

Investment fund under Swiss law

AMG Europe

Unaudited semi-annual report as of June 30, 2022

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Facts and figures

Organization

Board of directors of the Fund Management Company

Natalie Flatz, President
Bruno Schranz, Vice President
Markus Fuchs

Custodian Bank

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Auditors

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Management of the Fund Management Company

Dominik Rutishauser
Ferdinand Buholzer

Investment Manager of the Fund

AMG Fondsverwaltung AG
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Fund Management Company

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Claridenstrasse 20
CH-8002 Zurich
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Distribution channels

Investment Manager of the Fund

Fund characteristics

The investment objective of AMG Europe is principally to attain an increase in value, by means of investments primarily in the European stock markets. The fund invests mainly in equity securities of companies that are domiciled in Europe or which exercise a predominant proportion of their economic activities in this market.

The long term oriented stock selection forms the basis of the achievement of the investment objective.

Market setbacks are reduced as far as possible by hedging. The fund is denominated in EUR, a currency hedged CHF class is available.

Key figures

	30.6.2022	31.12.2021	31.12.2020
Net fund assets in million EUR	59.89	78.02	63.72
Number of units Class A	285 745	315 938	306 683
Number of units Class B	32 034	34 802	32 943
Number of units Class C (CHF hedged)	104 051	108 824	122 723
Asset value per unit Class A in EUR	140.82	169.74	139.02
Asset value per unit Class B in EUR	133.14	160.93	133.25
Asset value per unit Class C (CHF hedged) in CHF	148.03	178.92	146.92
Performance Class A	-17.04%	22.10%	0.45%
Performance Class B	-17.27%	21.55%	-0.10%
Performance Class C (CHF hedged)	-16.75%	21.78%	0.12%
TER Class A	1.25%	1.25%	1.27%
TER Class B	1.75%	1.74%	1.77%
TER Class C (CHF hedged)	1.25%	1.24%	1.26%
PTR ¹	0.26	0.49	0.88
Transaction costs in EUR ²	27 296	32 957	50 584

¹ UCITS definition: The total of transactions in shares is deducted from the total of securities transactions and then set in relation to the average fund assets. Result is shown as a factor.

² The investment fund bears all incidental costs for the purchase and sale of investments.

Past performance is no guarantee for future results. The performance data do not take on the issue and redemption of units and costs incurred. No benchmark comparison is available for this fund.

Report of the Investment Manager

The first half of 2022 was marked by several events that weighed heavily on the stock markets. Many European countries were still coping with the Corona pandemic at the beginning of the year. The outbreak of war in Ukraine in February then set a new low for the stock markets. Globalization was thus dealt a setback. At the same time, inflation in the Eurozone reached a new high of 8.1% in May.

The European equity markets measured by the MSCI Europe ETF (Total Return) ended the first half of 2022 with a minus of 14.0%. The AMG Europe Fund fell by 17.0% over the same period, with volatility well below the market, due to the high weighting of stocks in industrials and basic industries.

The policies of most Western central banks envisage a double tightening of monetary policy. On the one hand, bond purchases will be discontinued and, on the other, key interest rates will be raised. While the US Fed has already raised interest rates, a similar move by the ECB is imminent. The ECB plans to raise rates by 0.25% in July and then again in September.

Long-term interest rates have also risen sharply. Bond yields on 10-year German government bonds were still negative at the beginning of the year, but have since climbed above 1.5% for the first time in June.

Microeconomically, global supply chains continued to dominate events, causing production and delivery difficulties to varying degrees. Due to recent corona-related lockdowns and port closures in China, deliveries of components and finished products to and from Asia were delayed yet again. In addition, persistent delivery problems in the semiconductor sector were a braking factor for the industry worldwide.

Order backlogs were at high levels at many companies at the end of June, but there were also initial reports of declining new orders, e.g. in the European construction industry.

In the first half of the year, the already tightening supply of energy – gas/ electricity – and the price increases for almost all energy sources were further exacerbated by the start of the war in Ukraine. Currently, there are even isolated cuts in natural gas deliveries by Russia to Europe, which has led to the first emergency measures being published by politicians. The current armed conflict in Ukraine has also led to a shortage in the global supply of grain, which could trigger a famine in Africa. This has led to a massive increase in the price of important staple foods such as wheat and maize.

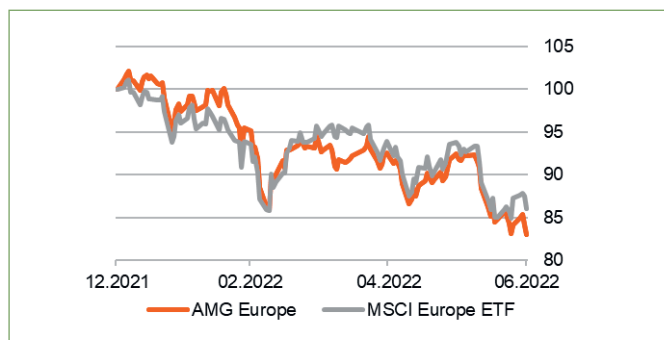


Fig. 1: Performance YTD AMG Europe vs. MSCI Europe ETF (Source: AMG, Bloomberg)

The AMG Europe Fund closed the first half of 2022 with a loss of -17.0% (Fig. 1), slightly below the MSCI Europe ETF (Total Return), but with lower volatility of 15.8%. The best performers were Bayer (+20.7%); Deutsche Telekom (+16.2%) and Bak-kafrost (+8.0%). Eckert & Ziegler (-61.3%), König und Bauer (-56.3%) and SAF Holland (-48.6%) were in the red in the first half of the year.

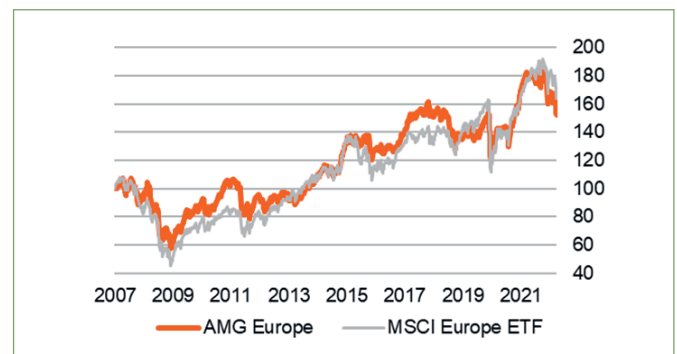


Fig. 2: Performance since launch (Source: AMG, Bloomberg)

At 15.8%, the fund's market volatility at the end of the first half-year was significantly lower than that of the market as a whole, measured by MSCI Europe ETF (Total Return) (Fig. 3).

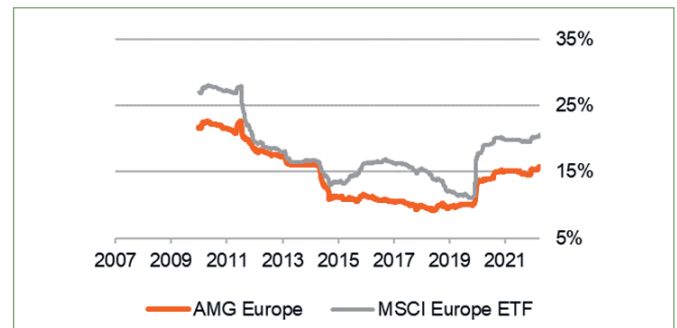


Fig. 3: Volatility (3Y) AMG Europe Fund vs. MSCI Europe ETF (Source: AMG, Bloomberg)

In the AMG Europe Fund, the focused strategic orientation on small- to mid-capitalised European quality stocks was maintained. In order to ensure any liquidity requirements, large-capitalised, long-standing, successful, defensive stocks with a solid balance sheet were added.

Outlook

For the second half of the year, we expect inflation rates to remain generally high. At the same time, prices for many commodities, such as metals, have started to fall sharply and there are initial signals from companies that additional price increases can no longer be accommodated in the market. As a result, there should be a base effect on general inflation in the first half of 2023, which should bring nominal rates back down. The interest rate hikes and reduction of bond purchases by the ECB will have a braking effect in the coming months, so it is very likely that there will be a macroeconomic slowdown. Whether this slowdown will lead to

Report of the Investment Manager

a recession or only a slow-down in economic growth is currently difficult to predict. The macroeconomic estimates are constantly being adjusted and it is to be feared that this will also lead to revisions in the profit estimates of companies for this year or for 2023.

Should the war come to an end soon, it is to be feared that the tendencies towards deglobalization will continue, as will the problems with the supply chain for semiconductors and the lack of qualified workers.

After a very weak first half of 2022, European equity valuations have fallen significantly, especially for cyclical and growth stocks. Small- to mid-cap stocks have underperformed compared to very large companies. This gives reason to believe that a large part of the economic slowdown is priced in. Nevertheless, we believe that the summer months are likely to remain volatile in the equity markets.

Against this backdrop, it is our intention to selectively include quality companies in the AMG Europe Fund that are suffering from the current bear market and are not affected by supply chain problems or deglobalization effects.

We would like to thank our valued investors and interested parties for the trust they have placed in us.

AMG Fondsverwaltung AG

Statement of Assets

	30.6.2022 EUR	31.12.2021 EUR	
Bank Balances	4 806 264	6 264 970	
Debtors	41 908	22 171	
Equities	54 714 735	70 905 440	
Derivatives	343 439	840 338	
Total Fund Assets	59 906 346	78 032 919	
Liabilities	-15 228	-12 999	
Net Fund Assets	59 891 118	78 019 920	
Outstanding units	units	units	
Number of units outstanding at the beginning of the reporting period Class A	315 938	306 683	
New Issued Units	1 771	20 138	
Redeemed Units	-31 964	-10 883	
Number of units outstanding at the end of the reporting period Class A	285 745	315 938	
Number of units outstanding at the beginning of the reporting period Class B	34 802	32 943	
New Issued Units	69	6 635	
Redeemed Units	-2 837	-4 776	
Number of units outstanding at the end of the reporting period Class B	32 034	34 802	
Number of units outstanding at the beginning of the reporting period Class C (CHF hedged)	108 824	122 723	
New Issued Units	5 875	8 136	
Redeemed Units	-10 648	-22 035	
Number of units outstanding at the end of the reporting period Class C (CHF hedged)	104 051	108 824	
Net asset value per unit	Class A EUR in EUR	Class B EUR in EUR	Class C CHF hedged in CHF
30.6.2022	140.82	133.14	148.03
Change in net assets	EUR		
Net fund assets at the beginning of the reporting period	78 019 920		
Distribution	-105 073		
Balance from unit trade	-5 691 944		
Total result of the financial year	-12 331 785		
Net fund assets at the end of the reporting period	59 891 118		

Statement of Income Class A

	1.1. – 30.6.2022 EUR	1.1. – 31.12.2021 EUR
Income bank deposits	–	–
Income on shares (dividends)	1 042 967	700 923
Other Income	–	1 001
Equalisation income on subscriptions	-239	12 922
Total income	1 042 728	714 846
less:		
Negative credit interest	12 130	12 054
Bank charges and debit interest	60	3
Auditor fees	3 053	5 301
Management fees (1.15%)	276 245	587 614
Custodian fees (0.05%)	11 908	25 003
Other expenses	9 439	12 832
Equalisation income on redemptions	-2	5 543
Total expenses	312 833	648 350
Net income	729 895	66 496
Total realized capital gains and losses	-94 038	4 258 498
Net realized gain	635 857	4 324 994
Unrealized capital gains and losses	-9 331 851	5 179 232
Total result	-8 695 994	9 504 226

Statement of Income Class B

	1.1. – 30.6.2022 EUR	1.1. – 31.12.2021 EUR
Income bank deposits	1	–
Income on shares (dividends)	115 247	73 057
Other Income	–	99
Equalisation income on subscriptions	-21	-609
Total income	115 227	72 547
less:		
Negative credit interest	1 299	1 241
Bank charges and debit interest	6	–
Auditor fees	325	545
Management fees (1.65%) ¹	42 024	85 980
Custodian fees (0.05%)	1 268	2 570
Other expenses	993	1 309
Partial transfer of expenses to realized capital gains and losses ²	–	-12 484
Equalisation income on redemptions	3 621	385
Total expenses	49 536	79 546
Net income	65 691	-6 999
Realized capital gains and losses	-9 941	447 106
Partial transfer of expenses to realized capital gains and losses ²	–	-12 484
Total realized capital gains and losses	-9 941	434 622
Net realized gain	55 750	427 623
Unrealized capital gains and losses	-992 900	548 274
Total result	-937 150	975 897

¹ Sales commission 2022: EUR 12'655; 2021: EUR 25'650

² According to circular no. 24 of the ESTV

Statement of Income Class C (CHF hedged)

	1.1. – 30.6.2022 CHF	1.1. – 31.12.2021 CHF
Income bank deposits	1	–
Income on shares (dividends)	402 421	267 334
Other Income	–	369
Equalisation income on subscriptions	1 578	4 354
Total income	404 000	272 057
less:		
Negative credit interest	4 468	4 389
Bank charges and debit interest	23	1
Auditor fees	1 125	2 035
Management fees (1.15%)	103 186	226 536
Custodian fees (0.05%)	4 378	9 553
Other expenses	3 452	4 982
Equalisation income on redemptions	4 040	2 734
Total expenses	120 672	250 230
Net income	283 328	21 827
Total realized capital gains and losses	867 441	1 441 355
Net realized gain	1 150 769	1 463 182
Unrealized capital gains and losses	-3 851 839	3 080 879
Total result	-2 701 070	4 544 061

Statement of investments as of June 30, 2022

Description	Currency	Balance at (in 1'000 resp. piece) 30.6.2022	Purchases	Sales	Price at 30.6.2022	Valuation EUR	as % of total assets
Securities							
Equities (traded on an exchange)						54 714 735	91.33
BKW NA	CHF	24 800	3 951		99.700	2 470 337	4.12
Allianz NA vinkuliert	EUR	7 750			182.120	1 411 430	2.36
Barco Reg.	EUR	53 000			20.160	1 068 480	1.78
Bayer	EUR	44 800		5 700	56.720	2 541 056	4.24
Bechtle	EUR	42 000	42 000		39.010	1 638 420	2.73
Bekaert	EUR	40 000			31.060	1 242 400	2.07
CAF Construcciones y Auxiliar de Ferrocarriles	EUR	33 000			28.100	927 300	1.55
CEWE Stift	EUR	21 000	4 800	5 000	80.500	1 690 500	2.82
Covestro	EUR	25 000			32.980	824 500	1.38
Deutsche Telekom	EUR	95 000			18.946	1 799 870	3.00
Do	EUR	25 000			79.500	1 987 500	3.32
E.ON	EUR	150 000			8.008	1 201 200	2.01
Ebusco Bearer / Reg. Unitary	EUR	73 250	8 250		22.880	1 675 960	2.80
Eckert & Ziegler	EUR	39 000	11 500		36.420	1 420 380	2.37
Enel	EUR	240 000	30 000		5.220	1 252 800	2.09
freenet	EUR	120 000		29 500	23.670	2 840 400	4.74
Fresenius SE	EUR	88 000	10 000		28.900	2 543 200	4.25
Fuchs Petrolub NA	EUR	51 250	51 250		26.600	1 363 250	2.28
Henkel -Stimmrechtslos-	EUR	21 000	7 500		58.780	1 234 380	2.06
HORNBACH	EUR	10 000			78.400	784 000	1.31
Inditex Share from split	EUR	42 500	17 500		21.590	917 575	1.53
Jenoptik	EUR	81 000			21.280	1 723 680	2.88
Koenig & Bauer	EUR	55 543			13.680	759 828	1.27
KSB Vorz.Akt. ohne Stimmrecht	EUR	5 207		793	340.000	1 770 380	2.96
KWS Saat AG	EUR	24 000			56.500	1 356 000	2.26
Mayr-Melnhof Karton	EUR	15 500		3 000	162.000	2 511 000	4.19
Mercedes-Benz Group NA	EUR	17 250	2 750		55.220	952 545	1.59
OMV AG	EUR	47 250	8 250		44.760	2 114 910	3.53
Recticel	EUR	62 000	40 000		14.240	882 880	1.47
Rosenbauer	EUR	27 059		15 420	33.700	911 888	1.52
SAF Holland	EUR	176 000	62 500	20 000	6.320	1 112 320	1.86
Semperit AG Holding	EUR	59 000			18.460	1 089 140	1.82
Telekom Austria	EUR	159 638		30 362	6.350	1 013 701	1.69
Vidrala Inh.	EUR	20 000	20 000		69.200	1 384 000	2.31
Volkswagen VZ	EUR	9 000	4 600		127.420	1 146 780	1.91
Cranswick Reg.	GBP	40 000	40 000		30.660	1 424 592	2.38
Bakkafrost	NOK	28 300			630.000	1 726 153	2.88
Total securities						54 714 735	91.33
Total derivatives (as per separate list)						343 439	0.57
Cash and other assets						4 848 172	8.09
Total fund assets						59 906 346	100.00
Liabilities						-15 228	-0.03
Total net assets						59 891 118	
Exchange rates:							
CHF 1.0009 = EUR 1.0000	DKK 100 = EUR 7.4388	SEK 100 = EUR 10.71315	NOK 100 = EUR 10.328749	GBP 1.00 = EUR 0.860878			

Divergences in the totals may be attributed to rounding differences.

Statement of investments as of June 30, 2022

Breakdown

Equities by country (net)	Valuation EUR	as % of total assets
Belgium	3 193 760	5.33
Germany	30 114 119	50.27
Faroe Islands	1 726 153	2.88
Italy	1 252 800	2.09
Netherlands	1 675 960	2.80
Austria	9 628 140	16.07
Switzerland	2 470 337	4.12
Spain	3 228 875	5.39
United Kingdom	1 424 592	2.38
Total	54 714 735	91.33

Fair value hierarchy

The following table shows the fair value hierarchy of the investments. Fair value is the price, that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment type	Total amount	Valuation		
		Valuated at prices quoted on an active market	Valuation based on obser- vable market parameters	Valuation method not based on market data (valuation models)
Equities	54 714 735	54 714 735	–	–
Bonds	–	–	–	–
Investments in other collective investment schemes	–	–	–	–
Derivatives	343 439	–	343 439	–
Total	55 058 174	54 714 735	343 439	–

Divergences in the totals may be attributed to rounding differences.

Transactions during the reporting period

(If they no longer appear in the statement of net assets)

Currency	Description	Purchases	Sales
Securities			
Equities			
CHF	COSMO Pharmaceuticals NA		32 000
EUR	Aurubis AG		23 500
EUR	Buzzi Unicem NA	32 500	82 500
EUR	DaimlerTruck Emission 21 NA		7 250
EUR	HORNBACH Baumarkt z. Verkaufteinger. I-Aktien	37 000	37 000
EUR	Hornbach-Baumarkt		37 000
EUR	Paul Hartmann NA		3 773
EUR	Polytec Inh.	8 176	174 863
NOK	Norsk Hydro Asa		350 000

Description	Currency	Stock at the end of the previous period	Purchases	Sales	Stock on 30.6.2022
Forward exchange transactions Class C (CHF hedged)					
Forward currency contract EUR CHF 15.06.22	CHF	670 000	1 780 000	-2 450 000	–
Forward currency contract EUR CHF 14.09.22	EUR	–	17 938 198	-2 738 198	-14 843 012
Forward currency contract EUR CHF 16.03.22	EUR	18 500 000	300 000	-18 800 000	–

Incl. merger, split, reorganisation, redemption etc. Bonds in thousand.

Derivatives using the commitment approach II

Total exposure from derivatives, which are booked in the CHF hedged class

	in amount in CHF	as % of net assets class CHF hedged
gross	14 856 252	76.30
net	–	0.00

Currency forward exchange transactions | Safeguarding CHF hedged class

Currency	Expiry	Amount of foreign currency	Equivalent value purchase CHF	Value at 30. 6. 2022 CHF	Income CHF	Income EUR
EUR/CHF	14.09.2022	-14 843 012	15 200 000	-14 856 252	343 748	343 439
(Unrealized) result from currency forward exchange transactions					343 748	343 439

Identity of the contracting parties in OTC derivative transactions:

Currency forward exchange transactions: Bank J. Safra Sarasin AG, Basel (Custodian Bank from 1. 4. 2021); Frankfurter Bankgesellschaft (Schweiz) AG, Zurich (Custodian Bank to 31. 3. 2021).

Supplementary information to the semi-annual report as of June 30, 2022

1. Fund Performance

No benchmark comparison is available for this fund. Past performance is no indicator for current or future results. Performance figures do not take into account any commissions charged on issue or redemption of units.

2. Soft commission agreements

For the period from January 1 to June 30, 2022 no "soft commission agreements" in the name of LLB Swiss Investment AG were applied and no soft commissions were received.

3. Principles for the valuation and the calculation of the net asset value

The valuation is effected as per §17 of the fund contract

§17 Calculation of the Net Asset Value

1. The net asset value of the investment fund and the share of assets attributable to the individual classes (prorated shares) are calculated in CHF at their market value as of the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days when the stock exchanges / markets in the investment fund's main investment countries are closed (e.g., bank and stock exchange holidays).
2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained upon a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company may value such funds in accordance with sec. 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank credit balances are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of units of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the given unit class, minus any of the investment fund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded to one centime.
7. The percentages of the market value of the Fund's net assets (fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the Fund for each unit class. The percentage is recalculated when one of the following events occurs:
 - a) when units are issued and redeemed;
 - b) on the relevant date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes); (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values; or (iii) different commission or expenses are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
 - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued expenses and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or (ii) class-specific expenses are charged;
 - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or several unit classes but disproportionately to their share of the net fund assets.

4. Information about Affairs of Special Economic or Legal Importance

Publication of June 28, 2022

The respective publication was made on June 28, 2022. The full text of the publication is available in German at the Fund Management Company.

Additional information for the distribution of Shares in Germany

The following information is directed at potential buyers in the Federal Republic of Germany, in that it more precisely lays out and expands the prospectus with regard to sales in the Federal Republic of Germany:

Information Office

The information office in the Federal Republic of Germany is the
ODDO BHF Aktiengesellschaft
Bockenheimer Landstraße 10
D - 60323 Frankfurt am Main

Redemption and Exchange Orders, Payments

Investors in Germany can submit their redemption and exchange orders at their institution maintaining the custody account in Germany. This institution will forward the orders to be handled at the custodian bank of the fund or request the redemption in its own name to be credited to the account of the investor.

Fund distributions, redemption revenues and other payments to the investor in Germany also go through the institution maintaining the custody account in Germany. It will credit the payments to the account of the investor.

Information

Copies of the sales prospectus, key investor information document (KIID), fund contract, annual and semi-annual report, issuing and redemption prices (as well as possible exchange prices) are available at not charge from the information office.

Price Publications and Other Notifications

The issuing and redemption prices as well as all other legally required notifications to the investor are published in the Internet at www.swiss-funddata.ch.