AMG Announces Agreement to Invest in Leading Alternative Firms

June 6, 2016

WEST PALM BEACH, Fla.--(BUSINESS WIRE)--Jun. 6, 2016-- Affiliated Managers Group, Inc. (NYSE: AMG), a global asset management company, announced that it has reached a definitive agreement with Petershill Fund I, a group of investment vehicles managed by Goldman Sachs Asset Management, L.P., to acquire 100% of Petershill Fund I's minority equity interests in five leading alternative investment firms: Winton Capital Group Ltd., Capula Investment Management LLP, Partner Fund Management, L.P., Mount Lucas Management LP, and CapeView Capital LLP.

Under the terms of the agreement, AMG will acquire the interests in the firms from Petershill Fund I for approximately $800 million in total consideration, which will be paid in cash at closing, funded up to 50% in equity. Upon the closing of the transaction, senior management at each of the firms will continue to hold an unchanged majority of the equity in each respective business and retain operating autonomy in the business under the same terms as the prior arrangements with Petershill Fund I. In addition, upon closing, AMG's assets under management are expected to increase by $55 billion to nearly $700 billion (pro forma as of March 31, 2016), and AMG expects that the transaction will increase Economic earnings per share by $0.50 to $0.80 in 2017. These firms are recognized as among the industry's best managers across an array of alternative investment strategies, including systematic trading and managed futures; fixed income relative value; equity long/short; and global macro, and serve a wide range of institutional, retail, and high net worth investors around the world:

- **Winton Capital Group Ltd.** is a global investment manager that utilizes scientific methods to develop investment systems across a broad range of products from diversified multi-asset offerings to regional long-only equities, with approximately $34.5 billion in assets under advisement for a diverse set of investors including some of the world's largest institutions. Founded in 1997, the firm is headquartered in London and has over 400 employees, with additional offices in Oxford, Zurich, Hong Kong, Shanghai, New York, Tokyo, Sydney, and San Francisco
- **Capula Investment Management LLP** is a global fixed income specialist firm located in London with affiliated entities in Greenwich, CT, Hong Kong, and Tokyo. With approximately $12.7 billion under management, the firm manages absolute return, enhanced fixed income and tail risk strategies. Established in 2005, the firm focuses on developing innovative investment strategies that exhibit low correlation to traditional equity and fixed income markets
- **Partner Fund Management, L.P.** ("PFM") manages approximately $4.3 billion, primarily in global equities, across global diversified long/short, global long, and global healthcare strategies. Founded in 2004, PFM seeks to generate long-term capital appreciation through a fundamental research process integrated with a macro framework. The firm is headquartered in San Francisco, CA and has 69 employees
- **Mount Lucas Management LP** manages approximately $1.7 billion across global macro, a diversified futures index strategy, a commodity futures index strategy, and large cap equity. The firm was founded in 1986 with the launch of an innovative, actively managed diversified futures program, and is headquartered in Newtown, PA with over 20 employees
- **CapeView Capital LLP** is a London-based alternative manager operating a European credit and distressed fund as well as a European equity long/short fund. Founded in 2001, the firm currently has 23 staff and manages approximately $1.7 billion

"We are delighted to be investing in these excellent firms, and have tremendous regard for the businesses built by their outstanding management teams," said Sean M. Healey, Chairman and Chief Executive Officer of AMG. "Consistent with AMG's partnership philosophy, the management team of each firm will continue to have operating autonomy and substantial retained equity in their own businesses."

"With our global scale and capabilities, and 23-year track record of successful investments, AMG is the preeminent partner to leading boutique firms around the world, and has an expanding forward opportunity set to invest in the world's most successful independent investment managers," Mr. Healey continued. "We are confident in our ability to continue to generate earnings growth both from the organic growth of our existing business and through making accretive investments in additional outstanding firms around the world."

Closing of the transaction is subject to customary closing conditions, and AMG's investment in interests representing approximately half of the total transaction value is expected to close during the third quarter of 2016, with the balance of the investment expected to close by year-end 2016.

About AMG

AMG is a global asset management company with equity investments in leading boutique investment management firms. AMG's innovative partnership approach allows each Affiliate's management team to own significant equity in their firm while maintaining operational autonomy. AMG's strategy is to generate shareholder value through the growth of existing Affiliates, as well as through investments in new Affiliates and additional investments in existing Affiliates. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. As of March 31, 2016, AMG's aggregate assets under management were approximately $697 billion, pro forma for pending investments, in more than 500 investment products across a broad range of investment styles, asset classes, and distribution channels. For more information, please visit the Company's website at www.amg.com.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. You can identify these forward-looking statements by the use of words such as "outlook," "guidance," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "projects," "intends," "plans," "estimates," "pending investments," "anticipates" or the negative version of these words or other comparable words. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors,

including changes in the securities or financial markets or in general economic conditions, the availability of equity and debt financing, competition for acquisitions of interests in investment management firms, the ability to close pending investments, the investment performance and growth rates of our Affiliates and their ability to effectively market their investment strategies, the mix of Affiliate contributions to our earnings and other risks, uncertainties and assumptions, including those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

This press release includes an estimated increase in future Economic earnings per share, which is a non-GAAP performance measure. AMG expects to account for each new Affiliate under the equity method, with each Affiliate's share of earnings presented one quarter in arrears. The estimated increase in future Economic earnings per share incorporates such delay based on the expected timing for closing of the new Affiliate investments. AMG has not completed its purchase price allocation for the acquisition announced in this press release, or determined the estimated useful lives of the assets to be acquired. The estimated increase in GAAP Earnings per share in 2017 as a result of this acquisition is $0.20 to $0.40, which differs from the estimated increase in Economic earnings per share due to adjustments for intangible amortization and impairments, and to intangible-related deferred taxes, which are described in the reconciliations included in our periodic reports filed with the Securities and Exchange Commission. These estimates were prepared using reasonable efforts and currently available information.

From time to time, AMG may use its website as a distribution channel of material Company information. AMG routinely posts financial and other important information regarding the Company in the Investor Relations section of its website at www.amg.com and encourages investors to consult that section regularly.



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