

AMG Yacktman Fund

Q1 2024

Class I | **YACKX**

Average Annual Returns (%)^{1,2}

as of 03/31/24

	Q1	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	20 Yr	Since Inception ³
YACKX (Class I)	7.54	7.54	20.94	8.11	11.60	10.14	14.47	10.20	10.57
Russell 1000 [®] Value Index ⁴	8.99	8.99	20.27	8.11	10.32	9.01	13.10	8.29	9.85
S&P 500 [®] Index ⁴	10.56	10.56	29.88	11.49	15.05	12.96	15.63	10.15	10.47

YACKX (Class I) Expense Ratio (Gross/Net): 0.72%/0.72%

¹Returns for periods less than one year are not annualized.

²The performance information shown for periods prior to June 29, 2012, is that of the predecessor to the Fund, The Yacktman Fund, which was reorganized into the AMG Yacktman Fund on June 29, 2012, and was managed by Yacktman Asset Management LP with the same investment policies as those of the predecessor Fund.

³Since the inception of the Fund on July 6, 1992.

⁴Effective June 30, 2020, the Fund's primary and secondary benchmarks were changed. The Russell 1000[®] Value Index became the primary benchmark and S&P 500[®] Index the secondary benchmark; previously the S&P 500 was the primary benchmark and the Russell 1000[®] Value Index was the secondary benchmark.

The performance data shown represents past performance. Past performance is not a guarantee of future results. 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 or visit our website at wealth.amg.com. From time to time the advisor has waived fees or reimbursed expenses, which may have resulted in higher returns.

For the three months ending March 31, 2024, the **AMG Yacktman Fund** (the "Fund") Class I shares returned 7.54%, underperforming the Russell 1000[®] Value Index, which returned 8.99%, and lagging the S&P 500[®] Index, which returned 10.56%.

Contributors and Detractors

Quarterly contributors include Canadian Natural Resources Ltd. ("CNQ") and the basket of energy companies in the portfolio. The energy sector had a strong first quarter, and the energy companies in the portfolio performed well. The thesis is based on a medium-term supply/demand imbalance and the shift to returning capital to shareholders. Diamondback Energy announced a major merger with a private energy company during the quarter, following other deals announced recently (e.g., Chevron announcing the purchase of Hess and Exxon buying Pioneer). CNQ was Yacktman's first investment in the energy space in over a decade, which was followed by the basket of domestic exploration and production companies added in mid-2022. We think CNQ is one of the

best-managed companies in the industry, and because the company essentially "manufactures oil" from the oil sands with 30 years of reserves, it incorporates lower maintenance capex than its traditional drilling competitors. Bolloré also strongly contributed to returns in the first quarter (see "Brief Update on Bolloré" section below).

Detractors from performance include U-Haul, Embecta, and GrafTech. U-Haul's two primary lines of business, self-storage and truck rental, both faced headwinds in the first quarter. Self-storage REIT peers traded down with prevailing interest rate trends. The truck rental business, which experiences a seasonally slow period in the first quarter, was further impacted by lingering supply chain delays in new truck availability. Embecta, though the investment thesis remains intact, has suffered from the market's enthusiasm for semiglutide products given its traditional insulin delivery products. GrafTech has struggled recently—its largest plant in Mexico missed the contracting cycle, and cyclical headwinds have impacted

its customers. GrafTech's assets are valued well below their replacement costs, and the forward rate of return is attractive.

New Positions

We want to highlight two relatively new companies in the Fund. Darling Ingredients ("Darling") is the leading collector and renderer of animal by-products representing a crucial part of the food supply chain. Given the nature of its processing operations, the business enjoys high barriers to entry, transforming animal by-products into fats and proteins that are subsequently used in a variety of applications, from animal feed to collagen products. We believe the company has managed the business well through several smart acquisitions over recent years. It processes approximately one out of seven livestock animals on Earth. Darling has a joint venture with Valero Energy Corp to use these animal by-products to produce renewable diesel fuel, and we imagine it will benefit from being the low-cost producer in a growing business.

Another relatively new position is the consumer staples business Kellanova, the former Kellogg Company that spun off its cereal business, leaving a global snack company with well-known brands such as Cheez-It Crackers, Nutri-Grain Bars, and Pringles. The cereal division split has made the snack business's valuation more complex in the near term, and we have been able to find hidden value in a predictable consumer products segment that offers an attractive discount, strong margins, and growth attributes.

A Brief Update on Bolloré

Bolloré closed on the sale of its European freight and logistics business on February 29, resulting in a media company with three sources of value: its stake in Vivendi, its stake in Universal Music Group ("UMG"), and a pile of cash on the balance sheet. Vivendi is evaluating separating itself into four publicly listed companies that would simplify its structure to unlock value. UMG, with its shares trading up, has produced strong operating results that represent embedded value for Bolloré. We see all of these factors as positive for Bolloré: the upside has increased, while the risks have been reduced.

Conclusion

Risks are plentiful in the current environment, and passive indices are increasingly concentrated in a few names. Inflation has affected factor costs for many companies, and higher interest rates have impacted the cost of capital and consumer demand. We have high conviction in our strategy and focus on investing in resilient companies that we find are mispriced in today's market. We believe the AMG Yacktman Fund is well-positioned to generate differentiated returns over time while protecting capital.

To hear more from the Fund's portfolio managers, financial advisors can visit our website [here](#) to listen to Yacktman Asset Management's second quarter update call.

The views expressed represent the opinions of Yacktman Asset Management LP, as of March 31, 2024, are not intended as a forecast or guarantee of future results, and are subject to change without notice.

Top Ten Holdings (%)⁵

as of 03/31/24

Holding	% of Net Assets
Bolloré SE	7.36
Canadian Natural Resources Ltd	7.27
Samsung Electronics Co Ltd Preferred	6.34
Microsoft Corp	4.01
Alphabet Inc, Class C	3.41
Charles Schwab Corp	2.83
PepsiCo Inc	2.82
Procter & Gamble Co	2.42
News Corp, Class A	2.41
U-Haul Holding Co Non-Voting	2.26
TOTAL %	41.13

⁵ 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.

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 download a free prospectus. Read it carefully before investing or sending money.

Past performance is no guarantee of future results

The Fund is subject to the risks associated with investments in debt securities, such as default risk and fluctuations in the perception of the debtor's ability to pay its creditors. Changing interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall.

High-yield bonds (also known as "junk bonds") are subject to additional risks such as the risk of default.

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 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 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 businesses 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.

The Fund invests in value stocks, which may perform differently from the market as a whole and may be undervalued by the market for a long period of time.

The Russell 1000® 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® represents approximately 92% of the U.S. market.

The Russell 1000® Value Index is a market capitalization-weighted index of value-oriented stocks that measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values.

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.

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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