Looking Forward

Friess Associates market observations and insights

September 30, 2020

No Shortage of Earnings

We all know about the toilet paper. Difficult to procure in the pandemic's early days, reduced access to the staple consumer product became emblematic of a supply chain derailed by radically changing circumstances. N95 masks, meats and cleaning supplies were among other items that experienced varying states of shortage as fear and desperation gripped the buying public.

More than nine months removed from the first reported Covid-19 case in the U.S., prevailing emotions are more practical than primal. The things in short supply reflect more recent circumstances, with at-home trends putting the squeeze on everything from aluminum cans and exercise equipment to printers and student desks. Shortages remain in good supply.

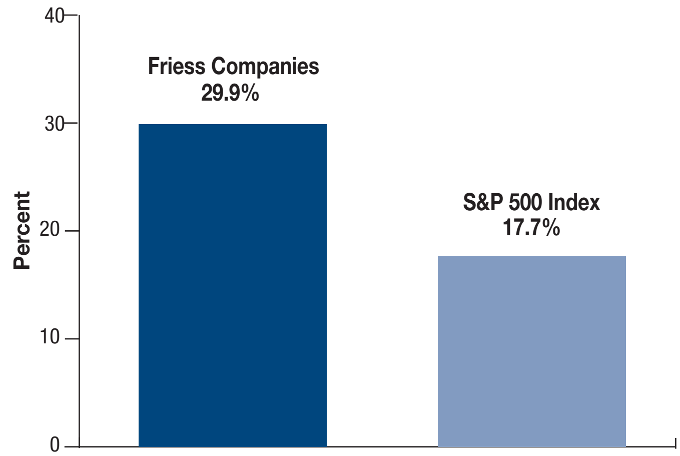
Likewise, the hobbled economic outlook leaves the supply of companies with near-term earnings promise lower than levels we might expect in an environment unrestrained by a global health crisis. Still, there is by no means a shortage. From companies capitalizing on unshakable secular trends to others overcoming newly presented challenges, we continue to find an ample supply of companies that we believe are poised to deliver robust earnings growth as we move into the final quarter of the year.

The earliest assumptions were dire. Amid an onslaught of job losses and a gut punch to GDP, many companies assumed demand would evaporate. It seemed logical for stores to pull back orders for appliances, for example, at a time when access to most stores was limited at best. These conditions prompted appliance makers to be conservative in production planning further into the year. Production was also limited by pandemic-related fallout that impaired manufacturing and shipping in the U.S., China and Mexico. The result: tight appliance supplies.

Assuming soft demand for appliances seemed reasonable until it became apparent that more people at home for longer periods meant a lot more work for ovens, dishwashers, and washers and dryers. Failures rose with the increased workloads, leaving more people than usual needing new appliances. At the same time, consumers worried about access to food drove demand for freezers and refrigerators to increase their cold storage capacity. The supply-and-demand imbalance in the appliance market persists.

While the appliance example is significant, it is also temporary. In other areas, pandemic-related conditions exacerbated challenges and accelerated transitions for traditional concepts trying to fend of online competition. The last thing brick-and-mortar retail needed was a global disease that discourages consumers from in-person shopping.

Estimated Earnings Growth



Forecasted Increase in Earnings Per Share 2021 vs 2020

Source: Consensus estimates from FactSet Research Systems Inc., as of June 30, 2020.

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.

A report by professional services firm BDO USA counted 29 major retailers that filed for bankruptcy protection this year through mid-August, up from 22 in all of 2019. Notable names included GNC Holdings, J.C. Penney Co., Neiman Marcus and Pier 1 Imports. With more than 10,000 U.S. store closings already announced this year, retailers appear likely to announce as many as 25,000 before the year is through, according to market-research firm Coresight Research.

In yet another reverberation stemming from that same trend, coins for cash-based retail transactions also fall into the hard-to-get category. Fewer people shopping in stores (leaving their coins idle) and slowed coin production due to limited staffing at the U.S. Mint are the primary forces behind a nationwide coin shortage.

Why is that significant? It is yet another step in the many years-long march toward digital payment. Many retailers, including CVS Pharmacy, Kroger Co., Starbucks Corp., Walmart and Wawa, are encouraging cashless transactions, from various changes to the checkout process to outright pleas for cooperation, to help with the lack of change.

The coin shortage is an unforeseen byproduct of a trend that we were already invested in through companies capitalizing on it. Mastercard's share price in March seemed to indicate that many investors thought the potential economic ramifications of the pandemic would prove overwhelming even to a prime beneficiary of the migration to cashless transactions. We thought otherwise.

Virtually every company was/is exposed to the recession to one degree or another. Beyond that, pandemic conditions warranted more cashless transactions and many purchases typically made in a store would likely move online. Clearly these were new circumstances, but they didn't pose a fundamental threat to the secular trend toward cashless transactions or Mastercard's ability to capitalize on it. Mastercard exceeded expectations for the three months through June by 16 percent.

Companies uniquely positioned to play material parts in the advancement of secular trends are a big reason that the portfolios we manage are emerging from this year's challenging environment with strong earnings profiles. Based on consensus estimates, the average company held in Friess-managed portfolios is expected to grow earnings 29.9 percent in 2021.

We purchased Netflix (page 4) shares early in the year before the Covid-19 crisis was garnering attention in the U.S. because Netflix sits at the forefront of the secular trend toward streaming away from the traditional cable model. One recurring argument against owning the pioneer in online streaming is that the major players in the media business it upended, including Disney and NBC Universal, are now pushing their own streaming services.

Netflix welcomed a record number of new subscribers in the first quarter as shelter-in-place orders went into effect. That was followed by a best-ever second quarter in terms of net new membership adds. In all, paid memberships jumped 26 million to 193 million in a period marked by the stiffest competition Netflix ever faced.

The Covid-19 crisis reconfigured priorities in medical treatment and research, making non-critical procedures and projects take a back seat to efforts to develop diagnostic tests and effective treatments. Many companies adversely affected by the changes were customers of Thermo Fisher Scientific (page 5).

Demonstrating Thermo Fisher's critical role in research and diagnostics, companies conducting the prioritized work were customers too. Thermo Fisher's comprehensive line of products is indispensable in terms of its use in facilitating laboratory work, making the company a likely partner no matter where the research attention shifts.

We believe Lumentum Holdings (page 4) is well positioned as a supplier of optical components and lasers that play important roles in everything from telecommunications networking to electronic device functionality. The buildout of the next generation 5G telecommunications network drives demand for high-end optical equipment. A supplier to Apple, demand for Lumentum's 3D sensors is believed to stem from the upcoming rollout of the iPhone 12.

Lumentum's position as a key supplier is well established. The 12 months through June represented the company's fifth consecutive fiscal year of record revenue, operating margins and earnings.

Yeti (page 5) benefits from a superior product line with a brand image to match. As a maker of high-end coolers and related recreational gear, analysts published estimates that we believed overstated the economic downturn's potential to impact the company's spring business.

We based our expectations on Yeti's brand strength and the pandemic's potential to boost outdoor activity in a way that preserved demand. As it turned out, even though store closings restricted foot traffic among key wholesale customers, demand for Yeti products was strong enough to generate direct-to-consumer sales that more than offset lower sales at retail storefronts.

We're encouraged by improving conditions, and we're excited about the individual-company earnings strength we're isolating. Thanks for your continued confidence.

Scott

Scott Gates
Chief Investment Officer

Narrow Market Leaves Room for Industrial Improvement

The performance gap among stocks in different economic sectors has been extreme so far this year. While internet and retail stocks exposed to work-from-home trends hit new highs, companies in areas generally associated with economic cycles, like the industrial sector, failed to keep pace.

The technology and consumer discretionary sectors within the Russell 3000 Index both finished September up by more than one-third so far in 2020. The industrial sector was flat.

This type of dispersion can create opportunities for research-driven stock selection, particularly when companies are temporarily overlooked despite improving fundamentals. Many companies responded to recent economic conditions by tightening cost structures, rightsizing inventory and shoring up balance sheets, creating leverage for quality growth going forward. Consensus 2021 earnings estimates for the companies from the industrial sector that we hold increased 18 percent between the end of June and the end of September, twice the pace of the overall sector's increase within the Russell 3000 Index.

Generac Holdings manufactures standby power generators and components for the residential and commercial markets. It holds a leading share in the portable generator market and makes other power equipment, including pressure washers, chippers, trimmers and leaf vacuums. June-quarter earnings grew 17 percent, beating the consensus estimate by more than 50 percent.

With wildfires in California, an active hurricane season in the Atlantic, and a pandemic keeping people home across the country, demand for backup power solutions remains elevated. The company also recently introduced a whole-home solar backup power storage system, which is the first end-to-end managed battery-powered backup system.

Enphase Energy also plays into this trend. The company makes software-driven home energy solutions that span solar generation, home energy storage, and web-based monitoring and control. Two years ago, Enphase acquired Sun Power's inverter business and became the sole provider of micro converters to the solar-panel market.

Now the company is rolling out energy storage, microinverters for commercial-scale solar systems, energy management software, and off-grid solar and storage packages for emerging markets. Management estimates that these new offerings will expand its addressable market from $3.3 billion in 2019 to $12.5 billion in 2022.

Many of our current holdings are exposed to areas that benefit from the environment defined by the global pandemic. The resiliency of the housing market caught many investors off guard as softer demand proved very temporary amid low interest rates. What was an already tight inventory of homes is now near record lows, creating a significant supply-and-demand imbalance. At the same time, working from home and social distancing is contributing to more home related projects and spending.

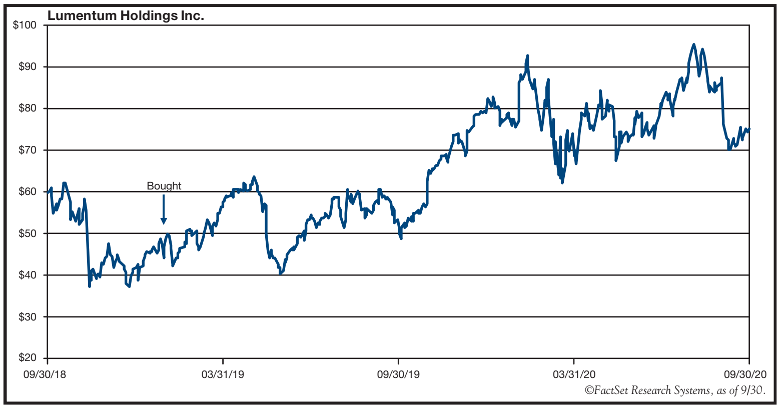
UFP Industries is a commercial distributor of lumber and treated wood products. The company's main business includes retail, industrial and construction markets, each with leading specialized brands. While there were some concerns during the early stages of the pandemic regarding the outlook, surprising strength in the retail segment with consumers taking on home improvement projects supported better-than-expected results. June-quarter earnings jumped 19 percent, exceeding the consensus estimate by 80 percent.

Owens Corning makes a broad range of insulation, roofing and fiberglass composite materials. Insulation manufacturers curtailed production aggressively during the peak of the pandemic, resulting in lower supply. Then demand for insulation snapped back quicker than expected, driven by new residential construction and spending at home centers. June-quarter earnings more than doubled the consensus estimate.

Toro Co., which makes lawn mowers and other turf equipment, also benefits as people spend more time and dollars outdoors. Following another short-lived pullback during the initial stages of the pandemic, demand for the company's equipment improved as golf courses remained open and overall equipment usage rose. Low inventory levels also created an opportunity as customers looked to restock. Wall street was too aggressive in lowing its numbers for the June quarter, and earnings came in 50 percent above the consensus.

We own many of the technology and consumer names that have captured headlines this year. At the same time, a narrow market focus means that there are specific opportunities that are being overlooked. We're encouraged by signs that a stock picker's market could be taking shape, and we're grateful for the opportunity to put our company-by-company approach to work on your behalf.

Lumentum Holdings Inc., LITE



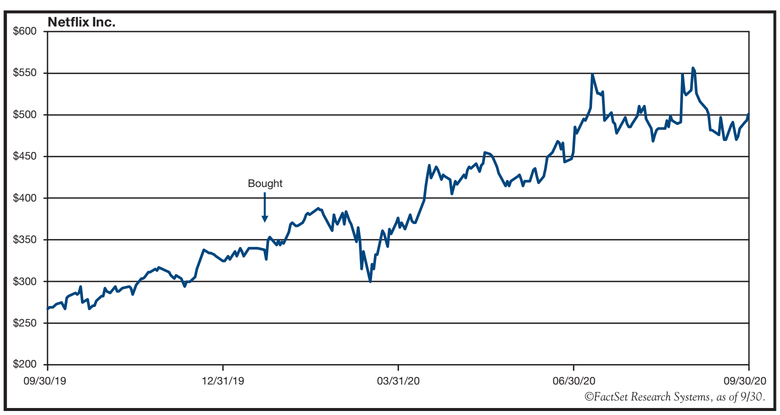
It's the time of year when Apple customers anxiously await the newest iteration of the iPhone. It's also a time when data usage remains exponentially higher as the pandemic promotes distance and generates greater reliance on the internet. Despite being a smaller company, Lumentum is an integral player in both bigtime trends.

Nasdaq-listed Lumentum Holdings Inc. holds dominant positions in critical segments of the optical market, where its superior technologies can command above-average pricing. The company's optical components and lasers are used in diverse applications, from telecommunications networking, to life science tools. Lumentum's products are loosely grouped in three categories: optical communications, commercial lasers and 3D sensors. Revenue grew 7 percent to $1.7 billion in the 12 months through June.

June-quarter earnings grew 28 percent, topping the consensus estimate by 43 percent. Persistent demand and the company's ability to execute amid Covid-related supply constraints drove results. Apple is assumed to be ramping orders of Lumentum's 3D sensors ahead of the iPhone 12 launch. At the same time, spending related to greater bandwidth needs amid the pandemic and the buildout of next generation 5G mobile networks creates demand for the company's high-end optical equipment.

Your team spoke with senior management on a recent virtual roadshow regarding the possibility of continued profit-margin expansion. Margins stand to benefit from recent efforts to exit low-margin product offerings and as lost demand from China-based telecommunications company Huawei, due to regulatory actions, is made up by other industry participants. Results for Lumentum's fiscal year ended June represented the company's fifth consecutive record year for revenue, operating margins and earnings.

Netflix Inc., NFLX



While the pandemic proves to be a persistent economic headwind, each company's experience is different and not necessarily bad. The same lifestyle restrictions that hurt movie theaters delivered people to Netflix in droves. The subscription surge keeps Netflix at the forefront of the secular trend toward entertainment streaming.

With 193 million paid memberships, Nasdaq-listed Netflix Inc. is the world's leading streaming entertainment service. Its programming, including TV series, documentaries and films, are viewed in 190 countries. The service provides an on-demand experience, allowing members to view what they want when they choose over any internet-connected screen. Revenue rose 28 percent to $22.6 billion in the 12 months through June, boosted by strong membership gains in the first half of 2020.

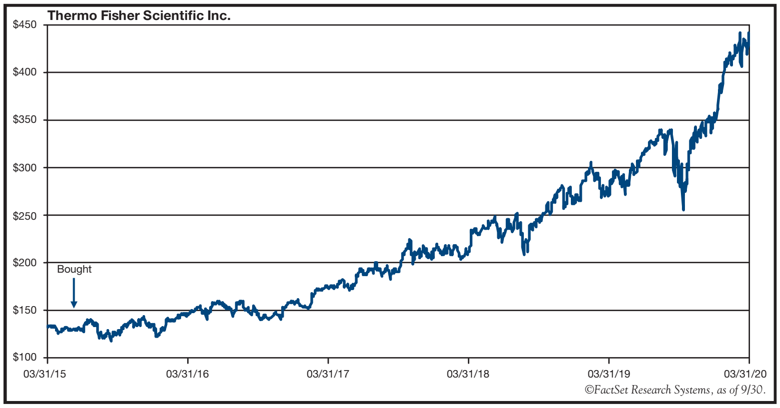
Global net paid memberships grew by 23 and 27 percent in the first and second quarters of this year, respectively. During that time, net new memberships climbed by 26 million, up from 12 million in the year-ago period.

Netflix earned $1.59 per share in the June quarter versus $0.60 the year before. Revenue grew 25 percent, reflecting the membership surge and an increase in revenue per user. Higher revenue and lower spending on content and marketing drove a 770-basis-point improvement in operating profit margin to just over 22 percent.

We believe Netflix will remain a prime beneficiary of ongoing changes in media consumption, with competitive advantages in scale and content creation capabilities. Moreover, Netflix's growth continues amid the highest competition in company history as the aggregate pool of streaming customers expands and many viewers subscribe to multiple services.

Based on the consensus estimate, analysts expect Netflix to finish this year with 51 percent earnings growth.

Thermo Fisher Scientific Inc., TMO



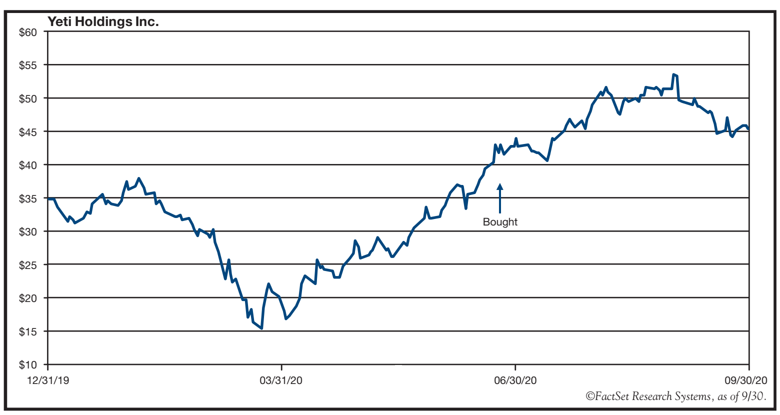
As non-essential procedures and projects slowed with the spread of Covid-19, the global race intensified to create quick and accurate tests for the virus and develop a safe and effective vaccine. Thermo Fisher is so thoroughly woven into the research and diagnostic ecosystem that it remains a critical partner even when the medical community's attention shifts.

NYSE-listed Thermo Fisher Scientific Inc. is the world's largest provider of laboratory solutions to the global scientific community, serving more than 400,000 customers in the pharmaceutical, life sciences, clinical laboratory, industrial, food and environmental testing markets. The company leverages a comprehensive portfolio of laboratory products, scientific instruments and services to increase customer productivity and drive innovation. Revenue grew to more than $26 billion in the 12 months through June.

June-quarter earnings grew 28 percent, topping the consensus estimate by 35 percent. Revenue rose 7 percent as weakness in instrument and consumable sales associated with areas slowed by the pandemic were offset by demand for equipment and supplies needed to fight the virus. Thermo Fisher quickly established itself as a leader in Covid-19 testing kits and leveraged its pharmaceutical services leadership to support the development and production of therapeutics and vaccines. Any potential treatment will likely rely on the company's production capabilities.

Your team attended Thermo Fisher's recent virtual analyst day, which provided additional insight into product sales related to Covid-19 and related opportunities. Before the event, the company raised its September-quarter organic revenue growth forecast from 15 to 24 percent, with roughly $1.6 billion coming from Covid-related areas.

Yeti Holdings Inc., YETI



Recent results showed a steep drop in Yeti's sales to wholesale customers due to reduced traffic inside their retail storefronts. They did not, however, show a drop in demand for Yeti products. A surge in direct-to-consumer sales more than made up the difference, accelerating a trend that we believe positions the company to continue to expand profitability.

Nasdaq-listed Yeti Holdings Inc. makes high-performing products for the outdoor and recreation markets. The company sells its products online and through retail outlets such as Bass Pro Shops, Dick's Sporting Goods and Walmart. Revenue reached $948 million in the 12 months through June, with U.S. sales accounting for 96 percent of the total.

Outdoor activity is up sharply amid the pandemic. While analysts agree that Yeti is among the strongest brands in the space, they still fail to fully appreciate how strong. Yeti grew June-quarter earnings 24 percent, reporting earnings per share two-and-a-half times the consensus estimate.

Yeti's hard coolers, the company's flagship product line, range in price from the $200 Roadie 24 to the $1,300 Tundra 350. Other products, including $25 travel mugs, $50 dog bowls, $200 blankets and $300 camping chairs, also sport premium price tags. The company's commitment to exceptional quality and the cult-like brand following Yeti enjoys make its pricing strategy possible.

When presented with limited retail access in the June quarter, Yeti fans went straight to the source. Sales from the company's website rose 61 percent versus the year-ago period. Profitability improved as direct-to-consumer sales accounted for 54 percent of the total. Yeti's gross profit margin climbed to 56 percent from 50 percent.

Based on the consensus estimate, analysts expect Yeti to finish this year with 21 percent earnings growth.

A Stock Story's Telling Hinges on the Selling

We think we know what a company is worth. We base our assessments on a combination of quantitative analysis and bottom-up research legwork that we perform to glean insight into a company's near-to-intermediate-term prospects.

Still, no matter how seemingly well-founded we can be in establishing a price target for a stock, it's true value to us as investors can't be established until it's sold. The stock we hold is only worth what someone else is willing to pay us for it.

That's why our sell discipline plays such a critical role in our investment process. In the end, an investment can only be evaluated in retrospect, and selling a stock is the event that establishes the necessary hindsight.

We follow a comprehensive sell discipline designed to ensure that we manage portfolios in accordance with our investment strategy and commit assets to stocks that we believe are best positioned to produce solid returns.

Our sell discipline is part of a broader strategy that stresses the power of individual companies to influence their share prices through operational performance. We capitalize on the relationship between earnings results and stock prices by isolating companies poised to deliver rapid earnings growth that enjoy good prospects to exceed Wall Street earnings estimates. To maximize upside potential and minimize downside risk, we focus on rapidly growing companies that sell at reasonable multiples of earnings estimates.

A price target serves as the starting point for each investment we make. Since we're interested in companies with potential to top expectations, we start by evaluating consensus earnings estimates for shortcomings relative to our internally developed estimates. We account for the earnings upside we identify and catalysts likely to draw positive attention during our holding period to set a forward price-to-earnings ratio that conforms with our standards for reasonable valuations.

Reaching that price target is confirmation of our research, and we can't think of a better reason to sell a stock. Of course, not every experience unfolds so neatly.

The Friess investment strategy prompts us to constantly challenge the assumptions made to justify each company's appeal as an investment. The reason we conduct continuous research on existing and potential holdings is to ensure the portfolios we manage represent collections of our best ideas.

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. The idea is to replace good ideas with great ones.

In addition to ensuring the portfolio consists of our most compelling ideas, this process of "forced displacement" reflects our appreciation for the time value of the assets entrusted to us. Rather than hold a struggling company through a rough patch in the hope of eventual recovery, we redeploy into an investment that we believe has better potential to pay off in the near-term future.

Forced displacement triggers a sale when assets from an existing holding are needed to fund the purchase of a new, more promising investment opportunity. We also sell an existing holding when it reaches our price target, its fundamentals deteriorate or Wall Street becomes overly optimistic about its prospects.

Since we're valuation-sensitive, our price targets can be more conservative than aggressive growth investors that are willing to shoulder higher valuation risk. We seek companies with improving fundamentals, so we don't hesitate to sell a company when it proves us wrong. Also, given that we want companies that top expectations, we move on when we believe consensus estimates overstate a holding's potential.

The portfolios we manage represent collections of our best ideas at a given point in time. When our discipline prompts us to sell a company, there's nothing to prevent us from revisiting the same company at some point in the future should conditions warrant a fresh look.

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.

New Battery Technology Should Concern Energizer Bunny

NDB Inc. is making major strides in its quest to bring to market the world's first lifelong battery. The Pleasanton, Calif.-based green energy startup in August announced success in proof of concept testing of its nano diamond battery conducted at the Lawrence Livermore National Laboratory and Cambridge University. The battery's longevity lies in the power source: carbon-14. Its driving force is recycled nuclear waste with a half-life of 28,000 years, specifically graphite from reactor parts that absorbed radiation from fuel rods. The interaction between carbon-14 and the tiny commercial diamonds that surround it provides a continuous supply of energetic electrons, fueling a semiconductor that generate electricity. It's technically a battery because it carries a charge that eventually exhausts, but it is effectively a permanent power source since it will be generating electricity beyond the lifespan of any present-day device or user. Other advantages the battery offers include emission-free operation, higher energy density than lithium ion, extreme durability and safety during destructive vehicular events, according to the company. NBD, which hopes to complete its commercial prototype by the end of the year, sees potential applications in everything from electric vehicles to smartphones.

Mussel-Inspired Medical Advances Easy to Digest

Among the copious examples of nature inspiring science, researchers are looking at ways that the adhesive abilities of mussels might be used to benefit man. Mussels secrete a film that enables them to cling, and researchers from MIT believe a synthetic version of that film could help manage diabetes, among many other possibilities. Key to the mollusk's sticky substance are naturally occurring polymers, which are formed thanks in large part to an enzyme called catalase. Catalase is abundant in the upper portion of the small intestine, a prime position in the human digestive tract. The researchers found that combining the polymer, dopamine, with hydrogen peroxide in a liquid solution spurs the catalase into producing oxygen, which causes the dopamine to band together. Tests using pigs showed the resulting polymer film coating the small intestine in minutes. Researchers also altered the polymer to make the lining impenetrable to glucose, raising hopes about a possible diabetes application. Other experiments yielded a 20-fold increase in lactose tolerance and the timed release of a medication for a tropical disease that sufferers must otherwise take numerous times throughout the day. The film lasted in the intestine for about 24 hours before being eliminated through the natural process by which the intestinal lining is renewed. Test subjects showed no difference in nutrient absorption versus the control group afterward.

Sponge Fuels Hope for Better Building

It looks delicate, even wispy, but closer inspection of the Venus Flower Basket reveals an intricate structure that turns out to be quite strong. The sea sponge, formerly known as Euplectells aspergillum, is emerging as a special subject among the many marine sponge skeletons studied over the past two decades at Harvard's School of Engineers and Applied Sciences. Tests using an artificial version of the sponge architecture showed more than 20 percent greater structural strength than diagonal lattice architecture, the primary building method for bridges and skyscrapers since the early 1800s. Potential for improvements in structural performance and resource allocation is vast.

Nature Helps Make Rare Earth Element Recycling Better

Rare earth elements (REEs) are so critical to the high-tech economy and so, well, rare that there's great value in extracting them from previous applications for reuse. Trouble is, current chemical processes employed for the task are impractically complex and environmentally unfriendly. Researchers at Lawrence Livermore National Laboratory, Idaho National Laboratory and Penn State University designed a new process utilizing a naturally occurring protein to extract and purify REEs from low-grade sources such as electronic waste. The protein, lanmodulin, was first isolated by a team at Penn State. REEs are the lifeblood of many important items, including solar panels, wind turbines, computer components, night-vision goggles, mobile phones and LCD screens. Testing demonstrated that the naturally sourced chelator (molecules that bond to metal ions) is far superior to man-made alternatives by selectively sequestering REEs with very little affinity with most non-REEs. The new approach enables one-step extraction from electronic waste and pre-combustion coal.

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 September 30, 2020, Enphase Energy Inc., Generac Holdings Inc., Lumentum Holdings Inc., Mastercard Inc., Netflix Inc., Owens Corning, Thermo Fisher Scientific Inc., The Toro Co., UFP Industries Inc. and Yeti Holdings Inc. represented 2.35, 2.37, 0.54, 2.00, 1.64, 1.89, 1.72, 1.46, 1.64 and 1.48 percent of AMG Managers Brandywine Fund's assets. AMG Managers Brandywine Blue Fund held Enphase Energy, Generac, Mastercard, Netflix, Owens Corning, Thermo Fisher and Toro at 2.76, 2.60, 2.14, 3.09, 2.49, 2.94 and 1.98 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. Gross domestic product, or GDP, is the total value of all finished goods and services produced within a country's borders within a specific time period. 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.