

AMG Europe

Report as of July 31, 2019

Review

The European stock markets have made a moderately positive start to the second half of the year. At its meeting at the end of June, the European Central Bank (ECB) verbally paved the way for a further easing of monetary policy. Interest rates are now expected to remain at the current level or, and this is new, below it until at least the first half of 2020. This gave the market only a short-term boost, and overall uncertainty remains high in the reporting season that has just begun. We have therefore increased the hedging position in the fund again before the reporting season started. The first results on business performance in the first half of the year are already available: With a 3% increase in sales and a 14.0% increase in EBIT, the Belgian steel wire manufacturer **Bekaert** has made a good start to the year. Additional price effects and passed-on raw material costs even helped to achieve double-digit sales growth for rubber reinforcements in North America. Wire solutions, on the other hand, are still dependent on the recovery of the oil & gas market. Sales in mining markets developed positively and the company expects a stronger environment here in the second half of the year as well. The increase in the EBIT margin by almost 5 basis points in the first half of the year is based on significantly improved cost control, which will also be the focus in the second half of the year. **Jungheinrich**, the forklift manufacturer, has unexpectedly published a reduction in its annual forecast for 2019. The company reported a slowdown in market dynamics, particularly in June, so that even price increases were unable to bring about a turnaround in the short term. The current valuation with a price/earnings ratio of 12.1x in 2019e is well below the historical value and is also at the lower end in a peer comparison. In contrast, **Eckert Ziegler** has once again raised its annual guidance for 2019, which now expects earnings per share of EUR 4.0 after EUR 3.5 to date. According to preliminary results, the expanded production capacity and the disproportionately strong demand for isotope products in the first half of 2019 led to an increase in sales of 10% to EUR 89.0 million and an increase in earnings per share of 56% to EUR 2.59 in the first half of 2019. Since there are hardly any special effects included in the first half of 2019 and almost all main product groups continue to be in demand, the raised forecast for the year is also likely to be well achievable. **Cosmo** announces that it presented the new AI device that Medtronic markets for it at "Image 2019", one of the most renowned medical congresses in Milan, and met with a very good response. The device with the brand name "GI-Genius" will be purchased by Medtronic and then made available to customers through license fees of approximately EUR/USD 36,000 per year. This procedure ensures more steady income streams compared to selling the device. In addition, the activation of new software releases is simple and will enable price adjustments. We realized a profit after the strong price increases of the past weeks at the salmon producer **Bakkafrost**. The healthy company is certainly worth a look again in the event of future price setbacks.

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
Reference currency:	EUR
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
Registered for public distribution:	Switzerland, Germany

Breakdown by Currencies

EUR	82.8%	CHF	9.1%
DKK	4.7%	NOK	2.9%

Distributions

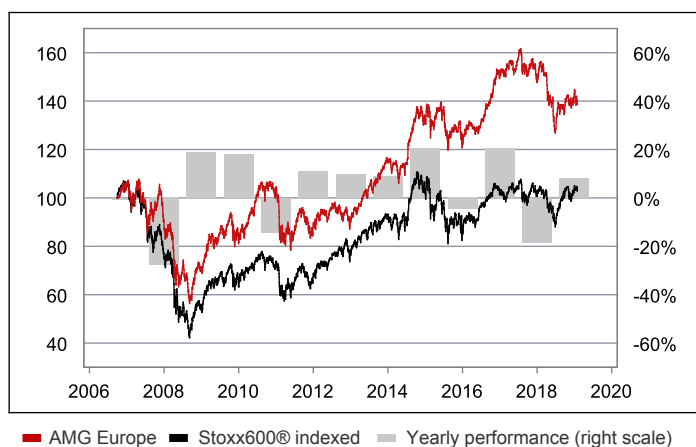
22.03.2010	Dividend	EUR 1.97
12.03.2013	Dividend	EUR 2.00
18.03.2015	Dividend	EUR 1.40

Key Figures

Net Asset Value (Tranche A):	EUR 131.28
Number of Shares Issued:	366'250
Net Asset Value (Tranche B):	EUR 125.63
Number of Shares Issued:	52'024
Net Asset Value (Tranche C, CHF-hedged):	CHF 139.88
Number of Shares Issued:	210'915
Total Net Asset Value:	EUR 81.4 Mio.

Performance - Tranche A (Distributions included)

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since inception*
Fund	-2.2%	-2.7%	-10.7%	2.8%	4.0%	2.7%
Stoxx600®	0.2%	-1.4%	-1.5%	4.1%	2.8%	0.2%
						*p.a.
	2019	2018	2017	2016	2015	since inception
Fund	7.9%	-18.6%	20.3%	-4.6%	20.6%	38.7%
Stoxx600®	14.3%	-13.2%	7.7%	-1.2%	6.8%	3.1%



Please find the detailed overview under www.amg.ch

Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	9.8%
Sharpe Ratio (-0.41% Risk Free Rate):	0.31
Beta (vs. Stoxx600®):	0.76

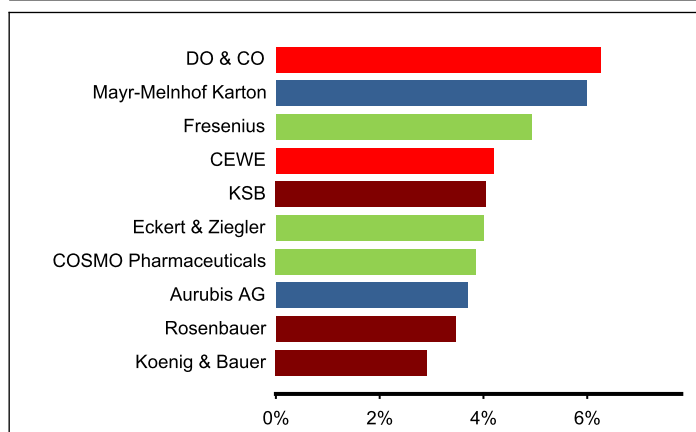
Breakdown by Sectors

Health Care	20.7%
Industry	20.5%
Basic Materials	15.1%
Consumer Disc.	12.0%
Financials	5.0%
Utilities	4.7%
Communication	2.7%
Consumer Staples	2.6%
Technology	2.2%
Cash	14.5%

Exposure

Long Position:	85.5%
Hedge Position:	14.6%
Net Position:	70.9%
Absolut Position:	100.2%

Largest Positions



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AMG Fonds