

Class I | BLUEX



Average Annual Returns (%)<sup>1</sup> (as of 06/30/20)

	Q2	YTD	1 yr	3 yr	5 yr	10 yr	Since Incpt <sup>2</sup>
BLUEX (Class I)	22.22	3.73	11.42	14.43	11.86	12.42	10.22
Russell 1000® Growth Index	27.84	9.81	23.28	18.99	15.89	17.23	10.74
Russell 1000® Index	21.82	-2.81	7.48	10.64	10.47	13.97	10.50
S&P 500® Index	20.54	-3.08	7.51	10.73	10.73	13.99	10.32

BLUEX (Class I) Expense Ratio (Gross/Net): 1.15%/1.15%

*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 Managers Brandywine Blue Fund (Class I) returned 22.22% for the second quarter of 2020, compared with a 27.84% return for its benchmark, the Russell 1000® Growth Index. The S&P 500® Index and the Russell 1000® Index returned 20.54% and 21.82% during the quarter. For the 12-month period ended June 30, 2020 the Fund returned 11.42% compared with a 23.28% return for its benchmark. For the same period, the S&P 500 Index and the Russell 1000 Index returned 7.51% and 7.48%.

Stocks staged a comeback of historic proportions in the three months through June as aggressive action taken by the U.S. Federal Reserve Bank emboldened investors to look beyond near-term economic trouble. Barring one notable exception, investor sentiment during the quarter reflected unrestrained optimism regarding recovery.

Using the S&P 500 Index as a guide, the June quarter was the biggest quarter for stocks since the final three months of 1998. Like the just-completed June quarter, stocks in the fourth quarter of 1998 soared as investors celebrated aggressive action taken by the central bank to support the economy. The risk at the time was uncertainty stemming from the Asian economic crisis and the collapse of hedge fund Long-Term Capital Management.

From direct payments to individuals from the U.S. Treasury to rock-bottom rates courtesy of the Federal Reserve, optimism stemmed from the government's various forms of intervention designed to support commerce and market integrity. Volatility, though down from extreme levels evident in the first quarter, remained elevated.

The market's June-quarter rise was mostly unimpeded until June 11, when investors appeared to adjust expectations for the pace of economic recovery following a statement from the Fed the day before that foreshadowed a long road ahead. The statement coincided with evidence of spiking Covid-19 cases in some of the nation's most populous states, intensifying investor concerns.

The S&P 500 Index dropped 5.88 percent that day, the worst day for stocks since mid-March. While stocks recovered some of the lost ground, the index's upward trajectory halted as it charted a jagged course sideways in the final weeks of the month.

**Attribution Summary**

Technology holdings comprised the largest percentage of assets and contributed the most to total gains. Top performers included high-profile companies Apple and Microsoft Corp., whose established track records of operational excellence garnered confidence among investors against the uncertain backdrop. Both companies reported expectation-beating March-quarter results. Apple chose not to provide guidance, while Microsoft forecasted continued growth in the upcoming quarter.

Other contributors from the technology sector included graphics processor maker Nvidia Corp. and information security company Zscaler. As a group, however, technology holdings underperformed the sector within the benchmark, helping make the technology sector the biggest detractor from relative results.

Health care holdings were the second biggest contributors to absolute performance. Roughly equal-weighted relative to the benchmark, health care

<sup>1</sup> Returns for periods less than one year are not annualized.

<sup>2</sup> Since the inception of the Fund on January 10, 1991.



holdings were the most pronounced contributors to performance versus the Russell 1000® Growth Index.

Exact Sciences Corp. shares rose as declines in in-person physician visits stoked demand for the company's at-home colorectal cancer diagnostic test kits. BioMarin Pharmaceutical also aided performance. The company reported March-quarter earnings of \$0.44 per share versus a consensus estimate predicting \$0.03. While BioMarin also tempered full-year revenue guidance by 5 percent, investors remained enthusiastic regarding the expected launch of Valrox, a gene-based therapy for hemophilia, in the third quarter.

Communications services holdings were notable absolute performance contributors. With stay-at-home orders prevalent during the period, holdings with ties to entertainment content streaming and gaming, including Spotify, Electronic Arts and Netflix, were standouts.

Holdings that declined during the quarter were fewer in number than usual given the broadly positive sentiment that shaped the market environment. Declines were also generally modest, though there were exceptions.

Time will tell whether timing was the primary culprit in First American Financial Corp.'s rough introduction as a new holding. We began buying shares of the title insurer the day before the June 11 selloff, which was followed by heightened volatility in the remainder of the month. We weren't aware of any company-specific news during that stretch. Other decliners included Global Payments, which declined as investors feared the pandemic's persistence could negatively impact customer spending, and Uber Technologies, which lost out to a competitor in a bid to acquire Grubhub.

*The views expressed represent the opinions of Friess Associates, LLC, as of June 30, 2020, are not intended as a forecast or guarantee of future results, and are subject to change without notice.*

#### Top Ten Holdings (%)<sup>3</sup> (as of 06/30/20)

Holding	% of Net Assets
Amazon.com Inc	6.42
Microsoft Corp	4.52
Electronic Arts Inc	4.17
Dollar Tree Inc	4.16
Apple Inc	3.98
Salesforce.com Inc	3.41
Netflix Inc	3.39
Thermo Fisher Scientific Inc	3.14
Spotify Technology SA	2.86
Booz Allen Hamilton Holding Corp, Class A	2.82
TOTAL %	38.87

#### 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.*

A greater percentage of the Fund's holdings may be focused in a smaller number of securities, which may place the Fund at greater risk than a more diversified fund.

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.

Active and frequent trading of a fund may result in higher transaction costs and increased tax liability.

The Fund is subject to risks associated with investments in mid-capitalization companies such as greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

The Fund invests in growth stocks, which may be more sensitive to market movements because their prices tend to reflect future investor expectations

<sup>3</sup> Mention of a specific security should not be considered a recommendation to buy or a solicitation to sell that security. Holdings are subject to change.

rather than just current profits. Growth stocks may underperform value stocks given periods.

Companies that are in similar businesses may be similarly affected by particular economic or market events; to the extent the Fund has substantial holdings within a particular sector, the risks associated with that sector increase.

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 Russell 1000<sup>®</sup> Growth Index is a market-capitalization weighted index that measures the performance of those Russell 1000<sup>®</sup> companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000<sup>®</sup> Index measures the performance of approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000<sup>®</sup> Index represents approximately 92% of the U.S. market.

The Russell Indices are trademarks of the London Stock Exchange Group companies.

The S&P 500<sup>®</sup> 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.

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

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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.

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