

AMG TimesSquare

Mid Cap Growth Fund

Commentary

Performance	3Q	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception (03/04/2005)
Class N (TMDPX)	-5.82	2.82	-2.28	11.97	4.71	11.51	10.17
Class I (TQMIX)	-5.78	2.94	-2.09	12.13	4.87	-	11.42
Class Z (TMDIX)	-5.83	2.92	-2.13	12.16	4.91	11.73	10.38
Russell Midcap® Growth	-5.84	1.01	-2.74	15.36	4.92	11.86	10.09

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

*Since-inception returns run from 03/04/2005 for the Fund's Class N and Class Z Shares, 02/24/2017 for Class I Shares, and 03/04/2005 for the Index. Past performance is not a guarantee of future results; current performance may be lower or higher. Fund returns are net of expenses; index returns exclude expenses.

The gross/net expense ratio for the Fund's Class N, Class I, and Class Z shares is 1.06%, 0.91%, and 0.86%, respectively.

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

U.S. equity markets were mixed in the third quarter of 2026, as the start of a Federal Reserve tightening cycle, a sharp rise in Treasury yields and a renewed oil shock weighed most heavily on smaller and more growth-oriented companies. The S&P 500 Index gained 2%, but breadth was narrow (its equal-weighted index was negative), and the Russell 2000 Index fell -7%. Growth trailed value across the market cap spectrum. After holding rates steady in July, when three members dissented in favor of a hike, the Federal Reserve unanimously raised its target range a quarter point to 3.75%-4.00% in September, its first increase since July 2023. Meanwhile, oil prices climbed sharply as hopes for a resolution of the U.S.-Iran conflict faded. The economy was resilient, with manufacturing and service activities remaining in expansion territory, although consumer confidence and sentiment weakened. Beneath the surface, investors favored quality and lower risk, both broadly and among small and mid cap stocks: companies with lower leverage and higher profitability outperformed, while high-momentum stocks were shunned.

Fund Update

During this quarter, the Fund performed in line with the Russell Midcap® Growth Index. We benefited most from our holdings in the Consumer Discretionary, Health Care, and Communication Services sectors, while positioning in the Industrials, Financials, and Energy sectors offset part of the gain.

Notable Performance Trends this Period

While our focus is on bottom-up stock selection, there were some common trends across the Fund in the third quarter. Our leading contributors were software and health care technology companies that exceeded expectations for the fiscal quarter, with each pointing to AI as an expanding source of demand. Our largest detractors, by contrast, generally reported solid results but were caught in sharp sector de-ratings: semiconductor stocks sold off even on strong earnings as multiples and sentiment reset, while aerospace and defense names fell on budget, policy and competitive concerns. Our overweight in Industrials, one of the benchmark's weakest sectors, also weighed on allocation.

Most Significant Contributors

Veeva Systems

Return: **+61%** · Average Weight: 2% · Active Contribution: **+74 bps**

VEEV provides cloud-based software for the life sciences industries, spanning R&D through front office workflows. The stock jumped after the company reported strong results, with revenue up 18% year-over-year and billings growth ahead of expectations. Management also pointed to growing momentum winning business from legacy providers across R&D and front-office, with several large biopharma clients committing to its Vault CRM platform during the quarter. We trimmed our position on the strength of the price move.

Dynatrace, Inc.

Return: **+31%** · Average Weight: 1% · Active Contribution: **+36 bps**

DT provides an observability software platform that enables organizations to analyze, automate and innovate faster across their digital operations. Shares climbed after DT delivered one of its strongest quarters in recent memory, with net new annual recurring revenue well ahead of expectations, organic growth in that metric accelerating to 41% from 9% the prior quarter, record new-customer momentum and margins above guidance. DT also agreed to acquire Arize, the leader in AI observability, which we expect to accelerate its AI capabilities by 18 to 24 months.

Elastic NV

Return: **+61%** · Average Weight: 1% · Active Contribution: **+37 bps**

ESTC develops enterprise-wide search and analytical services for a diverse set of uses. Shares rose after the company reported results that were higher than anticipated: revenue grew 15% year-over-year, sales-led subscription revenue accelerated to 18% growth, and the company posted a record net add of \$100k+ customers, with the share of those customers using AI features nearly doubling.

Most Significant Detractors

MKS Inc.

Return: **-40%** · Average Weight: 2% · Active Contribution: **-104 bps**

MKSI manufactures subsystems for the semiconductor capital equipment industry. Shares fell sharply even though MKSI's results and guidance exceeded expectations, like other semiconductor stocks that sold off even on strong earnings. We saw this as a resetting of multiples and sentiment rather than a change in fundamentals. Near-term margins in MKSI's materials business are being held back by faster growth in lower-margin equipment, but management reported its high-margin business was booked through 2027 with 30% deposits, and that bookings continue to strengthen.

Carpenter Technology

Return: **-37%** · Average Weight: 3% · Active Contribution: **-131 bps**

CRS manufactures engineered metals primarily for aerospace, with some for medical devices and other specialty markets. CRS reported a record quarter and guided higher operating income for the coming year, a target management called a floor. Sadly, this quarter also brought the sudden death of its newly appointed CEO, with the former CEO returning and succession unresolved. Shares then fell in sympathy with aerospace castings suppliers after large industry participants announced moves into castings, even though CRS sells specialty alloys to casting companies rather than competing against them.

Curtiss-Wright Corporation

Return: **-28%** · Average Weight: 2% · Active Contribution: **-66 bps**

CW provides highly engineered products for the aerospace, defense, and industrial markets. The company's results exceeded expectations, with orders up 8% year-over-year and defense electronics orders reaching record levels, but shares came under pressure alongside a broader de-rating of higher-multiple industrial and growth names during the quarter.

Fund Changes

New Positions

Lumentum Holdings

LITE manufactures optical and photonic products. We initiated the position when indiscriminate selling in semiconductor and optical stocks pressured its share price. LITE's leadership in lasers for AI data center interconnects, links between data centers, co-packaged optics, and optical circuit switches should provide a multi-year growth trajectory.

Credo Technology

CRDO develops high-speed connectivity components for data infrastructure. As CRDO's market capitalization grew, we began initiating a mid cap position in this stock we've owned in our small cap Fund for years. We continue to see CRDO as a key beneficiary of the AI build-out, driven by its active electrical cable business through future upgrade cycles and its emerging optical products.

Exited Positions**Regal Rexnord**

RRX specializes in motion control systems, climate solutions and similar mechanical components for a variety of end markets. We exited the position and used the proceeds to establish a new position in RBC Bearings, a designer and manufacturer of precision bearings and engineered components for the industrial, aerospace, and defense end markets. The swap reflected our view that RBC was better situated for this environment.

Ionis Pharmaceuticals

IONS discovers and develops antisense treatments, which are precision genetic medicines targeting messenger RNA. We exited the position after two partnered late-stage (Phase 3) programs failed this summer, removing important opportunities underpinning our thesis. With competition looming for its newest launch and a high-risk readout ahead for a wholly-owned program, we chose not to fight negative sentiment.

Positioning & Outlook

The team enters the fourth quarter committed to its quality-growth discipline. Through the year, the portfolio has behaved in line with its quality orientation, holding up well on down days and lagging on momentum-driven up days. We view this profile as an intended feature of the strategy that stands out in volatile markets.

September was a difficult month for relative performance: heavily weighted, higher-beta benchmark constituents advanced while several of the portfolio's larger positions declined, giving back much of the strength earned in July and August. The team does not view one month as a reason to reposition aggressively. Instead, it is using the period to examine whether the largest benchmark weights reflect secular themes the portfolio underrepresents, while remaining unwilling to pay valuations it cannot justify.

Across sectors, the team's views are selective rather than uniformly bullish. In technology, it continues to see opportunity where AI adoption is still early, such as optical networking within and between server racks, while expecting the next phase of semiconductor gains to be narrower. In software, it distinguishes between business models, favoring cybersecurity and infrastructure software over application software, where seat-based models may face AI-driven disruption. In industrials, data-center demand remains a secular support, though rising input costs could pressure margins. Elsewhere, the team favors experience-based consumer spending over large-ticket purchases, takes a positive but valuation-sensitive view of healthcare, sees selective opportunity in financials where concerns about AI disintermediation appear overstated, and remains cautious on energy after a strong rally in refiners.

The central cross-sector question is whether AI spending continues to drive earnings revisions upward. The team remains interested in areas where adoption is early, but is monitoring higher financing costs, crowded valuations, and signs that the spending cycle may reward a narrower set of companies.

Top 10 Holdings

Security	Description	Fund (%)
Snowflake Inc.	Cloud-based data platform for warehousing, analyzing, & sharing data & building AI applications	4.26
EMCOR Group	Provides construction & operational services for mechanical & electrical systems to a broad range of commercial, industrial, utility, & institutional customers	3.09
Comfort Systems USA, Inc.	Specialty mechanical, electrical, & plumbing systems contractor for high-performance industrial & commercial buildings, which include datacenters, semiconductor fabs, & pharmaceutical manufacturing sites	2.71
Monolithic Power Systems, Inc.	Designs, develops, & markets high-performance power management semiconductors	2.71
Cencora, Inc.	Distributes pharmaceutical & medical products to pharmacies, hospitals, & other health care providers	2.70
Palo Alto Networks	Global provider of network & cloud-based cybersecurity systems	2.49
Interactive Brokers Group	Operates as a holding company whose subsidiaries provide brokerage & investment services	2.43
Carpenter Technology Corp.	Manufactures engineered metals primarily for aerospace, with some for medical devices & other specialty markets	2.41
IFrog Ltd.	Provides a platform that enables organizations to securely build, manage, & release software updates continuously from development to deployment	2.38
Lattice Semiconductor	Leading provider of low-power, programmable integrated circuits	2.31
Top 10 Total		27.48

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. Standard Deviation: Annualized standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. 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 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.

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.

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.

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.

The Russell Midcap® Growth Index measures the performance of those Russell Midcap® companies with higher price/book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000® Growth Index. Unlike the Fund, indices are unmanaged, are not available for investment and do not incur expenses.

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TIMESQUARE
 CAPITAL MANAGEMENT, LLC

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

📞 800-541-5156

✉️ tscmlc.com

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