Magnus S. Larsson
Partner, Portfolio Manager

David A. Hirsh
Partner, Portfolio Manager

AMG TimesSquare International Small Cap Fund

Quarterly Review — Second Quarter 2026

Quarterly Update

Global markets navigated a turbulent second quarter amid shifting geopolitical and macro crosscurrents. Early in the period, Middle East tensions and disruption around the Strait of Hormuz triggered a spike in energy prices and elevated inflation expectations, pivoting global central banks to raise, rather than the expected cuts to, interest rates. As those tensions eased into quarter-end, energy prices retreated toward pre-crisis ranges and the inflationary impulse faded. Against that improving backdrop, corporate earnings and equity markets showed resilience, driven by an insatiable, secular wave of AI infrastructure capital expenditure and strong nominal growth.

Global equities rallied broadly in the second quarter. The Russell 3000 returned 15%, outpacing the MSCI EAFE (11%) but trailing a resurgent MSCI Emerging Markets (24%). Growth outperformed Value in both developed and emerging markets. Among global risk factors, Beta, Momentum, and Liquidity were the strongest performers, while Mid-Capitalization, Earnings Variability, and Investment Quality lagged.

Fund Update

The International Small Cap Fund slightly outperformed the MSCI EAFE Small Cap benchmark in the second quarter of 2026. The Fund's positive exposure to Beta and Profitability were the primary contributors, while negative exposure to Liquidity and Dividend Yield detracted. On a regional basis, holdings in Japan, Emerging Markets, and Asia/Pacific ex-Japan contributed to relative performance, while holdings in Europe lagged.

Regional Performance: Europe

Europe is on a multi-year journey to redefine its strategic priorities, and we believe our local, fundamental approach uniquely positions us to capitalize on this transition. European markets are currently rich with sectors experiencing meaningful dislocation (most notably energy) as well as companies that we believe will prove far more resilient than top-down thematic trends might imply. Our European holdings underperformed the benchmark's regional return. Strength in the Netherlands, Sweden, and Italy was offset by relative weakness in the United Kingdom, Germany, and France.

After first initiating the position in February, we have been accumulating our position in **Koninklijke Heijmans**, a Dutch construction and property-development group. Its shares rose 51% during the quarter on the back of strong operational updates.

Shares of **Greencore**, the UK convenience-food producer, fell -17% after reporting subdued revenue growth and a cautious tone around the UK consumers. We reduced our position to reflect the persistent inflationary pressure in the UK consumer space. We also trimmed our position in **Technip Energies** given the recent rally and the potential risk from work delays in the Middle East. This France-based energy-engineering company and one of only a handful of firms capable of building liquefied natural gas (LNG) plants declined -8% for the quarter. A more conservative near-term guidance update temporarily stalled the growth equity narrative for the Swiss pharmaceutical contract manufacturer, **Siegfried Holding**, causing the stock to pull back -5% during the quarter.

Regional Performance: Japan

Our Japanese holdings outperformed the benchmark's country return, driven by strong stock selection. Our Fund is positioned to benefit from increased structural investments in infrastructure, electrification, and technology. We see a natural extension into renewable energy and, as a second derivative, battery storage. Concurrently, we are keeping a close watch on Japanese domestic fixed-income markets, where the 10-year Japanese Government Bond (JGB) yield has drifted up significantly. Driven by persistent yen weakness and sticky import inflation from early-quarter energy shocks, the central bank faces market pressure to accelerate its tightening cycle, despite political resistance to higher borrowing costs.

Our strongest contributors this quarter were **Dexerials**, a Japanese maker of functional and optical materials, which surged 97% and to which we added earlier in the quarter. The company reported better-than-expected Q4 results and provided bullish updates to their medium-term plan, with a large portion driven by their photonics business. **Sumitomo Bakelite**, a specialty-plastics manufacturer, rose 51% as the company achieved strong margin expansion due to robust demand for advanced semiconductor packaging materials. Benefiting from a cyclical recovery in global factory automation and capital expenditure, particularly in Asia, **MISUMI Group**, a distributor of factory-automation components, gained 49%. We used the strength in Sumitomo Bakelite and MISUMI to trim both positions. Meanwhile we added to **Tekscend Photomask**, a Japanese photomask manufacturer, and **OSG**, a maker of precision cutting tools. As semiconductor nodes shrink and design complexity rises, the demand for advanced photomasks is accelerating. Tekscend is uniquely positioned to capture this high-margin volume. Positioned as a premier maker of high-precision cutting tools, OSG is a direct beneficiary of the aerospace, automotive, and heavy machinery manufacturing rebound. Tekscend and OSG rose 43% and 42%, respectively.

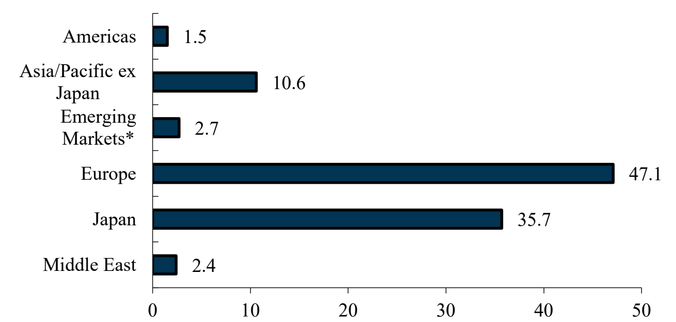
On the negative side, drugstore operator **Sugi Holdings** faced temporary headwinds from rising labor costs and intense price competition in the domestic drugstore space, which led its stock price down -11%. **Integral**, Japan's only listed independent private equity firm, declined -14%. The company experienced short-term volatility tied to the timing of corporate realizations and portfolio exits. However, their underlying private equity strategy and corporate restructuring pipeline remain highly robust. Shares of waste-management operator **Daiei Kankyo** fell -5% on slight

Profile as of 06/30/26

	Fund	MSCI EAFE Small Cap
Weighted Average Market Cap	$4.7 bil	$4.3 bil
Weighted Median Market Cap	$3.8 bil	$3.7 bil
P/E (FY1 Forecast)*	17.4x	14.8x
Forecast EPS Growth*	11.0%	11.9%
Number of Holdings	77	2,052
Percent Cash & Other**	2.5%	-

** Source: FactSet Estimates (see disclosures)*
***Includes all cash-like instruments and other assets and liabilities*

Fund Regional Allocation (%) as of 06/30/26



Includes Emerging countries as defined by MSCI.

Total Returns

For Periods Ended 06/30/26	TCMIX Class Z	TCMPX Class N	TQTIX Class I	MSCI EAFE Small Cap (Net)
One Month	-3.05%	-3.01%	-3.00%	-3.72%
2nd Qtr. 2026	9.12%	9.08%	9.11%	9.02%
One Year	8.91%	8.66%	8.84%	17.39%
Three Year*	13.37%	13.13%	13.33%	15.72%
Five Year*	1.73%	1.48%	1.66%	5.35%
Seven Year*	5.25%	5.00%	5.18%	8.46%
Ten Year*	6.02%	5.76%	-	8.64%
Since Inception**	7.16%	6.92%	5.57%	8.32%

TCMIX Class Z Expense Ratio (Gross/Net): 1.10% / 1.05%
TCMPX Class N Expense Ratio (Gross/Net): 1.35% / 1.30%
TQTIX Class I Expense Ratio (Gross/Net): 1.15% / 1.10%

**Since 01/02/13 for the Fund's Class Z & N Shares & the MSCI EAFE Small Cap (Net); Since 02/24/17 for the Fund's I Shares

Annual expense ratio as of May 1, 2026.

The fund's investment manager has contractually agreed, through at least May 1, 2027, to limit fund operating expenses. The net expense ratio reflects this limitation, while gross expense ratio does not. The Fund has no up-front sales charges or deferred sales charges. Please refer to the fund's prospectus for additional information on the fund's expenses.

Performance data quoted represents past performance. Past performance does not guarantee future results. Your investment return and principal value of your investment will fluctuate so that your shares in the Fund, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data quoted. Please call toll free at 1.800.548.4539 to obtain performance data current to the most recent month-end.

Performance data reflects waivers of all or a portion of the advisory fees and/or reimbursement of other expenses. Without these waivers and reimbursements, investment performance would have been lower. At times, the funds' performance may be extraordinarily high due to investing in sectors that achieved unprecedented returns. There can be no assurance that this performance can be repeated in the future.

margin compression from upfront temporary outsourcing/labor costs tied to large demolition projects. We added to our position on this price weakness.

Regional Performance: The Americas and Emerging Markets

Our Emerging Markets holdings were a source of relative strength this quarter, while a position in the Americas detracted.

Our top contributor in the region was **Accton Technology**, the Taiwanese white-box networking-equipment manufacturer and a beneficiary of the global push for independent networking infrastructure, whose shares rose 66% while held during the quarter. We exited the position on that strength. In Korea, **HD Hyundai Marine Solution**, a provider of aftermarket services for marine engines, rose 24% on the news surrounding the company providing ship engines to help power data centers. We trimmed the holding into that gain.

Amongst gold miners, we remain highly selective in this capital-intensive segment. As a result, we maintained conviction in **OR Royalties**, a Canadian precious-metals royalty company whose royalty and streaming model offers a more attractive risk-adjusted return profile. The company reported an inline quarter and increased dividends. However, later in the quarter, share price was impacted by a rotation out of the gold sector due to a higher-for-longer rate fear. We trimmed our position amid the uncertainty with the stock down -17% for the quarter.

Conclusion

We are operating in an environment where capital allocation is increasingly driven by strategic necessity rather than purely optimized economic returns, effectively recasting energy, defense, and technology supply chains as instruments of national policy. While the easing of tensions around the Strait of Hormuz has provided near-term relief, the structural shift toward regional self-reliance and the relentless pace of AI-driven capital expenditure remain the dominant forces shaping the global landscape. These macro crosscurrents create a complex tapestry of risks and opportunities, yet they consistently produce the pricing dislocations where our fundamental, bottom-up approach thrives. We remain steadfast in our focus: identifying disciplined management teams capable of compounding intrinsic value by navigating this new era of complexity. As always, we are available to answer any questions you may have.

Top Ten Holdings as of 06/30/26
(Excluding Money Market Investments)

Holding	Description	% of Total
Ringkjobing Landbobank	Provides traditional banking services	2.60
ALS Limited	Provides testing, measurement, inspection & supporting services	2.56
Imdex Ltd.	Provides drilling fluids to mining industries	2.39
OSG Corp.	Manufactures cutting tools, forming dies, measuring tools, machine tools & parts such as end mills	2.10
MERLIN Properties	Acts as a real estate investment trust that invests in offices buildings, shopping, logistics & data center	2.10
Sumitomo Bakelite Co.	Engages in the manufacture & sale of plastic components & electronic products	2.06
Abzil Corp.	Engages in the design, development, manufacture, & sale of measurement & control equipment	2.02
Fukuoka Financial	Operates a holding company with interests in commercial banking	1.91
Daiei Kankyo Co., Ltd.	Provides waste collection & recycling, soil remediation & environmental services	1.90
Tekscend Photomask Corp.	Manufactures & sells photomasks	1.88
	Total:	**21.52**

TimesSquare Capital Management, LLC

75 Rockefeller Plaza, 30th Floor New York, NY 10019

www.TSCMLLC.com