Q1 | 2017 AMG Managers Brandywine Blue Fund

COMMENTARY

ASSET CLASS | LARGE CAP

Class I | BLUEX

Average Annual Returns (%)[1,2] (as of 03/31/17)

	QTD	YTD	1 yr	3 yr	5 yr	10 yr	Since Incpt.[3]
BLUEX (Class I)	8.25	8.25	16.56	8.11	8.58	3.37	9.64
Russell 1000® Growth Index	8.91	8.91	15.76	11.27	13.32	9.13	9.75
Russell 1000® Index	6.03	6.03	17.43	9.99	13.26	7.58	10.47
S&P 500 Index	6.07	6.07	17.17	10.37	13.30	7.51	10.25

BLUEX (Class I) Expense Ratio (Gross/Net): 1.20%/1.20%

The performance data shown represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance information through the most recent month end, please call 800.835.3879 or visit our website at www.amgfunds.com. From time to time the advisor has waived fees or reimbursed expenses, which may have resulted in higher returns.

The **AMG Managers Brandywine Blue Fund** (Class I) returned 8.25% for the first quarter of 2017, compared with an 8.91% return for its benchmark, the Russell 1000® Growth Index. The S&P 500 Index and the Russell 1000 Index each returned 6.07% and 6.03% during the quarter, respectively. For the 12-month period ending March 31, 2017, the Fund returned 16.56%, compared with a 15.76% return for its benchmark, while the S&P 500 Index and the Russell 1000 Index returned 17.17% and 17.43%, respectively.

Stocks continued to climb in the first three months of 2017, with major indices rising for the sixth consecutive quarter. First-quarter gains propelled the second longest bull market on record beyond its eighth anniversary.

High hopes for business-friendly actions from the White House kept the mood mainly upbeat. Optimism regarding the Trump administration's pro-growth promises on taxation, deregulation and infrastructure spending remained the prevailing theme.

Consumer confidence and employment data were also positive influences on sentiment. Encouraging news on the earnings front, with consensus expectations forecasting that first-quarter reports will show the strongest growth for the companies in the S&P 500 Index in more than five years, contributed to the cause as well.

Present throughout the period was the expectation that the U.S Federal Reserve would increase interest rates at its mid-March meeting. Executed as anticipated, investors chose to interpret the rate hike as a sign that the economy was sufficiently healthy to absorb it without incident.

Attribution Summary

First-quarter gains were widespread. The Fund generated positive returns in seven of the nine economic sectors represented in it during the period.

Holdings from the technology sector, which comprised the largest portfolio position, were by far the biggest contributors to both absolute and relative returns for the quarter. Semiconductor-related holdings played the most significant role in driving the sector's advance.

Micron Technology and Advanced Micro Devices were standout performers. Micron Technology attracted positive investor attention by reporting earnings results that represented a substantial reversal of fortunes over the past year. The company exceeded quarterly estimates by earning $0.90 per share, up from a $0.05 loss the year prior. Advanced Micro Devices pleased investors with a host of new contract wins, market-share gains for a new product and increased revenue guidance for 2017.

Consumer discretionary holdings, which represented the second largest position, were the next most significant contributors to first-quarter gains. Netflix and Priceline, which both reported expectation-beating earnings growth during the period, were top performers. Netflix and Priceline grew fourth-quarter earnings 50% and 13%, respectively. While a positive force, consumer discretionary holdings were the second greatest negative influence on performance versus the Russell 1000 Growth Index.

Energy stocks were the market's poorest performers during the first quarter. The price of oil declined 15%, from the high for the period on January 6 to the low on March 23, as crude inventory reports showed persistently elevated supplies and the drilling rig count, according to Baker Hughes North America Rotary Rig Count data, climbed higher with each passing week.

Energy holdings weighed on performance as investors worried about the implications for a nascent profit recovery in the sector. Energy holdings detracted the most from the absolute and relative performance. Parsley Energy and Apache Corp. were the top detractors.

The views expressed represent the opinions of Friess Associates, LLC as of March 31, 2017, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

[1] Returns for periods greater than one year are annualized.
[2] Prior to February 27, 2017, the Fund's I shares were known as S shares.
[3] Since the inception of the Fund on January 10, 1991.

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COMMENTARY

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Top Ten Holdings (%)[1] (as of 03/31/17)

Security	% of Net Assets
Microsoft Corp	3.95
Advanced Micro Devices Inc	3.94
Facebook Inc, Class A	3.70
Amazon.com Inc	2.98
Netflix Inc	2.93
Broadcom Ltd	2.86
Visa Inc	2.74
NVIDIA Corp	2.65
Alphabet Inc, Class A	2.55
Vantiv Inc, Class A	2.55
TOTAL %	30.85

Disclosure

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call 800.835.3879 or download a free prospectus. Read it carefully before investing or sending money.

Past performance is no guarantee of future results.

A greater percentage of the Fund's holdings may be focused in a smaller number of securities which may place the Fund at greater risk than a more diversified fund.

Investments in international securities are subject to certain risks of overseas investing, including currency fluctuations and changes in political and economic conditions, which could result in significant market fluctuations. These risks are magnified in emerging markets.

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

The Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of those Russell 1000® companies with higher price-to-book ratio and higher forecasted growth values.

The Russell 1000® Index measures the performance of approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® Index represents approximately 92% of the U.S. market.

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

The S&P 500 Index is capitalization-weighted index of 500 stocks. The S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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

Any sectors, industries, or securities discussed should not be perceived as investment recommendations. Any securities discussed may no longer be held in the Fund's portfolio. It should not be assumed that any of the securities transactions discussed were or will prove to be profitable, or that the investment recommendations we make in the future will be profitable.

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[1] Mention of a specific security should not be considered a recommendation to buy or a solicitation to sell that security. Holdings are subject to change.

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