

AMG Europe

Report as of April 30, 2019

Review

The European stock markets continued their upward trend in April. The prospect of a settlement to the trade conflict between the USA and China and the ongoing ultra-expansive monetary policy prompted us to close the short position in the AMG Europa fund at the beginning of the month. At +4.9%, the AMG Europa Fund advanced more strongly than the overall market, which gained 3.2%, over the month.

The Frankenthal pump and valve manufacturer **KSB** has made a good start to the new financial year. The sales growth of +5.0% in the first quarter of 2019 is spread across all regions and is attributable to a good standard business, several major projects and a large order for a power plant project in India. The strong organic sales growth is also confirmed by a very high growth rate of 12.7% in order intake, which suggests that KSB has returned to its growth path in the first quarter. **SAF-Holland** also landed a major order for trailer axles: The multi-year contract for the supply of trailer axles and seat posts with Kögel Trailer GmbH covers an order value in the low three-digit million range and is the largest single order in the company's history. Assuming a four-year contract term, the order accounts for approximately 2% of annual sales in 2019-22e. With an estimated EBIT margin of 8-10%, the order supports the Group margin. At **Aurubis**, the scheduled overhaul of the Luenen melting furnace will take longer than assumed in the second quarter of 2018/19, so that the company has lowered its profit forecast for the full financial year. The renovation of Pirdop and the scheduled inspection in Hamburg in the autumn are also on the agenda. A trigger for the share will only be discernible towards the end of the restructuring work, but until then the very attractive valuation with a price/book value of 0.8x and a return on capital generated over the cycle (ROCE) of well over 10% speak for the share. **Rosenbauer's** 2018 annual result is slightly above market expectations, with sales up 7.0% to EUR 909 million and EBIT up 131% to EUR 43.8 million (corresponding to an EBIT margin of 5.4%). The market conditions in the core markets remain good, and the company's focus in the current year should be on reducing net working capital, which has recently risen and thus led to lower cash flows. The high order backlog of EUR 1.1 billion already ensures good sales growth for 2019, and the EBIT margin is expected to increase to 7% from 2020. For the first quarter of 2019, **Palfinger** reported an 11.8% increase in revenues to EUR 441 million, while operating profit (EBIT) increased disproportionately by 27.3% to EUR 42.7 million. On the occasion of the Capital Markets Day at the Bauma trade fair in Munich, Palfinger addressed a recovery in incoming orders for marine cranes in the first quarter of 2019 in addition to the good business situation in the land sector. The strong order backlog overall leads us to expect solid sales growth and a further increase in profitability for the full year 2019.

Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LLB Swiss Investment Ltd, Zurich
Custodian Bank:	Frankfurter Bankgesellschaft, Zurich
Investment Manager:	AMG Fondsverwaltung AG, Zug +41 41 726 71 71, www.amg.ch
Launch date:	01.04.2007
ISIN:	CH0027940730 (A) / CH0048476664 (B) CH0297417534 (C)
Distributions:	Dividend & Capital Gain distributing (A + C) Dividend distributing only (B)
Subscription / Redemption:	Daily / no fees
Performance Fee:	none
Management Fee:	1.0% (A + C); 1.5% (B)
TER (31.12.2018):	1.27% (A); 1.77% (B); 1.26% (C)
Tax transparency:	Switzerland, Austria
Tax Status Germany:	Equity Fund within the meaning of the German investment tax law (InvStG) with part. release
Licensed for public distribution:	Switzerland, Germany

Breakdown by Currencies

EUR	84.2%	CHF	9.1%
DKK	4.6%	NOK	2.6%

Distributions

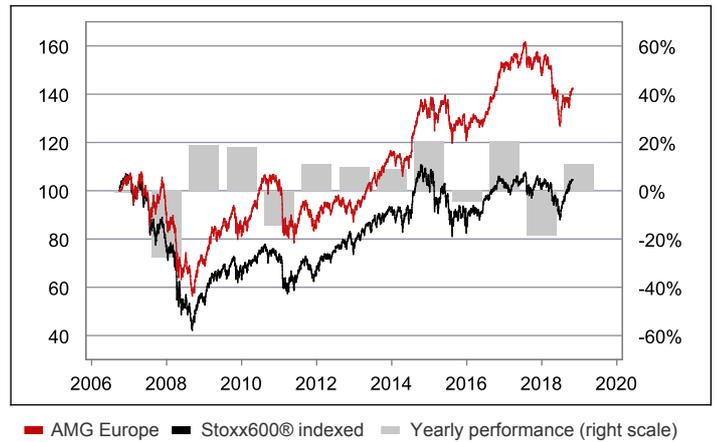
22.03.2010	Dividend	EUR 1.97
12.03.2013	Dividend	EUR 2.00
18.03.2015	Dividend	EUR 1.40

Key Figures

Net Asset Value (Tranche A):	EUR 134.89
Number of Shares Issued:	368'712
Net Asset Value (Tranche B):	EUR 129.25
Number of Shares Issued:	54'951
Net Asset Value (Tranche C, CHF-hedged):	CHF 144.08
Number of Shares Issued:	209'621
Total Net Asset Value:	EUR 83.3 Mio.

Performance - Tranche A (Distributions included)

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since inception*
Fund	4.9%	3.1%	-7.7%	3.5%	5.1%	3.0%
Stoxx600®	3.2%	9.1%	1.6%	4.6%	3.0%	0.4%
						*p.a.
	2019	2018	2017	2016	2015	since inception
Fund	10.9%	-18.6%	20.3%	-4.6%	20.6%	42.5%
Stoxx600®	15.9%	-13.2%	7.7%	-1.2%	6.8%	4.6%



Please find the detailed overview under www.amg.ch

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	9.4%
Sharpe Ratio (-0.41% Risk Free Rate):	0.40
Beta (vs. Stoxx600®):	0.58

Breakdown by Sectors

Industry	22.2%
Health Care	21.8%
Basic Materials	15.8%
Consumer Disc.	11.9%
Financials	5.9%
Utilities	5.0%
Consumer Staples	3.7%
Communication	3.1%
Technology	3.1%
Cash	7.3%

Exposure

Long Position:	92.7%
Hedge Position:	0.0%
Net Position:	92.7%
Absolut Position:	92.7%

Largest Positions

