

Q1 2025

Equity Style Analysis: Growth vs. Value

A POST-PANDEMIC TUG-OF-WAR

Growth & Value competing for dominance

- ▶ The global investment environment has fundamentally changed. Since the start of 2021, growth and value stocks have been battling for dominance in the new market regime—as seen below, there have been two intense value rallies only to be quelled by economic optimism and a reversion to growth.
- ▶ Since the start of 2021, cumulative returns have favored value 60% of the time, but growth returns have edged ahead in the most recent rally¹.

Outperformance of U.S. Value vs. Growth since 2021

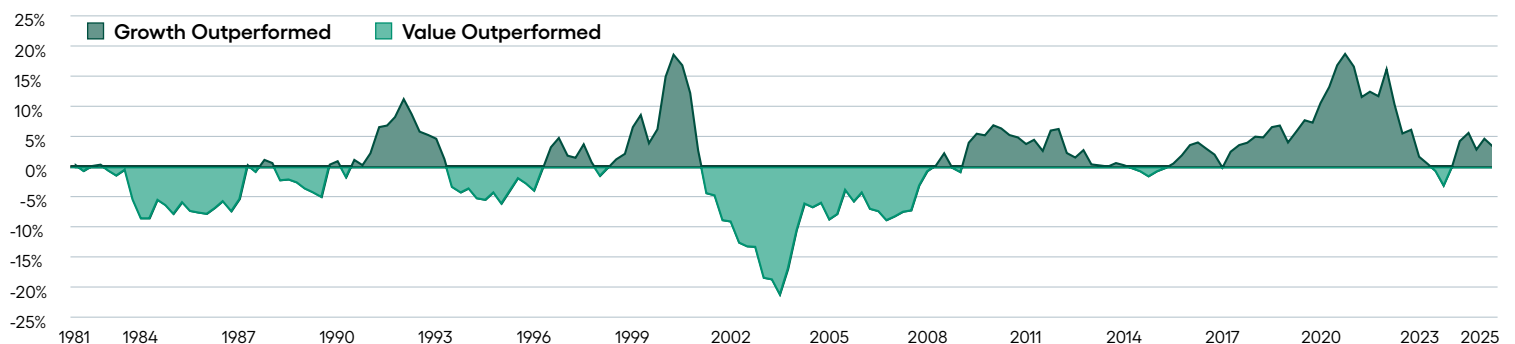
(01/01/21-03/31/25)



- ▶ Looking at longer-term time frames, equity style shifts tend to extend for multiple years. Investors may consider reevaluating their asset allocation to capture the potential cycle of value outperformance.

Russell 1000® Growth vs. Russell 1000® Value

Difference in Rolling 3-Yr Annualized Returns



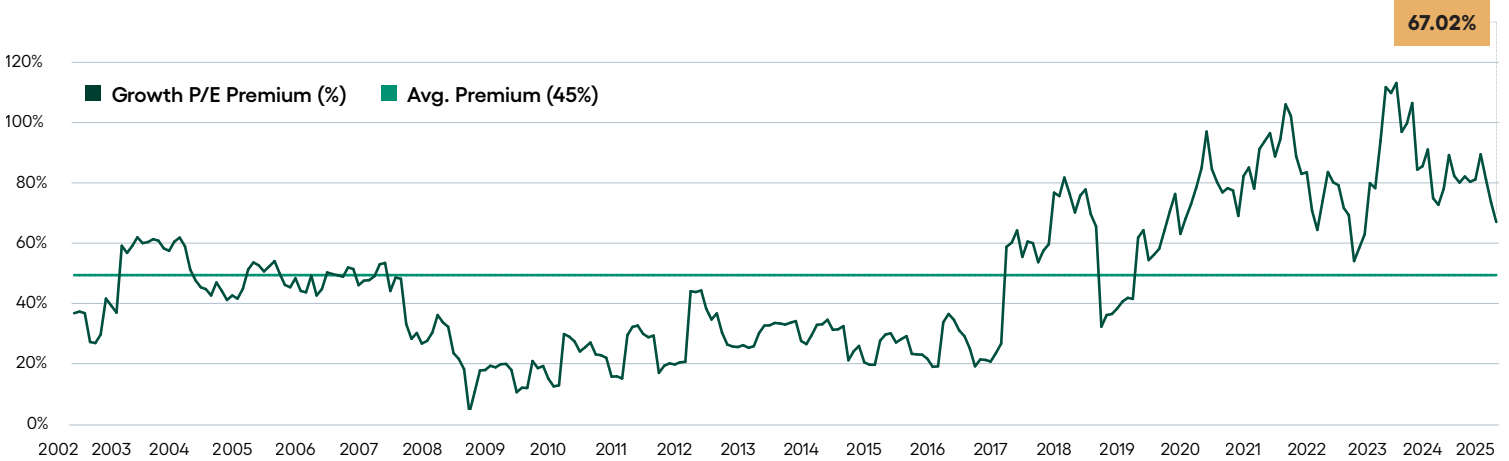
¹ AMG Analysis. FactSet. As of March 31, 2025.

Why value? Relative valuations look attractive

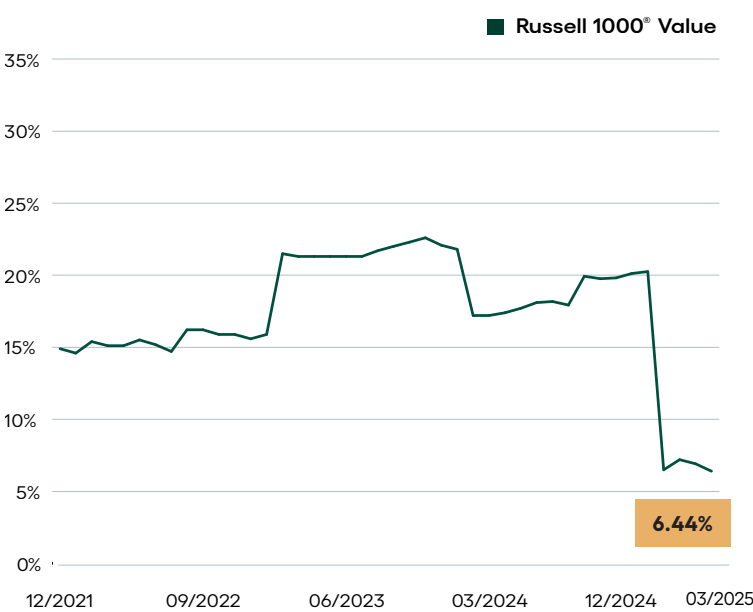
- ▶ Since the global pandemic, the relative valuation of value stocks compared to growth stocks has been historically elevated, well above the dispersion seen prior to the market downturn in 2002.
- ▶ During the recent market turbulence, value stocks closely mirrored the broader index in both direction and magnitude of fluctuations.

Value Stocks May Be Attractive

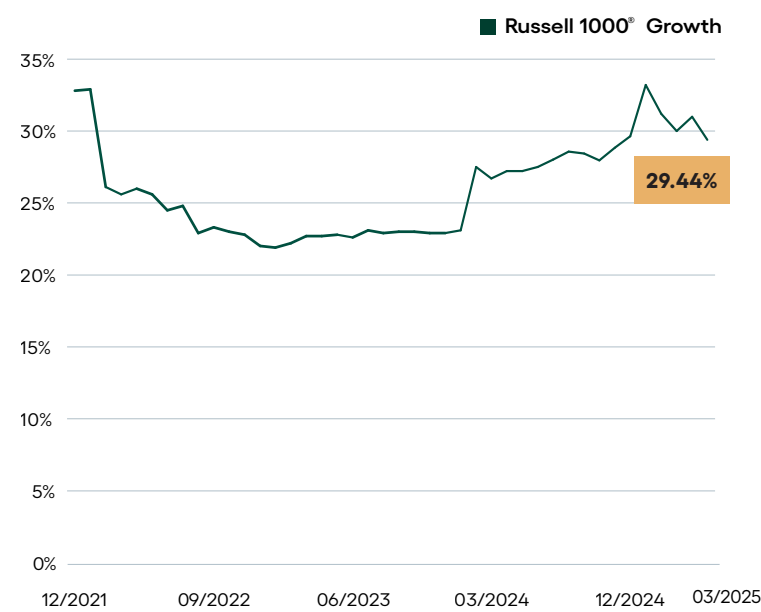
Russell 1000® Growth to Value Trailing (LTM) Price to Earnings Premium (P/E) (09/30/02–03/31/25)



Russell 1000® Value—Historic 3 Year EPS Growth



Russell 1000® Growth—Historic 3 Year EPS Growth



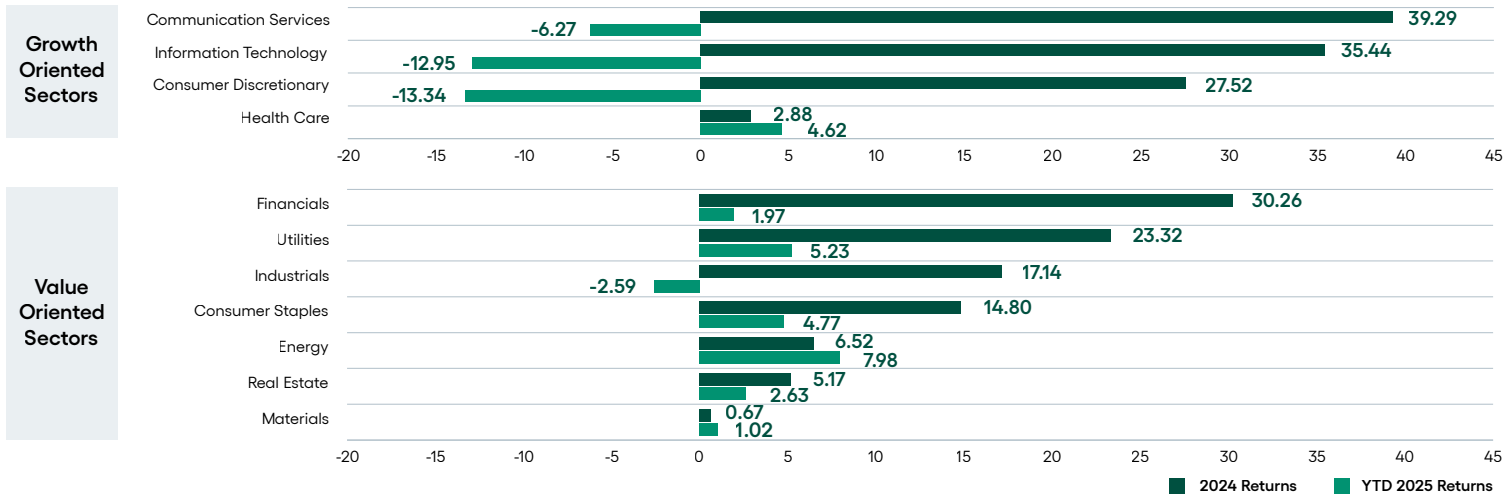
Source: FactSet. As of March 31, 2025.
Latest Twelve Months Price/Earnings (or LTM P/E) ratio is the ratio of the company's closing stock price to its last 12-months earnings per share. The "Russell 1000® Growth to Value Trailing P/E Premium" is the premium of the Russell 1000® Growth P/E ratio over the Russell 1000® Value P/E ratio.

Equity Style Analysis: Growth vs. Value

- ▶ Generally, growth oriented sectors had strong returns in 2024, led by the Communication Services, Information Technology, and Consumer Discretionary sectors. However, year-to-date (YTD) 2025 returns have all been negative for those three sectors.
- ▶ Value oriented sectors were led by Financials, Utilities, and Industrials in 2024; in 2025, the Utilities and Energy sectors have performed well with each returning over 5% YTD.

Style Return Differential Driven by Sector Level Dispersion (%)

GICS sector Performance for the Russell 3000® Index

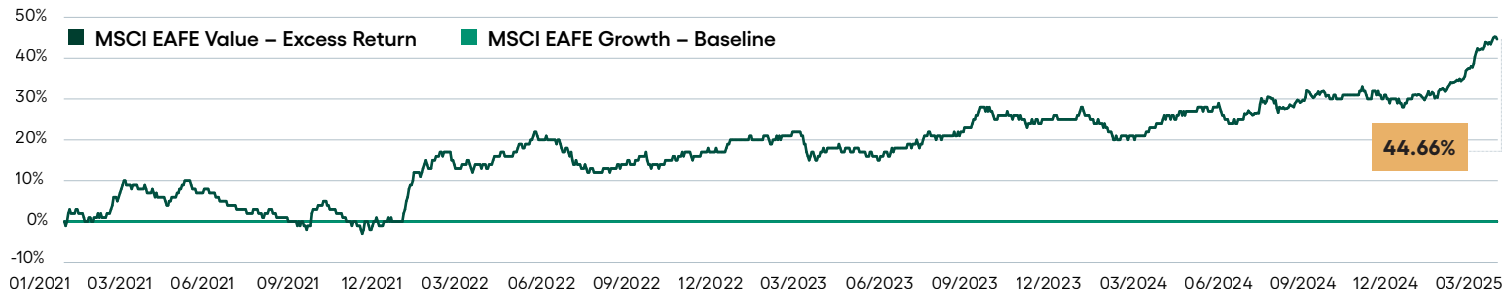


Source: FactSet. As of March 31, 2025.
The Global Industry Classification Standard (GICS) is an industry taxonomy developed in 1999 by MSCI and Standard & Poor's for use by the global financial community. The GICS structure consists of 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries into which S&P has categorized all major public companies.

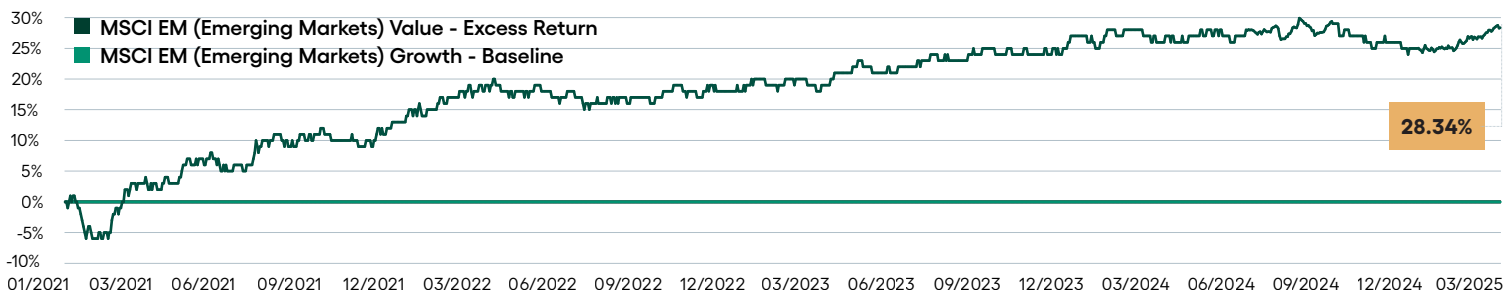
Value Outperforming Growth Globally Since the Start of 2021

Across all markets, value has closed its large gap with growth that was extended during and after the bear market of 2020

Non-U.S. Developed Markets



Emerging Markets



Source: FactSet. As of March 31, 2025.

Past performance is not a guarantee of future results.

Investing involves risk, including possible loss of principal. Diversification does not ensure a profit or protect against a loss.

This does not constitute, nor should this be perceived as, investment advice or an investment recommendation of any particular sector, industry, or security. There is no guarantee that these investment strategies will work under all market conditions, and each investor should evaluate their ability to invest for a long term, especially during periods of downturns in the market.

Growth stocks 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.

Value stocks may perform differently from the market as a whole and may be undervalued by the market for a long period of time.

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.

Market prices of stocks 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 Russell 1000® Growth Index measures the performance of those Russell 1000® companies with higher price/book ratios and higher forecasted growth values. The stocks are also members of the Russell 3000® Growth Index.

The Russell 1000® Value Index measures the performance of those Russell 1000® companies with lower price/book ratios and lower forecasted growth values. The stocks are also members of the Russell 3000® Value Index.

The Russell 3000® Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000® companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 3000® Growth Index measures the performance of those Russell 3000® Index companies with higher price-to-book ratios and higher forecasted growth values.

The MSCI EAFE Value Index (Europe, Australasia, Far East) captures large and mid cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. Please visit [msci.com](https://www.msci.com) for the most current list of countries represented by the index.

The MSCI EAFE Growth Index (Europe, Australasia, Far East) captures large and mid cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. Please go to [msci.com](https://www.msci.com) for the most current list of countries represented by the Index.

The MSCI Emerging Markets Value Index captures large and mid cap securities exhibiting overall value style characteristics across 24 Emerging Markets (EM) countries. Please go to [msci.com](https://www.msci.com) for the most current list of countries represented by the Index.

The MSCI Emerging Markets Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across 24 Emerging Markets (EM) countries. Please go to [msci.com](https://www.msci.com) for the most current list of countries represented by the Index.

The indices are unmanaged, are not available for direct investment and do not incur expenses.

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