

# AMG Funds

## 2020 Tax Guide



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**Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call 800.835.3879 or visit [www.amgfunds.com](http://www.amgfunds.com) for a free prospectus. Read it carefully before investing or sending money.**

Funds are distributed by AMG Distributors, Inc., a member of FINRA.

This guide should not be considered tax advice. This guide is for informational purposes only and should not be considered tax or legal advice. Please consult with qualified professionals in these areas for additional information.



Dear Shareholder:

We are pleased to provide you with our 2020 Tax Guide. This tool is designed to help simplify your 2020 tax reporting.

Highlights of our Tax Guide include:

- ▶ An explanation of the purpose of the enclosed 1099 tax documents
- ▶ Instructions on how to record information on your tax return
- ▶ Sample tax forms
- ▶ Important definitions you should know
- ▶ Step-by-step instructions for key fields on each form
- ▶ A list of frequently asked questions

We hope you will find the Guide informative and helpful. Of course, if you have specific questions regarding this data or your investment in the AMG Funds, please call us at 800.548.4539.

We also invite you to access your account via our website at [www.amgfunds.com](http://www.amgfunds.com).

We suggest you consult your tax advisor regarding your specific tax situation, as the Guide should not be considered tax advice.

Thank you for your continued investment in our fund family.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Cerutti".

Jeffrey Cerutti  
Chief Executive Officer  
AMG Funds LLC

# 2020 Form 1099-DIV

## Dividend and Capital Gain Distributions

Every shareholder, with certain exceptions as provided in by the Internal Revenue Code, who has received \$10 or more in taxable dividends or distributions receives a Form 1099-DIV. Form 1099-DIV is also sent to account holders for whom backup withholding was taken on certain reportable transactions.

Your Form 1099-DIV lists all federally taxable dividend and capital gain distributions of \$10 or more paid to your mutual fund accounts. If your account is invested in more than one fund, the 1099-DIV information for each fund has been consolidated and mailed to you in a single package. However, shareholders with more than one type of account—for example, an individual account and another account that is jointly owned—will receive a separate package of tax forms for each account. **The dividends and capital gains shown on Form 1099-DIV need to be reported on your 2020 federal income tax return, even if you reinvested your distributions in additional fund shares instead of receiving them in cash.**

If you have one of the following types of accounts, you will not receive Form 1099-DIV:

- ▶ Individual Retirement Accounts and other tax-deferred accounts (including Roth and Traditional IRAs, Rollover IRAs, SEP and SIMPLE IRAs, Coverdell Education Savings Accounts and qualified tuition plan accounts)
- ▶ Pension, 403(b), profit sharing and money purchase plans
- ▶ Accounts owned by corporations, documented nonresident aliens and certain tax-exempt organizations

## Foreign Investment Distributions

Form 1099-DIV may list a foreign tax credit that the Fund paid with gross distributions. If an amount is shown in box 7, please refer to the instructions for filing your personal income tax return."

Recipient's Name and Address: **A**  
 JOHN Q PUBLIC  
 JANE Q PUBLIC JOINT TENANTS  
 99 MAIN STREET  
 HOMETOWN NY 12186-9103  
 REGISTRATION LINE 5  
 REGISTRATION LINE 6  
 REGISTRATION LINE 7  
 REGISTRATION LINE 8

OMB NO. 1545-0110

**2020 FORM 1099-DIV**  
**Dividends and Distributions**  
 Copy B for Recipient

RECIPIENT'S TIN

\*\*\*-\*\*-9999

For additional information, please call: **B**  
 1-800-555-9999

FATCA Filing Requirement

CORRECTED (If Checked)

Payer's Name: ACME INTERNATIONAL EQUITY FUND		Payer's TIN: 99-9999999		Fund & Account Number: 0093 - 9999999999	
1a. Total ordinary dividends	\$120.10	1b. Qualified dividends	\$105.72	2a. Total capital gain distributions	\$64.04
2b. Unrecap. Sec. 1250 gain		2c. Section 1202 gain		2d. Collectibles (28%) gain	
3. Nondividend distributions		<b>4. Federal income tax withheld</b>		5. Section 199A dividends	
6. Investment expenses		7. Foreign tax paid	\$11.31	9. Cash liquidation distributions	
11. Exempt-interest dividends		12. Specified private activity bond interest dividends		13. State	MI
				14. State identification no	999999999999
				15. State income tax withheld	\$7.50
Payer's Name: ACME INTERNATIONAL EQUITY FUND		Payer's TIN: 99-9999999		Fund & Account Number: 0094 - 9999999999	
1a. Total ordinary dividends	\$120.10	1b. Qualified dividends	\$105.72	2a. Total capital gain distributions	\$64.04
2b. Unrecap. Sec. 1250 gain		2c. Section 1202 gain		2d. Collectibles (28%) gain	
3. Nondividend distributions		<b>4. Federal income tax withheld</b>		5. Section 199A dividends	
6. Investment expenses		7. Foreign tax paid	\$11.31	9. Cash liquidation distributions	
11. Exempt-interest dividends		12. Specified private activity bond interest dividends		13. State	MI
				14. State identification no	999999999999
				15. State income tax withheld	\$7.50

FORM 1099-DIV (Keep for your records)

Department of the Treasury - Internal Revenue Service

- A** Account registration and address
- B** Your Taxpayer Identification Number; this information will be masked
- C** The Fund's name
- D** Total amount of qualified and non-qualified dividends and short-term capital gains distributed in 2020
- E** Shows unrecaptured Section 1250 gain from certain depreciable real property
- F** Lists any part of your distribution that is nontaxable because it is a return of your cost or other basis
- G** Your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund
- H** Amount of tax-exempt interest, including exempt interest dividends from mutual fund, paid in 2020
- I** The Fund's Federal Taxpayer Identification Number
- J** Amount of qualified dividends distributed in 2020
- K** Section 1202 gain
- L** Amount of taxes withheld if you were subject to backup withholding
- M** Box 7 lists your proportionate share of any foreign taxes you paid in 2020
- N** Amount of tax-exempt interest subject to the Alternative Minimum Tax (AMT)
- O** Your Fund and account number
- P** Total amount of long-term capital gains distributed in 2020
- Q** Shows 28% rate gain from sales or exchanges of collectibles
- R** Shows dividends eligible for the 20% qualified business income deduction under section 199A
- S** Total amount of liquidation distributions paid to you in 2020
- T** Shows State and State Identification number (state where state taxes were withheld from)
- U** Amount of state taxes withheld if you were subject to backup withholding

# 2020 Form 1099-B

## Proceeds from Redemption or Exchange of Securities

All redemptions (sales) or exchanges made in non-retirement mutual fund accounts, except money market accounts, must be reported on Form 1099-B. Form 1099-B reports the gross proceeds from the sale or exchange of your mutual fund shares in 2020 less any contingent deferred sales charge deducted from the gross proceeds of the transaction.

The 1099-B Form is broken out into the following five sections based on the categorization of the redemption and the cost basis information available:

**Section 1: Short-term transactions for which basis is reported to the IRS— Report on Form 8949, Part I, with Box A checked.** If information is reported in this section, the portion of the redemption is categorized as a short term capital gain. The cost basis information listed in boxes 1e, and 1g will be reported to the IRS. This information should be transposed onto Form 8949 where further adjustments may be made, if necessary.

**Section 2: Short-term transactions for which basis is not reported to the IRS – Report on Form 8949, Part I, with Box B checked.** If information is reported in this section, the portion of the redemption is categorized as a short term capital gain. The cost basis information listed in boxes 1e, 1f and 1g will not be reported to the IRS. This information can be used as a guide to help determine your cost basis.

**Section 3: Long-term transactions for which basis is reported to the IRS – Report on Form 8949, Part II, with Box D checked.** If information is reported in this section, the portion of the redemption is categorized as a long term capital gain. The cost basis information listed in boxes 1e, 1f and 1g will be reported to the IRS. This information should be transposed onto Form 8949 where further adjustments may be made, if necessary.

**Section 4 Long-term transactions for which basis is not reported to the IRS – Report on Form 8949, Part II, with Box E checked.** If information is reported in this section, the portion of the redemption is categorized as a long term capital gain. The cost basis information listed in boxes 1e, and 1g will not be reported to the IRS. This information can be used as a guide to help determine your cost basis.

**Section 5: Transactions for which basis is not reported to the IRS and for which short-term or long-term determination is unknown (to Broker)-You must determine short-term or long-term based on your records and report on Form 8949, Part I, with Box B checked, or on Form 8949, Part II, with Box E checked, as appropriate. If information is reported in this section, there is not enough information available to determine the cost basis for your redemption or exchange. Please consult your tax advisor for advice on the cost basis information needed for Form 8949 and Schedule D.**

Recipient's Name and Address:  
 JOHN Q PUBLIC  
 JANE Q PUBLIC JOINT TENANTS  
 99 MAIN STREET  
 HOMETOWN NY 12186-9103  
 REGISTRATION LINE 5  
 REGISTRATION LINE 6  
 REGISTRATION LINE 7  
 REGISTRATION LINE 8

For additional information, please call:  
 1-800-555-9999

**2020 FORM 1099-B**  
 Proceeds From Broker and Barter  
 Exchange Transactions  
 Copy 2 To be filed with recipient's state income tax  
 returns, when required.

RECIPIENT'S TIN  
 \*\*\*-\*\*-\*\*\*\*

FATCA Filing Requirement

**Section 1: Short-term transactions for which basis is reported to the IRS: Report on Form 8949, Part I, with Box A checked.**

(1a) Description Shares	(1b) Date Acquired	(1c) Date Sold or Disposed	(1d) Share Price	(1e) Gross Proceeds (less commission)	(1f) Cost or Other Basis	(1g) Wash Sale Loss Disallowed	(1h) Federal Income Tax Withheld	(14) State (15) State ID Number	(16) State Income Tax Withheld	CORRECTED (if checked)
(1a) Description (Payer's Name) ACME INTERNATIONAL EQUITY FUND	Payer's TIN 99-9999999		CUSIP Number 999999999		(3) Check if a QOF	(5) Check if a Noncovered Security	Fund & Account Number 0931-999999999			
2,427,000	07/31/2019	10/07/2020	\$17.67	\$42,885.09			ME/999999999	\$2,680.31		
(1a) Description (Payer's Name) ACME TRUSTS FUND	Payer's TIN 99-9999999		CUSIP Number 999999999		(3) Check if a QOF	(5) Check if a Noncovered Security	Fund & Account Number 0995-999999999			
1,236,000	07/31/2019	10/07/2020	\$36.37	\$44,953.32			ME/99999999999	\$2,685.00		
(1a) Description (Payer's Name) ACME TAX EXEMPT INCOME FUND	Payer's TIN 99-9999999		CUSIP Number 999999999		(3) Check if a QOF	(5) Check if a Noncovered Security	Fund & Account Number 0996-999999999			
4,200,000	07/31/2019	10/07/2020	\$10.84	\$45,528.00			ME/99999999999	\$2,690.00		
<b>SECTION 4 TOTALS</b>				\$899.99						

- A** Your Taxpayer Identification Number; this information will be masked
- B** The Fund's name
- C** The Fund's Federal Taxpayer Identification Number
- D** Your Fund and account number
- E** Number of shares redeemed
- F** Date shares were purchased or "Various" or blank if multiple purchase dates.
- G** Date of each transaction made during the year
- H** NAV or price per share redeemed for each transaction
- I** Gross proceeds (less commissions) from each transaction made during the year
- J** Shows the cost or other basis of securities sold
- K** Amount of sales price that is disallowed due to purchase and redemption within 30 days
- L** Amount of federal taxes withheld if you were subject to backup withholding
- M** This will be checked if shares were acquired prior to January 1, 2012
- N** State (state where state taxes were withheld from)
- O** State Identification number (identification number for state where state taxes were withheld from)
- P** Amount of state taxes withheld if you were subject to backup withholding

The information on your Form 1099-B is reported to the IRS with the exception of cost basis information that may be displayed within Section 2 and Section 4, and Section 5.

# 2020 Form 1099-R

## Distributions from Retirement Plans

Form 1099-R reports both full and partial distributions from your mutual fund retirement plan accounts.

- ▶ If you have more than one retirement plan account with a taxable distribution in our family of mutual funds, you will receive one consolidated Form 1099-R.
- ▶ If you have more than one type of retirement account with us—for example, a Traditional IRA and a Roth IRA—separate Forms 1099-R will be produced for distributions from each type of retirement account.

**Please note that we do not report distributions from retirement accounts held by other custodians.**

You will receive a Form 1099-R if you withdrew assets from your retirement plan account, even if you rolled them over and reinvested them in another retirement plan account within 60 days. You will also receive a Form 1099-R if you took your retirement account dividend distributions in cash, but not if they are reinvested into your retirement account. If you took more than one distribution from your retirement account in 2020, the distributions have been aggregated according to the type of distribution as defined by the IRS distribution code. You will receive a Form 1099-R if you converted your traditional IRA to a Roth IRA in 2020.

You will not receive a Form 1099-R if you arranged to move your IRA account as a trustee-to-trustee transfer of assets directly to another IRA account without taking possession of the funds.

You will receive a year-end statement in January 2021 that reports the value of your account as of December 31, 2020.

Please consult your tax advisor for guidance on reporting the information from Form 1099-R on your tax return.



**A** — ACME FAMILY OF FUNDS  
P.O. BOX 9999  
CITY NAME ST 99999-9999  
 CORRECTED (if checked)

For additional information, please call:  
**1-800-999-9999**

**2020 FORM 1099-R**  
Distributions from Pensions, Annuities,  
Retirement or Profit-Sharing Plans,  
IRAs, Insurance Contracts, etc.  
Copy B

**B** — Recipient's Name and Address:  
0001 EH001  
ACME TRUST CO CUST IRA FBO  
JOHN Q PUBLIC  
1234 STREET NAME  
HOMETOWN ST 99999-9999

RECIPIENT'S TIN  
\*\*\*-\*\*-1111

<b>D</b> Payer's Name ACME HIGH INCOME FUND-CLASS A		<b>E</b> Payer's TIN 09-9999999		<b>F</b> Fund & Account Number 0514 - 111111111	
<b>G</b> 1. Gross Distribution \$1,800.00	2a. Taxable Amount	2b. Taxable Amount Not Determined <input checked="" type="checkbox"/>	Total Distribution <input type="checkbox"/>	<b>4. Federal Income Tax Withheld</b>	5. Employee / Designated Roth Contributions
7. Distribution Code(s) 7	IRA / SEP / SIMPLE <input checked="" type="checkbox"/>	10. Amount Allocable to IRR within 5 Years	11. 1st Year of Designated Roth Contribution	14. State Tax Withheld	15. State / Payer's State Number /

**M** **N** **O** **P** **J** **Q** **K** **R**

- A** The Fund's mailing address
- B** Account registration and address
- C** Your Taxpayer Identification Number; this information will be masked
- D** The Fund's name
- E** The Fund's Federal Taxpayer Identification Number
- F** Your Fund and account number
- G** Total dollar amount of the distribution(s) from your retirement account in 2020
- H** Taxable amount of your distribution(s)
- I** An "x" here indicates your Funds are unable to determine the taxable amount of your distribution(s)
- J** An "x" here indicates a total distribution of account assets as of 12/31/2020 (There is no share balance left)
- K** Amount of Federal taxes withheld from the distribution
- L** The portion that is your basis in a designated Roth account
- M** Distribution codes identify the type of distribution(s) you received (A complete list of distribution codes appears on the back of the form)
- N** Indicates if your account is a Traditional, SEP, or SIMPLE IRA
- O** Amount allocable to IRR within 5 years
- P** The 1st year you made a contribution to the designated Roth account
- Q** Amount of State taxes withheld from the distribution, if applicable
- R** The state and state ID that taxes were paid to

The information on your Form 1099-R is reported to the IRS.  
In some cases, a copy of Form 1099-R must be filed with your tax return.

# 2020 Form 1099-Q

## Payments From Qualified Education Programs

Form 1099-Q reports distributions made from Coverdell Education Savings Accounts (“Coverdell ESAs”) (formerly known as Education IRAs). If you received more than one type of distribution from a Coverdell ESA in 2020, you will receive a consolidated Form 1099-Q showing the amount for each type of distribution.

Although Form 1099-Q has boxes for reporting the earnings (or loss) on the distribution, as well as the cost basis of the shares sold, Coverdell ESA record keepers and trustees generally do not have the information required to calculate these amounts. Instead, in accordance with guidance issued by the Internal Revenue Service, we are providing you with the fair market value of your Coverdell ESA as of December 31, 2020. We suggest that you review IRS Publication 970, Tax Benefits for Education for more information on how to calculate the earnings portion of the gross distribution.

**Please consult with your tax advisor for additional guidance on reporting this information to the IRS.**

**A** ■ **ACME INVESTMENTS**  
P.O. BOX 9999  
PROVIDENCE RI 02940

CORRECTED (if checked)

For additional information, please call:  
**1-800-999-9999**

**B** ■ **Recipient's Name and Address:**  
00001 EH001  
ACME BANK CUST  
COVERDELL ESA FBO  
JOHN Q PUBLIC  
JANE Q PUBLIC RESP INDIV  
9999 STREET NAME  
HOMETOWN ST 99999-9999

**2020 FORM 1099-Q**  
Payments from Qualified Education  
Programs (Under Sections 529 and 530)  
Copy B for Recipient

RECIPIENT'S TIN  
\*\*\*.\*\*-9999

<b>D</b> ■ <b>Payer's Name</b> ACME EQUITY INVESTOR SHRS		<b>E</b> ■ <b>Payer's TIN</b> 01-9999999	<b>F</b> ■ <b>Account / Reference Number</b> 0473 - 111111111	
<b>G</b> ■ <b>1. Gross Distribution</b>  \$3,145.12		<b>H</b> ■ <b>2. Earnings (*)</b>	<b>I</b> ■ <b>3. Basis</b>	<b>J</b> ■ <b>4. Trustee-to-Trustee Transfer</b> <input checked="" type="checkbox"/>
<b>K</b> ■ <b>5. Plan Type</b> Coverdell ESA	<b>L</b> ■ <b>6. If this box is checked, the recipient is not the designated beneficiary</b> <input checked="" type="checkbox"/>	<b>M</b> ■ <b>Distribution Code</b> 1	<b>N</b> ■ <b>Fair Market Value as of:</b> 12/31/20  \$0.00	

- A** The Fund's mailing address
- B** Account registration and address
- C** Your Taxpayer Identification Number; this information will be masked
- D** The Fund's name
- E** The Fund's Federal Taxpayer Identification Number
- F** Your Fund and account number
- G** Total dollar amount of the distribution(s) from your Coverdell Education Savings Account in 2020
- H** Total amount of earnings in 2020
- I** The cost basis of the distribution
- J** An "x" here indicates the distribution was made directly to another Coverdell ESA or a qualified tuition program
- K** Type of plan
- L** An "x" in this box indicates the recipient is not the designated beneficiary
- M** Distribution code used to identify the type of distribution(s) you received in 2020
- N** Fair Market Value of all investments in your account at year end

The information on your Form 1099-Q is reported to the IRS.  
In some cases, a copy of Form 1099-Q must be filed with your tax return.

# 2020 Form 5498

## IRA Contribution Information

Form 5498 reports all contributions to IRA accounts for tax year 2020. Since contributions can be made until April 15, 2021 for 2020, your form will be mailed to you by June 1, 2021. The information is reported to the IRS, but you don't have to file it with your 2020 tax return. Form 5498 also reports the fair market value of your IRA account as of December 31, 2020. This information may be reported to you on your year-end transaction history statement instead of Form 5498, since Form 5498 may or may not be generated if you did not make any contributions to your retirement accounts.

**Note: A direct trustee-to-trustee transfer will not generate a Form 5498.**

**A** → **ACME FAMILY OF FUNDS**  
P.O. BOX 2222  
CITY NAME ST 01234-9999

For additional information, please call:  
**1-800-999-9999**

CORRECTED (if checked)

**B** → **Participant's Name and Address:**  
00001 02 BLK001  
ACME TRUST CO CUST IRA FBO  
JOHN Q. PUBLIC  
123 STREET NAME  
HOMETOWN ST 99999-9999

**2020 FORM 5498**  
**IRA CONTRIBUTION INFORMATION**  
Copy B for Participant  
This information is being furnished to the IRS.

PARTICIPANT'S TIN  
\*\*\*-\*\*-1111

Trustee's or Issuer's Name ACME BUILDER FUND-CLASS A		Trustee's or Issuer's TIN 99-9999999		Fund & Account Number 0030 - 000011111	
<b>G</b> 1. IRA Contributions (other than amounts in boxes 2 - 4, 8 - 10 and 13a) \$8,585.95	<b>H</b> 2. Rollover Contributions	<b>E</b> 3. Roth IRA Conversion Amount	<b>I</b> 4. Recharacterized Contributions	<b>J</b> 5. Fair Market Value of Account \$0.00	
<b>L</b> 7. Plan Type IRA	8. SEP Contributions	9. SIMPLE Contributions	10. Roth IRA Contributions	11. If Checked, Required Minimum Dist. for 2021 <input checked="" type="checkbox"/>	
13a. Postponed Contribution \$100.00	13b. Year	13c. Code SC		<b>O</b>	

- A** The Fund's mailing address
- B** Account registration and address
- C** Your Taxpayer Identification Number; this information will be masked
- D** The Fund's name
- E** The Fund's Federal Taxpayer Identification Number
- F** Your Fund and account number
- G** Shows contributions to your traditional IRA made in 2020 for 2020 and through April 15, 2021 for 2020
- H** Shows any rollover made in 2020, including direct rollovers made to an IRA
- I** Amount converted to a Roth IRA
- J** Contributions (plus earnings) recharacterized from one type of IRA to another in 2020
- K** Fair market value of IRA account on the last business day of 2020 (fair market value is determined by multiplying the number of shares in your accounts by the net asset values on the last business day of the year)
- L** The type of IRA account
- M** Contributions made to a SEP IRA in 2020
- N** Contributions made to a SIMPLE IRA in 2020
- O** Shows contributions to your Roth IRA made in 2020 for 2020 and through April 15, 2021 for 2020
- P** An "x" here indicates you must take a required minimum distribution (RMD) for 2021
- Q** Shows the amount of any postponed contribution made in 2020
- R** Shows the year to which the postponed contribution in box 13a was credited
- S** Shows the code FD for participants who made a postponed contribution

# 2020 Form 5498-ESA

## ESA Contribution Information

Form 5498-ESA reports all contributions and rollover contributions to ESA Accounts for tax year 2020. Contributions to ESAs can be made until December 31, 2020, and this form will be mailed to you by April 30, 2021. This information is reported to the IRS, but you do not have to file it with your 2020 tax return.

**A** ■ **ACME FAMILY OF FUNDS**  
P.O. BOX 9999  
FUND ADDRESS 2  
CITY NAME ST 01234-9999

CORRECTED (if checked)

For additional information, please call:  
**1-800-999-9999**

**B** ■ **Beneficiary's Name and Address:**  
00001 02 BLK001  
EDUCATIONAL SAVINGS ACCT  
JOHN Q. PUBLIC  
123 STREET NAME  
HOMETOWN ST 99999-9999

**2020 FORM 5498-ESA**  
**COVERDELL ESA**  
**CONTRIBUTION**  
**INFORMATION**  
Copy B For Beneficiary

BENEFICIARY'S TIN  
\*\*\*.\*\*-6666 **C**

**D**

<b>E</b>	<b>D</b>	<b>G</b>	<b>H</b>
Trustee's / Issuer's Name Trustee's / Issuer's TIN Fund & Account Number		1. Coverdell ESA Contributions	2. Rollover Contributions
ACME PRIME RATE RESERVES 99-9999999 0032 - 0000666666 <b>F</b>		\$9,900.00 <b>G</b>	

- A** The Fund's mailing address
- B** Account registration and address
- C** Your Taxpayer Identification Number; this information will be masked
- D** The Fund's name
- E** The Fund's Federal Taxpayer Identification Number
- F** Your Fund and account number
- G** Shows contributions to your ESA Accounts made in 2020
- H** Shows any rollover made in 2020, including direct rollovers made to an ESA Account

# Answers to Commonly Asked Questions

**Q. Why are my tax-exempt dividend distributions being reported to the IRS?**

**A.** Tax-exempt dividend distributions paid to you in 2020 are required to be reported on Form 1099-DIV, even though these distributions may be excludable from your gross income.

You should also be aware that in some cases the calculation of a mutual fund's income distributions cannot be completed until the end of a fund's fiscal year. Occasionally, these year-end calculations result in reclassifying income distributions made during the year to a different type of income. One possible effect of income reclassification is that income originally thought to be 100% tax-exempt may be reclassified as a type of income that is reported as dividend income.

For this reason, the amount of tax exempt dividends reported in box 11 of Form 1099-DIV may be different than the amounts previously reported on your transaction confirmations or periodic statements. You should use only the amounts reported to you on Form 1099-DIV when preparing your income tax return.

**Q. I am taking periodic distributions from my retirement account that are part of a series of substantially equal periodic payments. How is this being reported to the IRS?**

**A.** Under current IRS requirements and guidance for Form 1099-R, payments from a retirement account that are part of a series of substantially equal periodic payments are reportable using distribution code 1 (for shareholders under age 59 1/2) or distribution code 7 (for shareholders over age 59 1/2) in box 7 of Form 1099-R. Previously, these types of payments may have been reported to you and the IRS using distribution code 2. If you are under age 59 1/2 you should review the instructions for IRS Form 5329 to see if you qualify for an exception to the IRS's 10% additional tax that may be imposed in certain circumstances.

**Q. Does information on my tax forms get reported to the IRS?**

**A.** Yes, tax reporting information is reported to the IRS using the appropriate forms. Generally, Forms 1099-DIV, 1099-B, 1099-R and 1099-Q will be reported on or before March 31, 2021. Form 5498 and 5498-ESA will be reported on or before June 1, 2021.



Q. What is a capital gain?

A. There are two types of capital gains:

**Capital Gain (Personal)** results when an individual sells mutual fund shares for a profit and is the difference between an asset's purchase price and selling price.

**Capital Gain Distribution (Portfolio)** results when a net profit is made by the mutual fund in buying and selling portfolio holdings during a given year. The IRS considers capital gains distributions from a mutual fund as a taxable activity, even if the shareholder reinvests the proceeds back into the fund.

Q. Does AMG Funds have a tax advisor or anyone who can help me fill out my return?

A. Our telephone representatives will be happy to help you with questions and information about your accounts; however, we cannot provide tax advice. For assistance in filling out your return, you should contact your tax advisor.

Q. How are my IRA contributions reported to the IRS?

A. If you are an IRA shareholder, Form 5498 will be mailed to you under separate cover no later than June 1, 2021.

Q. Will my conversion from a Traditional IRA to a Roth IRA affect my tax return?

A. Yes, converting from a Traditional IRA to a Roth IRA is reportable to the IRS. Please consult your tax advisor for assistance.

Q. Why doesn't the income amounts on my Form 1099-DIV match the amounts on my year-end or quarterly statements?

A. Occasionally, mutual funds determine that income previously distributed to shareholders as one type of income may need to be reclassified into a different category of income for tax reporting purposes. For example, qualified dividend income is not segregated from non-qualified dividend income on your periodic statements, but it is correctly broken out in box 1b on your 2020 Form 1099-DIV. Another example is if a tax-exempt dividend distribution must be reclassified as a taxable distribution.

Q. Why am I receiving two copies of my 1099DIV, or 1099B,

A. Residents of California, Maine and Vermont that had state income tax withholding withheld from their 2020 1099-DIV or 1099-B reportable distributions will receive a "copy 2 to be filed with recipient's state income tax return, when required". Please consult with your tax advisor for additional guidance on reporting this information to the IRS or state agencies.



[www.amgfunds.com](http://www.amgfunds.com)