Looking Forward

Friess Associates market observations and insights

June 30, 2018

Emphasizing the Value of EPS

When it comes to bad news, sometimes it's best just to spring it on them. Jack in the Box, while discussing disappointing results on a conference call with investors in May, cited higher potato costs as the primary explanation.

United Parcel Service delivered a similar message. Higher transportation-related expenses, including a 21 percent jump in fuel costs, put pressure on first-quarter profit margins. From Caterpillar and Deere & Co. to Hershey and PepsiCo, companies are sharing data points about rising costs for materials, food, fuel, freight and wages that in some cases differ from what broader indicators might suggest.

As described by Sam Ewing, a quotable former big league baseball player, "Inflation is when you pay $15 for the $10 haircut you used to get for $5 when you had hair." In other words, it's an unwelcome cost increase. While it isn't dominating the always-changing, never-ending debate about earnings and, thus, stock prices, this appears to be the first year in many that inflation will factor into the conversation in a meaningful way.

We're a lot less concerned about PCE (personal consumption expenditures) or CPI (consumer price index) than we are about EPS (earnings per share). That's another way to say our strategy prompts us to account for inflation on a case-by-case basis, gauging the extent to which inflation affects each company's earnings outlook.

Higher prices for a food commodity such as potatoes impact every restaurant chain that sells french fries, for example. Still, there remain myriad possibilities in terms of each company's ability to absorb, offset, delay or avoid any ill effects.

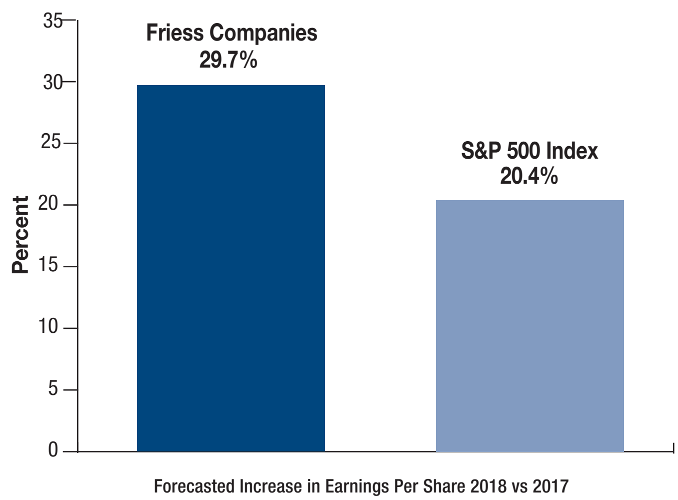
To be sure, there are broad generalizations that we need to keep in mind as we perform our company-by-company work. Chief among them for us is inflation's inverse relationship with valuations: Price-to-earnings ratios tend to compress as inflation rises. As a result, we're becoming more conservative regarding valuations on new buys and in setting price targets.

According to FactSet Research Systems, the S&P 500 Index finished the first half of the year with a forward price-to-earnings ratio (based on earnings forecasts for next 12 months) of 16.1, which is just below the index's five-year average yet still elevated versus its 10-year average.

Trying to make forward-looking statements about market sentiment is guesswork, but we believe the backdrop becomes more fragile the longer inflationary pressures persist. The margin for error shrinks, making it that much more important to identify companies that meet or exceed forecasts.

While there was evidence of some angst late in the June quarter as tariff talk became action, investor attitudes still appear to lean positive. Based on the market's appetite for initial public offerings, or IPOs, which can be considered a sentiment gauge of sorts, a more appropriate description might be enthusiastic.

Estimated Earnings Growth



Source: Consensus estimates from FactSet Research Systems Inc., as of June 30, 2018.

This is not a forecast of future performance. Earnings growth for a portfolio holding does not guarantee a corresponding increase in the market value of the holding or the portfolio.

One hundred twenty companies raised more than $35 billion through IPOs on U.S. exchanges in the first six months of 2018. The flurry of offerings represents the fourth most active first half of a year since Dealogic began tracking IPO data in 1995.

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The Wall Street Journal reported on July 2, 2018 that bankers cited no single catalyst for the rise, writing: "Instead, the surge has been caused by a convergence of favorable business conditions, strong stock markets and investors' hunger for high-growth companies."

In general, earnings optimism remains high. Analysts predict second-quarter earnings reports will show 20 percent year-over-year growth for the companies in the S&P 500 Index, according to FactSet. The second-quarter forecast is the result of upward revisions among analysts since the end of March, representing the second largest increase in estimates for a quarter in the past eight years.

Still, a few caveats are in order. The overall level of earnings growth largely reflects supercharging via corporate tax cuts, and investors will likely look beyond this year for cues increasingly as the year goes on. Likewise, energy companies were the most notable contributors to the upward revision to second-quarter expectations, but for a reason that's a net negative to most other sectors. Oil prices rose 19 percent between the end of March and the end of June.

Finally, second-quarter reports will offer the first glimpse into whether trade disputes are affecting international business. Since the first tariffs came late in the quarter, it seems unlikely that material fallout will be evident in reported results. Guidance for the third quarter and/or the remainder of the year could be a different story. At some point, the trade war will go from conceptual to tangible.

Based on consensus estimates, the average company in the portfolios we manage is expected to grow earnings 29.7 percent this year. The average 2018 earnings growth rate for the S&P 500 Index is 20.4 percent.

Booz Allen Hamilton Holding Corp. (Page 4) maintains status as a cutting-edge defense contractor by ensuring its consulting services remain on the cutting edge. The consulting firm's primary focus is technology, including cutting-edge advances in artificial intelligence, cyber security and virtual reality, giving its services broad appeal.

Booz Allen's footprint continues to grow though market-share gains, reporting the fastest organic revenue growth in its industry in each of the company's past three fiscal years. The company is also growing its business among private-sector clients, which contribute to profit margin expansion as their share of revenue rises.

While technology companies comprise our largest concentration of assets, Mobile Mini (page 4) proves low-tech endeavors can make money too. The company's core business is providing shipping containers to customers that use them for secure storage or, once refurbished and converted, extra office space.

Mobile Mini's national presence is an advantage over fragmented competition in that it enables the company to provide containers in multiple locations across the country, for example, to a national retailer that is redesigning its chain of stores.

It's a good time to boast the largest network of commercial vehicle dealerships in North America. We believe Rush Enterprises (page 5), with more than 100 locations in 21 states, is well-positioned to benefit from continued strength in demand for big rigs thanks to a solid economy. But, like all good things, the truck cycle will eventually peak, which is why the company continues to build out its capabilities in providing parts and service to its customers.

Profit margins are wider in the parts and service segment, where Rush invested in new technology to optimize its ability to source parts throughout its dealership network. The parts and service segment generated 31 percent of revenue in the 12 months through March, but accounted for 64 percent of gross profit.

If you're a thrill-seeking North American, chances are you know about Six Flags Entertainment Corp. (page 5). The company operates 20 parks in the United States, Canada and Mexico, hosting 31 million guests a year (through March). With names such as Texas SkyScreamer and Wicked Cyclone, the parks offer 850 rides, including 135 roller coasters, among which is the world's tallest and fastest coaster, Kingda Ka.

Six Flags is embracing a new subscription strategy designed to take some of the ups and downs out of its business. Relying on daily attendance sales in years past meant being at the mercy of the weather and other uncontrollable factors. Six Flags now encourages regular customers to pay a monthly fee in exchange for the freedom to visit multiple parks and enjoy discounts on amenities such as food and parking.

Thanks for your confidence in our research-driven investment approach and the team that implements it. We're grateful for the opportunity to serve you.

Scott

Scott Gates
Chief Investment Officer

Ever-Changing Consumer Landscape

U.S. consumers are in good shape. Low unemployment, a stock market near historical highs and still-relatively tame inflation all support discretionary spending. At the same time, business and consumer sentiment are near record levels. Personal debt balances are low, housing is in short supply and mortgage credit is slowly expanding. Not surprisingly, consumer discretionary companies were among the best performing stocks in the first half of 2018.

Today shoppers enjoy more options than ever before, with a continued shift toward more online purchases. A quick review of the state of retail in general reveals an incredible number of store closings slated to occur over the next few years. Well-known brands are being forced to shutter less profitable brick-and-mortar locations, while start-ups are skipping physical stores all together. As a result, retailers are ramping up their e-commerce efforts at a rapid pace.

Amazon.com and Netflix thrive in this environment as customers turn toward convenience and content.

Amazon.com posted greater than 20 percent year-over-year sales growth for 11 consecutive quarters. The company created what's now the world's most efficient order-fulfillment system, including a network of warehouses and its own logistics business. An estimated 60 percent of American households maintain an Amazon Prime membership, demonstrating a level of appeal that is evident in falling profits and rising storefront vacancies among more traditional retailers.

Netflix is at the center of the changes taking place in how consumers view television and video. Last year, sales grew 32 percent, a growth rate the company is on pace to eclipse this year. An aggressive move into creating its own original content is credited with driving growth. In the US, the company added just under 2 million memberships in its most recent quarter. It also completed a price adjustment resulting in a 12 percent average sales price increase. Overseas membership grew by more than 5.5 million, also ahead of forecasts. Netflix's international segment now accounts for 50 percent of revenue and 55 percent of memberships.

Index returns show the outsized impact digital consumption is exerting on the economy, with extremely narrow leadership dominating returns in the first half of the year. After backing out contributions from Amazon.com and Netflix, the other 70-plus stocks in the S&P 500 consumer discretionary sector collectively added almost nothing to the return. Consumer discretionary stocks were the largest contributors to our firm-wide results in the first half of the year.

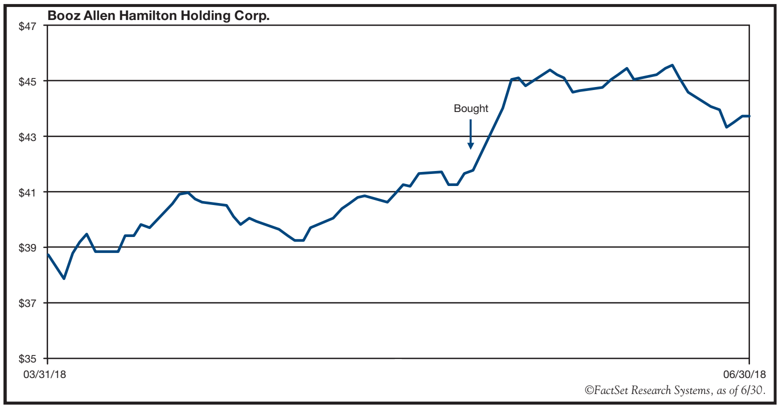
The restaurant industry has proven more resistant to e-commerce disruption than other areas of retail. Shares of Chipotle Mexican Grill responded favorably after first-quarter earnings jumped 33 percent to $2.13 per share, its second best result in two years. Same-store sales jumped more than 2 percent as the company successfully raised prices. New Chief Executive Brian Niccol used the first-quarter conference call to outline his strategy aimed at bringing customers back to the chain in greater numbers in part through new menu items.

Ski resort operator Vail Resorts also stands out in the retail space as the economic backdrop supports higher spending on travel and leisure. April-quarter earnings grew more than 40 percent, beating Wall Street expectations, with sales of season passes and a more diverse geographic footprint aiding results. The company is in the middle of a large capital campaign aimed at improving its properties and increasing capacity. Vail is expanding its warmer weather mountain offerings so that, with attractions like Jeep tours, hiking and zip line experiences, it can keep parts of its resorts populated outside of peak winter months.

While many traditional retailers struggle to compete with online giant Amazon.com, some are still finding success through brand strength and unique online approaches. American Eagle Outfitters grew April-quarter earnings 44 percent as same store sales jumped 8 percent. The company's sister brand Aerie saw 34 percent growth in the quarter. American Eagle positioned Aerie as a positive body-image brand for teen girls, something that is resonating well among its fashion conscious customer base. The company's new loyalty program, launched at the beginning of the year, already boasts more than 20 million members.

Consumer discretionary holdings currently comprise our second largest position of firm-wide assets because of our ability to find earnings growth in the sector. With overall economic conditions supportive, we'll continue to search for companies uniquely positioned with products, brands and strategies that should allow them to capture more of the spending taking place.

Booz Allen Hamilton Holding Corp., BAH



Expertise in the most pressing matters facing clients can lead to consistent success in consulting. It drives demand. It bolsters pricing power. Thanks in part to a commitment to offering insight into emerging technologies, Booz Allen posted the fastest organic revenue growth in its industry in each of the company's past three fiscal years.

NYSE-listed Booz Allen Hamilton Holding Corp. provides management consulting, technology and engineering services to the U.S. government, with defense and intelligence projects generating about 70 percent of revenue. The company also serves corporations and other private sector institutions here and abroad. Revenue grew to $6.2 billion in the company's fiscal year through March.

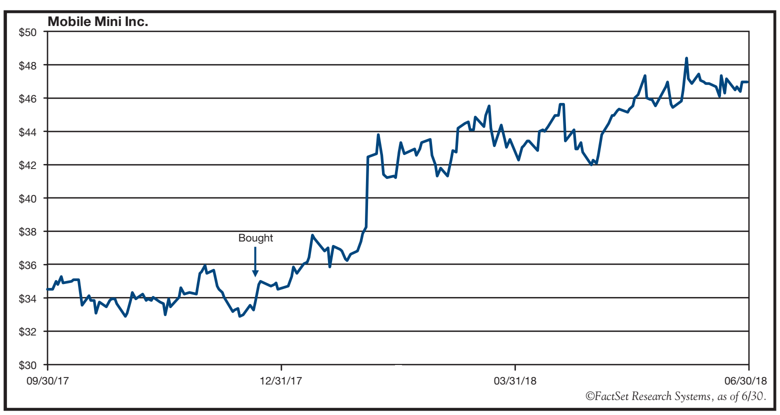
Healthy defense and civilian agency budgets currently foster supportive conditions for government contractors. Booz Allen's focus on technology, including cutting-edge advances in artificial intelligence, cyber security and virtual reality, give its services far-reaching appeal. The company's backlog rose 18 percent to $16 billion in the March quarter.

Booz Allen grew earnings 16 percent in the March quarter, exceeding the consensus estimate by 14 percent. The company topped estimates in all four of its fiscal year's quarters.

Booz Allen's headcount grew by 1,300 to more than 24,000 during the fiscal year. At a recent investor gathering attended by your team, Chief Executive Horacio Rozanski shared insight about the firm's makeup and culture. Twenty-nine percent of employees are military veterans, 52 percent serve in technology roles and 69 percent hold security clearance. To promote collaboration, employees who work on the same tier of the firm's hierarchy are paid the same.

The consensus estimate puts Booz Allen on a pace to grow earnings 22 percent in the fiscal year ending March 2019.

Mobil Mini Inc., MINI



Many companies enlist teams of experts and spend millions on research to help chart their every move, but few strategies are as effective as the ones that provide straightforward solutions to practical needs. Mobile Mini proves that making money need not be an overly complicated endeavor.

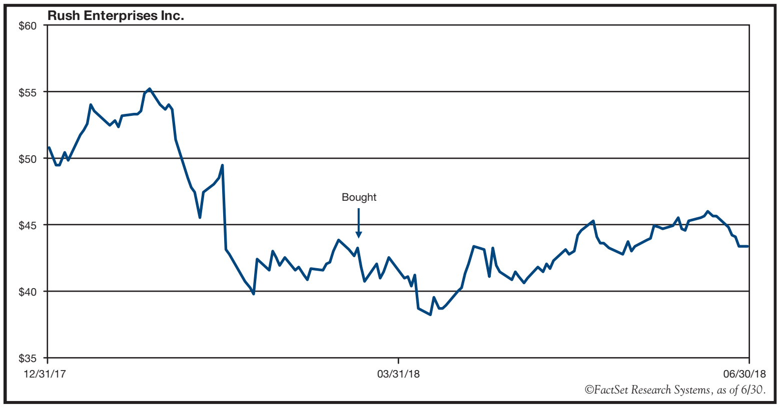
Nasdaq-listed Mobile Mini Inc. leases portable storage containers. The company buys used ocean-going shipping containers and refurbishes them, giving the steel boxes new purpose as secure space for inventory, equipment, archived paperwork and just about anything else. Its total rental fleet consists of 215,000 containers. The company operates another 12,300 tank and pump units, which provide solutions to customers with temporary storage, pumping and filtration needs. Mobile Mini also makes its own containers and offers mobile offices and other custom structures.

March-quarter earnings grew 32 percent. Mobile Mini's core portable storage rentals grew 14 percent, driven by retail remodeling activity. Tank and pump revenues jumped 22 percent, rebounding from previous lows thanks to increased activity in the downstream oil and gas industry. Both businesses largely compete in fragmented regional markets. The company's unique ability to offer services on a national level is allowing it to onboard large national accounts that other competitors can't service as efficiently.

Your team spoke with Chief Financial Officer Van Welch regarding the potential for profitability improvements going forward. The recovery in the tank and pump segment spurred branch bonuses that, until recently, represented sharp compensation increases based on year-before comparisons. Now that the new compensation level is established for upcoming comparisons, Mini believes expenses will normalize and potentially provide earnings leverage.

Based on the consensus estimate, Wall Street expects Mobile Mini to grow earnings 44 percent this year.

Rush Enterprises Inc., RUSHA



Amid a well-documented shortage of commercial drivers, the pressure to keep the trucks that are already on the road in service is great. At Rush Enterprises, where service technicians make up one-third of the employee population, new technology designed to optimize parts sourcing, inventory management and related logistics helps keep the company's customers in the driver's seat.

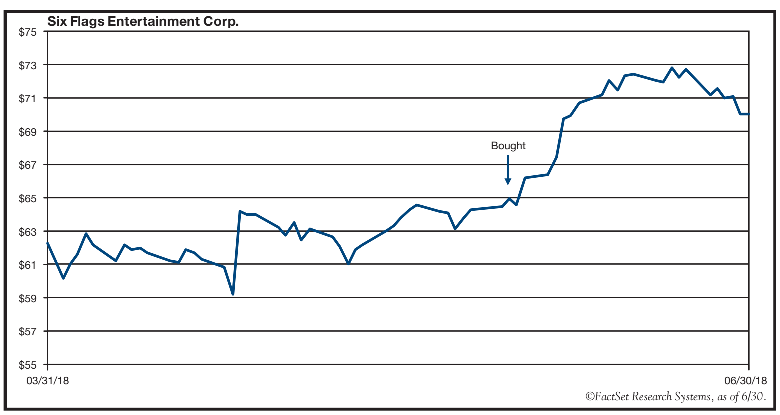
Nasdaq-listed Rush Enterprises Inc. operates the largest network of commercial vehicle dealerships in North America, with more than 100 locations in 21 states. The company sells new and used medium- and heavy-duty vehicles, including truck and bus brands such as Peterbilt, International, Hino, Isuzu, Ford, Mitsubishi, IC Bus and Blue Bird. Rush also offers parts, service, body shop operations, and vehicle up-fitting such as natural gas fuel system conversion. Revenue rose 17 percent to $4.9 billion in the 12 months through March.

Demand for commercial trucks remained elevated against a cooperative economic backdrop. The company enjoyed 16 percent revenue growth in the March quarter, thanks in part to demand for new Class 8 trucks, or heavy-duty tractors. New Class 8 truck sales rose 31 percent in the quarter, reflecting a 22 percent increase in unit sales and a 7 percent higher average selling price.

But truck demand is cyclical, which is why Rush's increasing emphasis on parts and service, where rapid response is critical and profits are greater, is important. New systems enable the company to optimize the parts procurement resources of its dealership network, along with a new independent parts center in California. The segment generated 31 percent of revenue in the 12 months through March, but accounted for 64 percent of gross profit.

March-quarter earnings nearly doubled to $0.70 per share, exceeding the consensus estimate. Parts and service revenue grew 14 percent. Based on the consensus estimate, analysts expect Rush to grow 2018 earnings 34 percent.

Six Flags Entertainment Corp., SIX



Theme parks used to focus on profitability per day, funneling as many people through the turnstiles as time and capacity allowed. Season passes changed that dynamic, creating upfront payments and increasing traffic. With monthly fee, multi-park memberships, Six Flags is going a step further.

NYSE-listed Six Flags Entertainment Corp is the world's largest regional theme park company, with $1.4 billion in revenue in the 12 months through March. The 57-year-old company operates 20 parks across the United States, Mexico and Canada, entertaining millions of visitors each year with roller coasters, themed rides, water parks and unique attractions. The company also maintains licensing agreements with third parties that manage Six Flags-branded parks outside of North America.

Revenue grew 30 percent in the March quarter, fueled by a 27 percent increase in guests, additional operating days at certain parks, a shifting pricing strategy and international licensing. The company's active pass base, which represents the total number of guests who hold a season pass or who are enrolled in the company's membership program, also increased to an all-time high.

During a recent conference attended by your team, Chief Financial Officer Marshall Barber explained how shifting the model toward passes and memberships generates more revenue and cash flow over a season and provides a hedge against inclement weather. Benefits related to multi-park options, parking, food and rides are of high value to park-goers, but come at little cost to the company. As part of this larger strategy, Six Flags acquired the leases to a handful of smaller theme and water parks in markets near existing assets.

Based on the consensus estimate, Wall Street expects the company to grow earnings 32 percent this calendar year.

Earnings Expertise Drives the Process

Friess Associates doesn't employ a technology analyst. No one here spends all of his or her time researching health care companies, either. Same goes for retail, banking, industrial equipment and so on.

The fact is we don't want a narrowly focused expert making buy recommendations from a single sector because we don't believe it's possible to identify the best available investments when the analyst making the call only considers certain possibilities. We rely on earnings expertise to drive our decision making.

We believe earnings drive stock prices. As a result, our research effort is a far-reaching search for robust earnings growth under very few constraints. To us, individual-company earnings power is the deciding factor in determining which investment opportunities hold more potential than others.

That's why Friess researchers are generalists. With a team average 22 years picking stocks, everyone boasts specialized knowledge in one area or another, but we don't limit anyone's scope by defining a space as a specific person's purview. Maintaining a generalist approach gives us the flexibility to nimbly move to the next pockets of earnings strength as the environment evolves.

With earnings driving their work, Friess researchers are sticklers for earnings quality. If two companies are both poised to grow earnings 20 percent in the year ahead, we want to know how they're getting there: Is one rolling out a new product and capturing market share while the other mainly benefits from unrepeatable cost cuts? We want to ensure that the earnings a company reports accurately reflect the company's operational performance.

In addition to being free from sector or industry restrictions, Friess researchers enjoy the ability to search among companies of all sizes. Even though we manage portfolios with specific portfolio guidelines, Friess researchers are not constrained to conducting research in any predefined market-cap window.

We aim to isolate companies poised to deliver rapid year-over-year earnings growth – typically more than 20 percent – that also enjoy good prospects to exceed consensus earnings expectations. Since we also strive to own companies before their success is fully reflected in their stock prices, we focus our efforts on isolating rapidly growing companies that also sell at reasonable multiples of earnings estimates. We generally target companies that sell for less than 30 times year-ahead forecasts.

Exhaustive research is the key to our earnings-driven approach. We develop individualized earnings expectations for every existing holding and target company by keeping in constant contact with executives and others who manage, interact with and/or work in the same industry as these companies.

We use the term "trade check" to describe the interviews we conduct with company management teams, customers, competitors and suppliers. Trade checks include in-person company visits, trade shows, user conferences and discussions via phone.

The Friess research team conducts scores of trade checks as part of an ongoing effort to glean insights on existing and potential holdings. Trade checks represent one of our most fruitful methods of idea generation, with research legwork often uncovering promising opportunities outside of the initial direction of our investigation.

Once we use this system to establish internal earnings estimates, we focus our attention on the companies with rapid growth prospects, sound fundamentals and solid balance sheets, including low debt and high returns on equity. We also demand a timetable of near-term growth catalysts, such as a new product launch, management team or market opportunity, likely to drive earnings upside.

Friess Associates is an active, bottom-up manager. We use our company-level research findings to build portfolios one company at a time without regard to the composition of any particular passive index. Maintaining an individual-company focus typically results in portfolios with low correlations to benchmarks. Our goal is to outperform the indexes, not mimic them.

Friess Investment Strategy Highlights

- Rapidly growing companies
- Reasonable price-to-earnings ratios
- Focus on companies likely to exceed consensus earnings estimates
- Emphasis on under-researched, lesser-known companies rather than industry leaders
- Intensive and repeated contacts with company managements, customers, competitors and suppliers

On the Cutting Edge

Examples of innovative and interesting ideas that cross your team's radar screen make it into this column each quarter. The chance to capitalize on investment opportunities related to them may lie in the future or may never materialize.

From Yarn to Yellowcake

Based on economically accessible, land-based reserves, there's only enough uranium to fuel the world's nuclear energy production at current rates for another couple centuries, according to the Nuclear Energy Agency. The Pacific Northwest National Laboratory (PNNL) and clean energy company LCW Supercritical Technologies are teaming up to tap uranium from seawater in a commercially viable way, hoping to provide access to uranium supplies unlikely to near exhaustion during mankind's tenure on the planet. The planet's seawater holds an estimated 4 billion tons of uranium, or about 500 times more uranium than can be extracted through mining on land. The PNNL-LCW team modified regular acrylic yarn fibers to selectively bond with dissolved uranium naturally present in ocean water. Successful in lab tests, researchers believe the technology boasts other potential applications, including cleaning up toxic waterways and extracting vanadium, an expensive metal used in batteries, superconducting magnets and alloys.

Adding Vegetables to the Mix Improves Concrete

Beets in the basement floor, and carrots in the columns. In an effort to develop greener practices in construction, researchers at Lancaster University came up with a novel idea: Build with vegetables. Well, sort of. In cooperation with its industrial partner on the project, U.K.-based Cellucomp Ltd., the University is studying ways to make concrete more environmentally friendly without sacrificing strength. Early findings show that mixtures incorporating nano platelets from root vegetable fibers significantly improved the mechanical properties of concrete. Vegetable platelets, which are derived from food industry waste, proved to be so strong that high-performing concrete can be made with 88 pounds less Portland cement per square yard, saving energy that would be otherwise used to manufacture cement. In addition to superior strength, vegetable-based mixtures also result in denser microstructures, which increases the lifetime of structures made with them by being less susceptible to corrosion. The two-year project will also study the viability of adding thin sheets of platelets to existing concrete structures to reinforce their strength.

A Shocking Advance

Modern homes are equipped with arc-fault circuit interrupters (AFCI), more commonly called circuit breakers, to prevent electrical fires. According to researchers at MIT, the microprocessors in AFCIs take a primitive approach in their search for signs of potentially dangerous electrical patterns, causing AFCIs to trip more often than they should. The MIT team is working on a new smart power outlet designed to reduce or, possibly, eliminate such "nuisance trips." The outlet consists of custom hardware that analyzes electrical current data in real time married to software that analyzes the data through a set of machine learning algorithms. The result is a device that's good at distinguishing harmless spikes from dangerous arcs that the MIT team believes will become exceptional at it over time. Engineers trained the outlet, which is able to wirelessly connect to other devices, to recognize patterns from a host of appliances. As smart outlets contribute their specific usage data to an accompanying app, the data pool grows, refining the performance of all the outlets linked to it.

How Low Can Air Cargo Go?

Air cargo delivery is a balancing act between making the most of an aircraft's usable space while doing everything possible to optimize fuel usage. With this in mind, researchers at the 100-year-old Russian Central AeroHydrodynamic Institute, also known as TsAGI, continue to test a concept aircraft that represents a radical departure from current cargo planes. The wide-bodied aircraft sports a blended-wing design – think stingray with an exaggerated rear spoiler rather than a tail – that enhances aerodynamics while using the vertical space on either side of the fuselage for cargo storage. TsAGI estimates the aircraft will be able to carry nearly 500 tons of cargo. Called a ground-effect vehicle, it's the latest in a line of ambitious attempts to create a low-flying aircraft – in this case 10 to 40 feet – that uses the air cushion created by the interaction between its wings and the surface below to reduce drag. In a further boost to efficiency, the aircraft is fueled by cryogenic liquefied natural gas.

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Earnings growth rates quoted refer solely to the estimated earnings growth rates of the average investment holding of Friess Associates based on consensus estimates. This is not a forecast of future performance. Earnings growth for a portfolio holding does not guarantee a corresponding increase in the market value of the holding or the portfolio. Diversification does not guarantee a profit or protect against a loss in declining markets.

As of June 30, 2018, Amazon.com Inc., Booz Allen Hamilton Holdings Corp., Chipotle Mexican Grill Inc., Mobile Mini Inc., Netflix Inc., Rush Enterprises Inc., Six Flags Entertainment Corp. and Vail Resorts Inc. represented 4.76, 1.53, 1.93, 0.68, 2.05, 0.98, 1.61 and 1.84 percent of AMG Managers Brandywine Fund's assets. AMG Managers Brandywine Blue Fund held Amazon, Booz Allen, Chipotle, Netflix and Vail at 5.25, 1.99, 2.47, 2.05 and 2.42 percent of assets. AMG Managers Brandywine Advisors Mid Cap Growth Fund held Booz Allen, Chipotle, Six Flags and Vail at 1.95, 2.51, 2.10 and 2.35 percent of assets. Other securities discussed were not held by the Funds. Earnings per share, or EPS, is the portion of a company's profit allocated to each outstanding share of common stock. The Price-to-Earnings (P/E) Ratio is calculated by dividing current price of the stock by the company's estimated earnings per share for the current calendar year. "Bought" date highlighted in stock charts represents the initial purchase date by Friess Associates. The S&P 500® Index is a capitalization-weighted index. The 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 index is unmanaged, unavailable for investment and does not incur expenses. The Personal Consumption Expenditures Index, commonly referred to as the PCE Index, and the Consumer Price Index, or CPI, measure price changes in consumer goods and services as a means of analyzing inflation. Friess Associates LLC serves as the subadvisor to certain mutual funds advised by AMG Funds.

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