

# AMG Europe Fund

Monthly Report February 2020

## Review

The global stock markets still reached new highs in mid-February. The coronavirus and related reports from Asia were only taken into account by the markets after several cases of infection had also occurred in Europe, explicitly in Italy. We had already built up a short position of 10% in the AMG Europe Fund in mid-February when we had expected weaker macro data and witnessed the surprisingly strong performance of the equity markets at the same time. We extended this short position to 15% once the spread of the virus in Europe became known. This helped the fund to perform much more stable than the market as a whole. In the coming weeks we expect both muted macro data and a subdued corporate outlook for 2020. Market volatility is likely to remain high. The effective impact of the foreclosure of regions on supply chains and the associated cost consequences and loss of revenue for companies will determine price movements. By contrast, the ongoing expansionary monetary policy is likely to limit the range for share price declines.

As expected, the catering company **Do&Co** increased sales by almost 16% in the third quarter of 2019/20. The EBIT margin was unchanged at 5.5%, including the start-up costs for deliveries to British Airways and IBERIA. Management's outlook for the full year 2020 is very positive in view of the opening of the gourmet kitchen at London Heathrow and the UEFA European Championships in 2020. We had reduced our position in Do&Co to one third starting in 4Q19 due to the strong share price performance. The recent price setback (coronavirus) offers good recovery potential in the medium term due to new business with IBERIA and British Airways. **Krones'** earnings for 2019 were in line with market expectations. In its outlook for 2020, however, the management points to the delays in project implementations that are already perceptible, plus a weaker order intake in the 1st quarter of 2020. Taking into account the interruptions in the supply chain due to the corona virus in Asia, the guidance for 2020 is accordingly formulated with caution. **Fresenius'** earnings in 2019 were convincing with double-digit sales growth in all divisions. However, the corona virus has recently been weighing on the share performance of this blue chip too. **Eckert & Ziegler** reported earnings per share of EUR 4.60 for fiscal year 2019, an increase of 47% and above both the company's own guidance and market expectations. In particular, the even stronger EPS growth in Q4/19, at +50%, testifies to sustained strong momentum, which is expected to continue in 2020 and to accelerate in 2021.

## 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 (31.12.2019):	1.26% (A); 1.76% (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	80.0%	CHF	10.9%
DKK	3.3%	NOK	3.2%
GBP	2.5%		

## Distributions

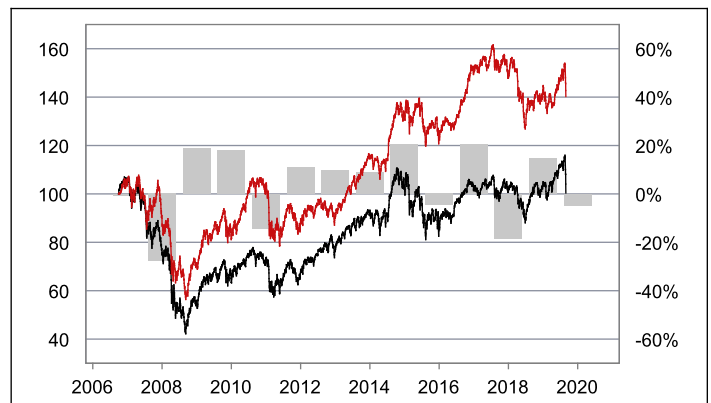
22.03.2010	Dividend	EUR 1.97
12.03.2013	Dividend	EUR 2.00
18.03.2015	Dividend	EUR 1.40

## Key Figures

<b>Net Asset Value (Tranche A):</b>	<b>EUR 132.77</b>
Number of Shares Issued:	328'118
<b>Net Asset Value (Tranche B):</b>	<b>EUR 126.70</b>
Number of Shares Issued:	55'582
<b>Net Asset Value (Tranche C, CHF-hedged):</b>	<b>CHF 140.84</b>
Number of Shares Issued:	140'633
Total Net Asset Value:	EUR 69.2 Mio.

## Performance - Tranche A (Distributions included)

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since inception*
Fund	-4.6%	-3.2%	2.1%	0.8%	1.7%	2.7%
Stoxx600@	-8.5%	-7.8%	0.8%	0.5%	-0.9%	0.0%
						*p.a.
	2020	2019	2018	2017	2016	since inception
Fund	-4.9%	14.8%	-18.6%	20.3%	-4.6%	40.3%
Stoxx600@	-9.7%	23.2%	-13.2%	7.7%	-1.2%	0.4%



■ AMG Europe ■ Stoxx600@ indexed ■ Yearly performance (right scale)

Please find the detailed overview under [www.amg.ch](http://www.amg.ch)

## Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	11.2%
Sharpe Ratio (-0.42% Risk Free Rate):	0.11
Beta (vs. Stoxx600@):	0.72

## Breakdown by Sectors

Health Care	21.8%
Industry	15.4%
Basic Materials	11.2%
Utilities	8.9%
Consumer Disc.	8.0%
Technology	5.4%
Financials	5.2%
Consumer Staples	3.7%
Communication	2.0%
Cash	18.5%

## Exposure

Long Position:	81.5%
Hedge Position:	13.9%
Net Position:	67.6%
Absolut Position:	95.4%

## Largest Positions

