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 MARCH 31, 1999
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 May 14, 1999: 23,282,559 including 1,492,079 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.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	December 31, 1998	March 31, 1999 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,735	$ 40,838
Investment advisory fees receivable	66,939	38,892
Other current assets	5,137	4,920
Total current assets	95,811	84,650
Fixed assets, net	8,001	10,035
Equity investment in Affiliate	1,340	1,486
Acquired client relationships, net of accumulated amortization of $7,923 in 1998 and 10,192 in 1999	169,065	186,851
Goodwill, net of accumulated amortization of $15,550 in 1998 and 18,536 in 1999	321,409	360,419
Notes receivable from employeees	1,700	2,898
Other assets	8,008	9.009
Total assets	$ 605,334	$ 655,348
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	$ 42,617	$ 38,043
Notes payable to related parties	22,000	--
Total current liabilities	64,617	38,043
Senior bank debt	190,500	158,000
Other long-term liabilities	11,614	13,283
Subordinated debt	800	800
Total liabilities	267,531	210,126
Minority interest	24,148	22,447
Stockholders' equity:		
Convertible stock	30,992	--
Common stock	177	234
Additional paid-in capital on common stock	273,413	405,989
Accumulated other comprehensive income	16	(49)
Accumulated earnings	11,669	19,213
	316,267	425,387
Less treasury shares	(2,612)	(2,612)
Total stockholders' equity	313,655	422,775
Total liabilities and stockholders' equity	$ 605,334	$ 655,348

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 MARCH 31,	
	1998	1999
Revenues	$ 45,723	$ 68,127
Operating expenses:		
Compensation and related expenses	16,615	24,422
Amortization of intangible assets	3,829	5,255
Depreciation and other amortization	513	747
Selling, general and administrative	6,783	9,857
Other operating expenses	1,290	1,999
	29,030	42,280
Operating income	16,693	25,847
Non-operating (income) and expenses:		
Investment and other income	(311)	(912)
Interest expense	3,074	3,445
	2,763	2,533
Income before minority interest and income taxes	13,930	23,314
Minority interest	(6,493)	(10,528)
Income before income taxes	7,437	12,786
Income taxes	2,975	5,242
Net income	$ 4,462	$ 7,544
Net income per share - basic	$ 0.25	$ 0.40
Net income per share - diluted	$ 0.25	$ 0.36
Average shares outstanding - basic	17,594,555	19,023,027
Average shares outstanding - diluted	18,176,428	20,726,355

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS)
(UNAUDITED)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	1998	1999
Net income	$ 4,462	$ 7,544
Foreign currency translation adjustment, net of taxes	36	(65)
Comprehensive income	$ 4,498	$ 7,479

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 THREE MONTHS ENDED MARCH 31,	
	1998	1999
Cash flow from operating activities:		
Net income	$ 4,462	$ 7,544
Adjustments to reconcile net income to net cash flow from operating activities:		
Amortization of intangible assets	3,829	5,255
Depreciation and other amortization	513	747
Deferred income tax provision	2,423	2,287
Changes in assets and liabilities:		
(Increase) decrease in investment advisory fees receivable	(5,056)	35,628
(Increase) decrease in other current assets	(170)	450
Decrease in accounts payable, accrued expenses and other liabilities	(1,601)	(13,276)
Minority interest	4,613	(1,700)
Cash flow from operating activities	9,013	36,935
Cash flow used in investing activities:		
Purchase of fixed assets	(824)	(1,045)
Costs of investments, net of cash acquired	(64,173)	(63,769)
Distribution received from Affiliate equity investment	107	--
Decrease in other assets	(181)	(723)
Loans to employees	--	(1,198)
Cash flow used in investing activities	(65,071)	(66,735)
Cash flow from financing activities:		
Borrowings of senior bank debt	72,300	91,300
Repayments of senior bank debt	(9,500)	(123,800)
Repayments of notes payable	--	(22,000)
Issuances of equity securities	--	101,643
Debt issuance costs	(40)	(175)
Cash flow from (used in) financing activities	62,760	46,968
Effect of foreign exchange rate changes on cash flow	36	(65)
Net increase in cash and cash equivalents	6,738	17,103
Cash and cash equivalents at beginning of period	22,766	23,735
Cash and cash equivalents at end of period	$ 29,504	$ 40,838
Supplemental disclosure of non-cash financing activities:		
Stock issued in acquisitions	$ 30,992	$ --

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 to the current year 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, 1998 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.

2. ACQUISITIONS

On January 6, 1999 the Company completed its investment in Rorer Asset Management. The total purchase price associated with this investment was approximately $65 million. On April 1, 1999, the Company completed an investment in substantially all of the partnership interests in The Managers Funds, L.P., which serves as the adviser to a family of ten equity and fixed income no-load mutual funds. These transactions will be accounted for under the purchase method of accounting.

3. OFFERING

On March 3, 1999, the Company completed its second public offering of Common Stock. In the offering 5,529,954 shares of Common Stock were sold, of which 4,000,000 shares were sold by the Company and 1,529,954 shares were sold by selling stockholders. AMG used the net proceeds from the offering to reduce indebtedness and did not receive any proceeds from the sale of Common Stock by the selling stockholders.

4. INCOME TAXES

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

		Three Months Ended March 31, 1998	Three Months Ended March 31, 1999
Federal:	Current	$ ---	$ 2,535
	Deferred	2,120	2,002
State:	Current	552	420
	Deferred	303	285
Provision for income taxes		$ 2,975	$ 5,242

5. 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 March 31,

	1998	1999
Numerator:		
Net income	$ 4,462,000	$ 7,544,000
Denominator:		
Average shares outstanding - basic	17,594,555	19,023,027
Convertible stock	233,459	1,517,483
Stock options and unvested restricted stock	348,414	185,845
Average shares outstanding - diluted	18,176,428	20,726,355
Net income per share:		
Basic	$ 0.25	$ 0.40
Diluted	$ 0.25	$ 0.36

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

WHEN USED IN THIS FORM 10-Q AND IN OUR FUTURE FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, IN OUR PRESS RELEASES AND IN ORAL STATEMENTS MADE WITH THE APPROVAL OF AN AUTHORIZED EXECUTIVE OFFICER, THE WORDS OR PHRASES "WILL LIKELY RESULT", "ARE EXPECTED TO", "WILL CONTINUE", "IS ANTICIPATED", "BELIEVES", "ESTIMATE", "PROJECT" OR SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES, INCLUDING THOSE DISCUSSED UNDER THE CAPTION "BUSINESS-CAUTIONARY STATEMENTS" IN OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1998, THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM HISTORICAL EARNINGS AND THOSE PRESENTLY ANTICIPATED OR PROJECTED. WE WISH TO CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE MADE. WE WISH TO ADVISE READERS THAT THE FACTORS UNDER THE ABOVE DESCRIBED CAPTION "BUSINESS - -CAUTIONARY STATEMENTS" COULD AFFECT OUR FINANCIAL PERFORMANCE AND COULD CAUSE OUR ACTUAL RESULTS FOR FUTURE PERIODS TO DIFFER MATERIALLY FROM ANY OPINIONS OR STATEMENTS EXPRESSED WITH RESPECT TO FUTURE PERIODS IN ANY CURRENT STATEMENTS.

IN ADDITION, THE DISCUSSION AND ANALYSIS WITH RESPECT TO THE YEAR 2000 ISSUE, INCLUDING (I) OUR EXPECTATIONS OF WHEN YEAR 2000 COMPLIANCE WILL ACTUALLY BE ACHIEVED, (II) ESTIMATES OF THE COSTS INVOLVED IN ACHIEVING YEAR 2000 READINESS AND (III) OUR BELIEF THAT THE COSTS WILL NOT BE MATERIAL TO OPERATING RESULTS, ARE BASED ON MANAGEMENT'S ESTIMATES WHICH, IN TURN, ARE BASED UPON A NUMBER OF ASSUMPTIONS REGARDING FUTURE EVENTS, INCLUDING THIRD PARTY MODIFICATION PLANS AND THE AVAILABILITY OF CERTAIN RESOURCES. THERE CAN BE NO GUARANTEE THAT THESE ESTIMATES WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM MANAGEMENT'S ESTIMATES. SPECIFIC FACTORS WHICH MIGHT CAUSE SUCH MATERIAL DIFFERENCES WITH RESPECT TO THE YEAR 2000 ISSUE INCLUDE, BUT ARE NOT LIMITED TO, THE FAILURE OF THIRD PARTY PROVIDERS TO ACHIEVE REPRESENTED OR STATED LEVELS OF YEAR 2000 COMPLIANCE, AVAILABILITY AND COST OF PERSONNEL TRAINED IN THIS AREA, THE ABILITY TO LOCATE AND CORRECT ALL RELEVANT COMPUTER CODES, AND SIMILAR UNCERTAINTIES.

WE WILL NOT UNDERTAKE AND WE SPECIFICALLY DISCLAIM ANY OBLIGATION TO RELEASE PUBLICLY THE RESULT OF ANY REVISIONS WHICH MAY BE MADE TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF SUCH STATEMENTS OR TO REFLECT THE OCCURRENCE OF EVENTS, WHETHER OR NOT ANTICIPATED.

OVERVIEW

We acquire equity interests in mid-sized investment management firms and currently derive all of our revenues from those firms. We refer to firms in which we have purchased less than 100% (typically less than 80%) as our "affiliates". We hold investments in 13 affiliates that managed $64.2 billion in assets at March 31, 1999. Our most recent affiliate investments were in Davis Hamilton Jackson & Associates, L.P. ("DHJA") in December 1998 and Rorer Asset Management LLC ("Rorer") in January 1999. On April 1, 1999, we completed an acquisition of substantially all of the partnership interests in the Managers Funds, L.P. ("Managers"), which serves as the adviser to a family of ten equity and fixed income no-load mutual funds.

We have a revenue sharing arrangement with each of our affiliates which allocates a specified percentage of revenues (typically 50-70%) for use by management of that affiliate in paying operating expenses, 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. One of the purposes of our revenue sharing arrangements is to provide ongoing incentives for the managers of the affiliates by allowing them:

- to participate in their firm's growth through their compensation from the Operating Allocation,
- to receive a portion of the Owners' Allocation based on their ownership interest in the affiliate, and
- to control operating expenses, thereby increasing the portion of the Operating Allocation which is available for growth initiatives and bonuses for management of the affiliate.

The managers of each affiliate, therefore, have an incentive to both increase revenues (thereby increasing the Operating Allocation and their Owners' Allocation) and to control expenses (thereby increasing the excess Operating Allocation).

The revenue sharing arrangements allow us to participate in the revenue growth of each affiliate because we receive a portion of the additional revenue as our share of the Owners' Allocation. However, we participate in that growth to a lesser extent than the managers of the affiliate, because we do not share in the growth of the Operating Allocation.

Under the organizational documents of the affiliates, the allocations and distributions of cash to us generally take priority over the allocations and distributions to the management owners of the affiliates. This further protects us if there are any expenses in excess of the Operating Allocation of an affiliate. Thus, if an affiliate's expenses exceed its Operating Allocation, the excess expenses first reduce the portion of the Owners' Allocation allocated to the affiliate's management owners, until that portion is eliminated, and then reduce the portion allocated to us.

The portion of each affiliate's revenues which is included in its Operating Allocation and retained by it to pay salaries, bonuses and other operating expenses, as well as the portion of each affiliate's revenues which is included in its Owners' Allocation and distributed to us and the other owners of the affiliate, are both included as "revenues" on our Consolidated Statements of Operations. The expenses of each affiliate which are paid out of the Operating Allocation, as well as our holding company expenses which we pay out of the amounts of the Owners' Allocation which we receive from the affiliates, are both included in "operating expenses" on our Consolidated Statements of Operations. The portion of each affiliate's Owners' Allocation which is allocated to owners of the affiliates other than us is included in "minority interest" on our Consolidated Statements of Operations.

The EBITDA Contribution of an affiliate represents the Owners' Allocation of that affiliate allocated to AMG before interest, taxes, depreciation and amortization of that affiliate. EBITDA Contribution does not include our holding company expenses.

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. Certain of the affiliates bill advisory fees for all or a portion of their clients based upon assets under management valued at the beginning of a billing period ("in advance"). Other affiliates bill advisory fees for all or a portion of their clients based upon assets under management valued at the end of the billing period ("in arrears"). Advisory fees billed in advance will not reflect subsequent changes in the market value of assets under management for that period. Conversely, advisory fees billed in arrears will reflect changes in the market value of assets under management for that period. 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 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.

Our level of profitability will depend on a variety of factors including principally: (i) the level of affiliate revenues, which is dependent on the ability of our existing affiliates and future affiliates to maintain or increase assets under management by maintaining their existing investment advisory relationships and fee structures, marketing their services successfully to new clients, and obtaining favorable investment results; (ii) the receipt of Owners' Allocation, which is dependent on the ability of the affiliates and future affiliates to maintain certain levels of operating profit margins; (iii) the availability and cost of the capital with which we finance our investments; (iv) our success in attracting new investments and the terms upon which such transactions are completed; (v) the level of intangible assets and the associated amortization expense resulting from our investments; (vi) the level of expenses incurred for holding company operations, including compensation for its employees; and (vii) the level of taxation to which we are subject, all of which are, to some extent, dependent on factors which are not in our control, such as general securities market conditions.

Assets under management were $64.2 billion at March 31, 1999 versus $57.7 billion at December 31, 1998. The increase in assets under management was partially related to the closing of our investment in Rorer ($4.4

billion). Aggregate net client cash flow for directly managed assets contributed $381.0 million to the increase, while overlay assets (which generally carry lower fees than directly managed assets) declined $1.1 billion. Positive investment performance accounted for the remaining change in assets under management.

Our investments have been 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 our investments, intangible assets, consisting of acquired client relationships and goodwill, constitute a substantial percentage of our consolidated assets and our results of operations have included increased charges for amortization of those intangible assets. As of March 31, 1999, our total assets were approximately $655.3 million, of which approximately $186.9 million consisted of acquired client relationships and $360.4 million consisted of goodwill.

The amortization period for intangible assets for each investment is assessed individually, with amortization periods for our 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, we consider a number of factors including: the firm's historical and potential future operating performance and rate 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. We perform 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 our operating expenses, management believes it is important to distinguish this expense from other operating expenses since such amortization does not require the use of cash. Because of this, and because our distributions from our affiliates are based on their Owners' Allocation, management has provided additional supplemental information in this report for "cash" related earnings, as an addition to, but not as a substitute for, measures related to net income. Such measures are (i) EBITDA, which we believe is useful to investors as an indicator of our ability to service debt, to make new investments and meet working capital requirements, and (ii) EBITDA as adjusted, which we believe is useful to investors as another indicator of funds available which may be used to make new investments, to repay debt obligations, to repurchase shares of our Common Stock or pay dividends on our Common Stock.

THREE MONTHS ENDED MARCH 31, 1999 AS COMPARED TO THREE MONTHS ENDED MARCH 31, 1998

The Company had net income of $7.5 million for the quarter ended March 31, 1999 compared to net income of $4.5 million for the quarter ended March 31, 1998. The increase in net income resulted primarily from income from investments made during and subsequent to the first quarter of 1998. The Company invested in Essex Investment Management, LLC on March 20, 1998 and DHJA and Rorer on December 31, 1998 and January 6, 1999, respectively.

Total revenues for the quarter ended March 31, 1999 were $68.0 million, an increase of $22.3 million over the quarter ended March 31, 1998, primarily as a result of the new Affiliate investments.

Total operating expenses increased by $13.2 million to $42.0 million for the quarter ended March 31, 1999 from $29.0 million for the quarter ended March 31, 1998. Compensation and related expenses increased by $7.8 million, amortization of intangible assets increased by $1.4 million, selling, general and administrative expenses increased by $3.0 million, and other operating expenses increased by $709,000. The increases in operating expenses are primarily due to the inclusion of the new Affiliates described above.

Minority interest increased by $4.0 million to $10.5 million for the quarter ended March 31, 1999 from $6.5 million for the quarter ended March 31, 1998. This increase is a result of the addition of new Affiliates as

described above.

Interest expense increased by $371,000 to approximately $3.5 million for the quarter ended March 31, 1999 from $3.1 million for the quarter ended March 31, 1998 as a result of the increased indebtedness incurred in connection with the investments described above.

Income tax expense was $5.2 million for the quarter ended March 31, 1999 compared to $3.0 million for the quarter ended March 31, 1998. The change in tax expense was mostly related to an increase in income before taxes.

EBITDA increased by $7.4 million to $22.2 million for the quarter ended March 31, 1999 from $14.9 million for the quarter ended March 31, 1998, primarily as a result of the inclusion of new Affiliates as described above.

EBITDA as adjusted increased by $4.7 million to $13.5 million for the quarter ended March 31, 1999 from $8.8 million for the quarter ended March 31, 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 $6.0 million for the quarter ended March 31, 1999 and $4.3 million for the quarter ended March 31, 1998.

LIQUIDITY AND CAPITAL RESOURCES

We have met our cash requirements primarily through cash generated by operating activities, bank borrowings, and the issuance of equity and debt securities in public and private placement transactions. We anticipate that we will use cash flow from our operating activities to repay debt and to finance our working capital needs and will use bank borrowings and issue equity and debt securities to finance future affiliate investments. Our principal uses of cash have been to make investments in affiliates, to retire indebtedness, repurchase shares and to support our and our affiliates' operating activities. We expect that our principal use of funds for the foreseeable future will be for investments in additional affiliates, repayments of debt, including interest payments on outstanding debt, distributions of the Owners' Allocation to owners of affiliates other than us, additional investments in existing affiliates, including upon management owners' sales of their retained equity to us, and for working capital purposes. We do not expect to make commitments for material capital expenditures.

At March 31, 1999, we had outstanding borrowings of senior debt under our credit facility of $158.0 million. On January 29, 1999 we exercised our option to expand the credit facility from $300 to $330 million and added another major commercial bank to our group of lenders. We have the option, with the consent of our lenders, to increase the facility by another $70 million to a total of $400 million. Our credit facility bears interest at either LIBOR plus a margin ranging from .50% to 2.25% or the Prime Rate plus a margin ranging up to 1.25% and matures during December 2002. In order to offset our exposure to changing interest rates we enter into interest rate hedging contracts. We pay a commitment fee of up to 1/2 of 1% on the daily unused portion of the facility.

Our borrowings under the credit facility are collateralized by pledges of all of our interests in affiliates (including all interests in affiliates which are directly held by us, as well as all interests in affiliates which are indirectly held by us through wholly-owned subsidiaries), which interests represent substantially all of our assets. Our credit facility contains a number of negative covenants, including those which generally prevent us and our affiliates from: (i) incurring additional indebtedness (other than subordinated indebtedness) (ii) creating any liens or encumbrances on material assets (with certain enumerated exceptions), (iii) selling assets outside the ordinary course of business or making certain fundamental changes with respect to our businesses, including a restriction on our ability to transfer interests in any majority owned affiliate if, as a result of such transfer, we would own less than 51% of such affiliate, and (iv) declaring or paying dividends on our Common Stock.

In order to provide the funds necessary for us to continue to acquire interests in investment management firms, including our existing affiliates upon the management owners' sales of their retained equity to us, it will be necessary for us to incur, from time to time, additional long-term bank 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 us.

On December 31, 1998, we acquired a 65% interest in DHJA. DHJA is a Houston based asset management firm with approximately $3.5 billion of assets under management at December 31, 1998. On January 6, 1999, we acquired an approximately 65% interest in Rorer. Rorer is a Philadelphia based investment adviser with approximately $4.4 billion of assets under management at December 31, 1998. We paid $65 million in cash for our investment in Rorer. We financed these two investments with borrowings under our credit facility.

On March 3, 1999, we completed a public offering of 5,529,954 shares of Common Stock, of which 4,000,000 shares were sold by us and 1,529,954 shares were sold by selling stockholders. We used the net proceeds from the 4,000,000 shares sold by us to reduce indebtedness and did not receive any proceeds from the sale of Common Stock by the selling stockholders.

On April 1, 1999, we acquired substantially all of the partnership interests in The Managers Funds, L.P., which serves as the adviser to a family of ten equity and fixed income no-load mutual funds. We financed the investment with a borrowing under our credit facility.

YEAR 2000

The "Year 2000" poses a concern to our business as a result of the fact that computer applications have historically used the last two digits, rather than all four digits, to store year data. If left unmodified, these applications would misinterpret the Year 2000 for the Year 1900 and would in many cases be unable to function properly in the Year 2000 and beyond.

We have based our evaluation of our ability to prepare for the Year 2000 upon a number of assumptions regarding future events, including third party modification plans and the availability of needed resources. We cannot guarantee that these estimates will be achieved, and actual results may differ materially from our estimates. Specific factors which might cause such material differences with respect to the Year 2000 issue include, but are not limited to, the failure of our affiliates to achieve represented or stated levels of Year 2000 compliance, the availability and cost of personnel trained in this area and the ability to locate and correct all relevant computer codes and similar uncertainties.

AMG'S READINESS

In anticipation of this problem, we have identified all of the significant computers, software applications and related equipment used at our holding company that need to be modified, upgraded or replaced to minimize the possibility of a material disruption to our business based on the advent of the Year 2000. We anticipate completing our Year 2000 preparations at the holding company by the end of the second quarter of 1999. We estimate our total cost will be less than $800,000 for the four year period ending on December 31, 1999. We cannot be certain that we will not encounter unforeseen delays or costs in completing our preparations.

OUR AFFILIATES' READINESS

We have also established a time line with each of our affiliates to complete their Year 2000 preparations and have received estimates from each of them of the costs required to complete their preparations. As part of our general preparedness program, each of our affiliates has assigned responsibility for preparing for the Year 2000 to a member of its senior management in order to ensure that both proprietary and third party vendor systems will be ready for the Year 2000. Each of our affiliates has completed its assessment and plans are in place for the renovation or replacement of all non-compatible systems. We anticipate that most of the affiliates will complete the renovation or replacement of all non-compatible systems and the subsequent testing of all systems by the end of the second quarter of 1999 with the remainder completing those activities during the third quarter of 1999. Most of our affiliates pay for the costs of their Year 2000 preparations out of their Operating Allocation, which is the portion of their revenues that is allocated to pay their operating expenses. As a result, these costs will only reduce an affiliate's distributions to us based on our ownership interest in the affiliate if the affiliate's operating expenses exceed its Operating Allocation and the portion of revenues allocated to the management owners.

OUTSIDE SERVICE PROVIDERS

Outside service providers perform several processes which are critical to our affiliates' business operations, including transfer agency and custody functions. Our affiliates have surveyed these parties and are monitoring their progress. However, our affiliates have limited control, if any, over the actions of these outside parties and in some instances have no alternative vendors. If outside service providers fail to resolve their Year 2000 issues, we anticipate that our affiliates' operations will experience material disruptions caused by the inability to process trades and access client and investment research data files and, accordingly, our and our affiliates' businesses would be adversely affected.

Quantitative and Qualitative Disclosures About Market Risk

We use interest-rate swaps to manage market exposures associated with our variable rate debt by creating offsetting market exposures. These instruments are not held for trading purposes. In the normal course of operations, we also face risks that are either nonfinancial or nonquantifiable. Such risks principally include country risk, credit risk, and legal risk, and are not represented in the analysis that follows.

This analysis presents the hypothetical loss in earnings of the derivative instruments we held at March 31, 1999 that are sensitive to changes in interest rates. Interest rate swaps allow us to achieve a level of variable-rate and fixed-rate debt that is acceptable to us, and to reduce interest rate exposure. In each of our interest rate swaps, we have agreed with another party to exchange the difference between fixed-rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Under each of our interest rate swaps, interest rates on the notional amounts are capped at rates ranging between 6.67% and 6.78% upon quarterly reset dates. In addition, if LIBOR falls below 5% at a quarterly reset date, we are required to make a payment to our counterparty equal to the difference between the interest rate on our floating rate LIBOR debt on an annualized rate of between 6.67% and 6.78%, multiplied by the notional principal amount. At March 31, 1999, a total of $185 million was subject to interest rate swaps (the "Original Swaps"), and our exposure was to changes in three-month LIBOR rates. Beginning in January 1999, we also became a party to additional contracts with a $75 million notional amount (the "Subsequent Swaps"). These contracts are designed to limit interest rate increases to 5.99% on this notional amount if three-month LIBOR rates fall below 5%.

The hypothetical loss in earnings on all derivative instruments that would have resulted from a hypothetical change of 10 percent in three-month LIBOR rates, sustained for three months, is estimated to be $390,000. Because our net-earnings exposure under the combined debt and interest-rate swap was to three-month LIBOR rates, the hypothetical loss was calculated as follows: multiplying the notional amount of the swap by the effect of a 10% reduction in LIBOR under the Original Swaps, partially offset by the Subsequent Swaps and interest savings on the underlying debt.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company and its Affiliates may be parties to various claims, suits and complaints. Currently, there are no such claims, suits or complaints that, in the opinion of management, would have a material adverse effect on the Company's financial position, liquidity or results of operations.

ITEM 2. CHANGES IN SECURITIES

On March 3, 1999, we completed a public offering of 5,529,954 shares of Common Stock, of which 4,000,000 shares were sold by us and 1,529,954 shares were sold by selling stockholders. In connection with the offering 555,555 shares of Class B Common Stock were converted into common stock.

In March 1998, the Company issued 1,750,942 shares of Series C Convertible Stock in completing its investment in Essex Investment Management Company, LLC. Each share converted into one share of Common Stock on March 20, 1999.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K:

The following Current Reports on Form 8-K were filed by AMG during the quarter ended March 31, 1999:

1. Current Report on Form 8-K dated January 6, 1999 (filed January 21, 1999), reporting the consummation of the investment in Rorer.

2. Current Report on Form 8-K dated February 1, 1999 (filed February 1, 1999), containing the following financial statements for indicated affiliates:

   GEOCAPITAL CORPORATION
   Report of Independent Accountants
   Statement of Financial Condition as of September 30, 1997
   Statement of Operations for the Year Ended September 30, 1997
   Statement of Changes in Stockholders' Equity for the Year Ended September 30, 1997
   Statement of Cash Flows for the Year Ended September 30, 1997
   Notes to Financial Statements

   TWEEDY, BROWNE COMPANY L.P.
   Report of Independent Accountants
   Statement of Financial Condition as of October 8, 1997
   Statement of Operations for the Period January 1, 1997 through October 8, 1997
   Statement of Changes in Partners' Capital for the Period January 1, 1997 through October 8, 1997
   Statement of Cash Flows for the Period January 1, 1997 through October 8, 1997
   Notes to Financial Statements

   GOFEN AND GLOSSBERG, INC.
   Report of Independent Accountants
   Statement of Financial Condition as of May 6, 1997
   Statement of Operations for the Period January 1, 1997 to May 6, 1997
   Statement of Changes in Shareholders' Equity for the Period January 1, 1997 to May 6, 1997
   Statement of Cash Flows for the Period January 1, 1997 to May 6, 1997
   Notes to Financial Statements

3. Current Report on Form 8-K dated February 1, 1999 (filed February 1, 1999) containing the press release disclosing the Company's operating results for the year ended December 31, 1998

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)	May 14, 1999

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THIS SCHEDULE CONTAINS SUMMARY FINACIAL INFORMATION EXTRACTED FROM CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
40,838
0
38,892
0
0
84,650
10,035
0
655,348
38,043
158,000
0
0
406,223
19,164
655,348
0
68,127
0
42,280
10,528
0
3,445
12,786
5,242
7,544
0
0
0
7,544
.40
.36

MINORITY INTEREST