

# AMG Substanzwerte Schweiz (AMG Value Stocks Switzerland)

Report as of August 30, 2019

## Review

Another month with many disturbances from politics and economy lies behind us. Our fund performed quite well in this volatile environment. It closed roughly on the same level. The SMI, which continues to benefit from the strong performance of Nestlé shares (19.4% weighting), was slightly negative. The SMIM and the Swiss Small Companies Index, which lost 3% and 1% respectively, were both slightly down.

Most companies have presented their half-year results and have been able to convince to a good extent. Our largest position, **Vaudoise Assurances**, increased premium volumes in the non-life business by a further 4.5% in the first half of the year, with particularly strong growth in German-speaking Switzerland. The combined ratio remains good and the return on investment above average. Net profit reached a good CHF 74.8 million. The share is trading far too low relative to the very pleasing course of business for years. The P/E 2019 adjusted by us for the (too) high reserve formation reaches about 8x and the reported P/E is about 0.8x. Next year the company will celebrate its 125th anniversary, which will probably be duly celebrated. Last but not least, the shareholders should also benefit from it. We are very happy about this solid position in the portfolio. In the course of reporting the half-year figures, **Cham Group** also announced the delisting of its shares in mid-December. The company "accomplices" this with a buy-back of up to 5% of its shares at a price of CHF 440. We remain loyal to the company and consider the potential of the Papiéri and Pavatex site (total approx. 140,000m<sup>2</sup>) to be very good. Currently the dismantling works for a part of the area are in progress. The company expects that the construction of the first stage can begin before the end of this year. This includes 240 apartments and approx. 9,000m<sup>2</sup> of service and commercial space, which can be occupied from approx. 2022. The investment volume reaches approx. CHF 180 million. **Tamedia** reported figures for the first 6 months. Advertising revenues continue to shrink sharply. However, it's a positive that the online subscriptions of the paid media are increasing just as much as the users of the commuter media. The Goldbach Media business acquired last year also performed well. We are keeping the share in our portfolio for value reasons. The P/B ratio is at a low 0.6x. **Vetropack** benefits strongly from the rising demand for glass containers, which have been on the rise for 1-2 years and are much more environmentally friendly than PET bottles. Sales increased by a good 3%, net profit by more than one quarter to CHF 38 million. The trends should go on further and Vetropack will continue to enjoy rising profits. The share of the net debt-free company is valued at a P/E ratio of 13-14x. **Jungfraubahn** reported another record result. Sales increased in all areas in the first half of the year. It is evident that the results can grow even if the Jungfrau-Joch will no longer be able to welcome more visitors thanks to a broader offering. The new cable-car to Männlichen will be opened for the winter season and the cable-car to Eigergletscher will follow next year. This will not only make the journey to the "Joch" faster and more pleasant, it will also open up potential for the Kleine Scheidegg-Männlichen region. The share is a core position in our portfolio. We believe in the further potential of the company.

## 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
Reference currency:	CHF
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
Registered 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

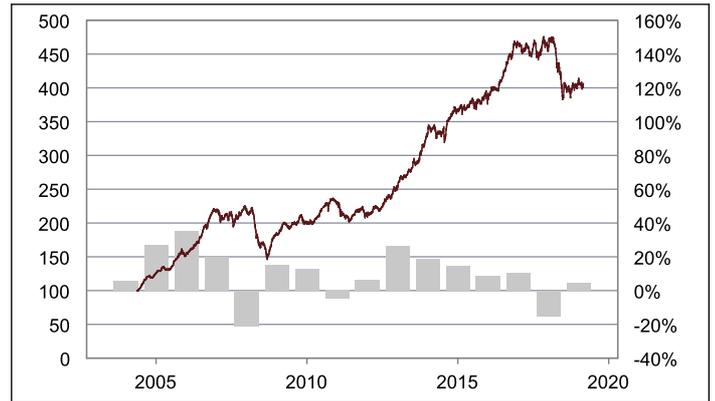
<b>Net Asset Value:</b>	<b>CHF 1'654.12</b>
Number of Shares Issued:	233'660
Total Net Asset Value:	CHF 386.5 Mio.

## Performance (Distributions included)

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since inception*
Fund	-0.1%	1.0%	-14.2%	0.6%	3.6%	9.9% *p.a.

	2019	2018	2017	2016	2015	since inception
Fund	4.4%	-15.2%	10.3%	8.7%	14.4%	306.1%



■ AMG Substanzwerte Schweiz 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.):	8.1%
Sharpe Ratio (-0.74% Risk Free Rate):	0.17
Beta (vs. SPI Small & Mid Cap TR Index):	0.49

## Breakdown by Sectors

Health Care	26.8%
Real Estate	19.5%
Industry	14.5%
Service Industries	12.1%
Financials	11.1%
Utilities	10.0%
Media	3.3%
Others	2.3%
Cash	0.5%

## Exposure

Long Position:	111.9%
Hedge Position:	12.4%
Net Position:	99.5%
Absolut Position:	124.3%
Cash:	0.5%

## Largest Positions

