TimesSquare Capital Management, LLC

COMMENTARY

AMG TimesSquare Mid Cap Growth Fund

Q2 2026

Average Annual Returns (%)[1] (as of 06/30/26)

	Q2	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception[2]
TMDPX (Class N)	18.40	9.17	9.16	12.59	6.18	12.62	10.61[2]
TQMIX (Class I)	18.44	9.26	9.37	12.74	6.33	—	12.45[3]
TMDIX (Class Z)	18.48	9.30	9.47	12.82	6.40	12.85	10.82[2]
Russell Midcap® Growth Index	14.55	7.28	6.17	15.61	6.03	13.04	10.53[2]

TMDPX (Class N) Expense Ratio (Gross/Net)[4]: 1.06%/1.06%,
TQMIX (Class I) Expense Ratio (Gross/Net)[4]: 0.91%/0.91%,
TMDIX (Class Z) Expense Ratio (Gross/Net)[4]: 0.86%/0.86%

[1] Returns for periods less than one year are not annualized.
[2] Since the inception of the Fund's Class N and Class Z shares on March 4, 2005.
[3] Since the inception of the Fund's Class I shares on February 24, 2017.
[4] 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. 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.

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 artificial intelligence (AI) infrastructure capital expenditure and strong nominal growth.

In the U.S., the market bounced back strongly from a challenging first quarter. Until recently, a ceasefire had been holding between the U.S. and Iran. Falling energy prices eased consumer inflation fears. April and May non-farm payroll reports were both above the consensus, with expectations that June will continue the solid growth trend. AI remained the predominant market narrative

TIMESSQUARE CAPITAL MANAGEMENT

Headquarters
New York, NY

Founded
2000

Specialization
Growth equity investing

Portfolio Managers
Sonu Chawla, CFA
Edward F. Salib
Grant R. Babyak

Top Ten Holdings[5]

Holdings	% of Net Assets
Carpenter Technology Corp	3.70
EMCOR Group Inc	3.25
Monolithic Power Systems Inc	3.12
Comfort Systems USA Inc	3.07
MKS Inc	2.71
Lattice Semiconductor Corp	2.66
Curtiss-Wright Corp	2.59
Interactive Brokers Group Inc, Class A	2.57
Snowflake Inc, Class A	2.57
Cencora Inc	2.44
TOTAL %	28.69

[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. For a list of all holdings within the fund, please visit wealth.amg.com.

for the quarter, with all signs pointing to sustained compute demand and robust capital expenditures.

Across U.S. equities, small caps outperformed large and mid, with growth outpacing value across market capitalizations. Within small and mid-cap stocks, the market favored higher price-to-earnings (P/E) ratio multiples, lower quality, and higher risk.

Fund Update

Against this backdrop, the Fund outperformed the Russell Midcap® Growth Index for the second quarter. Strengths for the portfolio included information technology, financials, and consumer discretionary. Energy, health care, and industrials were areas of relative weakness.

For the communication services sector, we prefer to invest in media and services companies that are either well placed from an advertising perspective for their target audience or that provide differentiated services. Take Two Interactive Software, Inc., a developer, publisher, and marketer of interactive entertainment, jumped 27%. The company delivered a solid finish to its fiscal year. Management confirmed the November launch of its highly anticipated Grand Theft Auto VI release, with marketing activity ramping up over the summer. Live Entertainment Inc. operates as a live entertainment company worldwide. Its share surged 20% after it reported solid fiscal first quarter results driven by strong concert activity.

Our preferences in the consumer oriented sectors lean toward value oriented or specialty retailers, franchise models, premium brands, or support services for other consumer companies. Convenience store operator Casey's General Stores, Inc. gained 9% over the quarter. Mixed fiscal third quarter results included a revenue miss, with beats on profit and earnings estimates. Ross Stores, Inc., an off price retailer of apparel and home fashions, lost 2%. First quarter results handily beat consensus estimates. Marketing initiatives and store refreshes, however, still have a long way to go. O'Reilly Automotive, Inc. is a specialty retailer of aftermarket auto parts and accessories. While the latest quarter's results handily exceeded street projections, it appears investors were disappointed that forward guidance wasn't raised, and that led to a 0% return for the second quarter. Tractor Supply Co. is a rural lifestyle retailer. Disappointing first quarter results caused its shares to tumble by 30%. Management blamed the miss on its companion pet business. BJ's Wholesale Club Holdings, Inc. operates membership warehouse clubs in the eastern half of the U.S. The combination of a mixed quarter and reiterated forward guidance was dissatisfying to investors as the stock price retreated by 11%. Membership growth remains a bright spot.

We often see the ebb and flow of the energy sector tied to underlying commodity prices. In this area, we seek low cost exploration and production companies with high yielding acreage or specialized service providers. Targa Resources Corp. is involved in gathering, compressing, treating, processing, and transporting natural gas. The stock price improved 7% on the heels of solid first quarter results. Cameco Corporation supplies uranium for electricity generation in the Americas, Europe, and Asia. Despite reporting strong results, the stock sold off by -6% alongside the rest of the nuclear complex. Cheniere Energy, Inc., an owner and operator of liquefied natural gas terminals in New Orleans and Corpus Christi, slid 16%. Its stock had a strong start to the year and then rallied further during the Iran war, but has since sold off on ceasefire negotiations.

In the financials sector, we tend to avoid banks experiencing credit deterioration or rising deposit costs, preferring asset managers, specialized insurance companies, or financial technology providers. Electronic broker Interactive Brokers Group, Inc. rallied 30% over the quarter. Its platform facilitates the execution, clearance, and settlement of trades across a host of financial instruments. The latest quarter featured continued account growth and higher trade commissions. Robinhood Markets, Inc. operates a financial services platform. The combination of in-line results and healthy trading volume led to a 45% surge in the stock price. TPG Inc. is an alternative asset manager investing in private equity, real estate, hedge funds, and credit funds. The stock edged up 1% after they delivered healthy results, with well-balanced fundraising across asset classes. Brown & Brown, Inc., an insurance broker, pulled back by 1%. The company delivered results below expectations due to headwinds to organic revenue from softer property catastrophe pricing and changes to the revenue model in the pharmacy benefits business.

Our preferences among health care stocks are those companies providing novel therapies for unmet needs that command premium pricing, or specialized service providers. Drug containment solutions supplier Stevanato Group S.p.A. climbed 32% for the quarter. Their offering includes pre fillable syringes, cartridges, and vials. First quarter results were positive, with biopharmaceutical and diagnostics offsetting weakness in its engineering business. Additionally, argenx SE, a commercial stage biopharma company, is focused on developing treatments for autoimmune diseases, advanced 27%. Their first quarter was bolstered by solid demand for VYVGART®. Insmed Incorporated develops and commercializes therapies for patients with serious and rare diseases. Their BRINSUPRI™ launch fell short of elevated expectations despite strong sequential revenue growth, and that pressured the stock by 35%. Cencora, Inc. sources and distributes pharmaceutical products. Its shares dropped -10% on disappointing second quarter results along with lower revenue guidance.

Many of our industrial positions provide necessary business to business operational services, highly technical components, equipment enabling automation and efficiency improvements, or essential infrastructure services. EMCOR Group, Inc. provides electrical, mechanical, construction, industrial, and facilities services. Continued execution across its diversified project portfolio and strong demand from data center and infrastructure buildouts lifted the stock by 12%. Regal Rexnord Corporation, a provider of power and control motion products, rose 27%. Overall, first quarter results were slightly ahead of expectations, with upside in sales across segments, partially offset by margin pressure. Carpenter Technology Corporation manufactures, fabricates, and distributes specialty metals. The stock gained 57% on the heels of higher than expected fiscal third quarter earnings. Verisk Analytics, Inc., a provider of data, analytics, and technology solutions to the insurance industry, fell 5%. The company's first quarter results came in ahead of projections amid concerns about artificial intelligence (AI) disintermediation.

Among the wide variety of information technology companies, we prefer critical systems providers, specialized component designers, systems that improve client productivity or efficiency, and others that are growing their share of corporate information technology budgets. MKS Inc., a provider of foundational technology solutions to semiconductor manufacturing, electronics and packaging, and specialty industrial applications, climbed 94%. The company delivered revenue upside across its three end markets. Marvell Technology, Inc. provides data infrastructure semiconductor solutions. The stock soared 203% on a combination of in line results and higher forward guidance, driven by an improved outlook for its data center business. Lattice Semiconductor Corporation develops low power programmable logic devices used in AI servers and data centers. They reported a solid beat and raise, highlighted by a very constructive demand environment That served to boost the stock by 65%. JFrog Ltd. offers a platform for software supply chain management. Its shares jumped 92% after reporting a first quarter beat and raise, with cloud revenue up 50% year over year. Cloud data platform provider Snowflake Inc. rose 69% after reporting impressive first quarter results, driven by AI solutions and growth in consumption on its core platform. Partially countering these positives was Trimble Inc. with its 22% decline. It offers technology solutions and a platform that enables office professionals and field workers to connect workflows. The latest quarter was mixed with revenues and profits exceeding street estimates, while annualized recurring revenues decelerated slightly. NICE Ltd. also had a mixed first quarter, resulting in an18% tumble. The company provides AI powered cloud platforms for customer engagement, financial crime, and compliance. The quarter included in-line cloud revenues and a beat to profit estimates, along with a reduction in cloud revenue growth projections.

Within the real estate sector, CBRE Group Inc., a commercial real estate services and investment company, slid 1%. They reported a very solid quarter with broad based strength across service lines despite a more challenging backdrop of higher rates and geopolitical uncertainty.

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.

The views expressed represent the opinions of the TimesSquare Capital Management, LLC, as of June 30, 2026 are not intended as a forecast or guarantee of future results, and are subject to change without notice.

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.

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 erratic earnings patterns, competitive conditions, limited earnings history, and a reliance on one or a limited number of products.

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 during given periods.

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.

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 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. Effective March 24, 2025, Russell U.S. Style Indexes apply the RIC 22.5/45 capping methodology if index weights breach the thresholds as of the quarterly review pricing dates.

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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