

Class I | BRWIX



Average Annual Returns (%)<sup>1,2</sup> (as of 09/30/17)

	QTD	YTD	1 yr	3 yr	5 yr	10 yr	Since Incpt. <sup>3</sup>
BRWIX (Class I)	7.00	17.92	18.87	10.19	12.57	2.23	10.16
Russell 3000® Growth Index	5.93	20.43	21.87	12.65	15.18	9.03	–
Russell 3000® Index	4.57	13.91	18.71	10.74	14.23	7.57	10.55
S&P 500® Index	4.48	14.24	18.61	10.81	14.22	7.44	–

BRWIX (Class S) Expense Ratio (Gross/Net): 1.11%/1.11%

*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 Fund** (Class I) returned 7.00% for the third quarter of 2017, compared with a 5.93% return for its primary benchmark, the Russell 3000® Growth Index. For the quarter, the S&P 500® Index and the Russell 3000® Index returned 4.48% and 4.57%, respectively. For the 12-month period ending September 30, 2017, the Fund returned 18.87%, compared with a 21.87% return for its benchmark. Over the same period, the S&P 500 Index and the Russell 3000® Index returned 18.61% and 18.71%, respectively.

Sabers rattled and hurricanes raged, yet investors remained cool throughout the summer's waning months. Using the S&P 500 Index as a proxy, the stock market extended its streak of consecutive quarterly gains to the two-year mark thanks to another move higher in the three months through September.

North Korea test-launched a ballistic missile on July 4 that demonstrated an astonishing advance in the unpredictable nation's capabilities. The United States denounced the testing in unusually harsh terms and performed military exercises with allies in the region as more tests

followed. In the meantime, Harvey, Irma and Maria threatened, then punished Texas, Florida and Puerto Rico with significant damage. Neither the heightened geopolitical tensions nor the potential economic implications of the storms made a lasting impression on investors.

Then, late in the quarter, came the U.S. Federal Reserve (the Fed). Nearly a decade after global markets plunged into history-making crisis, the Fed announced it would begin unwinding some of the \$4.5 trillion balance sheet that was the centerpiece of the central bank's post-crisis stimulus efforts. That, too, was digested by the stock market without incident.

Some market watchers credited prospects for corporate tax cuts with buoying the market's mood in the turbulent macro conditions. Though a tax reform blueprint was unveiled, it was done with only a couple trading days left in the quarter, so it's hard to imagine tax-related optimism playing a much more pronounced role than in it did in the first six months of the year.

Rather than fret about an unpredictable threat or celebrate a "good for business" proposal that, during the timeframe, lacked detail on substance and support, investors appeared focused on near-term earnings trends. Earnings progress continued against a steady, albeit slow-growing, economic backdrop. Share price action seemed rational and company-specific in the quarter.

**Attribution Summary**

The Fund posted gains in all 10 of the economic sectors represented in its portfolio during the September quarter. The Fund outperformed its primary benchmark, the Russell 3000® Growth Index, in seven out of those 10 sectors.

Outperformance among consumer discretionary holdings played the most significant role in generating the Fund's relative performance advantage. Consumer discretionary holdings comprised the Fund's second largest position and represented a slightly overweight position relative to the Index. The sector was the second greatest contributor to absolute performance.

Discount retailer Dollar Tree and recreational vehicle maker Winnebago Industries were standouts. Dollar Tree and Winnebago grew earnings in their most recently reported quarters 24 and 57 percent, respectively, beating expectations in both cases. Netflix also contributed to results after announcing that its subscriber base passed 100 million in the three months through June and, for the first time, international subscribers outnumbered domestic ones.

Small and roughly equal-weight positions in the consumer staples, materials and energy sectors were the next biggest contributors to relative performance thanks to a handful of companies, including Estee Lauder Cos., Albemarle Corp. and HollyFrontier Corp. Industrial holdings, which influenced relative performance less, were the third biggest contributors to absolute return.

Technology holdings, although the biggest contributors to absolute results, were the second greatest detractors from relative results. Upside driven by software and semiconductor-related holdings was limited by

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

<sup>2</sup> Prior to February 27, 2017, the Fund's I shares were known as S shares.

<sup>3</sup> Since the inception of the Fund on December 30, 1985.

Class I | BRWIX

weakness in communications equipment holdings. Ciena Corp. and Finisar Corp. were the primary detractors. Both companies make equipment used in fiber optic network infrastructure, and both companies lowered revenue guidance for the three months through October.

While health care holdings contributed to absolute performance, they were the most significant detractors from relative results. Repligen, which makes products used in drug making, fell after GE, a customer, announced it would develop its own version of a key Repligen product. Evolent Health also weighed on results. The company announced a secondary offering at a time when investors were growing concerns about upcoming contract renewals.

*The views expressed represent the opinions of Friess Associates, LLC as of September 30, 2017, are not intended as a forecast or guarantee of future results, and are subject to change without notice.*

### Top Ten Holdings (%)<sup>4</sup> (as of 09/30/17)

Holding	% of Net Assets
Alphabet Inc, Class A	2.20
Facebook Inc, Class A	2.18
Broadcom Ltd	2.17
Albemarle Corp	2.10
Trade Desk Inc, Class A	1.96
Cigna Corp	1.94
T-Mobile US Inc	1.90
Amazon.com Inc	1.90
Netflix Inc	1.89
Thermo Fisher Scientific Inc	1.84
TOTAL %	20.08

## 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.*

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.

<sup>4</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.

The Fund invests in growth stocks, which may be more sensitive to market movements because their prices tend to reflect future investor expectations rather than just current profits. Growth stocks may underperform value stocks during given periods.

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

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 Russell 3000<sup>®</sup> Growth Index measures the performance of those Russell 3000<sup>®</sup> Index companies with higher price-to-book ratios and higher forecasted growth values. Unlike the Fund, the Russell 3000<sup>®</sup> Growth Index is unmanaged, is not available for investment and does not incur expenses.

The Russell 3000<sup>®</sup> Index is composed of the 3,000 largest U.S. companies as measured by market capitalization and represents about 98% of the U.S. stock market. Unlike the Fund, the Russell 3000<sup>®</sup> Index is unmanaged, is not available for investment and does not incur expenses.

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

The S&P 500 Index is 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 S&P 500 Index is proprietary data of Standard & Poor's, a division of McGraw-Hill Companies, Inc. All rights reserved.

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

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.

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