

# FIRST QUADRANT MACRO FX FUND (UCITS)

## FUND TERMS

**Fund's Legal Name**  
First Quadrant Macro FX Fund

**Target Risk**  
10%

**Share Classes**  
Class A, B, and C

**Currency Denomination**  
EUR, USD, CHF, SEK

**Minimum Investment**  
1,000,000 EUR, USD, CHF, or SEK

**Dealing Frequency**  
Daily

**Subscription/Redemption Fee**  
None

**Management Fee**  
Class A: 1.00% of NAV plus 10% performance fee  
Class B: 0.50% of NAV plus 20% performance fee

**Administrator & Custodian**  
Northern Trust

**Auditor**  
KPMG

**Legal Counsel**  
Maples and Calder

## INVESTMENT OBJECTIVE

The objectives of First Quadrant's Macro FX strategy are to deliver positive returns over a full market cycle, provide non-correlation to other investments, and deliver diversification when needed most. This is a fundamentally based, systematically implemented, highly liquid, active long/short strategy that exploits the drivers of relative value of currency markets while taking advantage of influences of both short-term and long-term capital flows, trade flows and supply/demand pressure.

## PERFORMANCE SUMMARY

(June 2017)

	EUR Class A
FQ Macro FX Fund (Net)	
Current Month	0.3%
3 Months	-0.3%
Year-to-Date	2.0%
1-Year	5.5%
2-Year	9.3%
Since Month-End Inception <sup>2</sup>	2.8%

All data over 1 year are annualized.

## CORRELATION VS INDEXES (Computed Monthly)

(December 2014 – June 2017)

	1 Year	2 Year
MSCI World Index	-0.43	-0.68
Citigroup World Government Bond Index	-0.61	0.00
HFRI Fund of Funds Composite Index	-0.15	-0.57
Bloomberg Commodity Index Total Return	-0.12	0.06
Barclay Currency Traders Index	0.55	0.28

Source: First Quadrant, L.P., StyleAdvisor

## ANNUALIZED STATISTICS

(December 2014 – June 2017)

Sortino Ratio	0.5	Kurtosis	0.8
Sharpe Ratio	0.3	Standard Deviation	9.2%
Gain to Loss Ratio	1.4	Max Drawdown	-10.5%
Skewness	0.0	Sources: First Quadrant, L.P., StyleAdvisor	

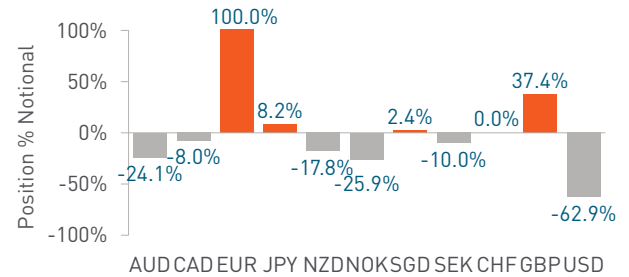
## ALPHA SOURCES

The strategy seeks to profit by exploiting a diverse set of currency drivers. First Quadrant identifies and organizes these drivers into three broad categories:

- Macroeconomic
- Investment Flows
- Behavioral Biases

## PORTFOLIO POSITIONING

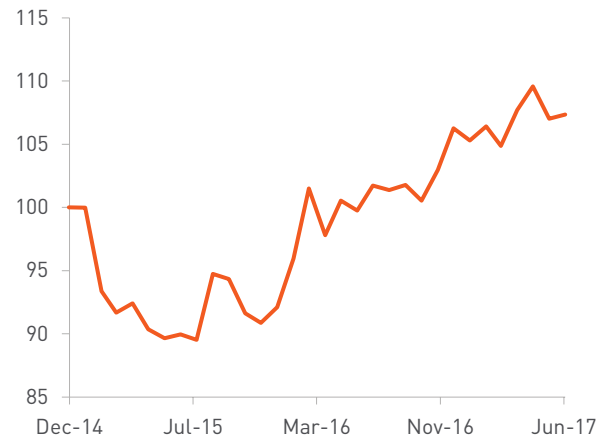
(June 30, 2017)



Source: First Quadrant, L.P.

## GROWTH OF 100

(December 2014 – June 2017)



Sources: First Quadrant, L.P., StyleAdvisor

	Share Class A				Share Class B			
	EUR	USD	CHF	SEK	EUR	USD	CHF	SEK
Bloomberg	FQMFAXE ID	FQMFAXU ID	FQMFAXC ID	FQMFAXS ID	FQMFAXBE ID	FQMFAXBU ID	FQMFAXBC ID	FQMFAXBS ID
ISIN	IE00BNFWZ629	IE00BNFWZ736	IE00BNFWZ843	IE00BQQP9J23	IE00BNFWZ959	IE00BNFWZB70	IE00BNFWZF19	IE00BQQP9K38
Sedol	BNFWZ62	BNFWZ73	BNFWZ84	BQQP9J2	BNFWZ95	BNFWZB7	BNFWZF1	BQQP9K3
Launch Date	11-Nov-14	—	—	—	—	—	—	—
NAV Price	€103.82	—	—	—	—	—	—	—

FQ Macro FX Fund - EUR Class A	Total Return Gross	No Benchmark (Value-Added Strategy)	Value-Added Gross <sup>1</sup>	Total Return Net	Value-Added Net <sup>1</sup>	Composite 3-YR Standard Deviation Gross (Annualized)	Benchmark 3-YR Standard Deviation (Annualized)	Number of Portfolios <sup>4</sup>	Composite Dispersion (%)	Total Composite Assets <sup>3,4</sup> (Millions USD)	% of Firm Assets <sup>4</sup>	Total Firm Assets <sup>4</sup> (Millions USD)	Total TCA Strategy Assets <sup>1,4,6</sup> (Millions USD)	Total Firm AUM (Including Notional Values) <sup>1,4,5</sup> (Millions USD)
2014 (Dec - Dec)	+0.1%	-	+0.1%	0.0%	0.0%	-	-	<5	-	15	0.1	11,522	11,696	23,092
2015	-6.8%	-	-6.8%	-7.9%	-7.9%	-	-	<5	-	14	0.2	8,937	10,392	20,309
2016	+15.4%	-	+15.4%	+14.3%	+14.3%	-	-	<5	-	11	0.1	9,847	10,410	22,183
2017 (Jan - Jun) <sup>2</sup>	+2.5%	-	+2.5%	+2.0%	+2.0%	-	-	<5	-	11	0.1	10,385	12,498	25,133

See additional disclosures for important information concerning this composite and the effect of fees. <sup>1</sup>Supplemental Information. <sup>2</sup>All Performance and AUM data is preliminary. <sup>3</sup>At End of Period Reported. <sup>4</sup>Includes market values for fully funded portfolios and the notional values for margin funded portfolios, including both active and passive components, all managed by First Quadrant and non-discretionary portfolios managed by strategic partners using First Quadrant, L.P. investment signals. First Quadrant is defined in this context as the combination of all discretionary portfolios of First Quadrant, L.P. and its strategic partners, but only wherein FQ has full investment discretion over the portfolios. <sup>5</sup>Effective December 31, 2012, reflects all actively managed TCA strategy assets, inclusive of currency managed on a constrained, customized, or long-only basis. Prior to December 31, 2012, this figure was restricted to include only assets managed under the standard TCA Long/Short strategy. Includes other TCA composite assets based in foreign currencies for all periods presented. <sup>6</sup>Total Composite Assets in USD calculated using 4:00 P.M. London close for base currency.

**FQ Macro FX Fund – Class A EUR** Past performance is no guarantee of future results. Potential for profit is accompanied by possibility of loss. **GENERAL DISCLOSURES** First Quadrant, L.P. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. First Quadrant, L.P. has been independently verified for the period 1995-2016. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. First Quadrant (“FQ” or the “Firm”) is defined as the combination of all discretionary portfolios of First Quadrant, L.P. and its joint venture partners but only wherein FQ has full investment discretion over the portfolios. First Quadrant L.P. is a registered investment adviser and is an affiliate of Affiliated Managers Group, Inc. A complete list and description of the Firm’s composites is available upon request. **COMPOSITE DETAILS** **Composite Description:** (Creation Date: January 2015) The composite consists of the First Quadrant Macro FX Fund (the “Fund”) EUR share class performance only. The Fund is a sub-fund of AMG Funds plc (the “Company”) an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds, governed by the laws of Ireland and authorised by the Central Bank of Ireland. This is not an offer or solicitation of an offer for an investment in the Fund. An offer is only made by the distribution of the Prospectus, Key Investor Information Document, and the Supplement (all in English), which has more complete information about the Fund and are available on [www.amgfundsplc.com](http://www.amgfundsplc.com). The Fund is designed to deliver uncorrelated returns (or alpha) at a prescribed level of risk. The investment process is fundamentally-based, and exploits the drivers of relative value of currency markets while taking advantage of influences of both short-term and long-term capital flows, trade flows and supply/demand pressures. Additional strategies may be developed and used by FQ in managing the Fund. The Fund is a total return strategy which is not managed against any benchmark or universe. Presenting the composite returns with no benchmark demonstrates clearer accountability by removing the distortions caused by blending strategy specific total and benchmark returns. **Fund Criteria:** There is no minimum balance requirement for the Fund to be included in the composite. **Calculation Methodology:** Valuations and returns are computed and stated in EUR. Individual contributions and withdrawals are permitted to occur on a daily basis. Monthly investment results for the Fund are calculated using a time-weighted rate of return formula. Annual Fund returns are calculated by geometrically linking the monthly returns. The dispersion of a composite is calculated using the asset-weighted standard deviation formula. Only funds managed for the full calendar year are included in the dispersion calculation. As this composite contains five or fewer funds for a full year, a measure of dispersion is not statistically representative and is therefore not shown. The Fund utilizes leverage at FQ’s discretion. The returns presented reflect this leverage. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns (if applicable) over the preceding 36-month period. The standard deviation is not presented for periods in which 36 months of historical composite returns are not available. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. **Derivatives:** The Fund utilizes derivative instruments to achieve desired returns. Derivatives are financial instruments whose value is derived from another security, an index or a currency. Forward contracts allow the purchase or sale of currency in the future at a currently agreed upon rate of exchange. There is a risk that a derivative may not perform as expected, thereby causing a loss or amplifying a gain or loss for the Fund. With some derivatives, there is also the risk that the counterparty may fail to honor its contract terms, causing a loss for a portfolio. **Investment Management Fees:** The gross performance returns presented represent the Fund’s Class A rate of return using monthly valuations and include the deduction of operating expenses but do not include the deduction of management fees and incentive fees. Net performance returns presented represent the Fund’s Class A rate of return using actual monthly valuations and include the deduction of operating expenses, a 1.00% management fee and 10% incentive fee (if earned). All performance results presented include trading commissions. These fees will accrue daily and be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Fund. The investment management fee schedule for the Fund’s Class A is a 1.00% asset-based management fee plus a 10% performance incentive fee. **Market Impact on Returns:** In 2016, the strategy was favorably positioned for multiple pivots in the broader market environment. In the opening weeks, global economic uncertainty and concerns about the British referendum triggered “flight to safety” behavior, benefiting the strategy’s overweight yen and underweight pound sterling. In June, the unexpected “Leave” outcome of the Brexit referendum precipitated another risk-off event, and an overweight yen again delivered substantial profit. Finally, in the final quarter, the outcome of the US election prompted expectations of quickening growth and inflation, and more aggressive monetary tightening; the strategy’s overweight USD captured gains. Consequently, the strategy produced significant returns in the context of a year full of macro events.

For index definitions and trademark language used in this handout, please visit <https://www.firstquadrant.com/index-definitions> for further information.

All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed.

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