

Comment November 2021

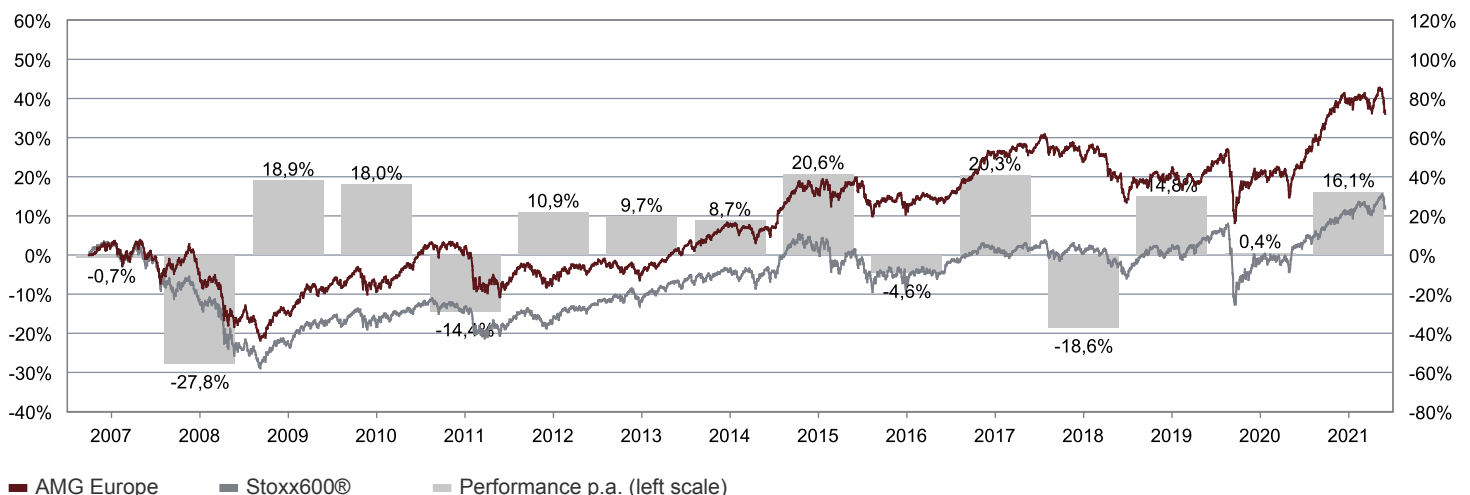
European stock markets continued their upward trend until mid-month in the face of robust macro data and corporate figures. The continuing supply bottlenecks and the wave of pandemics that flared up again at the end of the month led to an abrupt decline in share prices. The short-term economic outlook dimmed across the board in Germany, with the Ifo Institute now expecting GDP to stagnate in 4Q21, but the underlying momentum in core European countries had been clearly confirmed by strong purchasing managers' indices in November. The last pandemic waves have each lasted 2-3 months, and after they subsided, consumer and service-related sectors have each made a rapid recovery. In the AMG Europe Fund, we are therefore prepared to take advantage of sharp price declines in individual stocks by selectively building up positions.

Pump manufacturer **KSB** published preliminary results for the first nine months of 2021 that exceeded expectations. Due to the strong order intake of +13%, the outlook for FY21 was also raised. Already taking into account higher raw material costs and supply chain difficulties, EBIT growth of +106% to EUR 140m is now expected. The combination of high demand, structural cost savings and a strong service business benefiting from a broad installed base are enabling this profit growth. The solid balance sheet as well as the attractive valuation with a P/E 2022e of 9.0x and a price/book of 0.8x speak for this value stock. We have added the Dutch manufacturer of electric buses for urban transport, **Ebusco**, to the fund. After the IPO in October, a new order for 22 zero-emission local transport buses was won from the Danish Nobina in November. **Jenoptik** remains on growth track with sales and EBITDA growth of 24.9% and 65% respectively in 3Q21 compared to the previous year. However, the sale of the Vinconor division, 2/3 of which is focused on defence, caused the share price to jump. On the one hand, the deconsolidation effects will have a positive impact on the Group margins in 2022, but even more importantly, the sale makes Jenoptik investable again for numerous investors from an ESG perspective. In addition, the sale increases the financial clout of the globally active technology group.

Top 10 positions

CEWE	4.7%
freenet	4.5%
Mayr-Melnhof Karton	4.3%
BKW	4.2%
Jenoptik	3.9%
Eckert & Ziegler	3.6%
Fresenius	3.5%
Bayer	3.0%
KSB	3.0%
COSMO Pharmaceuticals	2.9%

Performance since launch Tranche A



Key figures

Net Asset Value Tranche A	EUR 161.36
Number of units	315'819
Net Asset Value Tranche B	EUR 153.04
Number of units	35'002
Net Asset Value Tranche C CHF-hedged	CHF 170.49
Number of units	108'784
Total Net Asset Value	EUR 74.2m

Performance Tranche A

Duration	Fund	Stoxx600®
1 month	-5.3%	-2.6%
3 months	-5.0%	-1.7%
12 months	19.0%	18.9%
3 years p.a.	6.9%	9.0%
5 years p.a.	6.1%	6.2%
since inception p.a.	3.8%	1.5%
Year		
2021	16.1%	16.0%
2020	0.4%	-4.0%
2019	14.8%	23.2%
2018	-18.6%	-13.2%
2017	20.3%	7.7%
since inception	72.0%	23.7%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	13.4%
Sharpe ratio (-0.50% Risk free rate)	0.58
Beta (vs. Stoxx600®)	0.67

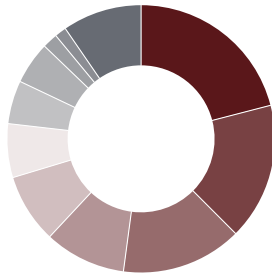
Exposure

Long Position	89.5%
Hedge Position	0.0%
Net Position	89.5%
Absolut Position	89.5%

Top 3 performers in November 2021

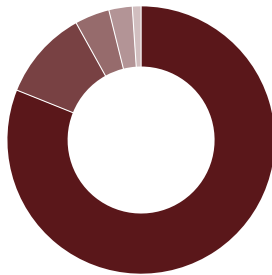
Company	Perf.
Jenoptik	8.2%
Ebusco Bearer	5.7%
CEWE	5.1%

Breakdown by sectors



Industrials	21.0%	Health Care	16.5%
Materials	14.6%	Consumer Discr.	9.8%
Utilities	8.4%	Communication Serv.	6.5%
IT	5.2%	Consumer Staples	5.1%
Financials	1.8%	Energy	1.4%
Real Estate	0.0%	Cash	9.6%

Breakdown by currencies



EUR	81.1%	CHF	10.9%
NOK	4.2%	DKK	2.8%
SEK	1.1%		

Sustainability

Applied ESG characteristics

<input checked="" type="checkbox"/> Exclusion Criteria	<input checked="" type="checkbox"/> Reporting
<input checked="" type="checkbox"/> Integration	<input type="checkbox"/> Benchmark

This is a financial product within the meaning of Art. 8 of Regulation (EU) 2019/2088 (Disclosure Regulation).

Last 5 distributions to investors

(Amounts per unit)

Date	Gross dividend (before VAT deduction)			Net dividend (after VAT deduction)		
	Tran. A in EUR	Tran. B in EUR	Tran. C in CHF	Tran. A in EUR	Tran. B in EUR	Tran. C in CHF
22.03.2010	1.97*	1.97*	-	1.28	1.28	-
12.03.2013	2.00*	2.00*	-	1.30	1.30	-
18.03.2015	1.40*	1.40*	-	0.91	0.91	-
18.03.2020	1.00*	-	1.00*	0.65	-	0.65
27.04.2021	-	1.00*	-	-	0.65	-

* With affidavit: no VAT deduction. Investors domiciled outside Switzerland receive the gross dividend.

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Investment philosophy

The equity fund invests in European companies. The investment focus is on entrepreneurially managed companies with strong substance from the small & mid cap segment, supplemented by individual quality stocks from the large cap area. Solid financial ratios and convincing management determine the stock selection. Attractive special situations complement the investment orientation. Consistent implementation is ensured by profound analytical expertise, prudent portfolio construction and disciplined fund management. This fundamental bottom-up approach results in a portfolio of leading European quality companies with lower volatility.

Fund facts

Domicile of fund	CH
Legal form	Contractual investment fund
Investment universe	Europe
Investment manager	AMG Fondsverwaltung AG, Zug
Management company	LLB Swiss Investment Ltd, Zurich
Custodian bank	Bank J. Safra Sarasin Ltd, Basel
Launch date	01.04.2007
Recommended investment horizon	5 years
Reference currency	EUR
ISIN / Bloomberg-Ticker	A (EUR): CH0027940730 / AMGEUIN SW B (EUR): CH0048476664 / AMGEUIB SW C (CHF-hedged): CH0297417534 / AMGEUCH SW
Distributions	distributing (Dividend & Capital Gain)
Subscription and redemption	daily (cut-off 09.00 CET)
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
Registered for public distribution	CH, D

Fee structure

Subscription and redemption fee	none
Management fee p.a.	Tranche A: 1.00% Tranche B: 1.50% Tranche C (CHF-hedged): 1.00%
Total expense ratio p.a. (per 30.06.2021; TER)	Tranche A: 1.26% Tranche B: 1.76% Tranche C (CHF-hedged): 1.26%

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