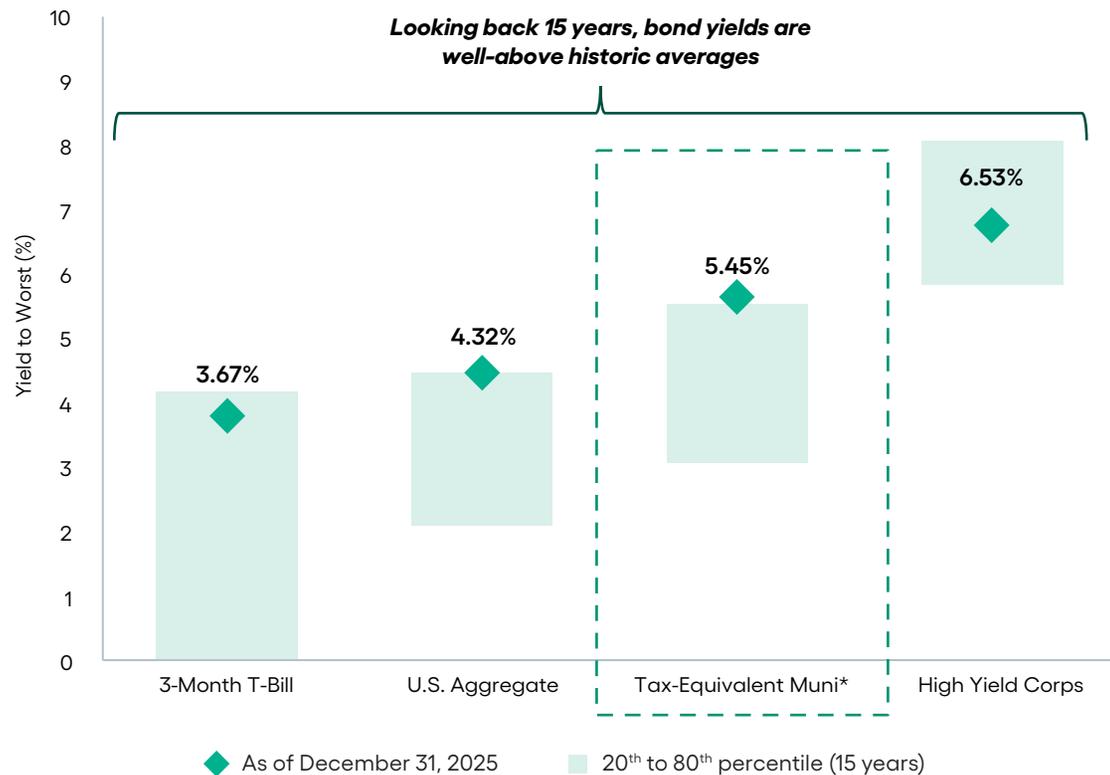


The Case for Munis: Beyond the Comfort of Cash

With the Federal Reserve cutting interest rates, it may be time to reconsider the risks of staying in cash and the compelling opportunities in tax-exempt municipal bonds.

Fixed Income Offers a Dramatically Improved Yield Environment



“With historically attractive tax-equivalent yields and shifting market dynamics, we believe now is a compelling entry point for investors to capitalize on opportunities in the municipal bond market.”



Kara M. South, CFA
 Partner, Portfolio Manager
 GW&K Investment Management

Sources: Bloomberg, GW&K Investment Management, and Macrobond. **Past performance does not guarantee future results.**

Fixed Income sectors are represented by the following indices: **3-Month T-Bill** = FTSE 3-Month U.S. Treasury Bill Index; **U.S. Aggregate** = Bloomberg U.S. Aggregate Bond Index; **Tax-Equivalent Muni** = Bloomberg 10-Year Municipal Bond Index; **High Yield Corps** = Bloomberg U.S. Corporate High Yield Bond Index.

Yield to worst represents the lowest potential yield a bond investor can receive without the issuer defaulting.

*Tax-Equivalent Yield represents the yield required to compare tax-exempt bonds with taxable bonds. It is calculated using a tax rate of 40.8% (37.0% federal tax rate + 3.8% ACA surtax).

MORE INFORMATION

Please visit us at wealth.amg.com or email us at clientservice@amg.com

Past performance does not guarantee future results. There is no guarantee any of these trends will continue. Investing involves risk. It does not constitute investment advice or an offer or solicitation to purchase or sell any security and is subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes. All data referenced are from sources deemed to be reliable but cannot be guaranteed as to accuracy or completeness. Information or opinions expressed herein are general and educational in nature and have been provided for information purposes only. Neither the information nor opinions expressed constitute investment advice and are not intended, nor should be considered, as an endorsement of any specific investment strategy. The information and opinions contained herein are current as of the date published and are subject to change without notice. Information has been obtained from sources believed to be reliable, but its accuracy, completeness, and interpretation are not guaranteed. The FTSE 3-Month T-Bill Index is a market value-weighted index of public obligations of the U.S. Treasury with maturities of one month. The Index reflects no deduction for fees, expenses, or taxes. The Bloomberg U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds. The Bloomberg 10-Year Municipal Bond Index is the 10-Year (8-12) component of the Municipal Bond Index. It is a rules-based, market-value-weighted index engineered for the tax-exempt bond market. The Index tracks general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds rated Baa3/BBB- or higher by at least two of the ratings agencies: Moody's, S&P, and Fitch. The Bloomberg U.S. Corporate High Yield Bond Index is an index of the U.S. Dollar-dominated high yield, fixed-rate corporate bond market. Indices are unmanaged, are not available for investment, and do not incur expenses. Reproduction and distribution is prohibited without express permission. AMG Funds LLC cannot guarantee that the information herein is accurate, complete, or timely. AMG Funds LLC makes no warranties with regard to such information or results obtained by its use and disclaims any liability arising out of your use of, or any reliance on, such information. See wealth.amg.com for additional disclosures, our privacy policy, and terms of use.