SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________

Commission File Number 001-13459

Affiliated Managers Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	04-3218510
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

Two International Place, Boston, Massachusetts 02110
(Address of principal executive offices)

(617) 747-3300
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Number of shares of the registrant's Common Stock outstanding at August 13, 1998: 17,678,617, including 1,886,800 shares of Class B Non-Voting Common Stock. Unless otherwise specified, the term Common Stock includes both Common Stock and Class B Non-Voting Common Stock. In addition, unless otherwise specified, the term Common Stock excludes the 1,750,942 outstanding shares of the registrant's Class C Convertible Non-Voting Stock.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 1998	December 31, 1997
	(unaudited)	

ASSETS

Current assets:		
Cash and cash equivalents	$ 36,577	$ 22,766
Investment advisory fees receivable	34,418	27,061
Other current assets	2,476	2,231
Total current assets	73,471	52,058
Fixed assets, net	6,716	4,724
Equity investment in Affiliate	1,310	1,237
Acquired client relationships, net of accumulated amortization of $9,906 in 1998 and $6,142 in 1997	164,878	142,875
Goodwill, net of accumulated amortization of $18,085 in 1998 And $13,502 in 1997	311,917	249,698
Other assets	8,005	6,398
Total assets	$ 566,297	$ 456,990

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued liabilities	$ 22,654	$ 18,815
Total current liabilities	22,654	18,815
Senior bank debt	214,300	159,500
Other long-term liabilities	7,229	1,656
Subordinated debt	800	800
Total liabilities	244,983	180,771
Minority interest	20,172	16,479
Stockholders' equity:		
Convertible stock	30,992	---
Common stock	177	177
Additional paid-in capital on common stock	273,470	273,475
Accumulated other comprehensive income	8	(30)
Accumulated deficit	(3,505)	(13,882)
Total stockholders' equity	301,142	259,740
Total liabilities and stockholders' equity	$ 566,297	$ 456,990

The accompanying notes are an integral part of the consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	1998	1997	1998	1997
Revenues	$ 56,586	$ 16,302	$ 102,309	$ 32,870
Operating expenses:				
Compensation and related expenses	19,463	7,757	36,078	15,663
Amortization of intangible assets	4,518	1,055	8,347	2,043
Depreciation and other amortization	600	437	1,113	671
Selling, general and administrative	7,857	3,698	14,640	6,645
Other operating expenses	1,915	1,214	3,205	2,146

	34,353	14,161	63,383	27,168
Operating income.............	22,233	2,141	38,926	5,702
Non-operating (income) and expenses:				
Investment and other income..........	(530)	(253)	(841)	(438)
Interest expense....................	3,929	921	7,003	1,707
	3,399	668	6,162	1,269
Income before minority interest and income taxes.........................	18,834	1,473	32,764	4,433
Minority interest......................	(8,976)	(1,892)	(15,469)	(3,632)
Income before income taxes.............	9,858	(419)	17,295	801
Income taxes (benefit).................	3,943	(451)	6,918	95
Net income.............................	$ 5,915	$ 32	$ 10,377	$ 706
Net income per share - basic...........	$ 0.34	$ 0.06	$ 0.59	$ 1.30
Net income per share - diluted..........	$ 0.30	$ ---	$ 0.55	$ 0.10
Average shares outstanding - basic......	17,621,371	574,629	17,605,896	544,789
Average shares outstanding - diluted....	19,716,449	6,856,631	18,935,919	6,844,831

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	1998	1997	1998	1997
Net income.............................	$ 5,915	$ 32	$ 10,377	$ 706
Foreign currency translation adjustment, net of taxes............	2	19	38	(16)
Comprehensive income...................	$ 5,917	$ 51	$ 10,415	$ 690

The accompanying notes are an integral part of the consolidated financial statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the Six Months Ended June 30,	
	1998	1997
Cash flow from operating activities:		
Net income..	$ 10,377	$ 706
Adjustments to reconcile net income to net cash flow from operating activities:		
Amortization of intangible assets...	8,347	2,043
Minority interest..	3,693	2,131
Depreciation and other amortization...	1,113	671
Changes in assets and liabilities:		
(Increase) decrease in investment advisory fees receivable...................	(7,357)	3,821
Increase in other current assets...	(245)	(422)
Increase (decrease) in accounts payable, accrued expenses and other liabilities..	9,412	(239)

Cash flow from operating activities	25,340	8,711
Cash flow used in investing activities:		
Purchase of fixed assets	(1,860)	(1,024)
Costs of investments, net of cash acquired	(64,000)	(10,867)
Distribution received from Affiliate equity investment	263	54
(Increase) decrease in other assets	(689)	40
Cash flow used in investing activities	(66,286)	(11,797)
Cash flow from financing activities:		
Borrowings of senior bank debt	72,300	17,500
Repayments of senior bank debt	(17,500)	(2,000)
Repayments of notes payable	---	(5,878)
Issuance (repurchase) of equity securities	(5)	10
Debt issuance costs	(76)	---
Cash flow from financing activities	54,719	9,632
Effect of foreign exchange rate changes on cash flow	38	(16)
Net increase in cash and cash equivalents	13,811	6,530
Cash and cash equivalents at beginning of period	22,766	6,767
Cash and cash equivalents at end of period	$ 36,577	$ 13,297
Supplemental disclosure of non-cash financing activities:		
Stock issued in acquisitions	$ 30,992	$ 1,501

The accompanying notes are an integral part of the consolidated financial statements.

1. Basis of Presentation

The consolidated financial statements of Affiliated Managers Group, Inc. (the "Company" or "AMG") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The year end condensed balance sheet data was derived from audited financial statements, but does not include all of the disclosures required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior year amounts have been reclassified to conform with the current year's presentation. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997 includes additional information about AMG, its operations, and its financial position, and should be read in conjunction with this quarterly report on Form 10-Q.

In June 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"). FAS 131 requires disclosure of financial and descriptive information about an entity's reportable operating segments. This standard is effective for financial statements for periods beginning after December 15, 1997, with restatement of comparative information for prior periods. The standard is not required to be applied to interim financial statements in the initial year of its application.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). FAS 133 standardizes the accounting for derivative instruments by requiring that all derivatives be recognized as assets and liabilities and measured at fair value. FAS 133 is effective for financial statements for fiscal years beginning after June 15, 1999.

The Company does not believe that the implementation of FAS 131 or FAS 133 will have a material impact on the Company's financial statements.

2. Income Taxes

A summary of the provision for income taxes is as follows (in thousands):

		Three Months Ended June 30, 1998	Three Months Ended June 30, 1997
Federal:	Current	$ ---	$ ---
	Deferred	3,371	(311)
State:	Current	91	(46)
	Deferred	481	(94)
Provision for income taxes		$ 3,943	$ (451)

The Company has determined that because it is more likely than not that all of its tax net operating loss carryforwards will be utilized during 1998, its deferred tax valuation allowance is no longer necessary. Accordingly, the Company expects that the benefit of the reversal of the allowance will be realized ratably over the year.

3. Earnings Per Share

The calculation for the basic earnings per share is based on the weighted average of common shares outstanding during the period. The calculation for the diluted earnings per share is based on the weighted average of common and common equivalent shares outstanding during the period. The following is a reconciliation of the numerators and denominators of the basic and diluted EPS computations.

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997
Numerator:		
Net income	$ 5,915,000	$ 32,000
Denominator:		
Average shares outstanding - basic	17,621,371	574,629
Convertible stock	1,750,942	5,762,450
Stock options and unvested restricted stock	344,136	519,552
Average shares outstanding - diluted	19,716,449	6,856,631
Net income per share:		
Basic	$ 0.34	$ 0.06
Diluted	$ 0.30	$ ---

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current views and assumptions regarding future events and financial performance. Words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "believes," "estimates," "projects" and other similar expressions are intended to identify such forward-looking statements. Such statements are subject to certain risks and uncertainties, including those discussed herein and in the "Business - Cautionary Statements" section of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, that could cause actual results to differ materially from those discussed in the forward-looking statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and the Company will not undertake to release publicly the result of any revisions which may be made to any forward-looking statements to reflect the occurrence of events or changes in circumstances after the date of such statements.

Overview

The Company acquires equity positions in mid-sized investment management firms, and derives its revenues from such firms. AMG has a revenue sharing arrangement with each investment management firm in which it has an investment (each, an "Affiliate") which is contained in the organizational document of that Affiliate. Each such arrangement allocates a specified percentage of revenues (typically 50-70%) for use by management of that Affiliate in paying operating expenses of the Affiliate, including salaries and bonuses (the "Operating Allocation"). The remaining portion of revenues of the Affiliate, typically 30-50% (the "Owners' Allocation"), is allocated to the owners of that Affiliate (including AMG), generally in proportion to their ownership of the Affiliate. Since its founding in December 1993, the Company has completed 11 investments in Affiliates.

The Affiliates' revenues are derived from the provision of investment management services for fees. Investment management fees are usually determined as a percentage fee charged on periodic values of a client's assets under management. In addition, several of the Affiliates charge performance-based fees to certain of their clients; these performance-based fees result in payments to the applicable Affiliate if specified levels of investment performance are achieved. All references in this report to "assets under management" include assets directly managed as well as assets underlying overlay strategies which employ futures, options or other derivative securities to achieve a particular investment objective.

Assets under management were $54.9 billion at June 30, 1998, an increase of one percent during the quarter, and 20 percent year to date. Growth in assets under management for the quarter resulted from net client cash flows of $948.3 million, partially offset by negative investment performance at certain Affiliates. Year to date growth was driven by the addition of an Affiliate, as well as both net client cash flows of $1.2 billion and investment

performance among the other Affiliates.

Each of the Company's investments is accounted for under the purchase method of accounting, under which goodwill is recorded for the excess of the purchase price for the acquisition of interests in Affiliates over the fair value of the net assets acquired, including acquired client relationships. As a result of the series of investments made by the Company, intangible assets (collectively, acquired client relationships and goodwill are referred to as "intangible assets") constitute a substantial percentage of the assets of the Company. At June 30, 1998, the Company's total assets were $566.3 million, of which $164.9 million consisted of acquired client relationships and $311.9 million consisted of goodwill.

The amortization period for intangible assets for each investment is assessed individually, with amortization periods for the Company's investments to date ranging from nine to 28 years in the case of acquired client relationships and 15 to 35 years in the case of goodwill. In determining the amortization period for intangible assets acquired, the Company considers a number of factors including: the firm's historical and potential future operating performance; the firm's historical and potential future rates of attrition among clients; the stability and longevity of existing client relationships; the firm's recent, as well as long-term, investment performance; the characteristics of the firm's products and investment styles; the stability and depth of the firm's management team and the firm's history and perceived franchise or brand value. The Company performs a quarterly evaluation of intangible assets on an Affiliate-by-Affiliate basis to determine whether there has been any impairment in their carrying value or their useful lives. If impairment is indicated, then the carrying amount of intangible assets, including goodwill, will be reduced to their fair values.

While amortization of intangible assets has been charged to the results of operations and is expected to be a continuing material component of the Company's operating expenses, management believes that it is important to distinguish this expense from other operating expenses since such amortization does not require the use of cash. Also, because the Company's distributions from its Affiliates are based on its share of Owners' Allocation, management has provided additional supplemental information for "cash" related earnings, as an addition to, but not as a substitute for, measures related to net income. Such measures are (i) EBITDA (earnings before interest expense, income taxes, depreciation and amortization), which the Company believes is useful to investors as an indicator of the Company's ability to service debt, make new investments and meet working capital requirements, and (ii) EBITDA as adjusted (earnings after interest expense and income taxes but before depreciation and amortization), which the Company believes is useful to investors as another indicator of funds available to the Company to make new investments or repay debt obligations.

Three Months Ended June 30, 1998 as Compared to Three Months Ended June 30, 1997

The Company had net income of $5.9 million for the quarter ended June 30, 1998 compared to net income of $32,000 for the quarter ended June 30, 1997. The increase in net income resulted primarily from net income from new investments. The Company invested in Gofen and Glossberg, L.L.C. ("Gofen and Glossberg") in May 1997, GeoCapital, LLC ("GeoCapital") in September 1997, Tweedy, Browne Company LLC ("Tweedy, Browne") in October 1997, and Essex Investment Management Company, LLC ("Essex") in March 1998 (collectively, the "New Affiliates") and included their results from their respective dates of investment.

Revenues for the quarter ended June 30, 1998 were $56.6 million, an increase of $40.3 million over the quarter ended June 30, 1997, primarily as a result of the addition of the New Affiliates.

Operating expenses increased by $20.2 million to $34.4 million for the quarter ended June 30, 1998. Compensation and related expenses increased by $11.7 million, amortization of intangible assets increased by $3.5 million, selling, general and administrative expenses increased by $4.2 million, and other operating expenses increased by $701,000. The increases in operating expenses were primarily a result of the addition of the New Affiliates.

Minority interest increased by $7.1 million to $9.0 million for the quarter ended June 30, 1998 primarily as a result of the addition of the New Affiliates.

Interest expense increased by $3.0 million to $3.9 million for the quarter ended June 30, 1998 as a result of the increased indebtedness incurred in connection with the investments in the New Affiliates.

Income tax expense was $3.9 million for the quarter ended June 30, 1998 compared to a tax benefit of $451,000 for the quarter ended June 30, 1997. The change in income tax expense is related to an increase in income before taxes in the quarter ended June 30, 1998 and the recognition of the benefit of the reversal of the Company's tax valuation allowance in the quarter ended June 30, 1997.

EBITDA increased by $16.9 million to $18.9 million for the quarter ended June 30, 1998, primarily as a result of the inclusion of New Affiliates.

EBITDA as adjusted increased by $9.5 million to $11.0 million for the quarter ended June 30, 1998 as a result of the factors affecting net income as described above, before non-cash expenses such as amortization of intangible assets and depreciation of $5.1 million for the quarter ended June 30, 1998.

Six Months Ended June 30, 1998 as Compared to Six Months Ended June 30, 1997

The Company had net income of $10.4 million for the six months ended June 30, 1998 compared to net income of $706,000 for the six months ended June 30, 1997. The increase in net income resulted primarily from net income from the New Affiliates.

Revenues for the six months ended June 30, 1998 were $102.3 million, an increase of $69.4 million over the six months ended June 30, 1997, primarily as a result of the addition of the New Affiliates.

Operating expenses increased by $36.2 million to $63.4 million for the six months ended June 30, 1998. Compensation and related expenses increased by $20.4 million, amortization of intangible assets increased by $6.3 million, selling, general and administrative expenses increased by $8.0 million, and other operating expenses increased by $1.1 million. The growth in operating expenses was primarily a result of the addition of the New Affiliates.

Minority interest increased by $11.8 million to $15.5 million for the six months ended June 30, 1998 primarily as a result of the addition of New Affiliates.

Interest expense increased by $5.3 million to $7.0 million for the six months ended June 30, 1998 as a result of the increased indebtedness incurred in connection with the investments in the New Affiliates.

Income tax expense was $6.9 million for the six months ended June 30, 1998 compared to $95,000 for the six months ended June 30, 1997. The change in income tax expense is related to an increase in income before taxes in the six months ended June 30, 1998 and the recognition of the benefit of the reversal of the Company's tax valuation allowance in the six months ended June 30, 1997.

EBITDA increased by $28.5 million to $33.8 million for the six months ended June 30, 1998, primarily as a result of the inclusion of the New Affiliates.

EBITDA as adjusted increased by $16.4 million to $19.8 million for the six months ended June 30, 1998 as a result of the factors affecting net income as described above, before non-cash expenses such as amortization of intangible assets and depreciation of $9.5 million for the six months ended June 30, 1998.

Liquidity and Capital Resources

At June 30, 1998, the Company had cash and cash equivalents of $36.6 million and outstanding borrowings under its revolving credit facility ("Credit Facility") of $214.3 million. The Credit Facility allows for borrowings up to $300 million (which may be increased to $400 million upon the approval of the lenders) and matures in December 2002. The Company pays interest at either LIBOR plus a margin or the Prime Rate plus a margin, as well as a commitment fee on the daily unused portion of the facility.

In order to provide the funds necessary for the Company to continue to acquire interests in investment management firms, including additional investments in existing Affiliates, it will be necessary for the Company to incur, from time to time, additional long-term debt and/or issue equity or debt securities, depending on market and other conditions. There can be no assurance that such additional financing will be available or become available on terms acceptable to the Company.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of Affiliated Managers Group, Inc. was held in Boston, Massachusetts on May 20, 1998. The following individuals were elected as directors to serve until the 1999 Annual Meeting of Stockholders:

Director	Shares Voted For	Shares Withheld

William J. Nutt	13,770,724	10,450
Richard E. Floor	13,770,724	10,450
P. Andrews McLane	13,770,724	10,450
John M.B. O'Connor	13,770,724	10,450
W.W. Walker, Jr.	13,770,724	10,450
William F. Weld	13,777,924	3,250

Item 5. Other Information

The Securities and Exchange Commission recently adopted certain amendments to its rules governing the submission by stockholders of proposals intended to be presented at meetings of stockholders. These amendments, which became effective on June 29, 1998, included certain changes relating to management's ability to exercise discretionary proxy voting authority with respect to certain stockholder proposals. Due to the "advance notice" provisions contained in the Company's by-laws, the amendments relating to discretionary proxy voting authority will not affect the timing or treatment of stockholder proposals intended to be presented at the Company's 1999 Annual Meeting of Stockholders.

Thus, as disclosed in the Proxy Statement delivered to stockholders in connection with the Company's 1998 Annual Meeting of Stockholders, stockholder proposals submitted pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and intended to be presented at the Company's 1999 Annual Meeting of Stockholders must be received by the Company on or before December 17, 1998 to be eligible for inclusion in the proxy statement and form of proxy to be distributed by the Board of Directors in connection with such meeting. Any stockholder proposals intended to be presented at the Company's 1999 Annual Meeting, other than stockholder proposals submitted pursuant to Exchange Act Rule 14a-8, must be received in writing by the Company no later than March 6, 1999, nor prior to January 20, 1999, together with all supporting documentation required by the Company's By-laws.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K:

1 Current Report on Form 8-K dated March 20, 1998, as amended on June 3, 1998, reporting the Company's investment in Essex. The required financial statements and pro forma financial information are included in the June 3, 1998 amendment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AFFILIATED MANAGERS GROUP, INC.

(Registrant)

/s/ Darrell W. Crate - ------------------------ (Darrell W. Crate)	on behalf of the Registrant as Senior Vice President, Chief Financial Officer and Treasurer (and also as Principal Financial and Principal Accounting Officer)	August 13, 1998

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED
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