

AMG TimesSquare

International Small Cap Fund

Commentary

Performance	3Q	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception (01/02/2013)
Class N (TCMPX)	-1.50	4.73	2.63	14.83	1.50	4.72	6.68
Class I (TQTIX)	-1.44	4.88	2.82	15.05	1.69	-	5.26
Class Z (TCMIX)	-1.39	4.94	2.88	15.11	1.75	4.99	6.92
MSCI EAFE® Small Cap (Net)	2.89	10.76	13.73	18.22	5.77	8.05	8.38

Annualized for periods greater than one year. Source: AMG Funds LLC

* Since 1/02/2013 for the Fund's Class Z Shares, Since 1/02/2013 for the Fund's Class N Shares, Since 02/24/2017 for the Fund's Class I Shares, and Since 1/02/2013 for the MSCI EAFE Small Cap Index.

The gross/net expense ratio for the Fund's Class N, Class I, and Class Z shares is 1.35%/1.30%, 1.15%/1.10%, and 1.10%/1.05%, respectively.

The Fund's Investment Manager has contractually agreed, through May 1, 2027, to limit fund operating expenses. The net expense ratio reflects this limitation, while the 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.

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 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 800.548.4539. From time to time, the advisor has waived fees or reimbursed expenses, which may have resulted in higher returns. The listed returns and yields of the Fund are net of expenses, and the returns and yields of the indices exclude expenses. For time periods where the fund inception date preceded the benchmark, the benchmark data will not be shown. Returns for periods shorter than one year are not annualized.

Market Overview

International small caps navigated a quarter shaped by a renewed energy shock, rising global bond yields and a broad shift toward tighter monetary policies. Middle East supply disruptions pushed oil sharply higher, the European Central Bank responded with a 25-basis point hike that took its deposit rate to 2.50%, the Bank of Japan raised its policy rate by 25 basis points to 1.25% (its highest level since 1995), while the Bank of England held at 3.75%. The global economy was resilient, with manufacturing and service activity levels increasing further into expansion territory. Against this backdrop, the MSCI EAFE Small Cap Index returned 3%, ahead of the 1% gain for the MSCI EAFE Index, while emerging market indices were essentially flat. Leadership was decidedly value-oriented: the EAFE Small Cap Value Index gained 6% while growth was flat. That was confirmed by the strength in the global Value factor, negligible returns to Growth or Profitability, and the outperformance of individual low P/E stocks within the EAFE Small Cap Index.

Fund Update

During this quarter, the Fund underperformed the MSCI EAFE Small Cap Index. We benefited from our holdings in the Emerging and Americas regions, while positioning in Japan, Europe, and Asia/Pacific Ex Japan offset that gain.

Notable Performance Trends this Period

While our focus is on bottom-up stock selection, there were some common trends across the Fund this quarter. Takeover activity was an important source of return, as several of our European industrial holdings received cash offers from strategic and private equity buyers. Our Japanese bank holdings also benefited as the Bank of Japan continued to raise interest rates. On the negative side, the summer's sharp rotation away from AI- and semiconductor-linked beneficiaries, a crowded trade that unwound quickly, weighed on holdings tied to semiconductor manufacturing and data-center demand across Japan, Israel and Europe. Another headwind was the Energy sector, where we typically focus on service-oriented businesses, and this quarter the benchmark's commodity-linked exploration & production companies had returns commensurate with the spike in oil prices.

Most Significant Contributors

Rotork plc (U.K.)

Return: **+69%** · Average Weight: 1% · Active Contribution: **+105 bps**

Rotork manufactures valves and flow control components for energy, utility and industrial markets. Shares jumped in mid-July after ABB announced an all-cash offer for the company, with completion expected in the first half of 2027. We exited the full position during the quarter as the takeover progressed.

Fukuoka Financial (Japan)

Return: **+22%** · Average Weight: 3% · Active Contribution: **+48 bps**

Fukuoka Financial provides commercial banking services, primarily in the Kyushu region. Shares rose as earnings exceeded expectations, with profits up 27% year over year. When we met with management this quarter, they estimated that each 25-bp rate increase adds ¥10-15 billion of net profit. With both a rising rate environment in Japan, and Fukuoka's exposure to the growth in Kyushu (Japan's "silicon island"), we added to our position throughout the quarter.

Bodycote plc (U.K.)

Return: **+40%** · Average Weight: 1% · Active Contribution: **+41 bps**

Bodycote is a provider of thermal processing services globally. Shares rose as the company drew competing takeover interest from private equity firms CVC and Veritas Capital, which culminated in a recommended cash offer from Veritas. We exited the full position during the quarter.

Most Significant Detractors

Rigaku Holdings (Japan)

Return: **-28%** · Average Weight: 1% · Active Contribution: **-44 bps**

Rigaku Holdings manufactures scientific and analytical instruments, specializing in advanced X-ray technologies. Shares fell after results came in below expectations for both revenue and operating income, at a time when a strong run earlier in the year had lifted the stock's valuation closer to that of larger semiconductor-equipment peers. The stock was also caught in the summer's rotation away from AI- and semiconductor-linked beneficiaries in Japan. We trimmed the position, though we continue to see Rigaku as one of the globally leading Japanese exporters serving structurally growing end markets that we favor.

MERLIN Properties (Spain)

Return: **-22%** · Average Weight: 2% · Active Contribution: **-41 bps**

MERLIN Properties is a real estate investment company owning office buildings, shopping centers, logistics assets and data centers. Shares declined as the stock corrected along with the broader AI theme after a strong run earlier in the year; while data centers are a small portion of MERLIN's current revenues, they are the fastest growing segment. Also, rising European bond yields weighed on long-duration real estate. We reduced the position during the quarter and are reconsidering its place in the Fund.

Nova Ltd. (Israel)

Return: **-29%** · Average Weight: 1% · Active Contribution: **-40 bps**

Nova provides precision metrology solutions for semiconductor manufacturing. Shares fell sharply as semiconductor and AI-linked stocks sold off and crowded positioning in the group over the summer, even though results exceeded expectations. At an industry conference in September, management noted that its growth was not showing its usual degree of outperformance because 2026 equipment spending has been skewed to areas outside of Nova's expertise, while framing 2027 as a better setup.

Fund Changes

New Positions

Hill & Smith (U.K.)

Hill & Smith designs, manufactures and supplies infrastructure products and galvanizing services. This is a high-quality industrial with returns on invested capital above 20%, that generates more than 60% of revenue and 80% of operating profit in the U.S., where it benefits from a multi-year investment cycle in power demand, grid upgrades and electrical distribution. Hill & Smith has additional potential from acquisitions as it consolidates the U.S. market.

Sojitz Corporation (Japan)

Sojitz is one of Japan's major sogo shosha (general trading companies), with a diversified global portfolio. With its balance sheet repair largely complete, management is shifting toward higher-return businesses while its stock remains the cheapest major trading house.

Exited Positions

Rotork plc (U.K.)

Rotork manufactures valves and flow control components for energy, utility and industrial markets. We sold the full position during the quarter after ABB agreed to a recommended cash offer for the company (see Most Significant Contributors).

Ipsos SA (France)

Ipsos is a generalist market research and opinion survey company. In July during our reunderwriting of the position, we concluded that growth in its revenues, elusive for a few quarters, was not apparent in the near term. With the additional headwinds of subdued industry-wide research spending and concern that AI could disrupt the business, we exited the position.

Positioning & Outlook

Across both Europe and Asia, macroeconomic recovery remains constrained by persistent energy costs and restrictive monetary conditions. In all areas, high energy prices and sticky inflation continue to pressure domestic consumers and threaten further rate hikes. Though in Europe, growth is stabilizing as German fiscal spending offsets lackluster activity elsewhere while we expect the various domestic sovereignty agendas to support a multi-year investment cycle across the region. In Japan, the single biggest focus point remains the weakness of the Yen and how BOJ continuing to hike is the only solution (and what that does on the margin to our position weights). Collectively, this reinforces our preference for high-quality businesses with durable demand. As always, we are available to answer any questions you may have.

Top 10 Holdings

Security	Description	Fund (%)
Fukuoka Financial	Operates a holding company with interests in commercial banking	3.17
OSG Corp.	Manufactures cutting tools, forming dies, measuring tools, machine tools & parts such as end mills	2.41
ALS Limited	Provides testing, measurement, inspection & supporting services	2.19
Ventia Services Group	Engages in operation, maintenance & management of critical public & private assets & infrastructure	2.09
Greencore Group	Manufactures, produces & supplies convenience foods & ingredients	1.93
De'Longhi S.p.A.	Develops & manufactures household products for comfortable living & cleaning	1.91
Ringkjobing Landbobank	Provides traditional banking services	1.90
Dyno Nobel	Manufactures & markets commercial explosives & fertilizers	1.88
Cleanaway Waste	Provides solid, liquid & industrial waste services	1.86
HD Hyundai Marine	Manufactures oil bunkering & ships, parts, engines, electronic & electrical products	1.77
Top 10 Total		21.09

As of 9/30/26. Excluding money market investments. 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. Source: AMG Funds LLC

Disclosures

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call 800.548.4539 or visit wealth.amg.com for a free Prospectus. Read it carefully before investing or sending money. Alpha: Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a security or mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the security or fund relative to the return of the benchmark index is a fund's alpha. Beta: Beta measures the relationship between the portfolio's excess return over T-bills (representing a risk-free rate) relative to the excess return of the portfolio's benchmark. A low beta does not imply that the portfolio has a low level of volatility; rather, a low beta means that the portfolio's market-related risk is low. Beta is often referred to as systematic risk. Information Ratio: The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the portfolio manager. The higher the IR, the more consistent a manager is. Market Capitalization: This figure represents the current stock-market value of a company's equity. It is calculated as the current share price times the number of shares outstanding as of the most recent quarter. Sharpe Ratio: The Sharpe ratio is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historical risk-adjusted performance.

Actively managed portfolios are subject to the risk that security selection or focus on securities in a particular style, market sector or group of companies may cause a portfolio to incur losses or underperform the market.

There can be no guarantee that active management will produce the desired result.

The MSCI EAFE Small Cap Index covers all investable small-cap securities with a market capitalization below that of the companies in the MSCI Standard Indices of developed markets, excluding the U.S. and Canada.

Please go to msci.com for most current list of countries represented by the index. 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.

The Fund is subject to the risks associated with investments in emerging markets, such as erratic earnings patterns, economic and political instability, changing exchange controls, limitations on repatriation of foreign capital and changes in local governmental attitudes toward private investment, possibly leading to nationalization or confiscation of investor assets.

The Fund is subject to risks associated with investments in small-capitalization companies, such as erratic earnings patterns, competitive conditions, limited earnings history and a reliance on one or a limited number of products.

Companies that are in similar industry sectors may be similarly affected by particular economic or market events; to the extent the Fund has substantial holdings within a particular sector, the risks associated with that sector increase.

The Fund is subject to currency risk resulting from fluctuations in exchange rates that may affect the total loss or gain on a non-U.S. Dollar investment when converted back to U.S. Dollars.

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. Growth stocks may underperform value stocks given periods.

Market prices of investments held by the Fund may fall rapidly or unpredictably due to a variety of economic or political factors, market conditions, disasters or public health issues, or in response to events that affect particular industries or companies.

Refer to the prospectus at wealth.amg.com to see the full list of applicable fund risks.

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