Looking Forward

Friess Associates market observations and insights

December 31, 2018

Earnings Encourage Calm Even When the Market Doesn't

It started with such promise. Up until February 2018, the S&P 500 Index enjoyed its longest-ever stretch without declining 3 percent from its previous high point. Two years passed since the last correction. Analysts predicted that the companies in the index would collectively grow earnings by nearly one-fifth.

Two corrections later, earnings estimates are shrinking. Tariffs are firmly established. Interest rates are a full percentage point higher. They're not in the majority, but some economists see a recession in the offing.

As it turned out, 2018 was the worst year for stocks in a decade. That included the worst trading day for a Christmas Eve on record. Bah humbug!

Start 2019 with a little curmudgeonly dismissiveness of your own. The next article you read about the market's outlook or pundit you see pinpointing the S&P 500 Index's level 12 months from now can be waved off with a grumble. To be sure, people who make such predictions tend to be serious folks who make well-founded arguments, but they, like the rest of us, do not control the market's prevailing mood.

For whatever it's worth, the 19 market strategists tracked by Bloomberg overestimated the S&P 500 Index's year-end 2018 level by 400 points, on average. The index finished the year just above 2,500.

Just as 2018's outlook didn't determine its ultimate finish, the turbulence present at year's end doesn't guarantee a wild ride ahead. It's reasonable to expect continued volatility because it's been oddly lacking until recently, but direction and degree are perpetual question marks. We believe in patience and faith in the stock market's most important tendency.

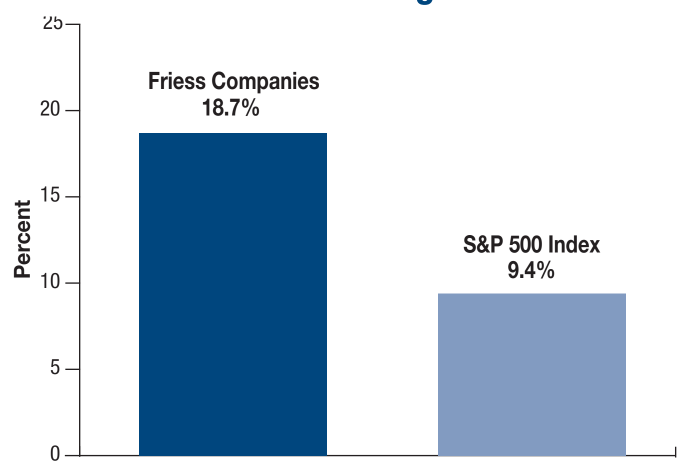
In its article "Year to Forget for S&P 500 Strategists Who Missed by 400 Points" (December 31, 2018), Bloomberg noted that market strategists are predicting an up market in 2019 just as they've done for each calendar year since the turn of the century, a trend that "bespeaks a propensity to tailor the outlook around what usually happens – that is, stocks going up."

At year's end, analysts predicted that the companies in the S&P 500 Index will report fourth-quarter earnings growth of 12.4 percent, down from their 16.6 percent forecast made only three months earlier, according to FactSet Research Systems. Still, that's a sizable gain and, if achieved, it would be the fifth consecutive quarter of double-digit earnings growth.

After a cut in the corporate tax rate contributed to major profit growth in 2018, the 2019 earnings outlook is more modest. The one-time, year-over year boost is gone now that the rate reduction marked its anniversary. Still, we're encouraged by our ability to isolate companies that appear poised to deliver faster earnings growth than the broader backdrop might suggest.

Based on consensus estimates, the average company held in Friess-managed portfolios will grow earnings 18.7 percent in 2019. We aim to isolate companies that exceed expectations, so the growth rate would be higher using our internal forecasts. Analysts predict the S&P 500 Index will grow earnings 9.4 percent.

Estimated Earnings Growth



Forecasted Increase in Earnings Per Share 2019 vs 2018

Source: Consensus estimates from FactSet Research Systems Inc., as of December 31, 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.

Even with tempered earnings expectations, we believe the valuation situation in the wake of the market's recent turn is more compelling than it has been in years. In a December 21 report, FactSet pointed out that the S&P 500 Index's forward 12-month price-to-earnings ratio, at 14.2, was lower than the index's averages in the trailing five (16.4) and 10 years (14.6). Consider that the index's forward price-to-earnings ratio was 18.2 at the start of 2018.

After growing at its fastest pace in a decade in 2018, forecasters predict the U.S. economy will expand at a more modest rate in 2019. Amid generationally low unemployment and recent wage gains, results from the holiday shopping season demonstrated significant consumer spending power. The situation is further aided by trends at the pump, with retail gasoline prices at their lowest level in two years.

The ability of TJX Cos. (page 5) to attract more consumer dollars year after year is a long-running growth story. The off-price retailer grew same-store sales in every one of the past 22 years. In an era marked by relentless growth in online retail, TJX Cos. holds its ground because it offers customers a "treasure hunt" shopping experience. While quality and pricing remain consistent, the in-store product selection is ever-changing.

TJX Cos. enjoys a steady flow of quality products through established relationships with brands and vendors. The goal of brands and vendors is to move excess inventory efficiently, and TJX Cos. is unique in its capacity take in product for its stores. The company boasts the off-price market's only global supply chain and distribution network.

Brunswick Corp. (page 4) is one of those brand names you just know. After making its first pool table in 1845 (the company still makes billiards tables), the Brunswick name became associated with saloons, soda fountains and bowling alleys. The onetime carriage maker eventually made car tires, produced records for legendary performers such as Cab Callaway and Duke Ellington, and invented air hockey.

Always at the core of the company's long-term success, adaptability continues to shape Brunswick's corporate strategy. Capital accumulated during peak times for Brunswick's automated pinsetters positioned the company to acquire the maker of Mercury outboard engines nearly 60 years ago. Today, marine engines stand as the company's biggest, fastest growing business segment. Brunswick plans to accentuate its marine-driven growth profile by exiting the fitness equipment business.

PayPal Holdings (page 4) holds a prime position in the fastest growing segments of the payments space, e-commerce and mobile. Convenience, in the world of electronic transactions, can come at a cost, with private information often falling into the hands of ill-intended parties. PayPal enables users to keep their credit-card information private and in one place, reducing the risk associated with entrusting their personal details among multiple merchants.

The size and trajectory of PayPal's opportunity are staggering. The company processed $57 billion in mobile payments volume in just the three months through September, representing a 45 percent increase from the same period the year before. As much commerce is conducted digitally these days, cash-based transactions still account for an estimated 80 percent of global retail spending.

As one of the few places left on earth where pagers are still in active use, hospitals are ripe for communications upgrades. Vocera Communications (page 5) offers a comprehensive health care communications platform, including devices, smartphone apps and software for everything from pre-arrival patient messaging and hospital rounds to clinical workflow and analytics. The system is tied together over a secure network where encryption ensures compliance with patient confidentiality regulations.

Vocera estimates that more than half of the applicable health care market still uses overhead public address systems, beepers and other dated technology. More than one million Vocera devices are in use in more than 1,500 hospitals across three continents, according to the company. Vocera also caters to customers in hospitality, retail, education and nuclear power.

Starting out a new year, we're encouraged to see some of the most reasonable valuations in recent years following the fourth-quarter downturn. The sell-off weighed on sentiment, adjusting expectations to a degree that we think leaves ample room for upside surprises. We aim to take advantage of bouts of volatility as they arise by viewing price swings as opportunities to optimize entry points for companies we're pursuing and exit points for holdings near their price targets.

Your entire Friess Associates team joins me in sending along best wishes. Thanks for your long-term focus and continued confidence.

Scott

Scott Gates
Chief Investment Officer

Putting Volatility in Perspective

The S&P 500 Index strung together nine consecutive years of gains coming into 2018. The calendar year just ended not only broke this streak with the index's mid-single-digit decline, it also featured two S&P 500 Index corrections, defined as a decline of more than 10 percent.

Since the bull market began in the spring of 2009, there were only three other corrections, one each in 2010, 2011 and 2015. While headlines are right in heralding that market volatility is back, a little historical context shows that the return isn't necessarily a bad thing.

The CBOE Volatility Index (VIX), commonly known as Wall Street's "fear index," was launched in 1993. This Index, which uses S&P 500 Index options activity to project volatility expectations 30 days out, closed below 10 only four times between 1995 and 2016. For the entire year of 2017 the Index averaged just 11, as low interest rates, tax breaks and synchronized global growth helped investors keep calm and markets stay steady.

In 2018, the VIX average price jumped to just under 17. Over the last 12 months, the S&P 500 Index's average intraday range, defined as the high for the day minus the low for day divided by the low, was 1.21 percent. That represents just under two and half times the average range in 2017 of 0.51 percent.

The magnitude of change between the two years is larger than all but one other year, 2008, when the financial crisis sparked market turmoil. While this year-over-year change is significant, it's important to note that the level of the VIX last year is still its 12th lowest reading in 25 years.

It's not unusual to see volatility rise during periods when interest rates trend higher. We believe changing market dynamics typically work in favor of active investment management strategies like ours.

While it can be unsettling to see swings and extremes, volatility, especially at normalized levels like we've experienced recently, also creates favorable points for investors to invest in underpriced assets or sell those that become artificially inflated.

The most important volatility-related issue for an investor to understand is its cause. Widespread skittishness emerged as trade tensions appeared to rise between the U.S. and China late in the year. Still, announcements regarding intended actions didn't change the fact that the backdrop remained supportive and many companies continued to boast strong fundamentals and promising outlooks. The challenge was less about the unpredictable near-term increase in volatility than it was about thoughtfully identifying which companies among them were least likely to suffer negative consequences should the situation continue to escalate.

The same dynamic was true as valuations began to reflect less accommodative monetary policy. Regardless of the number or magnitude of interest rate changes going forward, a period of historically low rates is likely behind us for the time being.

According to data from the Federal Reserve Bank (the "Fed") and Commerce Department, U.S. corporate debt now represents 46 percent of gross domestic product, the highest level on record. Companies with solid balance sheets, strong free cash flow and meaningful competitive advantages should stand out.

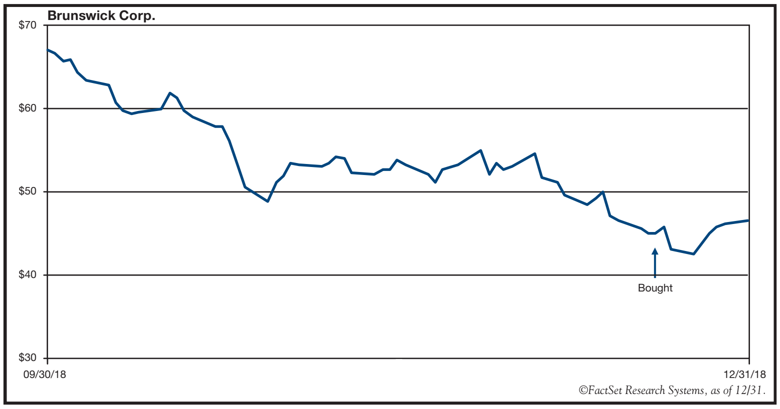
Volatility, at least in the current context, represents both a return to investing normalcy and, potentially, a period of renewed opportunity. The market's fits and starts could signal that tomorrow's winners might lie somewhere outside the recent status quo. Instead of betting that recent trends will continue for existing holdings, we continue our efforts to find incremental edges that may provide advantages for companies going forward.

As part of our investment process, we also don't hold a company struggling through an uncertain period in the hope that it will eventually recover. Instead, we redeploy into an investment that we believe shows more potential to pay off now.

In a process like this, changes in volatility do not necessarily equate with increased risk. In fact, we might argue that oftentimes it's harder to stand out through stock picking when some broad factor such as monetary policy or tax cuts create a rising tide that lifts most boats with little distinction. It's our experience that earnings growth potential and valuation discipline can be trusted guides in uncertain conditions.

We wouldn't be surprised if sentiment around the timing of the Fed's next interest rate decision or the latest round of trade talks between China and the U.S. continues to keep volatility higher than it was in recent years. But, in the end, we expect that companies with solid fundamentals will continue to find the environment favorable.

Brunswick Corp., BC



The secret to Brunswick's longevity is its ability to change with the times. The company that sold a billiards table to Abraham Lincoln in 1850 went on to make soda fountains and bowling pinsetters in the 1930s, introduce the Magic 8 Ball and operate bowling alleys in the 1950s and, in the years that followed, get into roller skates, air hockey and fitness equipment. Today's Brunswick is highlighting the horsepower in its product portfolio by betting on its marine engine business to propel the company forward.

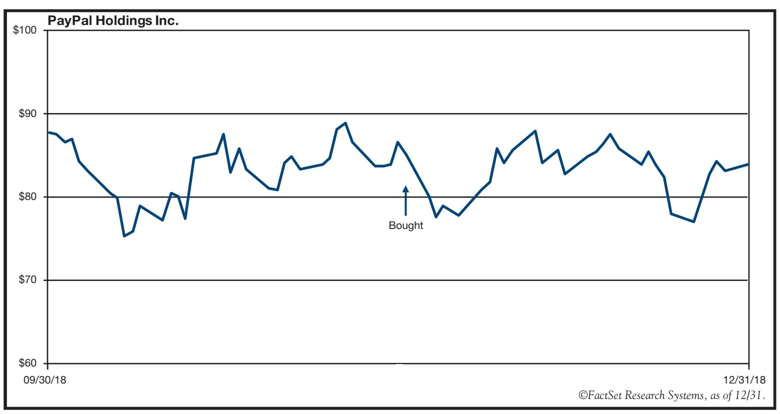
NYSE-listed Brunswick Corp. manufactures marine engines, pleasure boats, fitness equipment and active recreation products. Mercury is the company's leading brand in its marine engine segment. Notable boat segment brands include Bayliner and Boston Whaler. Cybex, Life Fitness and Hammer Strength are standouts in the fitness segment. Revenue topped $4.9 billion in the 12 months through September.

Brunswick's marine engine business generated a growing share of revenue in the three months through September, rising 20 percent to account for 58 percent of the nearly $1.4 billion total. Growth in the boat business made Brunswick even more of a sea-going affair, with the segments combining for nearly 82 percent of revenue. September-quarter earnings jumped 41 percent, exceeding the consensus estimate.

Brunswick expects the fitness segment to finish the year with flat revenue. The company's publicly stated plan is to spin the fitness segment off to shareholders or sell it, continuing the company's move toward a more marine-leaning outlook.

Your team bought Brunswick shares at nine times current earnings estimates for the 12 months through September 2019. The consensus estimate predicts the company will finish this year with 21 percent earnings growth.

PayPal Holdings Inc., PYPL



Data beaches this year will compromise the personal information of millions of people worldwide, including in many cases credit card information. PayPal offers customers a centralized digital location for their payment information. It's a service that has transformed the company from part of Ebay into a $98 million global conglomerate.

Nasdaq-listed PayPal Holdings Inc. is among the largest online payment processors in the world. It allows simpler, more secure and more accessible payment methods for both consumers and merchants. By paying with PayPal, consumers keep their credit card information private and in one place, meaning they don't worry about it being stolen from multiple merchants. PayPal's platform offers a wide range of products, including PayPal, PayPal Credit, Venmo, Braintree, Paydiant and Xoom. Sales grew 21 percent to nearly $15 billion in the year through September.

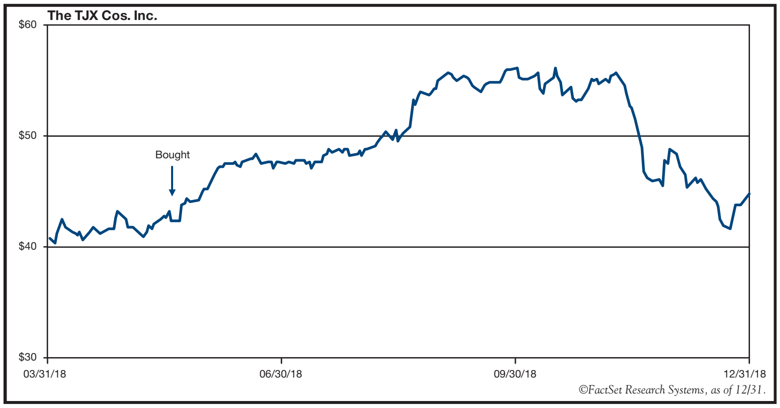
September-quarter revenue jumped 14 percent. The company added a record 9.1 million new users in the quarter, giving it a total of 234 million customers with a mobile wallet. Adjusted earnings grew 26 percent, driven by the higher revenue and profit-margin improvements. The average transaction price per customer rose 10 percent.

PayPal remains closely linked to e-commerce and mobile payments, which are the fastest growing payments categories, providing services for both consumers and merchants through partnerships. Mobile volume jumped 45 percent to approximately $57 billion in the quarter. Venmo, the company's social payments platform, processed approximately $17 billion in the third quarter, growing 78 percent.

Your team spoke with Chief Executive Dan Schulman about PayPal's growth outlook as the digitization of payments continues to grow. Eighty percent of global retail spending remains cash based, leaving plenty of room for future growth.

Based on the consensus estimate, Wall Street expects PayPal to grow earnings 21 percent in 2019

The TJX Cos. Inc., TJX



When brands and vendors need to offload excess inventory, they want to work with a trusted partner, preferably a big one with the capacity to clear it out at once. The ultimate customers for the second-chance merchandise delight in the hunt, rummaging through an ever-changing collection of bargain-priced brand names. TJX Cos. satisfies both parties.

NYSE-listed The TJX Cos. Inc. is an off-price retailer emphasizing apparel and home-related items. The company operates about 4,300 stores through four segments: Marmaxx, HomeGoods, TJX Canada and TJX Europe. Comparable store sales rose in each of the past 22 years. Revenue increased 13 percent to $38.8 billion in the 12 months through October.

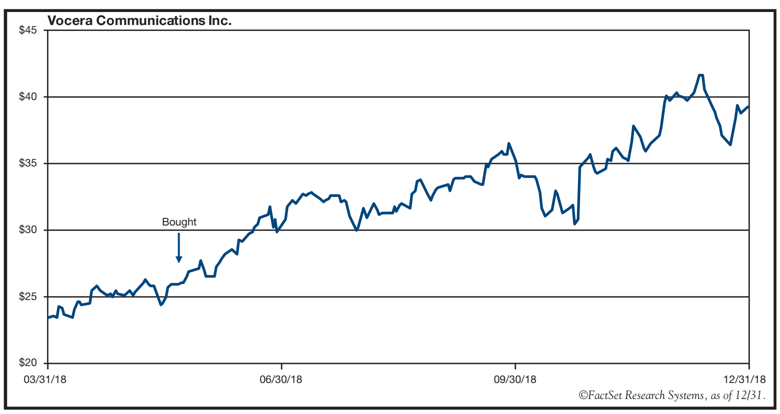
Merchandising, from product mix to in-store presentation, is a core competence for TJX Cos. Guided by a mission to offer customers brand names for less, TJX Cos. manages an always-evolving collection of branded and designer merchandise at prices typically 20-to-60 percent below full-price retail.

It works because TJX Cos. is a world-class buying organization with established relationships spanning the off-price market's only global supply chain and distribution network, positioning it to acquire highly desirable products on a consistent basis. Moreover, in an age marked by growing online sales, TJX Cos. stores offer customers a unique "treasure hunt" shopping experience where product selection changes with each new delivery while quality and price remain predictable.

TJX Cos. grew October-quarter earnings 26 percent, exceeding the consensus estimate. Same-store sales climbed 7 percent driven by higher customer traffic in every segment. Revenue increased 12 percent.

Your team bought TJX Cos. shares at 17 times current earnings estimates for the 12 months through October 2019. The consensus estimate predicts the company will finish its fiscal year ending in January with 23 percent earnings growth.

Vocera Communications Inc., VCRA



The Joint Commission, a nonprofit that accredits hospitals and health care organizations, estimates that 69 percent of accidental deaths and serious injuries in hospitals are caused by communication breakdowns. Vocera's rapid growth is directly related to its leading position as a provider of high-tech communications systems that bring health care professionals and their patients closer together.

Nasdaq-listed Vocera Communications Inc. provides next-generation clinical communication and workflow solutions for hospitals and health systems. Its technology includes hand-free voice communication, secure text messaging and patient engagement tools, which are also integrated into existing clinical systems. Health care teams using the technology gain situational awareness and the insight needed to make clinical decisions in real time, inside or outside the hospital, on the device of choice. Sales grew 15 percent to $176 million in the 12 months through September.

September-quarter earnings grew 82 percent, exceeding the consensus estimate. Revenue rose 5 percent. Results were driven by large new deals and stronger than expected high-margin software sales. Hospitals continued to fuel demand in their search for ways to cut costs while also improving productivity and quality of care. Vocera logged a record quarter for bookings, helped by device sales, large hospital deals and federal bookings from the Department of Veterans Affairs.

We visited with Vocera's management team and talked about the competitive landscape. More than half of the market still uses antiquated solutions such as overhead PA systems and pagers, giving the company a large market for new customers. Other solutions mostly target specific needs instead of the entire continuum of care, which we believe gives the company a competitive edge in winning customers looking for comprehensive solutions.

Based on the consensus estimate, Wall Street predicts Vocera will grow earnings 27 percent in 2019.

Perpetual Curiosity Required

A Friess researcher's work is never done. Given that the next bit of information could change how a researcher feels about a company, he or she needs to be relentless at work, persistently inquisitive about the factors most likely to affect the company's outlook.

Moreover, the responsibility doesn't end when a researcher leaves the office at the end of the day. When monitoring an existing holding or searching for a new idea, the key insight might not come in the most likely setting or from the most likely source. Business-minded curiosity is part of the job description.

Information is everywhere. Whether it's a scheduled call with a senior executive or a casual conversation with the person who happens to occupy the next seat on the plane, Friess researchers recognize that the next piece of the mosaic that helps them see the bigger picture might come from an unexpected source.

With that in mind, our investment strategy extends researchers freedom to roam. It's virtually free from constraints that could divert our attention from the best companies that unrestricted bottom-up research can identify. We believe investment opportunities with promising potential can be found in every corner of the equity market, so we make sure our researchers are free to go where their research legwork takes them.

Some investors distinguish themselves as experts, specialists in technology, banking or some other specific field. Similarly, portfolio managers that offer investment vehicles defined by company size or industry affiliation often conduct research in a manner consistent with their stated focus.

We take the broadest possible view of the U.S. equity universe as our starting point. Reflecting this, Friess researchers are generalists, giving them the freedom to suggest the best ideas they uncover regardless of industry. The generalist approach we follow eliminates the risk of having, for example, a telecommunications analyst who might recommend buying a telecom company at a time when the company doesn't represent a good investment.

That's not to minimize the importance of sector-specific expertise. Each Friess researcher has specialized knowledge gained over years of researching companies and, through corporate culture and information-sharing technology we embrace, the entire team benefits from it. Friess researchers average about two decades in the business. Still, maintaining our generalist approach gives us the flexibility to move to the next pockets of earnings strength as the environment evolves.

Apart from the freedom to cross industry lines, we think it's just as important for researchers to enjoy the ability to work with companies of all sizes. Even though we manage funds and separate portfolios with specific guidelines, Friess researchers are not directed to conduct research in any predefined market-cap window.

We conduct all-cap research. That means our focus encompasses the entire market-cap spectrum, enabling us to build a comprehensive understanding of a company's complete "food chain." Rather than taking a narrow snapshot of large-cap stocks, for instance, our research covers a large-cap company's mid-cap supplier and its small-cap vendor. We believe this broader view positions us to uncover trends that foreshadow trouble or point to opportunity before they become obvious to managers strictly tied to a particular market-cap category.

Companies big and small contribute to our research work even when they don't ultimately end up as portfolio holdings. Although we might start a conversation with a particular target in mind, it's common for us to learn about new and unexpected avenues to explore by the interview's end.

Regardless of size, most public companies are guided by a plan, a strategy that unifies employees with a common purpose. To attract attention to their stocks, company managements share these plans with Wall Street, in most cases forecasting specific operational outcomes. Somewhere between the plan that management outlines and the attention it garners, expectations form.

A company's performance relative to expectations becomes a material influence on the direction of its share price. That's why investors expend so much energy on gaining insight into business trends. We believe investors who pigeonhole their analysts or limit the scope of their fundamental research omit valuable sources of intelligence.

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.

Better Bandage

Researchers have known for decades that electricity can aid in wound healing, yet practical applications are few and their use is rare. Engineers at the University of Wisconsin hope to harness the healing power of electricity into something as simple and ubiquitous as an adhesive bandage. They developed a wound dressing that consists of a bandage populated by a number of small electrodes. The electrodes are linked to a band that the patient wears around his or her torso. The band contains nanogenerators, which are powered by the natural expansion and contraction of the patient's breathing. The nanogenerators pass low-intensity electric pulses back to the bandage. The bandage sped wound healing in rodent testing to just three days versus nearly two weeks for the control group. Detailed study showed the low-power pulses prompted skin cells known as fibroblasts to line up, which is a critical step in healing, and produce more biochemical substances to promote tissue growth. The engineers believe the end product resulting from their research will be low-cost given that it consists of relatively common materials.

Ivy Air Cleaner

While it's common knowledge that houseplants can improve indoor air quality, relatively few people can attest to their efficiency in doing so. It's limited. The American Chemistry Society estimates it would take more than 20 plants to clear a typical room of an airborne toxin. Researchers at the University of Washington genetically modified pothos ivy in an effort to supercharge the plant's air-cleaning capabilities. They modified the ivy with a synthetic version of a rabbit gene that prompts the furry mammals to produce a protein that helps them metabolize benzene and chloroform. Common indoor air pollutants, benzene might emanate from a gas can in the garage, while chloroform wafts from chlorinated water when it's heated. In lab tests, the modified ivy reduced concentrated benzene levels by 75 percent in eight days and chloroform by 82 percent in three days versus no change for unaltered ivy. In practical use, the researchers suggest directing airflow to the ivy via fan. The modified ivy is not a risk to spread outdoors because pothos ivy doesn't flower in temperate climates.

Sound Movement

In the time since Nobel-recognized research in 1970 revealed the ability to harness light pressure to manipulate microscopic objects, scientists explored and developed ways to share the same principles as they relate to sound. So far, however, the results haven't represented major strides for humankind, with most applications falling into the gadget category. Scientists at the Public University of Navarra (Spain) and the University of Bristol (U.K) are now combining efforts to perfect their "sound tweezer" for potential use in surgery. The device coordinates the acoustic forces of 500 miniature speakers to levitate and manipulate as many as 25 small objects at once. The tweezer is promising for surgery because of its precision and the fact that sound waves can pass through opaque materials such as human organs without causing damage. The soundwaves fall outside the human hearing spectrum, and an algorithm adjusts each speaker's output 90 times per second to move objects as needed. The technology also shows promise in interactive 3-D displays consisting of physical pixels work in concert to form evolving shapes that can be viewed from any angle.

Insect-like Inspector

Inspecting the inner workings of a jet engine means taking it apart, and that requires taking it out of service. Time and money spent. A solution lies in robotics, at least that's what a team from Harvard's Wyss Institute for Biologically Inspired Engineering believes. Biologically inspired? It's a robot that looks like a bug. Called HAMR-E, it's the latest iteration in a line of Harvard Ambulatory Micro Robots – small, four-legged robots designed to scurry through myriad tasks. In this case, the "E" stands for electro-adhesion. HAMR-Es sport new footpads that enable them to stick to metal surfaces through electrostatic forces. The pads are polyimide-insulated copper electrodes, which the robot switches off to lift its foot then reactivates as it takes its next step. The pads are flexible in order to navigate curved surfaces. Other upgrades meant to optimize the robot for machine inspection include ankle joints that can roll in three dimensions and a one-foot-at-a-time gait to emphasize adhesion. The HAMR-E has been successful in testing on vertical, curved and upside-down surfaces, adjusting its footpad voltage to compensate for uneven surfaces.

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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 December 31, 2018, Brunswick Corp., PayPal Holdings Inc., The TJX Cos. Inc. and Vocera Communications Inc. represented 1.53, 1.58, 1.74 and 1.14 percent of AMG Managers Brandywine Fund's assets. AMG Managers Brandywine Blue Fund held PayPal and TJX Cos. at 2.21 and 2.38 percent of assets. AMG Managers Brandywine Advisors Mid Cap Growth Fund held Brunswick at 2.02 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 ratio (P/E) is calculated by dividing current price of the stock by the company's estimated earnings per share for the current calendar year. Free cash flow (FCF) represents the cash a company generates after cash outflows to support operations and maintain its capital assets. "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. Friess Associates LLC serves as the subadvisor to certain mutual funds advised by AMG Funds..

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