the share has risen significantly since the beginning of the year, it remains attractive with a P/E ratio of 11.5x in 2019e and a dividend yield of 3.9%.

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	83.8%	CHF	9.4%
GBP	0.0%	USD	0.0%
NOK	2.6%	DKK	4.2%

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 130.89
Number of Shares Issued:	385'249
Net Asset Value per Share (Tranche B):	EUR 125.57
Number of Shares Issued:	55'541
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 139.95
Number of Shares Issued:	216'794
Total Net Asset Value:	EUR 84.4mn

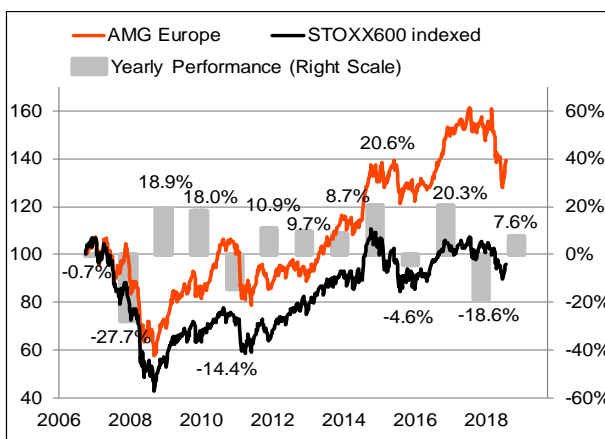
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	7.6%	-2.4%	-13.2%	2.8%	6.0%	2.8%
Stoxx600	6.2%	-0.8%	-9.3%	1.6%	2.2%	-0.4%

*p.a.

	2019	2018	2017	2016	2015	since inception
Fund	7.6%	-18.6%	20.3%	-4.6%	20.6%	38.3%
Stoxx600	6.2%	-13.2%	7.7%	-1.2%	6.8%	-4.2%



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

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	9.8%
Sharpe Ratio (-0.31% Risk Free Rate)	0.43
Beta (vs. Stoxx600)	0.62

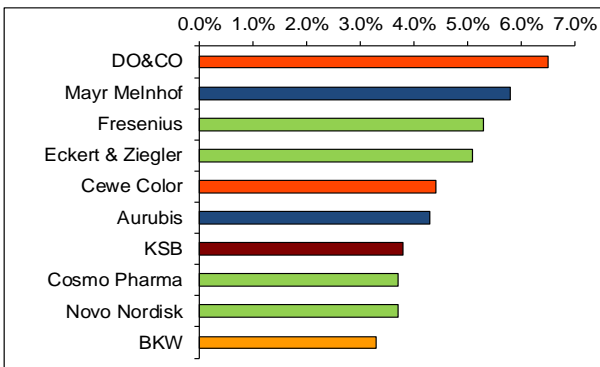
Breakdown by Sectors

Industrials	19.9%
Consumer Disc.	12.5%
Consumer Staples	5.6%
Financials	5.7%
Communication	2.8%
Health Care	22.4%
Energy	0.0%
Basic Materials	16.6%
Technology	2.4%
Utilities	5.5%
Cash	6.6%

Exposure

Long Positions:	93.4%
Hedge Positions:	18.8%
Net Position:	74.6%
Absolute Position:	112.2%

Largest Positions



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