

# AMG Substanzwerte Schweiz (AMG Value Stocks Switzerland)

Report as of April 30, 2019

## Review

In April the small caps were finally discovered. The index began to move. The asset value of the AMG Substanzwerte Schweiz Fund also rose, but the rise was still hesitant. The increased passive orientation of investors and thus the popularity of ETFs calls for more liquid equities. Due to the lack of liquidity, small caps do not meet the requirements for a passive product. Nevertheless, we feel comfortable with our positioning, above all because valuations are low. We wait patiently until the values are rediscovered. We understand that this patience strains the nerves of our investors. In the long run, however, it will pay off.

The reporting season is practically over, but there have nevertheless been a few news items. **Also** has opened up one of the last "white points" in Eastern Europe with the purchase of Solytron in Bulgaria. The company has a turnover of approximately EUR 110 million and has tripled this in the last 7 years. The purchase brings the company approx. 1% more turnover and should be financed from the liquid assets. It fits very well into the strategy of the company to be strongly represented in the fast-growing Eastern European market. This should complete the geographic expansion. In addition to the integration of the new companies, the focus will now be on implementing the strategy of selling customers not only hardware but also more and more services that generate recurring income with high margins. There's a lot going on at Also. The high speed also carries one or the other risk. To date, however, the management has always delivered and is convinced that it can achieve its goals (EUR 10-14 billion in sales with EBITDA margins of approx. 2.1-2.6%).

**Bossard** impressively confirms that good companies can grow even in difficult times. Sales growth in the first quarter of 2019 of 5.3% (in local currencies) to CHF 232.2 million is very good and impressive. This was despite the fact that the USA had to contend with declining volumes from major customers (John Deere and Tesla). Sales in America declined by 4.9% but were more than offset by 7.3% growth in Europe and 17.7% in Asia. It is obvious that the company is gaining significant market share here. Despite these very good performances, the share can be bought today with a P/E of 14x. The company is excellently managed, has a very good market position and is expanding it. The balance sheet is solid and the EBIT margins of over 12% (last year 13%) are clearly above average for an industrial company. As expected, **Cassiopea** presented the results of the 12-month Phase II study in men with hair loss for Breezula. The results are impressive and clear. The product works very well and has no side effects. Cassiopea is now working with the FDA to determine the parameters for the Phase III study, which is expected to start at the end of 2019. This also confirms that the company's second promising product is effective. **Jungfraubahnen** have started construction of the V-Bahn. From December 2021, the travel time to the Jungfrauoch will be significantly shortened. CEO Kessler does not want to carry more people high (5500 visitors maximum per day), but the experience should be deepened. New "Top of Europe" shops and restaurants will encourage tourists to linger. **Arbonia** reported a good start into 2019 at the general meeting. The profit has increased. The share is cheap and has great potential.

## Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LLB Swiss Investment Ltd, Zurich
Custodian Bank:	Bank J. Safra Sarasin Ltd, Basel
Investment Manager:	AMG Fondsverwaltung AG, Zug +41 41 726 71 71, www.amg.ch
Launch date:	15.11.2004
ISIN:	CH0019597530
Distributions:	Dividend & Capital Gain distributing
Subscription / Redemption:	Daily / no fees
Performance Fee:	8% over 2% Hurdle, with High Water Mark
High Water Mark and Hurdle:	CHF 1'966.14
Management Fee:	1.0%
TER (31.12.2018):	1.17% (without Performance Fee)
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

## Distributions (over the last 3 Years)

24.03.2017	Dividend CHF 6.00	Capital Gain	CHF 90.00
05.07.2017		Payout	CHF 100.00
21.03.2018		Capital Gain	CHF 100.00
20.03.2019		Capital Gain	CHF 40.00

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

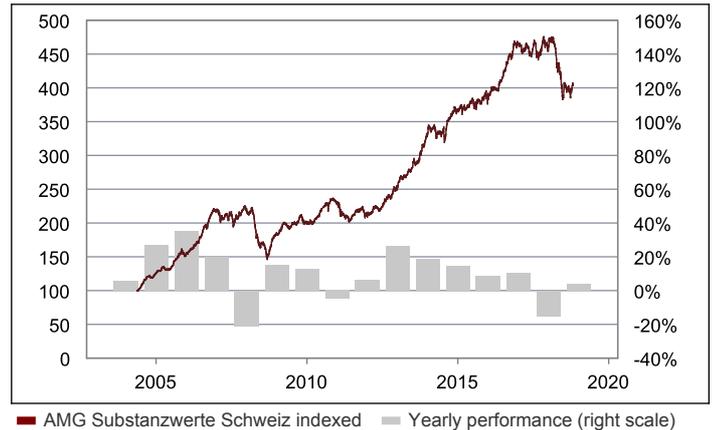
## Key Figures

<b>Net Asset Value:</b>	<b>CHF 1'646.69</b>
Number of Shares Issued:	257'604
Total Net Asset Value:	CHF 424.2 Mio.

## Performance (Distributions included)

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since inception*
Fund	3.4%	0.7%	-14.5%	1.6%	5.1%	10.1% *p.a.

	2019	2018	2017	2016	2015	since inception
Fund	3.9%	-15.2%	10.3%	8.7%	14.4%	304.3%



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

Volatility (p.a.):	7.9%
Sharpe Ratio (-0.74% Risk Free Rate):	0.31
Beta (vs. SPI Small & Mid Cap TR Index):	0.49

## Breakdown by Sectors

Health Care	25.5%
Industry	22.5%
Real Estate	17.9%
Utilities	10.1%
Service Industries	10.1%
Financials	8.8%
Media	3.2%
Others	-2.6%
Cash	4.5%

## Exposure

Long Position:	108.1%
Hedge Position:	12.6%
Net Position:	95.5%
Absolut Position:	120.8%
Cash:	4.5%

## Largest Positions

