

Comment December 2024

The AMG Substanzwerte Schweiz Fund performed very well in December and closed the reporting month virtually unchanged. On an annual basis, the fund recorded a positive increase of 6.8%, while the Swiss small-cap segment finished the year 2024 in the negative (-2.9%). The strong performance of the fund is partly due to its defensive risk profile: companies with strong balance sheets and generally low cyclicality, as well as our focus on "Swissness," contributed to the good performance over the year.

The small-cap segment had a challenging year both in Switzerland and globally. The weak economic situation in Europe and the strong Swiss franc led to reduced revenues and profits for cyclical, export-oriented companies. However, with its focus on Swissness – companies with a predominant share of revenue in Switzerland – the AMG Substanzwerte Schweiz Fund successfully navigated this environment as expected.

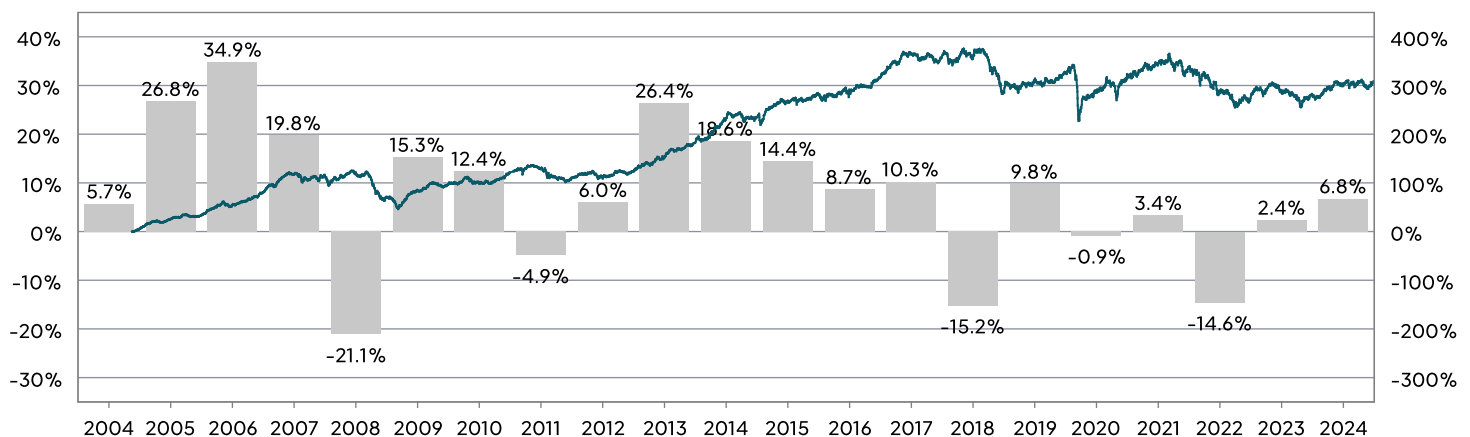
In December, the largest holding in the fund, Cham Group, positively contributed to performance. The merger talks with Ina Invest are progressing, and it is expected that the planned merger will be approved at the general meetings in March 2025. This will create a new, large real estate company that will own existing properties and have some very interesting development projects. At TX Group, following the announcement of a special distribution by its subsidiary Swiss Marketplace Group, larger off-exchange transactions have taken place in recent weeks. We eagerly await further news regarding the future of the digital business unit.

Even well-established companies in the small-cap segment could not escape the downward pressure. The construction supplier Forbo, glass manufacturer Vetropack, and technology company LEM Holding are part of this category. Likely due to portfolio rebalancing by investors, there was increased selling pressure in these stocks toward the end of the year. We took advantage of this and further increased our previously small positions in these companies. We are confident about 2025 and believe that the AMG Substanzwerte Schweiz Fund is excellently positioned for what remains a challenging environment.

Top 10 positions

Company	Weight
Cham Group	5.4%
Plazza	4.7%
JungfrauBahn	4.5%
BKW	4.5%
APG	4.4%
Accelleron	4.1%
Vetropack	4.0%
Bossard	4.0%
Metall Zug	3.9%
Villars	3.4%

Performance since launch



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

Key figures as of 30 December 2024

Net Asset Value	CHF 1'454.94
Number of shares	24'548
Total Net Asset Value	CHF 35.7m

Performance

Duration	Fund
1 month	2.6%
3 months	-0.1%
12 months	6.8%
3 years p.a.	-2.3%
5 years p.a.	-0.9%
since inception (15.11.2004) p.a.	7.2%

Year

2024	6.8%
2023	2.4%
2022	-14.6%
2021	3.4%
2020	-0.9%
since inception (15.11.2004)	308.6%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	9.7%
Sharpe ratio (0.85% Risk free rate)	n/a
Beta (vs. SPI Small Cap TR Index)	0.68

Exposure

Equities	96.7%
Cash	3.3%

Top-3 / Poor-3 performers in December 2024

Company	Perf.
Cham Group	40.2%
Groupe Minoteries	15.0%
TX Group	13.3%
Sunrise	-9.9%
Accelleron	-5.5%
Lem NA	-5.4%

Breakdown by sectors



■ Industrials	25.6%	■ Health Care	6.9%
■ Financials	14.9%	■ Utilities	4.5%
■ Real Estate	14.4%	■ IT	4.2%
■ Consumer Staples	9.6%	■ Energy	0.0%
■ Communication Serv.	8.7%	■ Consumer Discr.	0.0%
■ Materials	8.0%	■ Cash	3.3%

Distributions to investors

(Amounts in CHF per unit)

Date	Gross dividend (subject to SWT)	Capital (without SWT 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
Total			1'756.40

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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