

AMG Substanzwerte Schweiz Fund (AMG Value Stocks Switzerland)

Monthly Report February 2020

Review

February was marked by two currents. In the beginning, the strong overseas markets fired up the courses here. Last week, the Covid 19 virus caused uncertainty worldwide and hit the market strongly. The defensive orientation of the AMG Substanzwerte Schweiz fund has paid off in this month. Since the beginning of the year, the SMI has lost 7.4%, the SPI Small Cap 4.7% and the fund has also lost 3.4%. If this comparison is made since the beginning of last week (first C-virus case in Europe), the SMI lost 11.5%, the SPI Small Cap 8.6% and the AMG Substanzwerte Schweiz Fund 6.0%.

ALSO presents excellent figures for 2019, with sales rising by 16.5% (half of which organic) to EUR 10.7 billion, EBITDA by 13.2% to EUR 197 million and net profit by 23% to EUR 100 million. The dividend will be increased once again, resulting in a return of 2%. Due to the fact that ALSO's balance sheet is getting stronger and stronger, further acquisitions and/or share buybacks and higher dividends are very likely in the future. **Arbonia's** figures are at the upper end of the guidance issued by the company. EBITDA 2019 reached CHF 135 million. The margin development is good, confirming that the relocation of production facilities abroad was the right decision. For the first time in years, the company was able to generate a free cash flow despite the still high level of investments. The debt of CHF 180 million (including leasing liabilities) can thus be significantly reduced over the next 2-3 years and the dividend increased. The share is trading at a P/E-Ratio 20e of 11.5x, a P/B Ratio of 0.9x and a dividend yield of almost 2%. The figures of the **Genfer Kantonalbank** are good. The interest result is stable. Assets under management rose by a very good 13% and the commission income in the securities business increased by 5%. Credit commissions rose by 9.5%. The other operating business shows a brilliant result and can more than double the result. The share is now attractively valued with a PER 20e of 11.5x and a PER of 0.85x, as well as a dividend yield of 1.5%. **Vifor** announces the formation of a joint venture with Fresenius Kabi to enter the Chinese market. The joint venture will ensure that the market entry in the second largest market for dialysis and iron deficiency is happening fast. **Cosmo's** partner **Acacia Pharma** receives marketing approval for Barhemsys (drug against postoperative nausea/vomiting). Hopefully this will soon give the company two drugs approved for sale in the USA. Cosmo has licensed ByFavo to Acacia Pharma this winter. Market approval is expected by the end of April. **RedHill Pharma** has taken over the marketing of Montavik (for the treatment of constipation caused by painkillers) developed by Astra Zeneca. The product generates approximately USD 100 million in annual sales and is sold by RedHill Pharma's sales force in addition to the two products Talicia and Aemcolo (licensed from Cosmo). Cosmo has a substantial stake in both companies.

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 1'927.28
Management Fee:	1.0%
TER (31.12.2019):	1.18% (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

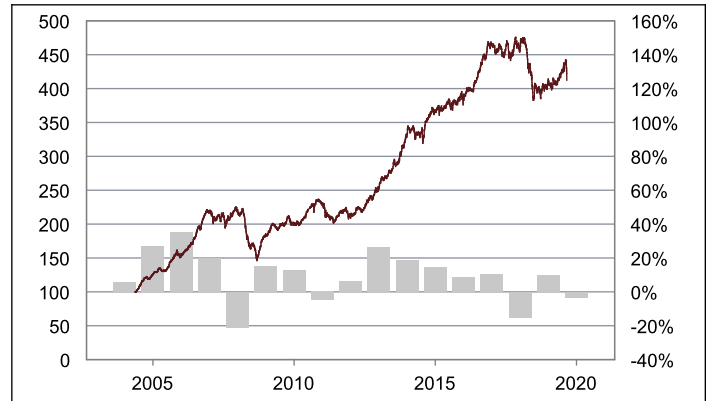
Key Figures

Net Asset Value:	CHF 1'679.48
Number of Shares Issued:	199'447
Total Net Asset Value:	CHF 335.0 Mio.

Performance (Distributions included)

	1 Month	3 Months	12 Months	3 Years*	5 Years*	since inception*
Fund	-5.0%	-2.0%	3.7%	-2.0%	3.3%	9.7% *p.a.

	2020	2019	2018	2017	2016	since inception
Fund	-3.4%	9.8%	-15.2%	10.3%	8.7%	312.4%



■ AMG Substanzwerte Schweiz indexed ■ Yearly performance (right scale)

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Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	8.8%
Sharpe Ratio (-0.74% Risk Free Rate):	n/a
Beta (vs. SPI Small & Mid Cap TR Index):	0.49

Breakdown by Sectors

Health Care	29.0%
Real Estate	15.8%
Industry	14.4%
Financials	13.4%
Utilities	12.1%
Service Industries	11.1%
Media	4.1%
Others	-9.0%
Cash	9.1%

Exposure

Long Position:	108.7%
Hedge Position:	17.7%
Net Position:	90.9%
Absolut Position:	126.4%
Cash:	9.1%

Largest Positions

