Looking Forward

Friess Associates market observations and insights

December 31, 2019

Earnings Leave Little Open to Interpretation

Following a meeting with NATO's secretary general on December 3, President Trump responded to inquiries regarding progress in U.S.-China trade talks in a way that discouraged investors hoping for an imminent accord. "In some ways, I think it's better to wait until after the election, you want to know the truth," he said.

Those words raised the possibility that it might take the better part of a year to reach the kind of initial compromise investors were until this point expecting sometime in the ensuing two weeks. Stocks sank in response.

The next day, investors deemed themselves too hasty. The Wall Street Journal wrote in a December 4 article that some investors now viewed the president's comments as "rhetoric used to further negotiations." As the article's headline, "U.S. Stocks Rise as Investors Peg Hopes on Trade Deal," revealed, stocks jumped on the reinterpretation of the statement.

One statement, two days and two very different outcomes. Yet another example that illustrates how challenging, even maddening, stock investing can be. Are investors just fickle or is there something that the rest of us are missing? The answer is yes.

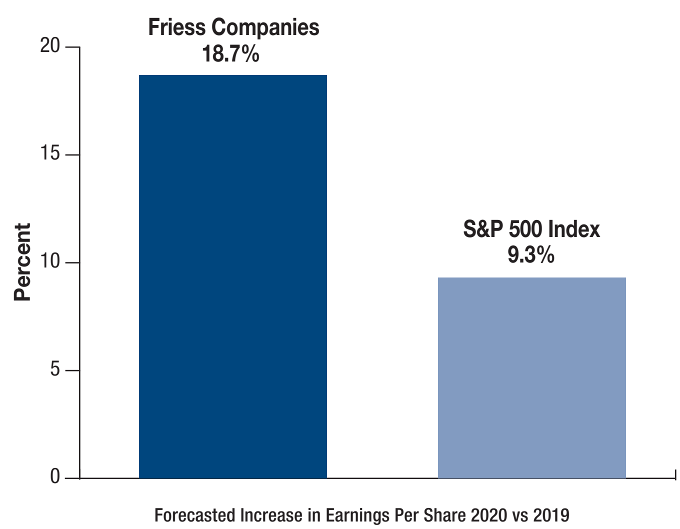
With billions of shares bought and sold each day, ascribing one statement or event as responsible for a day's trading in the stock market is, to put it mildly, an oversimplification. Someone sold shares in a mutual fund held in a 529 plan to raise money to pay college tuition for his daughter's spring semester. Someone else accumulated shares in a company that she believes represents a likely acquisition target. Neither investor paid the president's trade comments much mind.

That's not to say that incremental information on the trade war between the world's two largest economies isn't important, because it is. But it is also highly unpredictable. It affects matters at such a broad level that assessing its impact on the swath of stocks with material exposure to it will happen in fits and starts, evolving over time as negotiations progress and trading boundaries take shape.

Our approach to the ongoing trade drama with China, as it has been from the start, is straightforward: avoid it as much as possible. As long as the negotiations drag on, shares of companies that significantly manufacture, source or sell in China will be in a state of flux. There will be good and bad stretches, even periods when investors judge such companies on their own merits, but the risk that the fate of China-linked companies will fluctuate with trade talks will persist as long as the matter remains unsettled.

The earnings climate for 2019 is expected to close as one of the more challenging in recent history, with the companies in the S&P 500 Index predicted to report an aggregate year-over-year decline for the fourth quarter. Should fourth-quarter earnings decline as expected, it will mark the fourth quarter of earnings contraction in a row, which last happened from the third quarter of 2015 through the second quarter of 2016.

Estimated Earnings Growth



Source: Consensus estimates from FactSet Research Systems Inc., as of December 31, 2019.

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.

Still, analysts remain optimistic about the year ahead. They collectively predict that the companies in the S&P 500 Index will grow earnings 9.3 percent in 2020. That's slightly ahead of the index's 9.1 percent annual growth rate over the past 10 years, according to FactSet Research Systems. Growth is forecast for all eleven sectors represented in the index.

Based on consensus estimates, the average company held in Friess-managed portfolios is expected to grow earnings 18.7 percent in 2020. Since we aim to isolate companies that exceed expectations, the Friess portfolio growth rate forecast would be higher using our internal earnings estimates. For more information on our earnings-driven investment strategy, please see page 6.

The early read on market matters heading into 2020 sees U.S.-China trade negotiations still prominent among issues of importance to investors. For now the mood is celebratory, with investors signaling relief in the wake of a first-stage trade deal that reduces U.S. tariffs in exchange for Chinese purchases of certain U.S. exports.

While promoting trade-related calm in the near-term, the temporary truce is hardly an all-clear sign for stocks with exposure to China. We plan to remain selective in company-specific instances, with an overarching goal to mitigate China-related risk in the portfolios we manage. Most substantial areas of dispute, including government subsidies and intellectual property protection, remain unresolved. A committed effort to make tangible progress beyond "phase one" is likely to rekindle trade-related volatility.

More than 50 million people in the United States are 65 or older. That age group is forecast to nearly double by 2060, when the cohort is expected to represent about one-fourth of the total population, according to Census Bureau projections. Already pronounced, the nation's demand for home health services is expected to surge with the rise in elderly citizens. That's good news for LHC Group (page 4), a home health care provider with operations in 36 states that continues to expand through acquisitions of regional competitors and joint ventures with hospitals.

LHC Group's appeal as an investment goes beyond the secular, demographic trend expanding its pool of potential customers. The company also starts 2020 confronting the most dramatic regulatory change to home health care providers in two decades and, for a host of company-specific reasons, we think LHC Group is better positioned than the vast majority of its competitors to thrive under the new model being implemented by the Centers for Medicare & Medicaid Services. As an added bonus, the company's domestic focus keeps it free from potential vagaries related to international trade.

Fidelity National Financial (page 4) is also domestically focused. The nation's largest title insurance provider, the company's most recent earnings report included its highest title-related quarterly operating profit margins and operating profits. The current era of rock-bottom rates continues to stoke real estate activity, with each transaction requiring the kind of title-related services that Fidelity National offers. The company's low-profile business surpassed earnings expectations in each of the first three quarters of 2019.

MasTec (page 5), which builds infrastructure for telecommunications, energy production, power generation and other critical services in North America, enjoys an even longer winning streak versus quarterly consensus earnings estimates. Four years running, the company's most recent earnings prowess stemmed from strength in its oil and gas division driven by drilling in domestic shale formations.

That profitability enabled the company to continue to invest in people and production capacity necessary to meet robust demand among telecom customers building out infrastructure needed to facilitate fifth generation (5G) wireless technology. MasTec's technical capabilities and established customer relationships position the company prominently in the 5G mix.

Tempur Sealy International (page 5) generates the vast bulk of its revenue from customers in the U.S. and Canada, with about 1 percent of sales in China and no sourcing or production in the country. After parting ways with Mattress Firm in 2018 in a dispute over copycat competition, Tempur Sealy products, including Tempur-Pedic, Stearns & Foster and Sealy Posturepedic brands, became available again in the stores of the nation's largest mattress retailer during the final three months of 2019.

To us, the timing bodes well for Tempur Sealy's growth prospects. The company also announced plans to raise prices at the high end of its memory foam mattress business at a time when lower innerspring prices could improve the cost profile of its coil-spring mattress business.

Thanks for your long-term focus and continued confidence. We're working hard to isolate companies that will reward your confidence in the year ahead.

Scott

Scott Gates
Chief Investment Officer

Conscious Effort to Invest with a Conscience

Aerospace component and packaging manufacturer Ball Corp. announced in late August that it would introduce a new line of 20-ounce aluminum cups. As consumer demand for sustainable packaging grows, companies are increasingly looking for alternative ways to replace plastics and other less recyclable materials. It's just one in many examples where companies looking to add value in responsible ways can also represent compelling investment ideas.

The new cup is already in use through a number of pilot programs with major entertainment venues and concessionaires across the nation. Ball's research shows that a majority of U.S. consumers say they will visit a venue more often if they use aluminum cups rather than plastic. Seventy-eight percent of consumers expect beverage brands to use environmentally friendly containers in the next five years. Aluminum is the most sustainable beverage packaging material and, like aluminum cans, aluminum cups can be easily recycled. About three-fourths of the aluminum ever produced is still in use today.

While areas of commitment and the methods for measuring them vary, heightened attention is being paid to corporate commitment to environmental, social and governance (ESG) matters. Investors play a prominent role in advancing corporate responsibility by directing investment dollars to and from company shares based on related behavior. ESG criteria are evolving, yet-to-be-formalized standards for how a given company operates in the world around it.

Responsible investing on an institutional level, where an investment manager makes socially responsible capital allocation decisions for a pool of investors, is a growing movement, but it's not new. In fact, our efforts to invest with a conscience go back to the days when one of the movement's main acronyms, SRI, only stood for socially responsible investing. In the ESG world, SRI can also stand for sustainable, responsible and impact investing.

The term ESG first appeared in the pages of a report titled "Who Cares Wins" presented at a United Nations Global Compact conference in 2005. Today, according to U.S. SIF: The Forum for Sustainable and Responsible Investment's 2018 "Report on Sustainable, Responsible and Impact Investing Trends," roughly one out of every four professionally managed dollars in the United States, or about $12 trillion, is invested in accordance with SRI guidelines.

Our personal sensibilities and our firm's decades-long long history of serving churches, charities and other nonprofits helped us develop a framework that we believe demonstrates a broad commitment to social responsibility. We like to sum it up by saying that we've always been able to find companies meeting our investment criteria that also allow us to sleep at night.

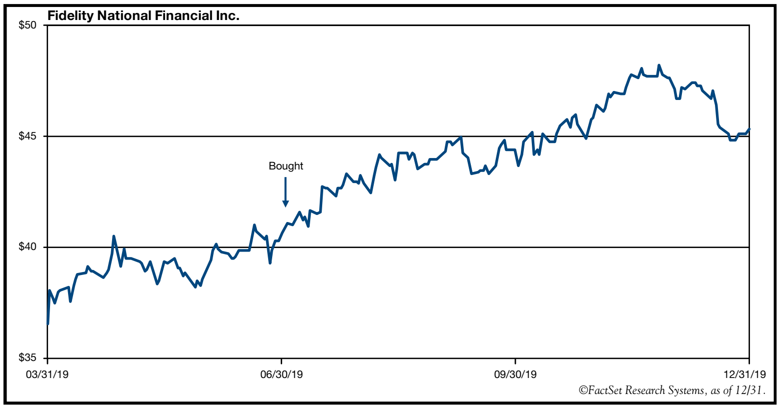
Friess Associates typically avoids companies that fall into traditional "sin stock" categories, including companies with material interests in producing or promoting alcohol, tobacco, gambling, or entertainment that glorifies violence or objectifies women. We've also served many clients over the years with restrictions regarding specific companies or particular types of businesses, and we were always able to execute our strategy in these instances. We're delighted to put client assets to work in ways that reflect their values.

Our investment work also always values companies that work within environmental standards, treat their employees as important assets and support the communities around them. We also look for companies that use conservative and transparent accounting methods and management teams that align themselves with shareholders through share ownership and responsible governance. In the end, we believe these companies tend to represent more compelling ideas anyway, putting them in a better position to outperform alternatives.

Invitation Homes, one of the nation's largest leasers of single-family homes, donated $250,000 to local charities, and its associates collectively volunteered the equivalent of 300-plus working days' worth of time to help organizations that provide support to people in need. In its social-impact report, cloud-based enterprise software maker Salesforce.com reported that its employees contributed more than 4.5 million volunteer hours to charitable organizations.

Salesforce.com also created cloud services aimed directly at nonprofits and philanthropic clients. Helping find a cure for amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease, is among the company's pet projects. An employee at Salesforce.com dedicated himself to raising awareness and funds to fight ALS through a tour of every Major League ballpark in the U.S. last summer. He raised more than $30,000. The ALS Association, which raises money for research, patient services and awareness promotion, is also supported by Salesforce.com software in managing large digital campaigns to raise funds.

Fidelity National Financial Inc., FNF



©FactSet Research Systems, as of 12/31.

With interest rates lingering near historic lows for an extended period, real estate transactions continued to make solid economic sense. Before issuing new mortgages or refinancing existing ones, lenders require title insurance to ensure there are no prior liens on the properties to be financed. While it's a small part of the buying process, it's big business for Fidelity National.

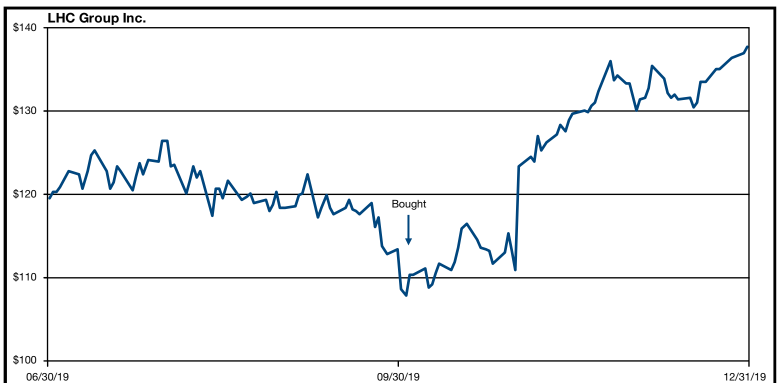
NYSE-listed Fidelity National Financial Inc. provides title insurance as well as technology and transaction services to the real estate and mortgage industries. The company is the nation's largest title insurer through underwriting subsidiaries Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title. It also offers mortgage solutions through the company's ServiceLink operations.

September-quarter earnings grew 20 percent, topping estimates by 17 percent. Fidelity National's title business generated its highest quarterly adjusted pre-tax earnings and adjusted pre-tax title profit margin since 2003. Refinancing volumes grew at triple-digit rates, purchase volumes accelerated into positive territory and large commercial real estate transactions remained strong, with open orders (a good forward indicator) jumping 15 percent.

Your team spoke to Chief Executive Randy Quirk about the company's balance sheet following the termination of its proposed acquisition of Stewart Information Systems due to regulatory concerns of reduced competition. The company boasts $984 million cash reserve and a modest debt-to-capitalization ratio. It's also steadily generating excess cash flow given the solid industry dynamics, and the company enjoys access to $800 million through a revolving line of credit.

Fidelity National has been shareholder-friendly in the past, using excess capital to pay dividends, repurchase shares and make strategic acquisitions. Based on the consensus estimate, Wall Street predicts the company will finish 2019 with 25 percent earnings growth.

LHC Group Inc., LHCG



©FactSet Research Systems, as of 12/31.

The continued aging of the U.S. population is common knowledge, yet many practical considerations, such as widespread access to suitable home care, remain under-addressed. For LHC Group, with its geographic reach and reputation for quality care, the opportunity is huge.

Nasdaq-listed LHC Group Inc. is an in-home health care service provider. The company primarily serves patients dealing with injury, illness or chronic conditions that require skilled medical treatment. Service categories include home health, hospice, community-based care and facility-based care.

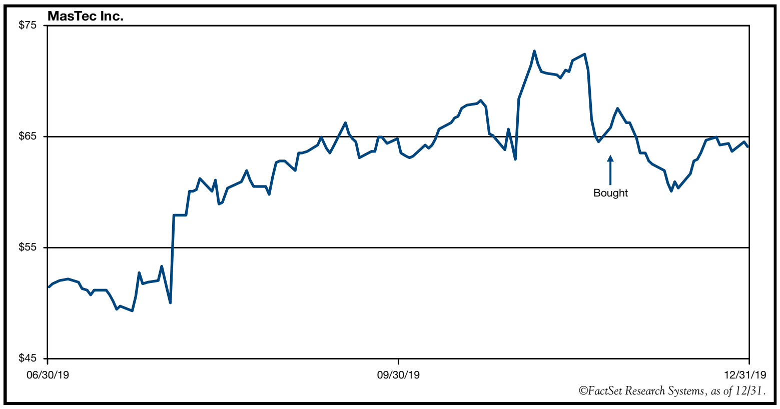
LHC Group operates out of more than 750 locations in 36 states, a licensed service area that reaches 60 percent of the nation's 65-and-older population. Its 32,000 employees serve 525,000 patients annually. Revenue approached $2.1 billion in the 12 months through September, with home care generating about one-fourth of the total.

LHC Group grew earnings 33 percent in the September quarter, topping the consensus estimate by 17 percent.

Chief Executive Keith Myers described the company as well positioned to extend its "growth posture in 2020 and beyond." The new year ushers in the most sweeping regulatory change to home health care in 20 years via the Patient-Driven Groupings Model, which is expected to result in the closing of three in 10 home health agencies as quality and cost-efficiency standards take effect.

An industry leader in quality and satisfaction, LHC Group welcomes the changes. The company scores four stars or better in the five-star Centers for Medicare & Medicaid Services ratings system at 97 percent of its locations for quality and 93 percent for patient satisfaction. All LHC Group agencies receive or are seeking Joint Commission accreditation, considered the gold standard in health care. Less than 15 percent of home care agencies nationwide are accredited.

MasTec Inc., MTZ



In an effort to help satisfy demand for faster wireless service, telecommunications firms are working to roll out fifth-generation, or 5G, technology. Demand related to upgrading communication towers and other infrastructure is so strong that, even after almost doubling its workforce dedicated to the effort, MasTec is still hiring.

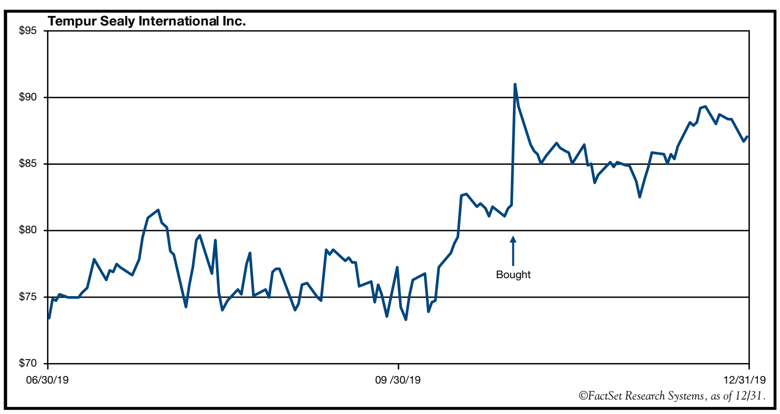
NYSE-listed MasTec Inc. builds and maintains backbone infrastructure for telecom and power companies, utilities, governments and others. Serving hundreds of customers, its projects include everything from extra-high-voltage transmission lines and cross-continental pipelines to wireless towers and renewable energy assets. Revenue grew 13 percent in the 12 months through September to $7.4 billion.

September-quarter earnings grew 30 percent, topping the consensus estimate for the sixteenth consecutive quarter. Strong results from the company's oil and gas division drove results as drilling for natural gas in shale formations in the U.S. spurred demand for gathering systems and pipelines. Increased energy segment operating profits offset cost pressures in the communications business. Solid fundamentals across end markets allowed the company to raise earnings guidance for the full year.

Your team spoke with Chief Executive Jose Ramon Mas about the unique opportunity the 5G infrastructure buildout represents for the company. Unlike the technology that preceded it, 5G is expected to have a small cell component, which includes millions of touchpoints that provide shorter capacity and higher speeds. Given the increased complexity, MasTec is in a strong position to partner with carriers given its technical capabilities and strong relationships with utilities and municipalities.

Based on the consensus estimate, Wall Street expects 22 percent earnings growth this year. Backlog entering 2020 reflects continued capital spending on energy, wireless networks, alternative energy and other key multi-year infrastructure projects.

Tempur Sealy International Inc., TPX



In 2013, what was then Tempur-Pedic International acquired its chief competitor, Sealy Corp., to form a king-sized presence in the bedding products business. The combined company then got leaner as it focused its resources on its best-performing product lines. Today's Tempur Sealy International is proving to be better at making money than the bigger version, with the company realizing its largest-ever gross profit in the third quarter.

NYSE-listed Tempur Sealy International Inc. holds the second largest share of the global bedding products business. The Tempur side of the business began in 1992, excelling as an innovator in the memory foam mattress business using technology originally designed for use by NASA. Founded more than 100 years earlier, Sealy rose to prominence in the traditional coil-spring mattress business.

The company's well-known brand portfolio includes Tempur, Tempur-Pedic, Sealy featuring Posturepedic Technology, and Stearns & Foster. Revenue increased 7 percent to more than $2.9 billion in the 12 months through September. North American sales accounted for roughly three-fourths of the total.

Tempur Sealy grew September-quarter earnings 27 percent, exceeding the consensus estimate. Chief Executive Scott Thompson noted that the period represented the sixth consecutive quarter of earnings growth "driven almost entirely by improved operating performance." Sales growth and margin expansion contributed to the earnings surprise.

Having underestimated the company's growth potential for the first three quarters of 2019, we predict analysts, who collectively predict 28 percent earnings growth for the year's final quarter, will fall short again. Thanks to demand trends that appear to support Tempur Sealey's plan to raise prices, reduced innerspring costs and a new agreement with the nation's largest mattress retailer, the 2020 consensus estimate for 45 percent earnings growth could prove to be low as well.

An Earnings-Driven Investment Strategy

Different investors approach equity investing differently. Dividend seekers generally crave the predictability of scheduled payouts, valuing a cut of current corporate profits over unsecured promise tied to future growth. Others identify with a vision, putting money behind ambitious undertakings before their path to profitability is established.

We believe there's a sweet spot somewhere in between. Dividend-paying companies are rarely investment targets for us because in many cases dividends mark a point in a company's lifecycle when returning money to shareholders is a better use of capital than investing to expand the business. Shares in money-losing companies often trade on sentiment, something no investor can gauge consistently.

The Friess Associates investment strategy is based on the straightforward premise that earnings drive stock prices. While many factors, including geopolitical developments, economic data and other macro forces, influence stocks for fleeting periods, our strategy counts on investors judging each company on its individual merits over the long haul.

Operational performance reveals how successful a company is in executing its mission and, since for-profit companies are in business to make money, no single detail is more important than a company's ability to generate profits for shareholders. Earnings results represent the ultimate measure of a company's performance.

Given that, earnings potential is the most important consideration in our process. The underlying assumption, based on market behavior that predates our firm's founding 46 years ago, is that strong earnings results attract positive investor interest, leading to capital appreciation or, said another way, share price gains.

In a typical earnings climate, we seek companies poised to grow earnings 20 percent in the year ahead. We also want to hold companies that we believe show more promise than the growth potential reflected in consensus earnings estimates compiled by Wall Street analysts. We find that sort of earnings upside is often associated with specific catalysts, such as new market opportunities, new products or a change in company management.

Earnings growth that results from creative accounting is of no interest to us. We look for companies with high earnings quality, meaning the earnings a company reports accurately reflect the conditions of its operations. We also analyze further to ensure that sound financial management practices carry through to each potential holding's balance sheet.

Still, no matter how good a target company looks after passing a series of fundamental hurdles, we evaluate the logic behind making a purchase within the context of price. We generally focus on rapidly growing companies that also sell at reasonable multiples of earnings expectations, usually less than 30 times forward estimates. The idea is to afford plenty of room for upside potential while mitigating downside risk.

Exhaustive, company-by-company research is the key to our earnings-driven approach. Friess researchers remain in constant contact with company management teams and their customers, competitors and suppliers. They conduct these "trade checks" in an effort to glean real-time 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.

We believe in the power of earnings so strongly that our active research effort serves to keep the portfolios we manage stocked with the best earnings potential we can isolate. That means existing holdings must continuously earn their keep by showing more upside potential than a new buy we're considering based on their respective fundamental outlooks. We aim to replace good ideas with great ones.

As 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. After all, 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 management teams, customers, competitors and suppliers

On the Cutting Edge

Examples of innovative ideas that cross your team's radar screen appear here each quarter. Chances to capitalize on investment opportunities related to them may lie in the future or may never materialize.

Using Waste to Combat Waste

Despite fleeting functionality, single-use plastic can take up space on the planet for hundreds of years. Half of the 300 million tons of plastics produced per year is for single-use purposes, with eight million tons of plastic waste making its way into the ocean annually, according to Plastic Oceans International. Meanwhile, industrial fishing produces 50 million tons of fish waste each year. A British inventor thinks byproducts from the ocean's bounty could be the key to stemming the stream of plastic waste fouling its waters.

Using skin and scales bonded with chitosan from crustaceans and agar from red algae, the inventor, a product design student from the University of Sussex, created MarinaTex, a flexible, translucent plastic alternative that biodegrades in four to six weeks when composted. Upon selecting the student, Lucy Hughes, this year's James Dyson Award winner for her research, the foundation behind the award noted than MarinaTex is also stronger than its plastic alternative, polyethylene.

Touching, Gesture Get Sensitive

UltraSense Systems is the developer of a new sensor that the San Jose, Calif.-based company believes stands poised to usher in "a new era for user interfaces" as the paradigm shift from mechanical to digital continues to evolve. The sensor, described as the world's smallest and most integrated 3D ultrasound sensor, promises to turn virtually any material, including metal, glass, wood and plastic, at any thickness into a touch-sensitive button or gesture interpreter, according to the company.

At about the size of a pencil point, the sensor is an all-in-one system on a chip that makes touch areas super precise, responsive and designed to operate independently with multifunctional touch and gesture capabilities. Ready to be incorporated into consumer products in 2020, Ultrasense targets mobile devices, appliances, automobiles and medical products as prime markets for adoption.

Paste Without the Waste

Layered with plastic, polymers and resins, the typical toothpaste tube is not a candidate for recycling. That's a shame because, although their contents are exhausted in a relative flash, the tubes kick around for another 500-plus years. Enter Change Toothpaste, the product developed by two Canadian entrepreneurs that was inspired by one of their daughter's desire to rid her family home of plastic waste.

Change Toothpaste comes in tablets, which are designed to be gently bitten by a user's back teeth and brushed with a wet toothbrush. The resulting foam works just like the tube-squeezed variety. The big difference is the packaging, a compostable paper bag containing 65 zero-waste, spearmint-flavored tablets (available for $9.95). Feel free to order one of the company's bamboo toothbrushes while you're at it.

Bone Bandage Traps Beneficial Biochemical

A healing biochemical known as adenosine comes to the rescue to initiate healing in the wake of a bone break. But the healing boost proves temporary as the chemical is quickly absorbed into the body and its concentration at the injury site dissipates. Researchers at Duke University are looking into ways to prolong adenosine's stay around bone fractures and, in so doing, extend related healing benefits.

The researchers recently shared promising results using prototype bandages that are surgically applied to damaged tissue in order to trap adenosine where it's most needed. Lab tests on mice showed that fractures treated with adenosine-primed and adenosine-trapping bandages yielded better bone formation, volume and vascularity than untreated fractures when measured after three weeks. While early-stage, the findings are especially encouraging for osteoporosis patients, whose bodies don't produce adenosine in response to bone breaks. The researchers envision outfitting osteoporosis patients with permanent bandages that can be reloaded with adenosine at sites of repeated injury. They also see potential for an adenosine-infused lubricating gel that can combat bone injury associated with joint reconstruction and medical implants.

FRIESS
ASSOCIATES

TIME TESTED • RESEARCH FOCUSED

Friess Associates, LLC
P.O. Box 576
Jackson, WY 83001

Friess Associates of Delaware, LLC
P.O. Box 4166
Greenville, DE 19807

Editorial Staff: Chris Aregood and Adam Rieger

Definitions and Disclosures

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 visit www.amgfunds.com for a free prospectus. Read it carefully before investing or sending money.

Any sectors, industries, or securities discussed should not be perceived as investment recommendations. There is no assurance that any securities discussed herein will remain in a portfolio at the time you receive this information or that securities sold have not been repurchased. The securities discussed do not represent the entire portfolio and in aggregate may represent only a small percentage of a portfolio's holdings. Any securities discussed may no longer be held in an account'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 or will equal the investment performance of any security discussed herein. Friess Associates will provide a list of security purchases and sales for the past 12 months upon request.

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, 2019, Ball Corp., Fidelity National Financial Inc., LHC Group Inc., MasTec Inc., Salesforce.com Inc. and Tempur Sealy International Inc. represented 0.78, 1.66, 1.16, 1.49, 1.49 and 1.47 percent of AMG Managers Brandywine Fund's assets. AMG Managers Brandywine Blue Fund held Ball Corp., Fidelity National, Invitation Homes Inc. and Salesforce.com at 1.19, 2.19, 2.29 and 1.98 percent of assets. AMG Managers Brandywine Advisors Mid Cap Growth Fund held Ball Corp, Fidelity National, Invitation Homes, LHC Group, MasTec and Tempur Sealy at 0.31, 2.44, 1.91, 0.81, 1.56 and 1.81 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. Friess Associates LLC serves as the subadvisor to certain mutual funds advised by AMG Funds.

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