

AMG Europe

Report as of February 28, 2019

Review February

In February, hopes of a solution to the trade conflict between the USA and China helped the global stock markets to continue the upward trend that had existed since the beginning of the year. In Europe, the STOXX600 index is showing a monthly performance of 3.9%, while the AMG Europe Fund closed the month a 0.6% lower. Fresenius, CEWE and Rosenbauer, among others, performed very well but profit-taking led to decreases in Do&Co, for example. The reported sales development at **Do&Co** shows a slight decline of 1.6%. If, however, the discontinued Railway business and the foreign currency effect are excluded, revenues increased by approx. 14%, which reflects the strong gains in market share. Airline Catering won its first US customer, Jet Blue, with 25 daily flights, Qatar Airways is a new customer in Los Angeles, and British Airways will be adding 10 new flights a day from March 2019 onwards, adding up to a total additional sales volume of EUR 32mn. In Event Catering, a contract was concluded for the catering of the Red Bull Munich ice hockey club starting in 2021. Together with the latest Airline Catering tender winnings, this will enable sales growth of 21% from 2021 onwards, which continues to convince us. We sold **Unilever** from our portfolio. In recent weeks, the share has played its defensive role and performed well. Sales growth in the fourth quarter of 2018 was moderate at +2.9%. Strategically, Unilever has been focusing for years on expanding its operating margins, which was once again successful in all three business segments in 2018 as a whole. Management's outlook for 2019 is rather subdued. A weaker environment is expected in Latin America (with strong inflation) and Southeast Asia. If sales growth weakens, further margin expansion is likely to be more challenging, which is why we sold our shares after the good performance of the previous weeks. **Fresenius SE's** earnings were in line with expectations after the outlook revisions last year. Sales at Kabi and Helios Spain developed strongly, while Helios Germany declined. The outlook for 2019, which was significantly reduced last December, has been confirmed, leading to a relief rally. In the first half of 2018/19, **KWS Saat SE** recorded a strong increase in net sales of +18.4% to EUR 289.1 million. The reason for the increase was that some customers ordered spring sowing earlier, which shall have a reverse effect in the 3rd quarter. This also affected the earnings side, which is traditionally negative in the first half of the year; the EBIT loss fell by 17%. The outlook for the full year 2018/19 was confirmed, with the Group aiming to achieve an EBIT margin of between 10 and 12% on slightly higher sales. **Rosenbauer's** 2018 result was in line with expectations, i.e. there are signs of a recovery in sales, and the EBIT margin rose from 2.5% in the previous year to 5.3%. The very strong order backlog at the end of 2018, which is above the current sales forecast for 2019, is also pleasing.

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 31.12.2018:	1.27% Tranche A; 1.77% Tranche B 1.26% 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	83.7%	CHF	9.2%
GBP	0.0%	USD	0.0%
NOK	2.6%	DKK	4.5%

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 130.08
Number of Shares Issued:	387'250
Net Asset Value per Share (Tranche B):	EUR 124.74
Number of Shares Issued:	55'391
Net Asset Value per Share (Tranche C, CHF hedged):	CHF 139.00
Number of Shares Issued:	215'529
Total Net Asset Value:	EUR 83.9mn

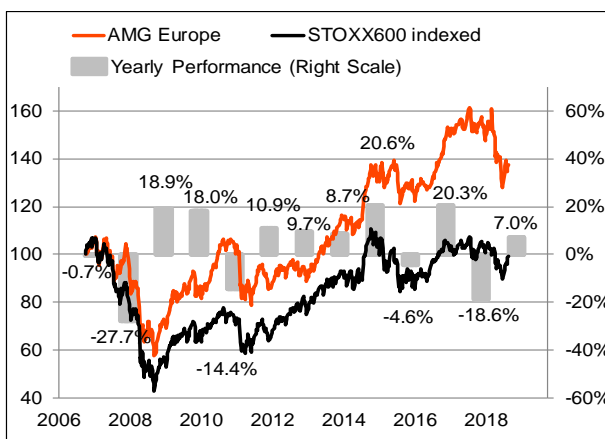
Performance - Tranche A

since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-0.6%	-2.3%	-11.4%	2.9%	5.1%	2.7%
Stoxx600	3.9%	4.3%	-1.8%	3.7%	2.0%	0.0%

*p.a.

	2019	2018	2017	2016	2015	since inception
Fund	7.0%	-18.6%	20.3%	-4.6%	20.6%	37.4%
Stoxx600	10.4%	-13.2%	7.7%	-1.2%	6.8%	-0.4%



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)	0.29
Beta (vs. Stoxx600)	0.61

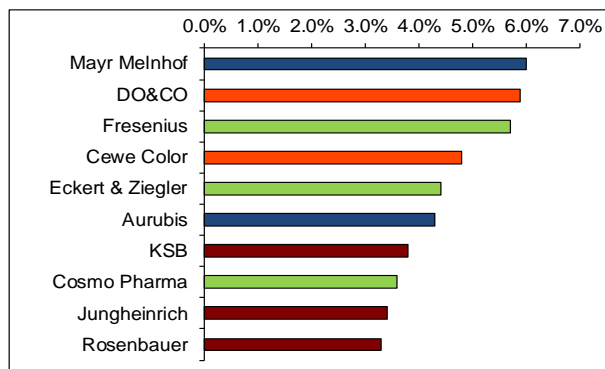
Breakdown by Sectors

Industrials	20.4%
Consumer Disc.	12.3%
Consumer Staples	3.6%
Financials	6.4%
Communication	2.9%
Health Care	21.8%
Energy	0.0%
Basic Materials	16.1%
Technology	2.8%
Utilities	5.4%
Cash	8.3%

Exposure

Long Positions:	91.7%
Hedge Positions:	19.9%
Net Position:	71.8%
Absolute Position:	111.6%

Largest Positions



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