Q1 | 2021

AMG FQ Global Risk-Balanced Fund

COMMENTARY | ASSET CLASS | ALLOCATION

Class N | MMAVX   Class I | MMASX   Class Z | MMAFX

FIRST QUADRANT

Average Annual Returns (%)[1] (as of 03/31/21)

	Q1	YTD	1 yr	3 yr	5 yr	10 yr	Since Incpt.
MMAVX (Class N)	-1.60	-1.60	15.30	0.76	4.20	3.65	4.43
MMASX (Class I)	-1.53	-1.53	15.67	1.03	4.52	4.01	4.79
MMAFX (Class Z)	-1.46	-1.46	15.86	1.18	4.65	4.13	5.61
60% MSCI World Index & 40% FTSE World Government Bond Index – Hedged	2.41	2.41	28.17	10.53	9.88	8.54	--
60% MSCI World Index & 40% FTSE World Government Bond Index – Unhedged	0.60	0.60	31.08	8.94	9.12	6.85	--
S&P 500® Index	6.17	6.17	56.35	16.78	16.29	13.91	11.07[2]

MMAVX (Class N) Expense Ratio (Gross/Net)[3]: 1.66%/1.50%
MMASX (Class I) Expense Ratio (Gross/Net)[3]: 1.41%/1.25%
MMAFX (Class Z) Expense Ratio (Gross/Net)[3]: 1.26%/1.10%

The performance data shown represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance information through the most recent month end, please call 800.835.3879 or visit our website at amgfunds.com. From time to time the advisor has waived fees or reimbursed expenses, which may have resulted in higher returns.

The **AMG FQ Global Risk-Balanced Fund** (Class N) returned -1.60% during the first quarter of 2021, versus the 2.41% return for the 60% MSCI World/40% Citigroup World Government Bond Hedged Index. For the 12 months ended March 31, 2021, the Fund returned 15.30%, compared with the benchmark's return of 28.17%.

The Fund was up in March but down for the first quarter. Bond yields continued rising, though inflation-related assets also retreated. The market state remained unchanged, with risk balanced between fragile and resilient markets.

Market Overview

Overall, the quarter favored the reflation trade, with growth assets up and bond markets down. While inflation expectations moderated somewhat in March, they remained strong, with most market participants focused on the accelerated rate of vaccinations in the developed world and some relaxing of pandemic-related restrictions. Though the economic outlook has improved, there remain significant potential threats to recovery, including rising infection rates and the spread of more virulent strains. Moreover, parts of the globe are struggling in their vaccination campaigns, raising questions about the durability of the global recovery. Risk assets generally continued to advance in March, but the rally narrowed, with small cap stalling and emerging markets and some commodity sectors retreating.

Performance

The Fund was up for the month of March but down for the quarter, as the quarterly drop in bonds more than offset the gains in equities and commodities.

The Fund's bond portfolio was down again in March, for the third month in a row. Even though realized inflation remains low, there are indications that price pressures may rise in the coming months. Input and output prices of purchasing managers increased, and consumer and professional forecaster surveys both supported the reflation scenario. The expected uptick in inflation had a significant impact on bond markets, and bond yields rose throughout the quarter, particularly late February.

The Fund's equity portfolio continued its upward trend. The passage of the stimulus bill in the U.S., coupled with pledges by central banks to stay put, caused yet another rally in stocks, although the effects were more muted in March. The strategy benefited from its less U.S.-centric asset allocation than traditional cap-weighted indices, as non-U.S. markets had better returns for the quarter. The higher weights in small cap, emerging markets, and REITs also helped quarterly performance, although the action was centered on large-cap developed market stocks in March.

[1] Returns for periods less than one year are not annualized.
[2] Since the inception of Class Z shares on November 18, 1988.
[3] The Fund's Investment Manager has contractually agreed, through at least March 1, 2022, to limit Fund operating expenses. The net expense ratio reflects this limitation, while the gross expense ratio does not. Please refer to the Fund's Prospectus for additional information on the Fund's expenses.

AMG

The Fund's commodity portfolio was flat for the month and positive for the quarter. Almost every sector added value for the quarter as a whole, with precious metals the only exception. The retreat of gold and silver for the quarter suggests that reflation expectations are largely tied to increased demand, rather than monetary inflation due to central bank policy. If monetary inflation were the issue, precious metals would likely have advanced as well.

Outlook

The MRI continues to be balanced between fragile and resilient markets (MRI@0.50), as it has since late October 2020. Interest rates and equity risk point toward fragile markets, while business conditions and credit risk continue to support a resilient market view. The steepening yield curve points to continued monetary stimulus from central banks, suggesting that the central banks' view of economic conditions is quite weak. Equity risk appetite also remains low, with higher-than-average implied volatility. Yet implied volatilities have been moderating and are currently trending toward their trigger levels. Credit spreads remain low, signaling continued optimism in the credit markets for stable growth.

The views expressed represent the opinions of First Quadrant, L.P. as of March 31, 2021, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

Disclosure

Investors should carefully consider the fund's investment objectives, risks, charges, and expenses before investing. For this and other information, please call 800.835.3879 or download a free prospectus. Read it carefully before investing or sending money.

Past performance is no guarantee of future results.

Investments in international securities are subject to certain risks of overseas investing including currency fluctuations and changes in political and economic conditions, which could result in significant market fluctuations. These risks are magnified in emerging markets.

The Fund is subject to currency risk resulting from fluctuations in exchange rates that may affect the total loss or gain on a non-U.S. dollar investment when converted back to U.S. dollars.

The Fund is subject to the risks associated with investments in debt securities, such as default risk and fluctuations in the perception of the debtor's ability to pay its creditors. Changing interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall.

The Fund is subject to risks associated with investments in small- and mid-capitalization companies, such as erratic earnings patterns, competitive conditions, limited earnings history, and a reliance on one or a limited number of products.

The Fund may invest in derivatives such as options and futures; the complexity and rapidly changing structure of derivatives markets may increase the possibility of market losses.

The use of leverage in a Fund's strategy can magnify relatively small market movements into relatively larger losses for the Fund.

The Fund is subject to special risk considerations similar to those associated with the direct ownership of real estate. Real estate valuations may be subject to factors such as changing general and local economic, financial, competitive, and environmental conditions.

The Fund is subject to the risks associated with investments in emerging markets, such as erratic earnings patterns, economic and political instability, changing exchange controls, limitations on repatriation of foreign capital, and changes in local governmental attitudes toward private investment, possibly leading to nationalization or confiscation of investor assets.

Because the Fund invests in exchange-traded funds (ETFs), which incur their own costs, investing in them could result in a higher cost to the investor. Additionally, the Fund will be indirectly exposed to all the risks of securities held by the ETFs.

High-yield bonds (also known as "junk bonds") may be subject to greater levels of interest rate, credit, and liquidity risk than investments in higher rated securities. These securities are considered predominantly speculative with respect to the issuer's continuing ability to make principal and interest payments. The issuers of the Fund's holdings may be involved in bankruptcy proceedings, reorganizations, or financial restructurings, and are not as strong financially as higher-rated issuers.

Obligations of certain government agencies are not backed by the full faith and credit of the U.S. government. If one of these agencies defaulted on a loan, there is no guarantee that the U.S. government will provide financial support. Additionally, debt securities of the U.S. government may be affected by changing interest rates and subject to prepayment risk.

Investments in commodities are subject to greater volatility than investments in traditional securities, such as stocks and bonds. Commodities are subject to risks, including but not limited to climate conditions, livestock disease, war, terrorism, political conflicts, interest rates, currency fluctuations, embargoes, tariffs, and other regulatory developments.

Market prices of investments held by the Fund may fall rapidly or unpredictably due to a variety of economic or political factors, market conditions, disasters or public health issues, or in response to events that affect particular industries or companies.

Market prices of investments held by the Fund may fall rapidly or unpredictably due to a variety of economic or political factors, market conditions, disasters or public health issues, or in response to events that affect particular industries or companies.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of 23 developed market country indices.

The FTSE World Government Bond Index (WGBI) is a market capitalization weighted index consisting of the government bond markets. Country eligibility is determined based on market capitalization and investability criteria. All issues have a remaining maturity of at least one year.

The S&P 500® Index is a capitalization-weighted index of 500 stocks. The S&P 500® Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The benchmark is composed of 60% MSCI World Index and 40% FTSE World Government Bond Index. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of 23 developed market country indices. The FTSE World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. Prior to July 31, 2018, this index was known as the Citigroup World Government Bond Index.

Please go to msci.com for the most current list of countries represented by the MSCI index.

The CBOE Volatility Index (VIX) is a measure of expected price fluctuations in the S&P 500 Index options over the next 30 days.

Unlike the Fund, the indices are unmanaged, are not available for investment, and do not incur expenses.

Diversification does not guarantee a profit or protect against a loss in declining markets.

Any sectors, industries, or securities discussed should not be perceived as investment recommendations. Any securities discussed may no longer be held in the Fund's portfolio. It should not be assumed that any of the securities transactions discussed were or will prove to be profitable, or that the investment recommendations we make in the future will be profitable.

The Market Risk Indicator (MRI) is a proprietary indicator developed by First Quadrant, L.P. that measures the prevailing risk in global capital markets by virtue of the measurement of a variety of factors.

AMG Funds are distributed by AMG Distributors, Inc., member FINRA/SIPC.

Unless otherwise indicated, all data has been provided by First Quadrant, L.P.