



AMG Funds

QUARTERLY REPORT

AMG Funds

December 31, 2016

FRIESS
ASSOCIATES

TIME TESTED • RESEARCH FOCUSED

AMG Managers Brandywine Advisors Mid Cap Growth Fund: BWAFX



DEAR FELLOW SHAREHOLDER:

The December quarter included its fair share of potentially market-moving events, including a landmark pact among major oil-producing nations to curb output and the first interest rate hike in a year, but nothing proved capable of trumping the presidential election's influence on stocks. The election outcome was well-received by investors, and the reaction to it reflected the market's best guesses as to how the economic outlook might change under the new administration.

Overshadowed as they were, the agreed-upon crude oil production cuts were nonetheless noteworthy. Oil prices jumped after OPEC members in late November agreed for the first time in eight years to reduce output, in this instance by 1.2 million barrels a day. Prices climbed higher in early December when non-OPEC oil-producing nations, including Russia, pledged to join the cause by a combined 600,000 barrels a day. In the end, oil prices ended the quarter 16 percent higher than the day before the OPEC announcement and 20 percent higher than the period's low.

After swaying stocks for years running, the specter of higher interest rates spooked no one during the quarter as the Federal Reserve in December increased the federal funds rate for only the second time in the past decade. Admittedly, it was a modest quarter-point hike prompted by positive forces (labor market strength and modest economic expansion), but the ho-hum response it ultimately generated spoke volumes about what investors viewed as the most important variable to assess.

Investors applauded President-elect Trump's victory in large part due to business-friendly campaign promises, such as corporate tax cuts, and the prospects for those promises to lead to action with the cooperation of Republican majorities in Congress. Some of the best performing stocks in the December quarter hailed from the financial and industrial sectors, for which investors extrapolated improved fortunes due to looser regulation and heavy infrastructure spending, respectively.

While the environment was generally positive, the market's willingness to reward companies for benefits they've yet to realize was more pronounced than its enthusiasm for growth companies with strong fundamentals now.

AMG Managers Brandywine Advisors Mid Cap Growth Fund and the Russell Midcap[®] Growth Index grew 0.86 and 0.46 percent, respectively, in the three months through December, while the S&P 500 and Russell Midcap[®] Indexes gained 3.82 and 3.21 percent.

Political themes were evident throughout performance patterns in the quarter. With repealing the Affordable Care Act high on the incoming administration's agenda, health care was the worst performing sector during the period.

While health care was a negative influence on absolute performance, health care holdings outperformed the sector within the benchmark, the Russell Midcap[®] Growth Index. The Fund also maintained lower exposure to the sector than the benchmark, helping make the health care sector the biggest contributor to relative results. Biopharmaceutical company Incyte Corp. was a standout performer from the sector. Shares rose after the company reported

earning \$0.19 per share in the September quarter versus a consensus forecast of \$0.10 and raised sales guidance for its leading drug, Jakafi.

Energy holdings provided the next-best performance boost relative to the benchmark. The Fund's holdings outperformed the sector within the Russell Midcap[®] Growth Index while representing an overweight position versus the index. Nabors Industries Ltd., which operates the world's largest land-based drilling fleet, and Chesapeake Energy Corp., which holds considerable reserves in domestic shale formations, were leading performers as increased oil prices improved the outlook for rig utilization and increased the value of reserves.

The industrial sector was the biggest detractor from relative results. The Fund's exposure to industrial companies was limited at a time when the sector outperformed. Sector-specific performance also lagged due in large part to Kansas City Southern. The railroad company's September-quarter results fell short of expectations due to disruptions related to weather and a port strike in Mexico.

Holdings from the consumer discretionary sector also weighed on relative performance. As the second largest concentration of portfolio assets, the position size indicates that we consider this an area of ample near-term earnings strength. Still, the sector generally underperformed the overall market as investors tried to assess implications related to potential changes to tax and trade policies. Proposals raising the possibility of penalizing imported goods represent an earnings risk to a wide range of retailers.

Company-specific factors also came into play. Builder D.R. Horton was a notable detractor after the company's growth in new home orders slipped from its previous double-digit pace, with slower growth in Florida and Texas of particular concern. J.C. Penney also detracted from performance.

Please see *Roses & Thorns* on page 5 for more on companies that influenced December-quarter performance.

As we begin 2017, technology holdings comprise the largest portfolio position, followed by holdings from the consumer discretionary and health care sectors. Exposure to the consumer staples sector is limited. For more insight on portfolio characteristics, please see page 4.

Thanks for your continued confidence. We're grateful for the opportunity to serve you.

Scott Gates
Chief Investment Officer
Friess Associates, LLC

Fund Performance *(unaudited)*
 Periods ended December 31, 2016

The table below shows the average annual total returns for the AMG Managers Brandywine Advisors Mid Cap Growth Fund, the Russell Midcap[®] Growth Index, the Russell Midcap[®] Index and the S&P 500 Index for the same time periods ended December 31, 2016.

Average Annual Total Returns ¹	One Year	Five Years	Ten Years
AMG Managers Brandywine Advisors Mid Cap Growth Fund^{2,3,4,5,6,7}	3.40%	5.56%	0.05%
Russell Midcap [®] Growth Index ⁸	7.33%	13.51%	7.83%
Russell Midcap [®] Index ⁹	13.80%	14.72%	7.86%
S&P 500 Index ¹⁰	11.96%	14.66%	6.95%

The performance data shown represents past performance. Past performance is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Investors should carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. For performance information through the most recent month end, current net asset values per share for the Fund and other information, please call (800) 835-3879 or visit our website at www.amgfunds.com for a free prospectus. Read it carefully before investing or sending money.

Distributed by AMG Distributors, Inc., member FINRA/SIPC.

- ¹ Total return equals income yield plus share price change and assumes reinvestment of all dividends and capital gain distributions. Returns are net of fees and may reflect offsets of Fund expenses as described in the prospectus. No adjustment has been made for taxes payable by shareholders on their reinvested dividends and capital gain distributions. Returns for periods greater than one year are annualized. The listed returns on the Fund are net of expenses and based on the published NAV as of December 31, 2016. All returns are in U.S. dollars (\$).
- ² The Fund inception dates and returns for all periods beginning prior to October 1, 2013, reflects performance of the predecessor Fund, Brandywine Advisors Midcap Growth Fund, which was managed by Friess Associates, LLC with the same investment objectives and substantially similar investment policies.
- ³ The Fund invests in growth stocks, which may be more sensitive to market movements because their prices tend to reflect future investor expectations rather than just current profits.
- ⁴ The Fund is subject to risks associated with investments in mid-capitalization companies such as greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

⁵ 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.

⁶ 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.

⁷ Active and frequent trading of a fund may result in higher transaction costs and increased tax liability.

⁸ The Russell Midcap[®] Growth Index measures the performance of the Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000[®] Growth Index. Unlike the Fund, the Russell Midcap[®] Growth Index is unmanaged, is not available for investment, and does not incur expenses.

⁹ The Russell Midcap[®] Index measures the performance of the 800 smallest companies in the Russell 1000[®] Index, which represent approximately 25% of the total market capitalization of the Russell 1000[®] Index. Unlike the Fund, the Russell Midcap[®] Index is unmanaged, is not available for investment, and does not incur expenses.

¹⁰ 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 S&P 500 Index is unmanaged, is not available for investment, and does not incur expenses.

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Not FDIC insured, nor bank guaranteed. May lose value.

AMG Managers Brandywine Advisors Mid Cap Growth Fund

Fund Snapshots (unaudited)

December 31, 2016

PORTFOLIO BREAKDOWN

Industry (Top Ten)	Brandywine Advisors Mid Cap Growth Fund*	Russell Midcap® Growth Index	Russell Midcap® Index	S&P 500 Index
Semiconductors	10.4%	4.8%	3.7%	3.4%
Data Processing & Outsourced Services	7.3%	6.9%	3.7%	3.7%
Oil & Gas Exploration & Production	6.4%	1.4%	5.0%	6.4%
Apparel, Accessories & Luxury Goods	4.3%	1.6%	1.0%	0.7%
Movies & Entertainment	4.3%	2.9%	2.0%	3.1%
Systems Software	4.1%	5.3%	3.1%	4.3%
Specialty Stores	3.7%	6.0%	3.8%	2.5%
Communications Equipment	3.6%	1.2%	1.3%	1.0%
Home Entertainment Software	3.6%	2.7%	1.4%	4.3%
Health Care Facilities	3.0%	2.6%	1.9%	2.6%
Other Common Stock	44.6%	64.6%	73.1%	68.0%
Cash & Cash Equivalents†	4.7%	0.0%	0.0%	0.0%

* As a percentage of net assets.

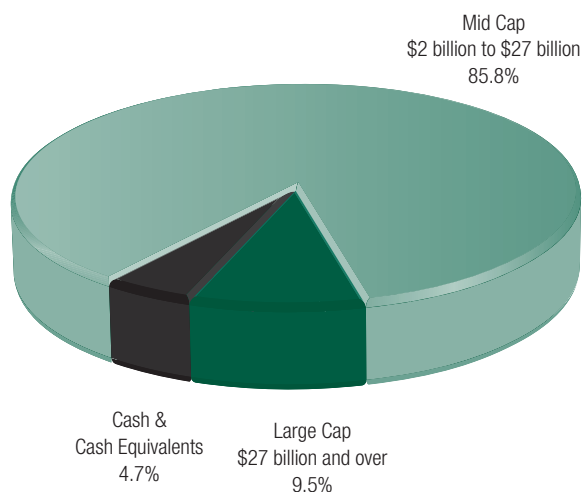
† Includes Other Assets and Liabilities.

TOP TEN HOLDINGS

Security Name	% of Net Assets	% Change from Book Cost
VCA, Inc.**	3.0%	36.1%
Vantiv, Inc., Class A	2.8%	29.2%
Black Knight Financial Services, Inc., Class A**	2.8%	43.5%
Proofpoint, Inc.**	2.8%	-0.8%
Advanced Micro Devices, Inc.**	2.7%	117.8%
Synchrony Financial	2.6%	19.6%
Dycom Industries, Inc.	2.6%	0.7%
Burlington Stores, Inc.	2.5%	11.1%
Waste Connections, Inc.	2.5%	20.0%
Live Nation Entertainment, Inc.**	2.5%	4.6%
Top Ten as a Group	26.8%	

** Also Top Ten Holding as of September 30, 2016.

PORTFOLIO MARKET CAPITALIZATION



ESTIMATED EARNINGS GROWTH RATE OF THE FUND'S INVESTMENTS

Forecasted Increase in Earnings Per Share 2017 vs 2016

The Fund's Companies

17.6%

S&P 500's Companies

9.2%

Source: Consensus estimates from FactSet Research Systems Inc.

This is not a forecast of the Fund's future performance. Earnings growth for a Fund holding does not guarantee a corresponding increase in the market value of the holding or the Fund.

Because a fund's strategy may result in multiple investments in particular sectors of the economy, its performance may depend on the performance of those sectors and may fluctuate more widely than investments diversified across more sectors. For additional information on these and other risk considerations, please see the Fund's prospectus.

Any sectors, industries, or securities discussed should not be perceived as investment recommendations. Mention of a specific security should not be considered a recommendation to buy or solicitation to sell that security. Specific securities mentioned in this report may have been sold from the Fund's portfolio of investments by the time you receive this report.

AMG Managers Brandywine Advisors Mid Cap Growth Fund

Roses and Thorns *(unaudited)*

Quarter Ending December 31, 2016

\$ Gain (in millions)	% Gain	Biggest \$ Winners	Reason for Move
\$2.9	64.5%	Advanced Micro Devices Inc. (AMD)	The semiconductor manufacturer exceeded September-quarter earnings and revenue growth expectations on strong demand for its graphics chips used in game consoles. The company unveiled Ryzen, a high-end central processor targeting PC gaming built on AMD's new Zen architecture. Ryzen is AMD's first significant attempt to recapture PC market share from Intel.
\$1.0	41.7%	Steel Dynamics Inc. (STLD)	The diversified steel producer grew September-quarter earnings 140 percent. Shares advanced as the company reported better pricing, with its average selling price increasing \$100 per ton to \$740 per ton. Steel Dynamics uses low-cost mills and adds value by cold rolling, coating and/or fabricating the end product.
\$0.8	29.5%	Synchrony Financial (SYF)	The provider of consumer financial services reported September-quarter earnings of \$0.73 per share, topping the consensus estimate. Highlights included improvements in loan growth, net interest margin and credit quality. During the quarter, Synchrony added Nissan and The Container Store as new customers and renewed key partnerships with TJX Cos. and hgregg.
\$0.6	20.7%	Micron Technology Inc. (MU)	The semiconductor and memory solutions developer grew November-quarter earnings 33 percent, exceeding the consensus estimate. Sales increased 19 percent due to stronger demand driven by mobile devices. Micron raised 2017 earnings guidance to reflect improved average sales prices.
\$0.5	19.6%	Incyte Corp. (INCY)	The biopharmaceutical company with a focus on oncology reported September-quarter earnings of \$0.19 per share, up from a \$0.22 loss in the year-ago period. Sales grew 44 percent, topping the consensus forecast. Incyte raised sales guidance due to strong demand for its leading drug, Jakafi, in the treatment myelofibrosis.
\$ Loss (in millions)	% Loss	Biggest \$ Losers	Reason for Move
\$0.6	13.7%	B&G Foods Inc. (BGS)	The food manufacturer and distributor grew earnings 44 percent in the September quarter, exceeding the consensus estimate. Shares declined when the company noted slowing sales in its core business and potential for unanticipated challenges related to its Green Giant brand acquisition. We sold B&G Foods to fund a new opportunity with greater appreciation potential.
\$0.5	18.5%	Activision Blizzard Inc. (ATVI)	The developer of online video entertainment reported September-quarter earnings of \$0.52 per share, beating the consensus estimate by 24 percent. The Overwatch franchise and renewed strength of World of Warcraft were powerful revenue drivers. Shares traded lower when the company provided tempered earnings guidance amid reports that sales of its latest installment of Call of Duty were down versus last year's version.
\$0.5	10.1%	KAR Auction Services Inc. (KAR)	The provider of car auction services grew September-quarter earnings 19 percent. Shares declined on concerns that lower dealer consignments could lead to weaker results. We sold KAR Auction Services to fund a new idea with better near-term earnings visibility.
\$0.5	12.3%	Guidewire Software Inc. (GWRE)	The software provider for the insurance industry grew revenue 15 percent in the September quarter, topping the consensus estimate. Shares traded lower as management reduced near-term earnings and forecasted that full-year earnings would be back-end loaded. We sold Guidewire to fund a new holding with better visibility.
\$0.4	11.6%	Kansas City Southern (KSU)	The North American railroad company reported September-quarter earnings of \$1.12 per share. Sales came in below expectations due to the impact of poor weather and service disruptions at its Lazaro Cardenas port in Mexico. We sold Kansas City Southern to buy a new opportunity with better visibility.

All gains/losses are calculated on an average cost basis from September 30, 2016 through December 31, 2016.

This commentary reflects the viewpoints of Friess Associates, LLC as of December 31, 2016 and is not intended as a forecast or guarantee of future results.

AMG Managers Brandywine Advisors Mid Cap Growth Fund
Schedule of Portfolio Investments (unaudited)
December 31, 2016

Shares	Cost	Value	Shares	Cost	Value
Common Stocks - 95.3%			Financials		
Consumer Discretionary			Consumer Finance - 2.6%		
Advertising - 1.4%			Thriffs & Mortgage Finance - 1.8%		
79,200	The Interpublic Group of Cos., Inc. \$ 1,876,512	\$ 1,854,072	96,630	Synchrony Financial \$ 2,929,340	\$ 3,504,770
Apparel Retail - 2.5%			Total Financials		
39,600	Burlington Stores, Inc.* 3,020,244	3,356,100	133,945	Radian Group, Inc. 2,396,779	2,408,331
Apparel, Accessories & Luxury Goods - 4.3%			Total Financials		
24,450	Coach, Inc. 921,073	856,239	<i>This sector is 11.0% above your Fund's cost.</i>		
39,650	Columbia Sportswear Co. 2,266,475	2,311,595	Health Care		
39,720	Lululemon Athletica, Inc.* 2,305,484	2,581,403	Health Care Equipment - 1.5%		
Automotive Retail - 1.8%			Health Care Facilities - 3.0%		
8,530	O'Reilly Automotive, Inc.* 2,356,889	2,374,837	28,015	Nevro Corp.* ¹ 2,381,855	2,035,570
Cable & Satellite - 2.4%			Health Care Technology - 1.2%		
11,216	Charter Communications, Inc., Class A* 2,633,673	3,229,311	58,800	VCA, Inc.* 2,966,197	4,036,620
Department Stores - 1.7%			Life Sciences Tools & Services - 2.0%		
269,700	J.C. Penney Co., Inc.* ¹ 2,464,748	2,241,207	14,635	athenahealth, Inc.* 1,546,696	1,539,163
Homebuilding - 2.3%			Pharmaceuticals - 1.8%		
113,425	D.R. Horton, Inc. 3,140,760	3,099,905	18,700	Thermo Fisher Scientific, Inc. 2,472,443	2,638,570
Household Appliances - 1.9%			Total Health Care		
14,200	Whirlpool Corp. 2,413,361	2,581,134	47,300	Prestige Brands Holdings, Inc.* 2,346,774	2,464,330
Movies & Entertainment - 4.3%			Total Health Care		
125,290	Live Nation Entertainment, Inc.* 3,185,919	3,332,714	<i>This sector is 8.5% above your Fund's cost.</i>		
116,400	Regal Entertainment Group, Class A 2,478,144	2,397,840	Industrials		
Specialty Stores - 3.7%			Airlines - 1.8%		
45,950	Dick's Sporting Goods, Inc. 2,230,545	2,439,945	51,200	American Airlines Group, Inc. 2,436,912	2,390,528
9,551	Ulta Salon Cosmetics & Fragrance, Inc.* 2,375,389	2,434,932	Construction & Engineering - 2.6%		
Total Consumer Discretionary			Environmental & Facilities Services - 2.5%		
33,669,216 35,091,234			Trucking - 1.7%		
<i>This sector is 4.2% above your Fund's cost.</i>			Total Industrials		
Consumer Staples			11,061,305 11,439,620		
Packaged Foods & Meats - 1.9%			<i>This sector is 3.4% above your Fund's cost.</i>		
48,075	Pinnacle Foods, Inc. 2,127,981	2,569,609	Information Technology		
<i>This sector is 20.8% above your Fund's cost.</i>			Communications Equipment - 3.6%		
Energy			Data Processing & Outsourced Services - 7.3%		
Oil & Gas Drilling - 2.1%			Black Knight Financial Services, Inc., Class A* ¹ 2,631,732		
168,030	Nabors Industries, Ltd. 2,405,939	2,755,692	99,895	Global Payments, Inc. 2,274,999	3,776,031
Oil & Gas Exploration & Production - 6.4%			512,887 Ciena Corp.* 2,341,641		
182,500	Callon Petroleum Co.* 2,671,188	2,805,025	Electronic Components - 1.7%		
461,825	Chesapeake Energy Corp.* ¹ 2,067,698	3,242,011	Home Entertainment Software - 3.6%		
73,200	Parsley Energy, Inc., Class A* 2,458,181	2,579,568	66,500 Activision Blizzard, Inc. 2,556,200		
Total Energy			2,401,315		
9,603,006 11,382,296			<i>This sector is 18.5% above your Fund's cost.</i>		

AMG Managers Brandywine Advisors Mid Cap Growth Fund

Schedule of Portfolio Investments (continued)

Shares	Cost	Value	Principal Amount	Cost	Value
Information Technology (continued)					
Home Entertainment Software - 3.6% (continued)					
30,200	Electronic Arts, Inc.* \$ 2,239,833	\$ 2,378,552			
Internet Software & Services - 1.8%					
25,000	LogMeIn, Inc. ¹	2,531,788			2,413,750
Semiconductors - 10.4%					
319,060	Advanced Micro Devices, Inc.*	1,661,473	3,618,140	\$535,008	\$ 535,008
17,815	Broadcom, Ltd.	1,561,634	3,149,158		
105,370	Micron Technology, Inc.*	1,826,217	2,309,710		
45,000	Microsemi Corp.*	2,502,542	2,428,650		
44,600	Qorvo, Inc.*	2,554,676	2,351,758		
Systems Software - 4.1%					
53,400	Proofpoint, Inc.*	3,803,810	3,772,710		
21,600	ServiceNow, Inc.*	1,712,440	1,605,744	2,542,012	2,542,012
Total Information Technology		37,320,084	43,300,660		
<i>This sector is 16.0% above your Fund's cost.</i>					
Materials					
Construction Materials - 1.8%					
19,565	Vulcan Materials Co.	2,457,099	2,448,560		
Specialty Chemicals - 1.8%					
26,900	Albemarle Corp.	2,444,698	2,315,552		
Total Materials		4,901,797	4,764,112		
<i>This sector is 2.8% below your Fund's cost.</i>					
Total Common Stocks		115,723,473	127,174,885		
Principal Amount					
Short-Term Investments - 12.1%					
Repurchase Agreements - 8.0%²					
\$2,542,012	Citigroup Global Markets, Inc., dated 12/30/16, due 01/03/17, 0.530% total to be received \$2,542,162 (collateralized by various U.S. Government Agency Obligations, 2.000% - 8.500%, 12/01/17 - 01/01/47, totaling \$2,592,852)	2,542,012	2,542,012		
2,542,012	Daiwa Capital Markets America, dated 12/30/16, due 01/03/17, 0.520% total to be received \$2,542,159 (collateralized by various U.S. Government Agency Obligations, 0.000% - 6.500%, 03/02/17 - 02/01/49, totaling \$2,592,852)	2,542,012	2,542,012		
Other Investment Companies - 4.1%³					
5,501,877	Dreyfus Government Cash Management Fund, Institutional Class Shares, 0.45%	5,501,877	5,501,877		
Total Short-Term Investments				16,204,933	16,204,933
Total Investments - 107.4%				\$131,928,406	143,379,818
Other Assets, less Liabilities - (7.4)%					(9,862,808)
Total Net Assets - 100.0%					\$133,517,010

Notes to Schedule of Portfolio Investments *(unaudited)*

The following footnotes should be read in conjunction with the Schedule of Portfolio Investments previously presented in this report.

Based on the approximate cost of investments of \$132,293,626 for federal income tax purposes at December 31, 2016, the aggregate gross unrealized appreciation and depreciation were \$13,096,991 and \$2,010,799, respectively, resulting in net unrealized appreciation of investments of \$11,086,192.

* Non-income producing security.

¹ Some or all of these securities were out on loan to various brokers as of December 31, 2016, amounting to the following:

Fund	Market Value	% of Net Assets
AMG Managers Brandywine Advisors Mid Cap Growth Fund	\$10,326,418	7.7%

² Collateral received from brokers for securities lending was invested in these joint repurchase agreements.

³ Yield shown represents the December 31, 2016, seven-day average yield, which refers to the sum of the previous seven days' dividends paid, expressed as an annual percentage.

VALUATION OF INVESTMENTS

Equity securities traded on a national securities exchange or reported on the NASDAQ national market system ("NMS") are valued at the last quoted sales price on the primary exchange or, if applicable, the NASDAQ official closing price or the official closing price of the relevant exchange or, lacking any sales, at the last quoted bid price or the mean between the last quoted bid and ask prices (the "exchange mean price"). Equity securities traded in the over-the-counter market (other than NMS securities) are valued at the exchange mean price. Foreign equity securities (securities principally traded in markets other than U.S. markets) are valued at the official closing price on the primary exchange or, for markets that either do not offer an official closing price or where the official closing price may not be representative of the overall market, the last quoted sale price.

Fixed income securities purchased with a remaining maturity of 60 days or less are valued at amortized cost, provided that the amortized cost value is approximately the same as the fair value of the security valued without the use of amortized cost. Investments in other open-end regulated investment companies are valued at their end of day net asset value per share.

The Fund's portfolio investments are generally valued based on independent market quotations or prices or, if none, "evaluative" or other market based valuations provided by third-party pricing services approved by the Board of Trustees of the Trust (the "Board"). Under certain circumstances, the value of certain Fund portfolio investments (including derivatives) may be based on an evaluation of fair value, pursuant to procedures established by and under the general supervision of the Board. The Valuation Committee, which is comprised of the Independent Trustees of the Board, and the Pricing Committee, which is comprised of representatives from AMG Funds LLC (the "Investment Manager") are the committees appointed by the Board to make fair value determinations. The Fund may use the fair value of a portfolio investment to calculate its net asset value ("NAV") in the event that the market quotation, price or market based valuation for the portfolio investment is not readily available or otherwise not determinable pursuant to the Board's valuation procedures, if the Investment Manager or the Pricing Committee believes the quotation, price or market based valuation to be unreliable, or in certain other circumstances. When determining the fair value of an investment, the Pricing Committee and, if required under the Trust's securities valuation procedures, the Valuation Committee, seeks to determine the price that the Fund might reasonably expect to receive from current sale of that portfolio investment in an arms-length transaction. Fair value determinations shall be based upon consideration of all available facts and information, including, but not limited to (i) attributes specific to the investment; (ii) fundamental and analytical data relating to the investment; and (iii) the value of other comparable securities or relevant financial instruments, including derivative securities, traded on other markets or among dealers.

The values assigned to fair value investments are based on available information and do not necessarily represent amounts that might ultimately be realized in the future, since such amounts depend on future developments inherent in long-term investments. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. The Board will be presented with a quarterly report showing as of the most recent quarter end, all outstanding securities fair valued by the Fund, including a comparison with the prior quarter end and the percentage of the Fund that the security represents at each quarter end.

With respect to foreign equity securities and certain foreign fixed income securities, the Board has adopted a policy that securities held in a Fund that can be fair valued by the applicable fair value pricing service are fair valued on each business day provided that each individual price exceeds a pre-established confidence level.

FAIR VALUE MEASUREMENTS

Generally Accepted Accounting Principles ("U.S. GAAP") defines fair value as the price that a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a framework for measuring fair value, and a three level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation.

Notes to Schedule of Portfolio Investments *(continued)*

The three-tier hierarchy of inputs is summarized below:

Level 1 – inputs are quoted prices in active markets for identical investments (e.g., equity securities, open-end investment companies)

Level 2 – other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs) (e.g., debt securities, government securities, foreign currency exchange contracts, foreign securities utilizing international fair value pricing, broker-quoted securities, fair valued securities with observable inputs)

Level 3 – inputs are significant unobservable inputs (including the Fund's own assumptions used to determine the fair value of investments) (e.g., fair valued securities with unobservable inputs)

Changes in inputs or methodologies used for valuing investments may result in a transfer in or out of levels within the fair value hierarchy. The inputs or methodologies used for valuing investments may not necessarily be an indication of the risk associated with investing in those investments. Transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period.

The following tables summarize the inputs used to value the Fund's investments by the above fair value hierarchy levels as of December 31, 2016:

	Quoted Prices in Active Markets for Identical Investments Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
AMG Managers Brandywine Advisors Mid Cap Growth Fund				
Investments in Securities				
Common Stocks[†]	\$127,174,885	—	—	\$127,174,885
Short-Term Investments				
Repurchase Agreements	—	\$10,703,056	—	10,703,056
Other Investment Companies	5,501,877	—	—	5,501,877
Total Investments in Securities	<u>\$132,676,762</u>	<u>\$10,703,056</u>	<u>—</u>	<u>\$143,379,818</u>

[†] All common stocks held in the Fund are Level 1 securities. For a detailed breakout of the common stocks by major industry classification, please refer to the Schedule of Portfolio Investments.

As of December 31, 2016, the Fund had no transfers between levels from the beginning of the reporting period.

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(800) 835-3879

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This report is prepared for the Fund's shareholders. It is authorized for distribution to prospective investors only when preceded or accompanied by an effective prospectus. To receive a free copy of the prospectus or Statement of Additional Information, which includes additional information about Fund Trustees, please contact us by calling 800.835.3879. Distributed by AMG Distributors, Inc., member FINRA/SIPC.

Current net asset values per share for the Fund are available on the Fund's website at www.amgfunds.com.

A description of the policies and procedures the Fund uses to vote its proxies is available: (i) without charge, upon request, by calling 800.835.3879, or (ii) on the Securities and Exchange Commission's (SEC) website at www.sec.gov. For information regarding the Fund's proxy voting record for the 12-month period ended June 30, call 800.835.3879 or visit the SEC website at www.sec.gov.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. A Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. To review a complete list of the Fund's portfolio holdings, or to view the most recent quarterly holdings report, semiannual report, or annual report, please visit www.amgfunds.com.

AFFILIATE SUBADVISED FUNDS
BALANCED FUNDS

AMG Chicago Equity Partners Balanced
Chicago Equity Partners, LLC

AMG FQ Global Risk-Balanced
First Quadrant, L.P.

EQUITY FUNDS

AMG Chicago Equity Partners Small Cap Value
Chicago Equity Partners, LLC

AMG FQ Tax-Managed U.S. Equity
AMG FQ U.S. Equity
First Quadrant, L.P.

AMG Frontier Small Cap Growth
Frontier Capital Management Company, LLC

AMG GW&K Small Cap Core
AMG GW&K Small Cap Growth
AMG GW&K U.S. Small Cap Growth
GW&K Investment Management, LLC

AMG Renaissance International Equity
AMG Renaissance Large Cap Growth
The Renaissance Group LLC

AMG River Road Dividend All Cap Value
AMG River Road Dividend All Cap Value II
AMG River Road Focused Absolute Value
AMG River Road Long-Short
AMG River Road Select Value
AMG River Road Small Cap Value
River Road Asset Management, LLC

AMG SouthernSun Small Cap
AMG SouthernSun Global Opportunities
AMG SouthernSun U.S. Equity
SouthernSun Asset Management, LLC

AMG Systematic Large Cap Value
AMG Systematic Mid Cap Value
Systematic Financial Management, L.P.

AMG TimesSquare All Cap Growth
AMG TimesSquare Emerging Markets Small Cap
AMG TimesSquare International Small Cap
AMG TimesSquare Mid Cap Growth
AMG TimesSquare Small Cap Growth
TimesSquare Capital Management, LLC

AMG Trilogy Emerging Markets Equity
AMG Trilogy Emerging Wealth Equity
AMG Trilogy Global Equity
AMG Trilogy International Small Cap
Trilogy Global Advisors, L.P.

AMG Yacktman
AMG Yacktman Focused
AMG Yacktman Special Opportunities
Yacktman Asset Management LP

FIXED INCOME FUNDS

AMG GW&K Core Bond
AMG GW&K Enhanced Core Bond
AMG GW&K Municipal Bond
AMG GW&K Municipal Enhanced Yield
GW&K Investment Management, LLC

OPEN-ARCHITECTURE FUNDS
ALTERNATIVE FUNDS

AMG Managers Lake Partners LASSO Alternative
Lake Partners, Inc.

BALANCED FUNDS

AMG Managers Montag & Caldwell Balanced
Montag & Caldwell, LLC

EQUITY FUNDS

AMG Managers Brandywine
AMG Managers Brandywine Advisors Mid Cap Growth
AMG Managers Brandywine Blue
Friess Associates, LLC

AMG Managers Cadence Capital Appreciation
AMG Managers Cadence Emerging Companies
AMG Managers Cadence Mid Cap
Cadence Capital Management, LLC

AMG Managers CenterSquare Real Estate
CenterSquare Investment Management, Inc.

AMG Managers Emerging Opportunities
Lord, Abnett & Co. LLC
WEDGE Capital Management L.L.P.
Next Century Growth Investors LLC
RBC Global Asset Management (U.S.) Inc.

AMG Managers Essex Small/Micro Cap Growth
Essex Investment Management Co., LLC

AMG Managers Fairpointe Focused Equity
AMG Managers Fairpointe Mid Cap
Fairpointe Capital LLC

AMG Managers Guardian Capital Global Dividend
Guardian Capital LP

AMG Managers LMCG Small Cap Growth
LMCG Investments, LLC

AMG Managers Montag & Caldwell Growth
AMG Managers Montag & Caldwell Mid Cap Growth
Montag & Caldwell, LLC

AMG Managers Pictet International
Pictet Asset Management Limited

AMG Managers Silvercrest Small Cap
Silvercrest Asset Management Group LLC

AMG Managers Skyline Special Equities
Skyline Asset Management, L.P.

AMG Managers Special Equity
Ranger Investment Management, L.P.
Lord, Abnett & Co. LLC
Smith Asset Management Group, L.P.
Federated MDTA LLC

AMG Managers Value Partners Asia Dividend
Value Partners Hong Kong Limited

FIXED INCOME FUNDS

AMG Managers Amundi Intermediate Government

AMG Managers Amundi Short Duration Government
Amundi Smith Breeden LLC

AMG Managers Doubleline Core Plus Bond
DoubleLine Capital LP

AMG Managers Global Income Opportunity
AMG Managers Loomis Sayles Bond
Loomis, Sayles & Co., L.P.

AMG Managers High Yield
J.P. Morgan Investment Management Inc.