

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Financial Statements and Supplemental Information

December 31, 2022

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden
hours per response: 12

ANNUAL REPORTS
FORM X-17A-5
PART III

SEC FILE NUMBER

8-43057

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: AMG Distributors, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

680 Washington Blvd., Suite 500

(No. and Street)

Stamford

CT

06901

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Andrew Reid

203-642-7452

andrew.reid@amg.com

(Name)

(Area Code - Telephone No.)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

PricewaterhouseCoopers LLP

(Name — if individual, state last, first, middle name)

101 Seaport Blvd., Suite 500

Boston

MA

02210

(Address)

(City)

(State)

(Zip Code)

10/20/2003

238

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Andrew Reid, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of AMG Distributors, Inc., as of December 31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Subscribed and Sworn to before me, a Notary Public, in and for County of New Haven and State of Connecticut, this 23rd day of February, 2023
Sarah G. Bennett
NOTARY PUBLIC
My Commission Expires May 31, 2027

Signature: _____

Title: _____

FINANCIAL + OPERATIONS PRINCIPAL

Notary Public

This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☒ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Index

December 31, 2022

	Page(s)
<u>Report of Independent Registered Public Accounting Firm</u>	1 — 2
 <u>Financial Statements</u>	
<u>Balance Sheet</u>	3
<u>Statement of Operations</u>	4
<u>Statement of Changes in Shareholder's Equity</u>	5
<u>Statement of Cash Flows</u>	6
<u>Notes to Financial Statements</u>	7 — 11
 <u>Supplemental Information</u>	
<u>Schedule I - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission</u>	12
<u>Schedule II - Statement Regarding Rule 15c3-3 of the Securities and Exchange Commission</u>	13



Report of Independent Registered Public Accounting Firm

To the Shareholder of AMG Distributors, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of AMG Distributors, Inc. (the “Company”) as of December 31, 2022 and the related statements of operations, changes in shareholder’s equity and cash flows for the year then ended, including the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The accompanying Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission and Statement Regarding Rule 15c3-3 of the Securities and Exchange Commission as of December 31, 2022 (collectively, the “supplemental information”) has been subjected to audit procedures performed in conjunction with the audit of the Company’s financial statements. The supplemental information is the responsibility of the Company’s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the



supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Pricewaterhouse Coopers LLP

February 22, 2023

We have served as the Company's auditor since 2006.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Balance Sheet

December 31, 2022

Assets

Cash & cash equivalents	\$ 5,185,628
Due from related parties (Note 6)	1,192,575
Prepaid expenses and other current assets	170,128
Total assets	<u>\$ 6,548,331</u>

Liabilities and Shareholder's Equity

Liabilities

Distribution fee payable	1,335,215
Due to related parties (Note 6)	2,876,813
Total liabilities	<u>4,212,028</u>

Shareholder's Equity

Common stock (50,000 shares authorized, 1,000 shares issued and outstanding; par value \$.01 per share in 2022)	10
Paid-in capital	1,129,990
Retained earnings	1,206,303
Total shareholder's equity	<u>2,336,303</u>
Total liabilities and shareholder's equity	<u>\$ 6,548,331</u>

The accompanying notes are an integral part of these financial statements.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Statement of Operations

Year Ended December 31, 2022

Revenues (Note 2)

12b-1 fee revenue	\$ 7,233,032
Service revenue (Note 6)	1,624,394
Commission reimbursement (Note 6)	992,482
Placement fees and other income (Note 6)	397,084
Total revenues	<u>10,246,992</u>

Expenses

Distribution expenses (Note 6)	7,232,665
Allocable cost from parent (Note 6)	3,326,674
Commission expense (Note 6)	992,482
FINRA fees	169,419
Professional fees	136,926
Office, general and administrative	47,858
Total expenses	<u>11,906,024</u>
Loss from operations	<u>(1,659,032)</u>
Income tax benefit	<u>395,895</u>
Net loss	<u>\$ (1,263,137)</u>

The accompanying notes are an integral part of these financial statements.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Statement of Changes in Shareholder's Equity**Year Ended December 31, 2022**

	Common Stock	Paid-in Capital	Retained Earnings	Total
Balance, December 31, 2021	\$ 10	\$ 1,129,990	\$ 2,469,440	\$ 3,599,440
Net loss	—	—	(1,263,137)	\$ (1,263,137)
Balance, December 31, 2022	<u>\$ 10</u>	<u>\$ 1,129,990</u>	<u>\$ 1,206,303</u>	<u>\$ 2,336,303</u>

The accompanying notes are an integral part of these financial statements.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Statement of Cash Flows

Year Ended December 31, 2022

Cash flows provided by (used in) operating activities

Net loss	\$ (1,263,137)
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in due from related parties	(382,376)
Increase in prepaid expenses and other current assets	(35,688)
Increase in distribution fee payable	574,773
Increase in due to related parties	2,187,613
Net cash provided by operating activities	<u>1,081,185</u>
Net increase in cash and cash equivalents	1,081,185

Cash and cash equivalents

Beginning of year	<u>4,104,443</u>
End of year	<u>\$ 5,185,628</u>

Supplemental disclosure of cash flow information:

Income taxes paid to parent	\$ 7,023
-----------------------------	----------

The accompanying notes are an integral part of these financial statements.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Notes to Financial Statements

December 31, 2022

1. Organization and Nature of Business

AMG Distributors, Inc. (the "Company"), is a broker-dealer registered with the Securities and Exchange Commission pursuant to Section 15 of the Securities Exchange Act of 1934, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corporation ("SIPC"), and is incorporated under the Laws of Delaware. The Company's principal business activities are to act as a distributor of AMG Funds LLC's ("LLC") family of funds (the "Funds") known as AMG Funds. In addition, the Company serves as distributor and/or intermediary placement agent for certain affiliated sub-advisors (the "Affiliates") for the offering of securities issued by the funds through financial intermediaries, such as registered investment advisers, broker-dealers and other intermediaries engaged by the Company to facilitate the launch and/or offering of the funds. See Note 6 – Related Party Transactions for further information pertaining to these agreements.

The Company is a wholly owned subsidiary of LLC, whose ultimate parent company is Affiliated Managers Group, Inc. ("AMG"), an asset management holding company whose stock is listed on the New York Stock Exchange.

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates or assumptions.

Revenue Recognition

The recognition and measurement of revenue is based on the assessment of individual contract terms. Judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

12b-1 Fee Revenue and Distribution Expenses. The Company has entered into arrangements to provide distribution related services to certain mutual funds. Fee rates are generally between 0.25 - 1.00% (the maximum allowed) of a fund's average net assets for certain share classes. The Company believes that its performance obligation is the sale of securities to investors, which is performed each day in substantially the same manner and is therefore considered a single performance obligation. These services are performed and consumed simultaneously and, therefore, the Company recognizes revenue ratably over time.

Directly related to the 12b-1 revenue are the distribution and servicing expenses which include payments to intermediaries for the marketing and selling of fund shares, advertising, printing and mailing of prospectuses to new investors, and printing and mailing of sales literature. Since the Company acts as a principal in these intermediary arrangements, both the 12b-1 revenue and distribution expenses are reflected gross in the Statement of Operations.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Notes to Financial Statements

December 31, 2022

Service Revenue. Service Revenue consists of revenue earned pursuant to a Services Agreement with LLC. The Company's performance obligation is to provide services as distributor and placement agent under various contracts it has entered into. The services represent a single performance obligation and the revenue is recognized ratably over time as the services are provided. Service revenue is presented gross of expenses incurred to fulfill the contract since the Company acts as a principal in this arrangement.

Placement Fees. Placement fees consist of revenue earned pursuant to arrangements where the Company acts as distributor or placement agent for funds offered by Affiliates. The Company's performance obligation for these arrangements is generally to provide distribution related services (sales and servicing) which are performed over time and the revenue is recognized as the services are completed. In instances where multiple performance obligations are identified, management uses judgment to allocate the transaction price accordingly. Placement fees are presented gross of expenses incurred to fulfill the contracts since the Company acts as a principal in these arrangements.

Other Revenue. Other revenue consists of reimbursements from certain Affiliates for the costs incurred by the Company for FINRA licensing and registration of employees of the Affiliates who are registered representatives of the Company. The Company also earns commissions on sales of a mutual fund under a contract with an Affiliate. The Company recognizes revenue at the time of sales since its performance obligation is complete and the amount of revenue is fixed on that date. Other revenue is presented gross of expenses incurred to fulfill the contracts since the Company acts as a principal in these arrangements.

Allocable Cost From Parent

As a registered broker-dealer, the Company is subject to the rules of the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Required FINRA and SEC guidance requires the Company and its Parent Company ("LLC") to have an expense sharing agreement where the Company assumes certain personnel and overhead costs from LLC to appropriately reflect the costs of operating the Company with the purpose of determining regulatory net capital. The Company has adopted certain methodology which is based off of the nine requirements that are outlined in FINRA's Notice to Members 03-63 to adhere to the guidance set forth under SEC's Financial Responsibility Rules (SEC Rules 15c3-1, 17a-3, 17a-4, and 17a-5).

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less, including money market mutual funds, to be cash equivalents. Cash and Cash Equivalents are stated at cost, which approximates fair market value and are classified as Level 1 financial assets. Money market mutual funds with a floating net asset value would not meet the definition of a cash equivalent if the fund has enacted liquidity fees or redemption gates.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets are comprised of prepaid FINRA fees, prepaid state registration fees, and receivables from third-parties.

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Notes to Financial Statements

December 31, 2022

Concentrations

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of bank deposits and money market funds. The Company maintains cash balances with financial institutions, which may exceed the federally insured limit of \$250,000 per institution. The Company also maintains investments in money market instruments, which are not federally insured.

3. Income Taxes

The Company is a member of AMG's consolidated group for U.S. federal income tax purposes and is included in certain combined state income tax filings of AMG. For financial accounting purposes, the Company recognizes taxes based on its allocated share of taxes from AMG, as well as those taxes it incurs for any stand-alone filings. Federal and state income taxes as well as benefits for net operating losses are allocated based on a tax sharing policy between the Company and other members of AMG's consolidated group. Under this policy, members of AMG's consolidated group that contribute net operating losses are compensated by the remaining members of the consolidated group in an amount equal to the tax savings generated from the utilization of their respective tax losses to offset taxable income of other members. At December 31, 2022, the Company has a tax benefit for federal and state taxes in the amount of \$396,945 which is included in Due from related parties. In addition, federal estimated tax payments benefiting the consolidated group are reimbursable under the tax sharing policy.

The following table presents our provision for income taxes:

	2022
Current	
Federal	\$ (335,315)
State	(60,580)
Total current	<u>(395,895)</u>
Deferred	
Federal	—
State	—
Total deferred	<u>—</u>
Provision for income taxes	<u><u>\$ (395,895)</u></u>

The following table reconciles the U.S. federal statutory rate to the Company's effective tax rate:

	2022
Tax at U.S. federal income tax rate	21.0 %
State income taxes, net of federal benefit	2.9
Effective Tax Rate	<u><u>23.9 %</u></u>

The Company recognizes and measures its tax positions in accordance with FASB ASC 740, Income Taxes. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Notes to Financial Statements

December 31, 2022

information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state and local jurisdictions, where applicable. As of December 31, 2022, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2019 forward (with limited exceptions).

4. Commitments and Contingencies

The Company is not aware of any contingencies, claims against it or guarantees that would likely result in a liability.

5. Net Capital Requirements

As a registered broker-dealer, the Company is subject to the rules of the Securities and Exchange Commission ("SEC"), FINRA and SIPC. In particular, the Company is subject to the SEC's Uniform Net Capital Rule (SEC Rule 15c3-1). This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2022, the Company had net capital of \$907,006 which was \$626,204 above the minimum net capital required of \$280,802. The Company's ratio of aggregate indebtedness to net capital was 4.6439 to 1 as of December 31, 2022. The Company had no possession or control obligations under SEA Rule 15c3-3(b) or reserve deposit obligations under SEA Rule 15c3-3(e).

6. Related Party Transactions

The Company provides distribution services for mutual fund shares in five Trusts: AMG Funds, AMG Funds I, AMG Funds II, AMG Funds III and AMG Funds IV. Gross revenues from these services totaled \$7,233,032 in 2022, of which \$711,764 was included in Due from related parties in the Balance Sheet at December 31, 2022.

Pursuant to an Amended and Restated Services Agreement between the Company and LLC, LLC pays the Company a fee equal to 105% of certain service costs as defined in the agreement. The service revenue from LLC totaled \$1,624,394 in 2022, of which \$442,594 was included in Due from related parties from the allocated expenses described above.

The Company has entered into an agreement with an Affiliate to facilitate the offer and sale of securities of the Affiliate's mutual funds as each Fund's distributor, sales agent, placement agent, and/or distribution coordinator. Revenues from these services totaled \$225,000 in 2022, of which \$50,000 was included in Due from related parties at December 31, 2022.

The Company has entered into an Amended and Restated Services Agreement with an Affiliate to provide sales, marketing, legal and compliance support related to the distribution of certain products offered by the Affiliate. Revenues from these services totaled \$65,000 in 2022, of which \$16,250 was included in Due from related parties at December 31, 2022.

The Company has entered into an amended agreement with an Affiliate to act as distributor for a fund managed by the Affiliate. Under the agreement, the Company earns commissions on sales of fund shares. During 2022, the Company earned \$992,482 of revenue under this arrangement. Also during 2018, the Company entered into a sub-distribution agreement with another Affiliate, whereby the affiliated entity provides certain distribution services and is entitled to commissions on sales it

AMG Distributors, Inc.

(A wholly owned subsidiary of AMG Funds LLC)

Notes to Financial Statements

December 31, 2022

generates. During 2022, the Company paid commissions of \$637,752 under this arrangement. \$53,170 was included in Due to related parties at December 31, 2022. Also under this amended agreement, the Company has agreed to reimburse an Affiliate for certain shareholder and distribution related expenses to the extent that the 12b-1 revenue from applicable funds exceeds amounts paid to financial intermediaries. Expenses related to these agreements totaled \$2,216,910 in 2022 and are included in the Statement of Operations as Distribution expenses. \$1,354,375 was included in Due to related parties at December 31, 2022.

The Company has charged certain affiliates for the costs associated with FINRA licensing and registration associated with employees of the affiliates who are registered representatives of the Company. These reimbursements amounted to \$44,981 and are reflected in Other revenue in the Statement of Operations in 2022. This amount was included in Due from related parties at December 31, 2022.

LLC assumes some of the Company's direct and indirect overhead expenses such as compensation, occupancy, telephone, administrative and personnel costs. The officers of the Company serve as officers to related companies, including LLC. LLC pays these costs and allocates a representative portion to the Company. The allocated costs from LLC totaled \$3,326,674 in 2022, of which \$1,860,007 is included in Due to related parties.

LLC has paid commission expenses on behalf of the Company. During 2022, the Company paid commissions of \$354,730 under this arrangement, of which \$64,301 is included in Due to related parties.

AMG assumes some of the Company's direct expenses such as professional fees offset by income taxes receivable. At December 31, 2022, the Company was due from AMG \$385,619 for such expenses. This amount was included in Due from related parties at December 31, 2022.

The Company has agreed to reimburse LLC for certain shareholder servicing and distribution related expenses to the extent that the 12b-1 revenue from applicable funds exceeds amounts paid to financial intermediaries. Expenses related to these agreements totaled \$45,994 in 2022 and are included in the Statement of Operations as Distribution expenses. As of December 31, 2022, the Company owed LLC \$3,694 which is included in Due to related parties.

7. Subsequent Events

The Company has determined that no material events or transactions occurred subsequent to December 31, 2022 and through February 22, 2023, the date of the financial statement issuance which require additional disclosure in the financial statements.

Supplemental Information

AMG Distributors, Inc.**Schedule I**

(A wholly owned subsidiary of AMG Funds LLC)

**Computation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange Commission
December 31, 2022****Computation of net capital**

Total shareholder's equity	\$ 2,336,303
Deduct non-allowable assets for net capital	(1,362,703)
Net capital before haircuts on securities positions	973,600
Haircuts on securities positions	(66,594)
Net capital	<u>\$ 907,006</u>

Computation of aggregate indebtedness

Total liabilities from Balance Sheet	\$ 4,212,028
Total aggregate indebtedness	<u>\$ 4,212,028</u>
Ratio of aggregate indebtedness to net capital	<u>4.6439 to 1</u>

Computation of basic net capital requirement

Net capital requirement (6 2/3% of aggregate indebtedness)	<u>\$ 280,802</u>
Net capital in excess of requirement	<u>626,204</u>

There are no differences between the computations of basic capital under Rule 15c3-1 of the Securities and Exchange Commission above and as contained in the unaudited FOCUS Report dated February 22, 2023.

AMG Distributors, Inc.

Schedule II

(A wholly owned subsidiary of AMG Funds LLC)

Statement Regarding Rule 15c3-3 of the Securities and Exchange Commission December 31, 2022

Computation for determination of reserve requirements and information relating to the possession or control requirements pursuant to Rule 15c3-3 are not included in this supplemental schedule, as the Company is relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5. The Company had no possession or control obligations under SEA Rule 15c3-3(b) or reserve deposit obligations under SEA Rule 15c3-3(e).