

Class I | BLUEX



Average Annual Returns (%)<sup>1,2</sup> (as of 06/30/17)

	QTD	YTD	1 yr	3 yr	5 yr	10 yr	Since Incpt. <sup>3</sup>
BLUEX (Class I)	4.98	13.65	19.32	8.46	12.59	3.00	9.75
Russell 1000 <sup>®</sup> Growth Index	4.67	13.99	20.42	11.11	15.30	8.91	9.84
Russell 1000 <sup>®</sup> Index	3.06	9.27	18.03	9.26	14.67	7.29	10.49
S&P 500 Index	3.09	9.34	17.90	9.61	14.63	7.18	10.28

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 4.98% for the second quarter of 2017, compared with a 4.67% return for its benchmark, the Russell 1000<sup>®</sup> Growth Index. The S&P 500 Index and the Russell 1000<sup>®</sup> Index returned 3.09% and 3.06% during the quarter, respectively. For the 12-month period ended June 30, 2017, the Fund returned 19.32%, compared with a 20.42% return for its benchmark, while the S&P 500 Index and the Russell 1000<sup>®</sup> Index returned 17.90% and 18.03%, respectively.

Now it's seven in a row. Three months after the last one, another quarterly gain in major indices is in the books. The market's long-running upward climb, including a series of consecutive quarterly gains that began in autumn 2015, continued in the June quarter.

Positive sentiment withstood high political drama during the quarter, including the dismissal of the F.B.I. director and the fallout that ensued. A lack of legislative cooperation on the Senate's health care bill raised questions as to whether other priorities of the administration, such as tax

reform and infrastructure spending, could be delayed or imperiled, but investors were undeterred.

The Federal Reserve (the Fed) raised interest rates for the third time since December. Still, the move was far from a surprise to the investment community, which predicted the outcome with 98% surety prior to the Fed's announcement in mid-June.<sup>4</sup>

While investors sometimes fear the disruptive potential of higher interest rates, the latest in the Fed's series of increases "reflects the progress the economy has made", as the Fed chair described in a press conference following the announcement. With unemployment low and inflation muted, solid economic conditions appeared to incline investors toward optimism.

**Attribution Summary**

The Fund posted gains in seven out of the 10 economic sectors represented in its portfolio during the June quarter.

Technology holdings, which comprised the Fund's largest position, contributed the most to absolute performance and the second most to relative results. Technology holdings represented a modestly overweight position versus the Russell 1000<sup>®</sup> Growth Index while outperforming the sector within the benchmark.

Providers of software solutions, including ServiceNow and Global Payments, were standout performers. Cloud-computing company ServiceNow more than doubled the previous year's earnings in the March quarter, topping the consensus estimate by 42%. Payment technology provider Global Payments beat estimates with 33% March-quarter earnings growth.

Health care holdings were the second-biggest contributors to gains and the top contributors to relative results. Vertex Pharmaceuticals and Zoetis were noteworthy performers. Strength in domestic sales of its pediatric cystic fibrosis drug helped Vertex earn \$0.41 per share in the March quarter, up from \$0.09 in the year-ago period and ahead of the consensus estimate. Zoetis, which makes veterinary medicines and diagnostics, also exceeded March-quarter earnings expectations.

Energy, which detracted the most from absolute and relative results, was the poorest-performing sector in the benchmark. During the quarter, oil prices fell 22% from a high in early April to a low for the period in late June.<sup>5</sup> Against this backdrop, Weatherford International delivered better March-quarter revenue than expected, but investors expressed concern about the pace of progress in the company's plan to strengthen its balance sheet by reducing its debt load.

Although they were a modestly positive influence on absolute performance, consumer discretionary holdings detracted from relative

<sup>1</sup> Returns for periods greater than one year are annualized.

<sup>2</sup> Prior to February 27, 2017, the Fund's I shares were known as S shares.

<sup>3</sup> Since the inception of the Fund on January 10, 1991.

<sup>4</sup> Bloomberg

<sup>5</sup> WTI crude futures

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results. In both cases, consumer discretionary companies represented the Fund's second-largest position and holdings underperformed the sector within the benchmark. Declines in TJX Cos., O'Reilly Automotive and Walt Disney Co. weighed on the upside generated by other consumer discretionary companies that the Fund held.

*The views expressed represent the opinions of Friess Associates, LLC, as of June 30, 2017, are not intended as a forecast or guarantee of future results, and are subject to change without notice.*

### Top Ten Holdings (%)<sup>6</sup> (as of 06/30/17)

Security	% of Net Assets
Microsoft Corp	4.03
NVIDIA Corp	3.42
Broadcom Ltd	2.96
Alphabet Inc, Class A	2.72
Netflix Inc	2.46
Alexion Pharmaceuticals Inc	2.45
Zoetis Inc	2.28
Advanced Micro Devices Inc	2.25
ServiceNow Inc	2.25
Arista Networks Inc	2.21
TOTAL %	27.03

## 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.

<sup>6</sup> 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.

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

The Russell 1000<sup>®</sup> 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<sup>®</sup> Index represents approximately 92% of the U.S. market.

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The S&P 500 Index is a 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.

The S&P 500 Index is proprietary data of Standard & Poor's, a division of McGraw-Hill Companies, Inc. All rights reserved.

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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