

## Comment November 2024

The fundamentally strong stocks in Switzerland showed resilience in November, with global trends having virtually no impact. The small-cap segment, on the other hand, is already trading significantly in negative territory on a year-to-date basis. In contrast, the AMG Substanzwerte Schweiz Fund ended the reporting period for the year so far in positive territory.

The strengthening of the US dollar following the US presidential election and the government crisis in Germany primarily influenced currency markets, which in turn affected stock market developments in November. The reporting for the third quarter delivered mixed results, as expected. Until the new US administration's economic policy measures are clarified, restrained investments and correspondingly cautious outlooks are to be expected.

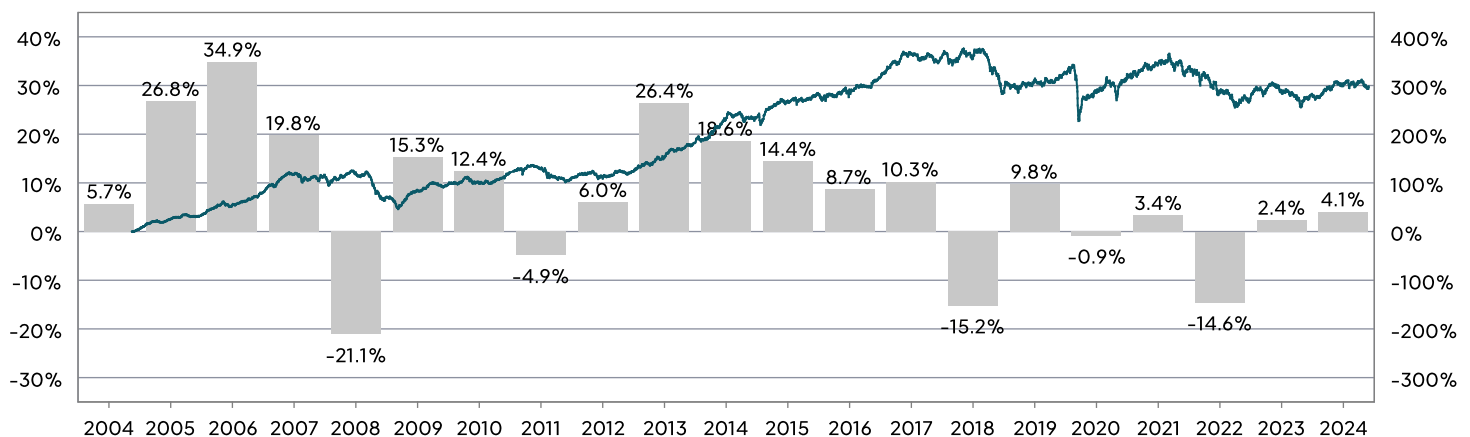
In November, Sunrise made a strong return to the Swiss stock exchange. The proposed dividend strategy for the coming years suggests very high yields. While its balance sheet remains burdened by significant debt, the company plans to reduce this over time through a stable and predictable cash flow, even with high dividend payouts. We opportunistically added Sunrise to the fund after trading began, given its strong focus on the Swiss market.

LEM Holding reported a sharp decline in revenue and EBIT for the first half of 2024/25 (the fiscal year ends on March 31). Persistent weakness in electric vehicle production and still-high inventory levels have put pressure on margins, which did not surprise us. A short-term recovery is not in sight. To address these challenges, the management has launched a cost-reduction program called "Fit for Growth." The company's solid balance sheet makes implementing such measures feasible. We believe the negative reaction to the stock price is exaggerated. The company's valuation has dropped by two-thirds yearly, which is why we are gradually increasing our still-small position in the fund.

## Top 10 positions

Company	Weight
Cham Group	5.1%
Plazza	5.0%
APG	4.7%
JungfrauBahn	4.7%
BKW	4.5%
Accelleron	4.4%
Metall Zug	4.3%
Vetropack	4.0%
Bossard	3.9%
Vaudoise Assurances	3.5%

## Performance since launch



■ AMG Substanzwerte Schweiz ■ Performance p.a. (left scale)

## Key figures as of 29 November 2024

Net Asset Value	CHF 1'418.38
Number of shares	24'788
Total Net Asset Value	CHF 35.2m

## Performance

Duration	Fund
1 month	-0.4%
3 months	-2.3%
12 months	6.0%
3 years p.a.	-1.9%
5 years p.a.	-1.1%
since inception (15.11.2004) p.a.	7.1%

## Year

2024	4.1%
2023	2.4%
2022	-14.6%
2021	3.4%
2020	-0.9%
since inception (15.11.2004)	298.3%

## Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	9.1%
Sharpe ratio (0.81% Risk free rate)	n/a
Beta (vs. SPI Small Cap TR Index)	0.72

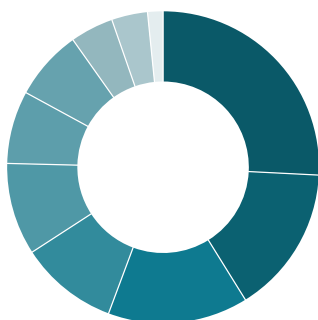
## Exposure

Equities	98.4%
Cash	1.6%

## Top-3 / Poor-3 performers in November 2024

Company	Perf.
TX Group	8.2%
Groupe Minoteries	7.1%
Mobimo	7.1%
Lem NA	-32.0%
Forbo NA	-8.1%
Vetropack	-7.9%

## Breakdown by sectors



■ Industrials	25.8%	■ Health Care	7.3%
■ Financials	15.4%	■ Utilities	4.5%
■ Real Estate	14.5%	■ IT	3.7%
■ Consumer Staples	10.2%	■ Energy	0.0%
■ Communication Serv.	9.5%	■ Consumer Discr.	0.0%
■ Materials	7.5%	■ Cash	1.6%

## Distributions to investors

(Amounts in CHF per unit)

Date	Gross dividend (subject to VAT)	Capital (without VAT deduction)	Total dividend (gross)
20.03.2006	7.00	93.00	100.00
21.03.2007	7.00	163.00	170.00
26.03.2008	8.40	170.00	178.40
22.03.2010	170.00	30.00	200.00
15.03.2011	30.00	30.00	60.00
20.03.2012	9.00	18.00	27.00
12.03.2013	30.00	-	30.00
13.03.2014	4.00	51.00	55.00
18.03.2015	5.00	195.00	200.00
21.03.2016	-	200.00	200.00
24.03.2017	6.00	90.00	96.00
05.07.2017	-	100.00	100.00
21.03.2018	-	100.00	100.00
20.03.2019	-	40.00	40.00
18.03.2020	6.00	34.00	40.00
27.04.2021	-	40.00	40.00
26.04.2022	8.00	32.00	40.00
25.04.2023	6.00	34.00	40.00
18.03.2024	10.00	30.00	40.00
<b>Total</b>			<b>1'756.40</b>

## Investment philosophy

The equity fund invests in Swiss companies from the small & mid cap segment. The investment focus is on companies that receive lesser attention by investors, with an overweighting of defensive value stocks. AMG Fonds' own in-depth equity analysis is used for stock selection and risk-conscious fund management. Within the framework of the bottom-up approach, particular attention is paid to the financial ratios and balance sheet ratios. The management of the companies is the decisive factor for a fundamentally long-term commitment. This approach results in a niche portfolio in a special segment of the Swiss equity market that offers solid development potential with lower volatility.

## Fund facts

Domicile of fund	Switzerland
Legal form	Contractual investment fund
Investment universe	Small & Mid Caps Switzerland
Investment manager	Serafin Asset Management Ltd, Zug
Management company	LLB Swiss Investment Ltd, Zurich
Custodian bank	Bank J. Safra Sarasin Ltd, Basel
Launch date	15.11.2004
Recommended investment horizon	5 years
Reference currency	CHF
ISIN / Bloomberg-Ticker	CH0019597530 / AMGSSCH SW
Distributions	distributing (Dividend & Capital Gain)
Subscription and redemption	daily (cut-off 09.00 CET)
Performance Fee	8% over 2% Hurdle, with High Water Mark
High Water Mark and Hurdle	CHF 1'714.9366
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
Registered for public distribution	CH, DE

## Fee structure

Subscription and redemption fee	none
Management fee p.a.	1.00%
Total expense ratio p.a. (per 30.06.2024; TER, before profit sharing)	1.29%

## Portfolio management



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