

# AMG Substanzwerte Schweiz (AMG Value Stocks Switzerland)

Report as of December 31, 2018

## Review December

Investors' risk aversion increased in December, and so did their indiscriminate selling. They encountered a market without buyers, especially in the second half of the month. The result is well known. We were seeking contact with the invested companies and found little or no evidence of such a negative attitude. The result season, which begins in January, should provide reassurance. The fund performed better than the broad market. The hedging is working.

**Cosmo Pharmaceuticals** caused a stir at the beginning of the month. The company issued a convertible bond. The money is likely to be used for licensing drugs, which are to be sold via the distribution company in the USA, Aries Pharmaceuticals. The market did not appreciate this step and penalized the share massively. The fact that Cosmo received approval for rifamycin in the USA and Europe was completely ignored. This drug will provide for clearly increasing yields and is a ray of hope. Cosmo will also submit a reconsideration application to the next instance for the diagnostic drug LuMeBlue (methylene blue), which was rejected by the FDA in the first instance in May 2018. We should hear more about this in February 2019. Shortly before Christmas, **ALSO** makes itself a present in the form of two acquisitions in Croatia and Poland. It acquires ABC Data SA, which is the market leader in Poland for IT distribution and cloud services and has a good presence in 5 other countries. The company has a turnover of approx. EUR 1 billion (approx. 1/8 of ALSO). The majority shareholder (51%) has already approved the transaction. The timing of the purchase is absolutely right, the acquisition offers a good opportunity to open up the attractive market quickly, which would hardly be possible without a takeover. The **MCH Group** is announcing that from 2020 the two Swiss watch fairs BaselWorld (owned by the MCH Group) and SIHH (organised by the Richemont Group) will be taking place one after the other. This was an important point of discussion that the Swatch Group has repeatedly raised. Financially, this rapprochement is of little use, but it does help to keep the watch brands at the fair. The MCH Group share is currently trading at a level that is more or less questioning the continued existence of the Group. With a market capitalization of only around CHF 120 million, the company is worth less than it paid for the two acquired companies MC2 and Masterpiece a year ago. **Plazza** announced that it had regained "full occupancy" in both residential and commercial real estate. The full effect will not unfold until 2019. Thanks to the completion of the Glattgarten development in Wallisellen, the property will be revalued for the last time in the annual result, raising the value of equity capital to CHF 275 per share at the end of 2018. When valuing the shares, it should be borne in mind that Plaza Immobilien operates without interest-bearing debt capital. If it were to finance 50% of its portfolio with a bank loan, as is customary in the market today, it could repay capital or significantly expand its portfolio and thus its profit. **IVF Hartmann's** business is going well, the popularity of the Hartmann Easy ordering platform introduced last year is good and above plan. The construction of the new logistics hall is making progress. It is to be occupied by mid-2020 and will then lead to significant cost savings. The current investment phase forms the basis for growth and will ensure that customer loyalty and margins increase significantly. The share is a good buy in the medium term.

## Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LLB Swiss Investment AG, Zürich
Custodian Bank:	Bank J. Safra Sarasin Ltd., Basel
Investment Manager:	AMG Fondsverwaltung AG, Zug Roger Fischer, Patrick Hofer
Launch Date:	15.11.2004
ISIN, Swiss Sec. No.:	CH0019597530, 1959753
Distributions:	Dividend & Capital Gain distributing
Subscription / Redemption:	Daily / no fees
Performance Fee:	8% over 2% Hurdle, with High Water Mark
High Water Mark plus Hurdle:	CHF 1'966.14
Management Fee:	1.00%
TER (Total Expense Ratio) as of 31.12.2017:	1.23% (without Performance Fee)
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

## Distributions (over the last 3 Years)

21.03.2016		Capital Gain CHF 200.00
24.03.2017	Dividend CHF 6.00	Capital Gain CHF 90.00
05.07.2017		Capital Gain CHF 100.00
21.03.2018		Capital Gain CHF 100.00

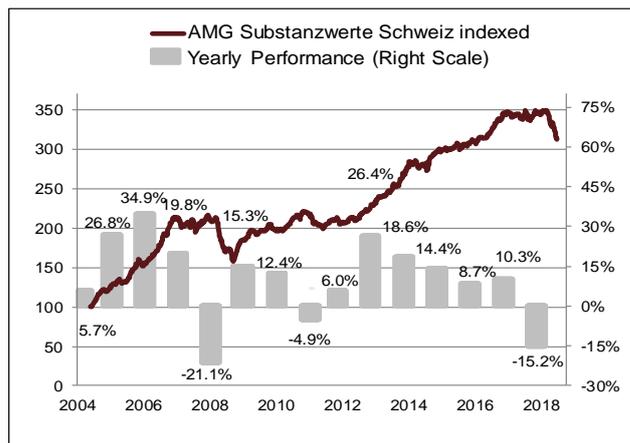
Please find the detailed overview under [www.amg.ch](http://www.amg.ch)

## Key Figures

<b>Net Asset Value:</b>	<b>CHF 1'623.53</b>
Number of Shares Issued:	273'946
Total Net Asset Value:	CHF 444.8mn

## Performance - since inception 15.11.2004 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception*
Fund	-5.8%	-14.8%	-15.2%	0.5%	6.6%	10.1%
						*p.a.
	2018	2017	2016	2015	2014	since inception
Fund	-15.2%	10.3%	8.7%	14.4%	18.6%	289.0%



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

Volatility (p.a.):	7.9%
Sharpe Ratio (-0.74% Risk Free Rate):	0.23
Beta (vs. SPI Small & Mid Cap TR Index):	0.45

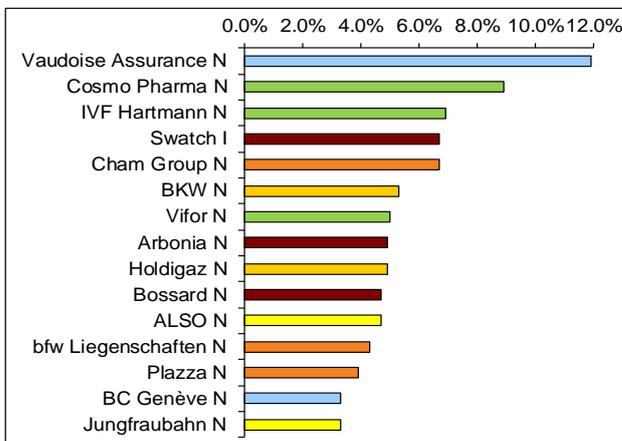
## Breakdown by Sectors

Industry	22.6%
Real Estate	14.6%
Utilities	10.3%
Health Care	22.6%
Financials	12.4%
Media	3.1%
Service Industries	10.4%
Others	-6.2%
Cash	10.2%

## Exposure

Long Position:	107.5%
Hedge Position:	17.7%
Net Position:	89.8%
Absolut Position:	125.2%
Cash:	10.2%

## Largest Positions



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