UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

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)

777 South Flagler Drive, West Palm Beach, Florida 33401

(Address of principal executive offices)

(800) 345-1100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock ($0.01 par value)	**AMG**	**New York Stock Exchange**
5.875% Junior Subordinated Notes due 2059	**MGR**	**New York Stock Exchange**
4.750% Junior Subordinated Notes due 2060	**MGRB**	**New York Stock Exchange**
4.200% Junior Subordinated Notes due 2061	**MGRD**	**New York Stock Exchange**

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 40,651,314 shares of the registrant's common stock outstanding on November 3, 2021.

FORM 10-Q

TABLE OF CONTENTS

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Consolidated revenue	$ 494.8	$ 575.2	$ 1,473.2	$ 1,720.6
Consolidated expenses:				
Compensation and related expenses	212.5	256.4	636.9	752.2
Selling, general and administrative	74.1	82.9	237.9	250.3
Intangible amortization and impairments	31.9	8.9	133.4	25.3
Interest expense	23.8	28.5	65.6	82.8
Depreciation and other amortization	4.6	4.0	14.7	12.5
Other expenses (net)	12.3	14.6	34.6	40.6
Total consolidated expenses	359.2	395.3	1,123.1	1,163.7
Equity method income (loss) (net)	17.0	35.9	(78.8)	125.1
Investment and other income	12.7	37.5	2.9	91.1
Income before income taxes	165.3	253.3	274.2	773.1
Income tax expense	37.5	44.9	43.0	166.4
Net income	127.8	208.4	231.2	606.7
Net income (non-controlling interests)	(56.5)	(80.0)	(144.9)	(219.4)
Net income (controlling interest)	$ 71.3	$ 128.4	$ 86.3	$ 387.3
Average shares outstanding (basic)	46.3	41.1	47.1	41.8
Average shares outstanding (diluted)	46.5	44.3	47.2	44.8
Earnings per share (basic)	$ 1.54	$ 3.12	$ 1.83	$ 9.28
Earnings per share (diluted)	$ 1.53	$ 3.00	$ 1.83	$ 8.95

The accompanying notes are an integral part of the Consolidated Financial Statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Net income	$ 127.8	$ 208.4	$ 231.2	$ 606.7
Other comprehensive income (loss), net of tax:				
Foreign currency translation gain (loss)	24.7	(19.7)	(51.4)	11.7
Change in net realized and unrealized gain (loss) on derivative financial instruments	0.2	(1.9)	(2.1)	(1.0)
Other comprehensive income (loss), net of tax	24.9	(21.6)	(53.5)	10.7
Comprehensive income	152.7	186.8	177.7	617.4
Comprehensive income (non-controlling interests)	(65.9)	(77.3)	(137.5)	(215.5)
Comprehensive income (controlling interest)	$ 86.8	$ 109.5	$ 40.2	$ 401.9

The accompanying notes are an integral part of the Consolidated Financial Statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(in millions)

(unaudited)

	December 31, 2020	September 30, 2021
Assets		
Cash and cash equivalents	$ 1,039.7	$ 1,128.0
Receivables	421.6	492.5
Investments in marketable securities	74.9	75.8
Goodwill	2,661.4	2,658.5
Acquired client relationships (net)	1,048.8	1,018.2
Equity method investments in Affiliates (net)	2,074.8	2,085.2
Fixed assets (net)	79.6	74.2
Other investments	257.2	357.1
Other assets	230.9	218.1
Total assets	$ 7,888.9	$ 8,107.6
Liabilities and Equity		
Payables and accrued liabilities	$ 712.4	$ 690.2
Debt	2,312.1	2,491.8
Deferred income tax liability (net)	423.4	513.9
Other liabilities	452.2	463.3
Total liabilities	3,900.1	4,159.2
Commitments and contingencies (Note 9)		
Redeemable non-controlling interests	671.5	748.9
Equity:		
Common stock ($0.01 par value, 153.0 shares authorized; 58.5 shares outstanding in 2020 and 2021)	0.6	0.6
Additional paid-in capital	728.9	556.0
Accumulated other comprehensive loss	(98.3)	(83.7)
Retained earnings	4,005.5	4,391.5
	4,636.7	4,864.4
Less: Treasury stock, at cost (14.5 shares in 2020 and 17.7 shares in 2021)	(1,857.0)	(2,227.5)
Total stockholders' equity	2,779.7	2,636.9
Non-controlling interests	537.6	562.6
Total equity	3,317.3	3,199.5
Total liabilities and equity	$ 7,888.9	$ 8,107.6

The accompanying notes are an integral part of the Consolidated Financial Statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)

(unaudited)

Three Months Ended September 30, 2020	Total Stockholders' Equity						
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock at Cost	Non-controlling Interests	Total Equity
June 30, 2020	$ 0.6	$ 768.2	$ (170.4)	$ 3,819.3	$ (1,563.0)	$ 487.2	$ 3,341.9
Net income	—	—	—	71.3	—	56.5	127.8
Other comprehensive income, net of tax	—	—	15.5	—	—	9.4	24.9
Share-based compensation	—	15.7	—	—	—	—	15.7
Common stock issued under share-based incentive plans	—	(1.1)	—	—	1.0	—	(0.1)
Share repurchases	—	4.6	—	—	(89.0)	—	(84.4)
Dividends ($0.01 per share)	—	—	—	(0.5)	—	—	(0.5)
Affiliate equity activity:							
Affiliate equity compensation	—	3.5	—	—	—	6.0	9.5
Issuances	—	2.9	—	—	—	0.2	3.1
Purchases	—	21.0	—	—	—	(2.2)	18.8
Changes in redemption value of Redeemable non-controlling interests	—	(50.7)	—	—	—	—	(50.7)
Transfers to Redeemable non-controlling interests	—	—	—	—	—	(0.2)	(0.2)
Distributions to non-controlling interests	—	—	—	—	—	(77.4)	(77.4)
September 30, 2020	$ 0.6	$ 764.1	$ (154.9)	$ 3,890.1	$ (1,651.0)	$ 479.5	$ 3,328.4

Three Months Ended September 30, 2021	Total Stockholders' Equity						
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock at Cost	Non-controlling Interests	Total Equity
June 30, 2021	$ 0.6	$ 539.3	$ (64.8)	$ 4,263.4	$ (2,128.9)	$ 548.3	$ 3,157.9
Net income	—	—	—	128.4	—	80.0	208.4
Other comprehensive loss, net of tax	—	—	(18.9)	—	—	(2.7)	(21.6)
Share-based compensation	—	21.2	—	—	—	—	21.2
Common stock issued under share-based incentive plans	—	(7.8)	—	—	1.4	—	(6.4)
Repurchases of junior convertible securities	—	(1.3)	—	—	—	—	(1.3)
Share repurchases	—	—	—	—	(100.0)	—	(100.0)
Dividends ($0.01 per share)	—	—	—	(0.3)	—	—	(0.3)
Affiliate equity activity:							
Affiliate equity compensation	—	2.5	—	—	—	8.9	11.4
Issuances	—	—	—	—	—	0.5	0.5
Purchases	—	1.2	—	—	—	(2.4)	(1.2)
Changes in redemption value of Redeemable non-controlling interests	—	0.9	—	—	—	—	0.9
Transfers to Redeemable non-controlling interests	—	—	—	—	—	(0.1)	(0.1)
Capital contributions and other	—	—	—	—	—	(2.5)	(2.5)
Distributions to non-controlling interests	—	—	—	—	—	(67.4)	(67.4)
September 30, 2021	$ 0.6	$ 556.0	$ (83.7)	$ 4,391.5	$ (2,227.5)	$ 562.6	$ 3,199.5

The accompanying notes are an integral part of the Consolidated Financial Statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)

(unaudited)

Nine Months Ended September 30, 2020	Total Stockholders' Equity						
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock at Cost	Non-controlling Interests	Total Equity
December 31, 2019	$ 0.6	$ 707.2	$ (108.8)	$ 3,819.8	$ (1,481.3)	$ 561.6	$ 3,499.1
Net income	—	—	—	86.3	—	144.9	231.2
Other comprehensive loss, net of tax	—	—	(46.1)	—	—	(7.4)	(53.5)
Share-based compensation	—	46.4	—	—	—	—	46.4
Common stock issued under share-based incentive plans	—	(40.9)	—	—	34.4	—	(6.5)
Share repurchases	—	0.1	—	—	(204.1)	—	(204.0)
Dividends ($0.34 per share)	—	—	—	(16.0)	—	—	(16.0)
Affiliate equity activity:							
Affiliate equity compensation	—	11.4	—	—	—	24.9	36.3
Issuances	—	1.1	—	—	—	18.8	19.9
Purchases	—	57.4	—	—	—	(13.5)	43.9
Changes in redemption value of Redeemable non-controlling interests	—	(18.6)	—	—	—	—	(18.6)
Transfers to Redeemable non-controlling interests	—	—	—	—	—	(5.6)	(5.6)
Capital contributions and other	—	—	—	—	—	4.9	4.9
Distributions to non-controlling interests	—	—	—	—	—	(249.1)	(249.1)
September 30, 2020	$ 0.6	$ 764.1	$ (154.9)	$ 3,890.1	$ (1,651.0)	$ 479.5	$ 3,328.4

Nine Months Ended September 30, 2021	Total Stockholders' Equity						
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock at Cost	Non-controlling Interests	Total Equity
December 31, 2020	$ 0.6	$ 728.9	$ (98.3)	$ 4,005.5	$ (1,857.0)	$ 537.6	$ 3,317.3
Net income	—	—	—	387.3	—	219.4	606.7
Other comprehensive income (loss), net of tax	—	—	14.6	—	—	(3.9)	10.7
Share-based compensation	—	44.5	—	—	—	—	44.5
Common stock issued under share-based incentive plans	—	(54.1)	—	—	36.8	—	(17.3)
Repurchases of junior convertible securities	—	(6.1)	—	—	—	—	(6.1)
Share repurchases	—	17.3	—	—	(407.3)	—	(390.0)
Dividends ($0.03 per share)	—	—	—	(1.3)	—	—	(1.3)
Affiliate equity activity:							
Affiliate equity compensation	—	9.6	—	—	—	36.5	46.1
Issuances	—	(16.7)	—	—	—	21.0	4.3
Purchases	—	9.5	—	—	—	13.2	22.7
Changes in redemption value of Redeemable non-controlling interests	—	(176.9)	—	—	—	—	(176.9)
Transfers to Redeemable non-controlling interests	—	—	—	—	—	(3.9)	(3.9)
Capital contributions and other	—	—	—	—	—	3.6	3.6
Distributions to non-controlling interests	—	—	—	—	—	(260.9)	(260.9)
September 30, 2021	$ 0.6	$ 556.0	$ (83.7)	$ 4,391.5	$ (2,227.5)	$ 562.6	$ 3,199.5

The accompanying notes are an integral part of the Consolidated Financial Statements.

AFFILIATED MANAGERS GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

(unaudited)

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021
Cash flow from (used in) operating activities:		
Net income	$ 231.2	$ 606.7
Adjustments to reconcile Net income to cash flow from (used in) operating activities:		
Intangible amortization and impairments	133.4	25.3
Depreciation and other amortization	14.7	12.5
Deferred income tax expense	10.6	87.6
Equity method loss (income) (net)	78.8	(125.1)
Distributions of earnings received from equity method investments	197.2	288.1
Share-based compensation and Affiliate equity expense	82.7	90.9
Other non-cash items	20.3	(69.1)
Changes in assets and liabilities:		
Purchases of securities by consolidated Affiliate sponsored investment products	(83.5)	(91.1)
Sales of securities by consolidated Affiliate sponsored investment products	77.6	49.9
Decrease (increase) in receivables	9.0	(81.0)
(Increase) decrease in other assets	(8.5)	22.5
(Decrease) increase in payables, accrued liabilities, and other liabilities	(136.7)	80.1
Cash flow from operating activities	626.8	897.3
Cash flow from (used in) investing activities:		
Investments in Affiliates	(2.4)	(144.9)
Return of capital from equity method investments	—	3.4
Purchase of fixed assets	(6.8)	(4.9)
Purchase of investment securities	(35.7)	(57.4)
Sale of investment securities	36.9	26.0
Cash flow used in investing activities	(8.0)	(177.8)
Cash flow from (used in) financing activities:		
Borrowings of senior bank debt, senior notes, and junior subordinated notes	874.8	200.0
Repayments of senior bank debt and junior convertible securities	(350.0)	(26.1)
Repurchases of common stock (net)	(213.0)	(493.0)
Dividends paid on common stock	(16.3)	(1.3)
Distributions to non-controlling interests	(249.1)	(260.9)
Affiliate equity (purchases) / issuances (net)	(232.5)	(47.8)
Other financing items	(35.4)	3.6
Cash flow used in financing activities	(221.5)	(625.5)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(5.3)	(1.8)
Net increase in cash and cash equivalents	392.0	92.2
Cash and cash equivalents at beginning of period	539.6	1,039.7
Effect of deconsolidation of Affiliates and Affiliate sponsored investment products	(2.2)	(3.9)
Cash and cash equivalents at end of period	$ 929.4	$ 1,128.0

The accompanying notes are an integral part of the Consolidated Financial Statements.

1. Basis of Presentation and Use of Estimates

The Consolidated Financial Statements of Affiliated Managers Group, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") 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 GAAP for full year financial statements. In the opinion of management, all normal and recurring adjustments considered necessary for a fair statement of the Company's interim financial position and results of operations have been included and all intercompany balances and transactions have been eliminated. Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation. Operating results for interim periods are not necessarily indicative of the results that may be expected for any other period or for the full year. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 includes additional information about its operations, financial position, and accounting policies, and should be read in conjunction with this Quarterly Report on Form 10-Q.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

All amounts in these notes, except per share data in the text and tables herein, are stated in millions unless otherwise indicated.

2. Accounting Standards and Policies

Recently Adopted Accounting Standards

Effective January 1, 2021, the Company adopted Accounting Standard Update ("ASU") 2019-12, Simplifying the Accounting for Income Taxes. The adoption of this standard did not have a significant impact on the Company's Consolidated Financial Statements.

Recent Accounting Developments

In August 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-06, Debt with Conversion and Other Options and Derivatives and Hedging - Contracts in Entity's Own Equity, which simplifies the accounting for convertible instruments and also modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted earnings per share calculation. The standard is effective for interim and annual periods beginning after December 15, 2021 for the Company and its consolidated Affiliates, and is effective for interim and annual periods beginning after December 15, 2023 for the Company's Affiliates accounted for under the equity method. The Company's adoption of ASU 2020-06 will result in the Company accounting for its convertible debt instrument as a single liability measured at amortized cost and will modify how certain equity instruments that may be settled in cash or shares, at the Company's option, impact the calculation of Earnings per share (diluted). The Company plans to adopt the standard using a modified retrospective method. Assuming no further repurchases of its convertible debt instruments, the Company currently estimates the adoption of this standard will result in increases in Debt and beginning Retained Earnings of $102.4 million and $4.6 million, respectively, and decreases in Additional paid-in-capital and Deferred income tax liability (net) of $81.4 million and $25.6 million, respectively. While the potential dilution to the calculation of Earnings per share (diluted) could be material and depends upon a number of factors, such as current share price, number of convertible shares, and conversion price, if the standard was adopted in the current period, Earnings per share (diluted) would not be significantly impacted.

3. Investments in Marketable Securities

The following table summarizes the cost, gross unrealized gains, gross unrealized losses, and fair value of Investments in marketable securities:

	December 31, 2020	September 30, 2021
Cost	$ 69.4	$ 68.5
Unrealized gains	5.5	8.2
Unrealized losses	(0.0)	(0.9)
Fair value	$ 74.9	$ 75.8

As of December 31, 2020 and September 30, 2021, Investments in marketable securities include consolidated Affiliate sponsored investment products with fair values of $52.3 million and $19.0 million, respectively.

4. Other Investments

Other investments consist of investments in funds advised by the Company's Affiliates that are carried at net asset value ("NAV") as a practical expedient and investments without readily determinable fair values. The income or loss related to these investments is recorded in Investment and other income on the Consolidated Statements of Income.

Investments Measured at NAV as a Practical Expedient

The Company's Affiliates sponsor investment products in which the Company and its consolidated Affiliates may make general partner and seed capital investments. The Company uses the NAV of these investments as a practical expedient for their fair values. The following table summarizes the fair value of these investments and any related unfunded commitments:

	December 31, 2020		September 30, 2021	
Category of Investment	**Fair Value**	**Unfunded Commitments**	**Fair Value**	**Unfunded Commitments**
Private equity funds[1]	$ 235.4	$ 122.2	$ 307.0	$ 114.1
Investments in other strategies[2]	8.0	—	16.6	—
Total[3]	$ 243.4	$ 122.2	$ 323.6	$ 114.1

(1) The Company accounts for the majority of its interests in private equity funds under the equity method of accounting and uses NAV as a practical expedient, one quarter in arrears (adjusted for current period calls and distributions), to determine the fair value. These funds primarily invest in a broad range of third-party funds and direct investments. Distributions will be received as the underlying assets are liquidated over the life of the funds, which is generally up to 15 years.

(2) These are multi-disciplinary funds that invest across various asset classes and strategies, including equity, credit, and real estate. Investments are generally redeemable on a daily, monthly, or quarterly basis.

(3) Fair value attributable to the controlling interest was $164.4 million and $217.7 million as of December 31, 2020 and September 30, 2021, respectively.

Investments Without Readily Determinable Fair Values

The following table summarizes the cost, cumulative upward adjustments, and carrying amount of investments without readily determinable fair values:

	December 31, 2020	September 30, 2021
Cost	$ 8.5	$ 8.5
Cumulative upward adjustments	5.3	25.0
Carrying amount	$ 13.8	$ 33.5

During the three and nine months ended September 30, 2021, the Company recorded an upward adjustment of $19.7 million based on an observable price change in the underlying investment.

5. Fair Value Measurements

The following tables summarize the Company's financial assets and liabilities that are measured at fair value on a recurring basis:

	December 31, 2020	Fair Value Measurements: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Investments in marketable securities	$ 74.9	$ 25.7	$ 49.2	$ —
Derivative financial instruments[1]	3.5	—	3.5	—
Financial Liabilities[2]				
Affiliate equity purchase obligations	$ 22.0	$ —	$ —	$ 22.0
Derivative financial instruments	4.2	—	4.2	—

	September 30, 2021	Fair Value Measurements: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Investments in marketable securities	$ 75.8	$ 61.1	$ 14.7	$ —
Derivative financial instruments[1]	1.0	—	1.0	—
Financial Liabilities[2]				
Affiliate equity purchase obligations	$ 47.7	$ —	$ —	$ 47.7
Derivative financial instruments	2.5	—	2.5	—

(1) Amounts are presented within Other assets on the Consolidated Balance Sheets.

(2) Amounts are presented within Other liabilities on the Consolidated Balance Sheets.

Level 3 Financial Liabilities

The following table presents the changes in level 3 liabilities for Affiliate equity purchase obligations:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Balance, beginning of period	$ 73.3	$ 47.9	$ 19.8	$ 22.0
Net realized and unrealized (gains) losses[1]	(0.2)	—	(4.1)	2.2
Purchases and issuances[2]	85.8	3.3	292.8	86.3
Settlements and reductions	(89.0)	(3.5)	(238.6)	(62.8)
Balance, end of period	$ 69.9	$ 47.7	$ 69.9	$ 47.7
Net change in unrealized (gains) losses relating to instruments still held at the reporting date	$ —	$ —	$ —	$ —

(1) Accretion expense for these arrangements and obligations is recorded in Interest expense in the Consolidated Statements of Income.

(2) Includes transfers from Redeemable non-controlling interests.

The following table presents certain quantitative information about the significant unobservable inputs used in valuing the Company's level 3 fair value measurements:

Quantitative Information About Level 3 Fair Value Measurements

	Valuation Techniques	Unobservable Input	December 31, 2020 Fair Value	December 31, 2020 Range	December 31, 2020 Weighted Average[(1)]	September 30, 2021 Fair Value	September 30, 2021 Range	September 30, 2021 Weighted Average[(1)]
Affiliate equity purchase obligations	Discounted cash flow	Growth rates[(2)]	$ 22.0	(5)% - 8%	3 %	$ 47.7	1% - 8%	5 %
		Discount rates		14% - 16%	15 %		15% - 17%	15 %

(1) Calculated by comparing the relative fair value of an obligation to its respective total.

(2) Represents growth rates of asset- and performance-based fees.

Affiliate equity purchase obligations include agreements to purchase Affiliate equity. As of September 30, 2021, there were no changes to growth or discount rates that had a significant impact to Affiliate equity purchase obligations recorded in prior periods.

Other Financial Assets and Liabilities Not Carried at Fair Value

The Company has other financial assets and liabilities that are not required to be carried at fair value, but are required to be disclosed at fair value. The carrying amount of Cash and cash equivalents, Receivables, and Payables and accrued liabilities approximates fair value because of the short-term nature of these instruments. The carrying value of notes receivable, which is reported in Other assets, approximates fair value because interest rates and other terms are at market rates. The carrying value of the credit facilities approximates fair value because the credit facilities have variable interest based on selected short-term rates.

The following table summarizes the Company's other financial liabilities not carried at fair value:

	December 31, 2020		September 30, 2021		
	Carrying Value	Fair Value	Carrying Value	Fair Value	Fair Value Hierarchy
Senior notes	$ 1,097.3	$ 1,206.6	$ 1,097.8	$ 1,180.7	Level 2
Junior subordinated notes	565.7	623.1	765.8	804.3	Level 2
Junior convertible securities	318.4	427.6	301.4	457.7	Level 2

6. Investments in Affiliates and Affiliate Sponsored Investment Products

In evaluating whether an investment must be consolidated, the Company evaluates the risk, rewards, and significant terms of each of its Affiliates and other investments to determine if an investment is considered a voting rights entity ("VRE") or a variable interest entity ("VIE"). An entity is a VRE when the total equity investment at risk is sufficient to enable the entity to finance its activities independently, and when the equity holders have the obligation to absorb losses, the right to receive residual returns, and the right to direct the activities of the entity that most significantly impact its economic performance. An entity is a VIE when it lacks one or more of the characteristics of a VRE, which, for the Company, are Affiliate investments structured as partnerships (or similar entities) where the Company is a limited partner and lacks substantive kick-out or substantive participation rights over the general partner. Assessing whether an entity is a VRE or VIE involves judgment. Upon the occurrence of certain events, management reviews and reconsiders its previous conclusion regarding the status of an entity as a VRE or a VIE.

The Company consolidates VREs when it has control over significant operating, financial, and investing decisions of the entity. When the Company lacks such control, but is deemed to have significant influence, the Company accounts for the VRE under the equity method. Other investments with readily determinable fair values in which the Company does not have rights to exercise significant influence are recorded at fair value on the Consolidated Balance Sheets, with changes in fair value included in Investment and other income.

The Company consolidates VIEs when it is the primary beneficiary of the entity, which is defined as having the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses of, or the right to receive benefits from, the entity that could potentially be significant to the VIE. Substantially all of the Company's consolidated Affiliates considered VIEs are controlled because the Company holds a majority of the voting interests or it is the managing member or general partner. Furthermore, an Affiliate's assets can be used for purposes other than the settlement of the respective Affiliate's obligations. The Company applies the equity method of accounting to VIEs where the Company is not the primary beneficiary, but has the ability to exercise significant influence over operating and financial matters of the VIE.

Investments in Affiliates

Substantially all of the Company's Affiliates are considered VIEs and are either consolidated or accounted for under the equity method. A limited number of the Company's Affiliates are considered VREs and most of these are accounted for under the equity method.

When an Affiliate is consolidated, the portion of the earnings attributable to Affiliate management's equity ownership is included in Net income (non-controlling interests) in the Consolidated Statements of Income. Undistributed earnings attributable to Affiliate managements' equity ownership, along with their share of any tangible or intangible net assets, are presented within Non-controlling interests on the Consolidated Balance Sheets. Affiliate equity interests where the holder has certain rights to demand settlement are presented, at their current redemption values, as Redeemable non-controlling interests on the Consolidated Balance Sheets. The Company periodically issues, sells, and purchases the equity of its consolidated Affiliates. Because these transactions take place between entities that are under common control, any gains or losses attributable to these transactions are required to be included in Additional paid-in capital in the Consolidated Balance Sheets, net of any related income tax effects in the period the transaction occurs.

When an Affiliate is accounted for under the equity method, the Company's share of an Affiliate's earnings or losses, net of amortization and impairments, is included in Equity method income (loss) (net) in the Consolidated Statements of Income and the carrying value of the Affiliate is reported in Equity method investments in Affiliates (net) in the Consolidated Balance Sheets. Deferred taxes recorded on intangible assets upon acquisition of an Affiliate accounted for under the equity method are presented on a gross basis within Equity method investments in Affiliates (net) and Deferred income tax liability (net) in the Consolidated Balance Sheets. The Company's share of income taxes incurred directly by Affiliates accounted for under the equity method is recorded in Income tax expense in the Consolidated Statements of Income.

The Company periodically performs assessments to determine if the fair value of an investment may have declined below its related carrying value for its Affiliates accounted for under the equity method for a period that the Company considers to be other-than-temporary. Where the Company believes that such declines may have occurred, the Company determines the amount of impairment using valuation methods, such as discounted cash flow analyses. Impairments are recorded as an expense in Equity method income (loss) (net) to reduce the carrying value of the Affiliate to its fair value.

The unconsolidated assets, net of liabilities and non-controlling interests of Affiliates accounted for under the equity method considered VIEs, and the Company's carrying value and maximum exposure to loss, were as follows:

	December 31, 2020		September 30, 2021	
	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss
Affiliates accounted for under the equity method	$ 1,384.2	$ 1,962.1	$ 1,194.6	$ 1,976.7

As of December 31, 2020 and September 30, 2021, the carrying value and maximum exposure to loss for all of the Company's Affiliates accounted for under the equity method was $2,074.8 million and $2,085.2 million, respectively, including Affiliates accounted for under the equity method considered VREs of $112.7 million and $108.5 million, respectively.

Affiliate Sponsored Investment Products

The Company's Affiliates sponsor various investment products where the Affiliate also acts as the investment adviser. These investment products are typically owned primarily by third-party investors; however, certain products are funded with general partner and seed capital investments from the Company and its Affiliates.

Third-party investors in Affiliate sponsored investment products are generally entitled to substantially all of the economics of these products, except for the asset- and performance-based fees earned by the Company's Affiliates or any gains or losses attributable to the Company's or its Affiliates' investments in these products. As a result, the Company generally does not consolidate these products unless the Company's or its consolidated Affiliate's interest in the product is considered substantial. When the Company's or its consolidated Affiliates' interests are considered substantial and the products are consolidated, the

Company retains the specialized investment company accounting principles of the underlying products, and all of the underlying investments are carried at fair value in Investments in marketable securities in the Consolidated Balance Sheets, with corresponding changes in the investments' fair values included in Investment and other income. Purchases and sales of securities are presented within purchases and sales by consolidated Affiliate sponsored investment products in the Consolidated Statements of Cash Flows, respectively, and the third-party investors' interests are recorded in Redeemable non-controlling interests. When the Company or its consolidated Affiliates no longer control these products, due to a reduction in ownership or other reasons, the products are deconsolidated with only the Company's or its consolidated Affiliate's investment in the product reported from the date of deconsolidation.

The Company's carrying value, and maximum exposure to loss from unconsolidated Affiliate sponsored investment products, is its or its consolidated Affiliates' interests in the unconsolidated net assets of the respective products. The net assets of unconsolidated VIEs attributable to Affiliate sponsored investment products, and the Company's carrying value and maximum exposure to loss, were as follows:

	December 31, 2020		September 30, 2021	
	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss	Unconsolidated VIE Net Assets	Carrying Value and Maximum Exposure to Loss
Affiliate sponsored investment products	$ 2,378.2	$ 0.9	$ 3,155.9	$ 13.6

7. Debt

The following table summarizes the Company's Debt:

	December 31, 2020	September 30, 2021
Senior bank debt	$ 349.8	$ 349.8
Senior notes	1,091.9	1,093.1
Junior subordinated notes	556.4	751.4
Junior convertible securities	314.0	297.5
Debt	$ 2,312.1	$ 2,491.8

The Company's senior notes, junior subordinated notes, and junior convertible securities are carried at amortized cost. Unamortized discounts and debt issuance costs are presented within the Consolidated Balance Sheets as an adjustment to the carrying value of the associated debt.

Senior Bank Debt

The Company has a $1.25 billion senior unsecured multicurrency revolving credit facility (the "revolver") and a $350.0 million senior unsecured term loan facility (the "term loan" and, together with the revolver, the "credit facilities"). The Company amended and restated the revolver in October 2021, extending the maturity from January 18, 2024 to October 23, 2026, and amended the term loan in January 2021 and June 2021, and further amended and restated the term loan in October 2021, extending the maturity from January 18, 2023 to October 23, 2026. Through these amendments, the Company also reduced applicable rates for the revolver and the term loan, and provided for customary LIBOR succession provisions. The commercial terms of the revolver and the term loan otherwise remain the same. Subject to certain conditions, the Company may increase the commitments under the revolver by up to an additional $500.0 million and may borrow up to an additional $75.0 million under the term loan. The Company pays interest on any outstanding obligations under the credit facilities at specified rates, currently based either on an applicable LIBOR or prime rate, plus a marginal rate determined based on its credit rating. As of September 30, 2021, the interest rate for the Company's borrowings under the term loan was LIBOR plus 0.85%. As of December 31, 2020 and September 30, 2021, the Company had no outstanding borrowings under the revolver.

Senior Notes

As of September 30, 2021, the Company had senior notes outstanding. The carrying value of the senior notes is accreted to the principal amount at maturity over the remaining life of the underlying instrument.

The principal terms of the senior notes outstanding as of September 30, 2021 were as follows:

	2024 Senior Notes	2025 Senior Notes	2030 Senior Notes
Issue date	February 2014	February 2015	June 2020
Maturity date	February 2024	August 2025	June 2030
Par value (in millions)	$ 400.0	$ 350.0	$ 350.0
Stated coupon	4.25 %	3.50 %	3.30 %
Coupon frequency	Semi-annually	Semi-annually	Semi-annually
Potential call date	Any time	Any time	Any time
Call price	As defined	As defined	As defined

The senior notes may be redeemed, in whole or in part, at any time, in the case of the 2024 and 2025 senior notes, and at any time prior to March 15, 2030, in the case of the 2030 senior notes. In each case, the senior notes may be redeemed at a make-whole redemption price, plus accrued and unpaid interest. The make-whole redemption price, in each case, is equal to the greater of 100% of the principal amount of the notes to be redeemed and the remaining principal and interest payments on the notes being redeemed (excluding accrued but unpaid interest to, but not including, the redemption date) discounted to their present value as of the redemption date at the applicable treasury rate plus 0.25%, in the case of the 2024 and the 2025 senior notes, and to their present value as of the redemption date on a semi-annual basis at the applicable treasury rate plus 0.40%, in the case of the 2030 senior notes.

Junior Subordinated Notes

As of September 30, 2021, the Company had junior subordinated notes outstanding. The carrying value of the junior subordinated notes is accreted to the principal amount at maturity over the remaining life of the underlying instrument.

The principal terms of the junior subordinated notes outstanding as of September 30, 2021 were as follows:

	2059 Junior Subordinated Notes	2060 Junior Subordinated Notes	2061 Junior Subordinated Notes
Issue date	March 2019	September 2020	July 2021
Maturity date	March 2059	September 2060	September 2061
Par value (in millions)	$ 300.0	$ 275.0	$ 200.0
Stated coupon	5.875 %	4.75 %	4.20 %
Coupon frequency	Quarterly	Quarterly	Quarterly
Potential call date	March 2024	September 2025	September 2026
Call price	As defined	As defined	As defined
Listing	NYSE	NYSE	NYSE

The junior subordinated notes may be redeemed at any time, in whole or in part, on or after March 30, 2024, in the case of the 2059 junior subordinated notes, on or after September 30, 2025, in the case of the 2060 junior subordinated notes, and on or after September 30, 2026, in the case of the 2061 junior subordinated notes. In each case, the junior subordinated notes may be redeemed at 100% of the principal amount of the notes being redeemed, plus any accrued and unpaid interest thereon. Prior to the applicable redemption date, at the Company's option, the applicable junior subordinated notes may also be redeemed, in whole but not in part, at 100% of the principal amount, plus any accrued and unpaid interest, if certain changes in tax laws, regulations, or interpretations occur; or at 102% of the principal amount, plus any accrued and unpaid interest, if a rating agency makes certain changes relating to the equity credit criteria for securities with features similar to the applicable notes.

The Company may, at its option, and subject to certain conditions and restrictions, defer interest payments subject to the terms of the junior subordinated notes.

Junior Convertible Securities

As of September 30, 2021, the Company had 5.15% junior convertible trust preferred securities outstanding (the "junior convertible securities") with a carrying value of $301.4 million. The carrying value is accreted to the principal amount at maturity ($404.7 million) over a remaining life of approximately 16 years. Holders of the junior convertible securities have no rights to put these securities to the Company. Upon conversion, holders will receive cash or shares of the Company's common stock, or a combination thereof, at the Company's election. The Company may redeem the junior convertible securities, subject to its stock trading at or above certain specified levels over specified times periods, and may also repurchase junior convertible securities in the open market or in privately negotiated transactions from time to time at management's discretion. During the nine months ended September 30, 2021, the Company paid $28.7 million to repurchase a portion of its junior convertible securities, resulting in reductions of $26.1 million and $6.1 million in Debt and Additional paid-in capital, respectively. As a result of these repurchases, the Company also reduced its Deferred income tax liability (net) by $6.2 million.

8. Derivative Financial Instruments

The Company and its Affiliates may use derivative financial instruments to offset exposure to changes in interest rates, foreign currency exchange rates, and markets.

In the first quarter of 2020, the Company terminated its pound sterling-denominated forward foreign currency contracts and its corresponding collar contracts, which were designated as net investment hedges, and upon settlement, the Company received net proceeds of $24.9 million. The net proceeds from the termination of the contracts are presented within sale of investment securities in the Consolidated Statements of Cash Flows.

The Company has an interest rate swap contract (the "interest rate swap") with a large financial institution (the "swap counterparty"), which will expire in March 2023. The interest rate swap, which is designated as a cash flow hedge, is used to exchange a portion of the Company's LIBOR-based interest payments for fixed-rate interest payments. Under the contract, the Company receives payments based on one month LIBOR and makes payments based on an annual fixed-rate of 0.5135% on a notional amount of $250.0 million. The terms of the contract also require the Company and the swap counterparty to post cash collateral in certain circumstances throughout the duration of the contract. As of September 30, 2021, the Company held no cash collateral from the swap counterparty, and the swap counterparty held $1.1 million of cash collateral from the Company.

Certain of the Company's Affiliates use forward foreign currency contracts to hedge the risk of foreign exchange rate movements, which are designated as cash flow hedges.

The Company assesses hedge effectiveness on a quarterly basis. For derivative financial instruments designated as cash flow hedges, the Company uses a qualitative method of assessing hedge effectiveness by comparing the notional amounts, timing of payments, currencies (for the forward foreign currency contracts), and interest rates (for the interest rate swap). Upon termination of these instruments or the repayment of the Company's outstanding LIBOR-based borrowings, any gain or loss recorded in Accumulated other comprehensive loss in the Consolidated Balance Sheets will be reclassified into earnings. Changes in the fair values of cash flow hedges are reported in Change in net realized and unrealized gain (loss) on derivative financial instruments in the Consolidated Statements of Comprehensive Income. Changes in the fair values of the effective net investment hedges are reported in Foreign currency translation gain (loss) in the Consolidated Statements of Comprehensive Income. Upon the sale or liquidation of the underlying investment, any gain or loss remaining in Accumulated other comprehensive loss will be reclassified to earnings.

The following table summarizes the Company's and its Affiliates' derivative financial instruments measured at fair value on a recurring basis:

	December 31, 2020		September 30, 2021	
	Assets	Liabilities	Assets	Liabilities
Forward foreign currency contracts	$ 3.5	$ (2.3)	$ 1.0	$ (1.4)
Interest rate swap	—	(1.9)	—	(1.1)
Total	$ 3.5	$ (4.2)	$ 1.0	$ (2.5)

The Company and certain of its consolidated Affiliates have entered into contracts that do not include set-off rights and are therefore presented on a gross basis in Other assets and Other liabilities; they were $3.5 million and $4.2 million, respectively, as of December 31, 2020, and $1.0 million and $2.5 million, respectively, as of September 30, 2021.

The following table summarizes the effects of derivative financial instruments on the Consolidated Statements of Comprehensive Income and the Consolidated Statements of Income:

	For the Three Months Ended September 30,					
	2020			2021		
	Gain (Loss) Recognized in Other Comprehensive Income	Gain Reclassified from Accumulated Other Comprehensive Loss into Earnings	Gain (Loss) Recognized in Earnings from Excluded Components[(1)]	Gain (Loss) Recognized in Other Comprehensive Income	Gain Reclassified from Accumulated Other Comprehensive Loss into Earnings	Gain (Loss) Recognized in Earnings from Excluded Components[(1)]
Forward foreign currency contracts	$ 0.4	$ 0.1	$ —	$ (2.0)	$ 0.4	$ —
Interest rate swap	(0.1)	—	—	0.1	—	—
Total	$ 0.3	$ 0.1	$ —	$ (1.9)	$ 0.4	$ —

	For the Nine Months Ended September 30,					
	2020			2021		
	Gain (Loss) Recognized in Other Comprehensive Loss	Gain Reclassified from Accumulated Other Comprehensive Loss into Earnings	Gain Recognized in Earnings from Excluded Components[(1)]	Gain (Loss) Recognized in Other Comprehensive Income	Gain Reclassified from Accumulated Other Comprehensive Loss into Earnings	Gain (Loss) Recognized in Earnings from Excluded Components[(1)]
Forward foreign currency contracts	$ 64.9	$ 0.4	$ 2.8	$ (1.6)	$ 1.4	$ —
Put options	(47.7)	—	—	—	—	—
Call options	(1.3)	—	—	—	—	—
Interest rate swap	(2.1)	—	—	0.7	—	—
Total	$ 13.8	$ 0.4	$ 2.8	$ (0.9)	$ 1.4	$ —

(1) The excluded components of the forward foreign currency contracts were recognized in earnings on a straight-line basis over the respective period of the contracts as a reduction to Interest expense.

9. Commitments and Contingencies

From time to time, the Company and its Affiliates may be subject to claims, legal proceedings, and other contingencies in the ordinary course of their business activities. Any such matters are subject to various uncertainties, and it is possible that some of these matters may be resolved in a manner unfavorable to the Company or its Affiliates. The Company and its Affiliates establish accruals, as necessary, for matters for which the outcome is probable and the amount of the liability can be reasonably estimated.

The Company has committed to co-invest in certain Affiliate sponsored investment products. As of September 30, 2021, these unfunded commitments were $114.1 million and may be called in future periods.

As of September 30, 2021, the Company was contingently liable to make payments of $188.0 million related to the achievement of specified financial targets by certain of its Affiliates accounted for under the equity method, of which $40.5 million may become payable in 2022 and $147.5 million may become payable from 2023 through 2029. As of September 30, 2021, the Company expected to make payments of approximately $15 million. In the event certain financial targets are not met at one of the Company's Affiliates, the Company may receive payments of up to $12.5 million and also has the option to reduce its ownership interest and receive an incremental payment of $25.0 million.

Affiliate equity interests provide holders at consolidated Affiliates with a conditional right to put their interests to the Company over time. See Note 15. In connection with one of the Company's investments in an Affiliate accounted for under the equity method, a minority owner has the right to elect to sell a portion of its ownership interest in the Affiliate to the Company annually. If the minority owner sells its interest to the Company, the Company will continue to account for the Affiliate under the equity method. In the fourth quarter of 2020, the Company was notified by the minority owner that it may elect to sell a 5% interest in the Affiliate to the Company. In the first quarter of 2021, with the consent of the Company, the minority owner rescinded this notice. As of September 30, 2021, the minority owner maintained a 14% ownership interest in the Affiliate.

The Company and certain of its consolidated Affiliates operate under regulatory authorities that require the maintenance of minimum financial or capital requirements. The Company's management is not aware of any significant violations of such requirements.

On July 2, 2021, the Company entered into a definitive agreement to acquire a majority equity interest in Parnassus Investments, an ESG-dedicated fund manager. On October 1, 2021, the Company completed its investment for upfront cash consideration of $300.4 million, deferred consideration of $150.2 million which is payable in the fourth quarter of 2022, and a contingent payment obligation related to the achievement of specified financial targets of up to $75.1 million which may become payable from 2024 through 2026. This transaction was financed with available cash.

On September 27, 2021, the Company entered into a definitive agreement to acquire a majority equity interest in Abacus Capital Group LLC ("Abacus"), a real estate investment manager focused on the U.S. multifamily sector. Following the close of the transaction, Abacus partners will continue to hold a substantial portion of the equity of the business and direct its day-to-day operations. The transaction, which is expected to close during the fourth quarter of 2021, is subject to customary closing conditions and regulatory approvals.

10. Goodwill and Acquired Client Relationships

The following tables present the changes in the Company's consolidated Affiliates' Goodwill and components of Acquired client relationships (net):

	Goodwill
Balance, as of December 31, 2020	$ 2,661.4
Foreign currency translation	(2.9)
Balance, as of September 30, 2021	$ 2,658.5

As of September 30, 2021, the Company completed its annual impairment assessment on goodwill and no impairment was indicated.

	Acquired Client Relationships (Net)				
	Definite-lived			Indefinite-lived	Total
	Gross Book Value	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Balance, as of December 31, 2020	$ 1,166.6	$ (1,026.8)	$ 139.8	$ 909.0	$ 1,048.8
Intangible amortization and impairments	—	(25.3)	(25.3)	—	(25.3)
Foreign currency translation	(0.2)	0.1	(0.1)	(5.2)	(5.3)
Balance, as of September 30, 2021	$ 1,166.4	$ (1,052.0)	$ 114.4	$ 903.8	$ 1,018.2

Definite-lived acquired client relationships at the Company's consolidated Affiliates are amortized over their expected period of economic benefit. The Company recorded amortization expense within Intangible amortization and impairments in the Consolidated Statements of Income for these relationships of $7.0 million and $48.2 million for the three and nine months ended September 30, 2020, respectively, and $8.9 million and $25.3 million for the three and nine months ended September 30, 2021, respectively. Based on relationships existing as of September 30, 2021, the Company estimates that its consolidated amortization expense will be approximately $9 million for the remainder of 2021, approximately $30 million in each of 2022 and 2023, approximately $15 million in 2024, and approximately $10 million in each of 2025 and 2026.

In the second quarter of 2020, the Company agreed with a consolidated Affiliate to strategically reposition their business and to sell its equity interest in the Affiliate. The Company recorded an expense in Intangible amortization and impairments of $32.8 million attributable to the controlling interest ($60.3 million in aggregate) to reduce the carrying value of the Affiliate's acquired client relationships to zero as of June 30, 2020. In the third quarter of 2020, the Company sold its interest in the Affiliate.

In the third quarter of 2020, the Company completed an impairment assessment of the indefinite-lived acquired client relationships at one of its Affiliates, and determined that the fair value of the asset had declined below its carrying value.

Accordingly, the Company recorded an expense in Intangible amortization and impairments of $12.5 million attributable to the controlling interest ($14.0 million in aggregate) to reduce the carrying value of the asset to fair value. The decline in the fair value was a result of a projected decline in assets under management that decreased the forecasted revenue associated with the asset. The fair value of the asset was determined using a discounted cash flow analysis, a level 3 fair value measurement that included a projected growth rate of (14)% for assets under management, a discount rate of 15% for asset-based fees, and a market participant tax rate of 25%.

In addition, in the third quarter of 2020, the Company recorded an expense in Intangible amortization and impairments of $7.4 million attributable to the controlling interest ($10.9 million in aggregate) to reduce the carrying value of an indefinite-lived acquired client relationship to zero due to the closure of one of its Affiliate's retail investment products.

As of September 30, 2021, no impairments of indefinite-lived acquired client relationships were indicated. If financial markets become depressed for a prolonged period as a result of the novel coronavirus global pandemic ("COVID-19") or other factors, the fair values of these assets could drop below their carrying values resulting in future impairments.

11. Equity Method Investments in Affiliates

In the first and second quarters of 2021, the Company completed minority investments in Boston Common Asset Management LLC ("Boston Common") and OCP Asia Limited ("OCP Asia"), respectively. The majority of the consideration paid for both Boston Common and OCP Asia is deductible for U.S. tax purposes over a 15-year life. The Company's purchase price allocation for each investment was measured using financial models that included assumptions of expected market performance, net client cash flows, and discount rates.

The financial results of certain Affiliates accounted for under the equity method are recognized in the Consolidated Financial Statements one quarter in arrears.

The following table presents the change in Equity method investments in Affiliates (net):

	Equity Method Investments in Affiliates (Net)
Balance, as of December 31, 2020	$ 2,074.8
Investments in Affiliates	144.3
Earnings	218.9
Intangible amortization and impairments	(93.8)
Distributions of earnings	(288.1)
Return of capital	(3.4)
Foreign currency translation	25.8
Other	6.7
Balance, as of September 30, 2021	$ 2,085.2

Definite-lived acquired client relationships at the Company's Affiliates accounted for under the equity method are amortized over their expected period of economic benefit. The Company recognized amortization expense for these relationships of $34.3 million and $110.5 million for the three and nine months ended September 30, 2020, respectively, and $29.3 million and $93.8 million for the three and nine months ended September 30, 2021, respectively. Based on relationships existing as of September 30, 2021, the Company estimates the amortization expense attributable to its Affiliates will be approximately $30 million for the remainder of 2021, approximately $80 million in each of 2022 and 2023, and approximately $50 million in each of 2024, 2025, and 2026.

In the first quarter of 2020, the Company recorded a $140.0 million expense to reduce the carrying value of an Affiliate to fair value. The decline in the fair value was a result of a decline in assets under management and a reduction in projected growth, which decreased the forecasted revenue associated with the investment. The fair value of the investment was determined using a probability-weighted discounted cash flow analysis, a level 3 fair value measurement, that included projected compounded growth in assets under management over the first five years of (2)%, discount rates of 11% and 20% for asset- and performance-based fees, respectively, and a market participant tax rate of 25%. Based on the discounted cash flow analysis, the Company concluded that the fair value of its investment had declined below its carrying value and that the decline was other-than-temporary.

As of September 30, 2021, the estimated fair values of the Company’s Affiliates accounted for under the equity method exceeded their carrying values. If financial markets become depressed for a prolonged period as a result of COVID-19 or other factors, or the financial performance of an Affiliate worsens as a result of net client cash outflows or performance, regardless of the performance of financial markets, the fair values of these assets could drop below their carrying values for periods considered other-than-temporary, resulting in future impairments.

As of September 30, 2021, the Company was obligated to make deferred and contingent payments of $103.9 million related to certain of its Affiliates accounted for under the equity method, of which $63.9 million is payable in 2021, although this amount may be funded in future periods, and $40.0 million is payable in 2022.

12. Related Party Transactions

A prior owner of one of the Company’s consolidated Affiliates retains interests in certain of the Affiliate’s private equity partnerships and, as a result, is a related party of the Company. The prior owner’s interests are presented within Other liabilities and were $35.4 million and $31.7 million as of December 31, 2020 and September 30, 2021, respectively.

The Company may invest from time to time in funds or products advised by its Affiliates. The Company’s executive officers and directors may invest from time to time in funds advised or products offered by its Affiliates on substantially the same terms as other investors. In addition, the Company and its Affiliates earn asset- and performance-based fees and incur distribution and other expenses for services provided to Affiliate sponsored investment products. Affiliate management owners and the Company’s officers may serve as trustees or directors of certain investment vehicles from which the Company or an Affiliate earns fees.

The Company has related party transactions in association with its deferred and contingent payment arrangements, and Affiliate equity transactions, as more fully described in Notes 9, 11, 14, and 15.

13. Share-Based Compensation

The following table presents share-based compensation expense:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Share-based compensation	$ 15.7	$ 21.2	$ 46.4	$ 44.5
Tax benefit	2.9	3.5	8.4	7.8

As of December 31, 2020, the Company had unrecognized share-based compensation expense of $86.2 million. As of September 30, 2021, the Company had unrecognized share-based compensation expense of $82.5 million, which will be recognized over a weighted average period of approximately three years (assuming no forfeitures).

Restricted Stock

The following table summarizes transactions in the Company’s restricted stock units:

	Restricted Stock Units	Weighted Average Grant Date Value
Unvested units - December 31, 2020	1.2	$ 99.46
Units granted	0.2	139.71
Units vested	(0.3)	130.58
Units forfeited	(0.1)	105.45
Performance condition changes	0.1	80.19
Unvested units - September 30, 2021	1.1	94.22

For the nine months ended September 30, 2020 and 2021, the Company granted restricted stock units with fair values of $31.6 million and $27.8 million, respectively. These restricted stock units were valued based on the closing price of the Company’s common stock on the grant date and the number of shares expected to vest. Restricted stock units containing vesting conditions generally require service over a period of three years to four years and may also require the satisfaction of certain performance conditions. For awards with performance conditions, the number of restricted stock units expected to vest may change over time depending upon the performance level achieved.

Stock Options

The following table summarizes transactions in the Company's stock options:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Unexercised options outstanding - December 31, 2020	2.9	$ 82.14	
Options granted	0.0	150.68	
Options exercised	(0.2)	120.12	
Options forfeited	(0.0)	154.44	
Performance condition changes	0.6	74.42	
Unexercised options outstanding - September 30, 2021	3.3	78.21	4.8
Exercisable at September 30, 2021	0.2	131.74	1.6

For the nine months ended September 30, 2020 and 2021, the Company granted stock options with fair values of $4.4 million and $2.0 million, respectively. Stock options generally vest over a period of three years to five years and expire seven years after the grant date. All stock options have been granted with exercise prices equal to the closing price of the Company's common stock on the grant date. Substantially all of the Company's outstanding stock options contain both service and performance conditions. For awards with performance conditions, the number of stock options expected to vest may change over time depending upon the performance level achieved.

The weighted average fair value of options granted was $18.23 and $54.19, per option, for the nine months ended September 30, 2020 and 2021, respectively. The Company uses the Black-Scholes option pricing model to determine the fair value of options. The weighted average grant date assumptions used to estimate the fair value of stock options granted were as follows:

	For the Nine Months Ended September 30,	
	2020	2021
Dividend yield	1.6 %	0.0 %
Expected volatility	30.4 %	37.1 %
Risk-free interest rate	0.9 %	1.0 %
Expected life of options (in years)	5.7	5.7
Forfeiture rate	— %	— %

14. Redeemable Non-Controlling Interests

Affiliate equity interests provide holders with an equity interest in one of the Company's Affiliates, consistent with the structured partnership interests in place at the respective Affiliate. Affiliate equity holders generally have a conditional right to put their interests to the Company at certain intervals (between five years and 15 years from the date the equity interest is received by the Affiliate equity holder or on an annual basis following an Affiliate equity holder's departure). Prior to becoming redeemable, the Company's Affiliate equity is presented within Non-controlling interests. Upon becoming redeemable, these interests are reclassified to Redeemable non-controlling interests at their current redemption values. Changes in the current redemption value are recorded to Additional paid-in capital. When the Company receives a put notice and, therefore, has an unconditional obligation to purchase Affiliate equity interests, the interests are reclassified from Redeemable non-controlling interests to Other liabilities.

The following table presents the changes in Redeemable non-controlling interests:

		Redeemable Non-controlling Interests
Balance, as of December 31, 2020[1]	$	671.5
Decrease attributable to consolidated Affiliate sponsored investment products		(17.1)
Transfers to Other liabilities		(86.3)
Transfers from Non-controlling interests		3.9
Changes in redemption value		176.9
Balance, as of September 30, 2021[1]	$	748.9

(1) As of December 31, 2020 and September 30, 2021, Redeemable non-controlling interests include consolidated Affiliate sponsored investment products primarily attributable to third-party investors of $35.4 million and $18.3 million, respectively.

15. Affiliate Equity

Affiliate equity interests are allocated income in a manner that is consistent with the structured partnership interests in place at the respective Affiliate. The Company's Affiliates generally pay quarterly distributions to Affiliate equity holders. Distributions paid to non-controlling interest Affiliate equity holders were $249.1 million and $260.9 million, for the nine months ended September 30, 2020 and 2021, respectively.

The Company periodically purchases Affiliate equity from and issues Affiliate equity to the Company's consolidated Affiliate partners and its officers under agreements that provide the Company a conditional right to call and Affiliate equity holders the conditional right to put their Affiliate equity interests to the Company at certain intervals. For Affiliates accounted for under the equity method, the Company does not typically have such put and call arrangements. For the nine months ended September 30, 2020 and 2021, the amount of cash paid for purchases was $249.6 million and $65.9 million, respectively. For the nine months ended September 30, 2020 and 2021, the total amount of cash received for issuances was $17.1 million and $18.1 million, respectively.

Sales and purchases of Affiliate equity generally occur at fair value; however, the Company also grants Affiliate equity to its consolidated Affiliate partners and its officers as a form of compensation. If the equity is issued for consideration below the fair value of the equity, or purchased for consideration above the fair value of the equity, the difference is recorded as compensation expense in Compensation and related expenses in the Consolidated Statements of Income over the requisite service period.

The following table presents Affiliate equity compensation expense:

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2020		2021		2020		2021	
Controlling interest	$	3.5	$	2.8	$	11.4	$	9.9
Non-controlling interests		6.0		8.9		24.9		36.5
Total	$	9.5	$	11.7	$	36.3	$	46.4

The following table presents unrecognized Affiliate equity compensation expense:

	Controlling Interest		Remaining Life	Non-controlling Interests		Remaining Life
December 31, 2020	$	35.9	4 years	$	109.7	5 years
September 30, 2021		47.6	5 years		108.1	4 years

The Company records amounts receivable from, and payable to, Affiliate equity holders in connection with the transfer of Affiliate equity interests that have not settled at the end of the period. The total receivable was $9.6 million and $15.5 million as of December 31, 2020 and September 30, 2021, respectively, and was included in Other assets. The total payable was $22.0 million and $47.7 million as of December 31, 2020 and September 30, 2021, respectively, and was included in Other liabilities.

Effects of Changes in the Company's Ownership in Affiliates

The Company periodically acquires interests from, and transfers interests to, Affiliate equity holders. Because these transactions do not result in a change of control, any gain or loss related to these transactions is recorded to Additional paid-in capital, which increases or decreases the controlling interest's equity. No gain or loss related to these transactions is recognized in the Consolidated Statements of Income or the Consolidated Statements of Comprehensive Income.

While the Company presents the current redemption value of Affiliate equity within Redeemable non-controlling interests, with changes in the current redemption value increasing or decreasing the controlling interest's equity over time, the following table presents the cumulative effect that ownership changes had on the controlling interest's equity related only to Affiliate equity transactions that settled during the applicable periods:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Net income (controlling interest)	$ 71.3	$ 128.4	$ 86.3	$ 387.3
Increase (decrease) in controlling interest paid-in capital from Affiliate equity issuances	2.9	—	1.6	(17.5)
Decrease in controlling interest paid-in capital from Affiliate equity purchases	(65.4)	(1.2)	(226.0)	(57.2)
Net income (loss) (controlling interest) including the net impact of Affiliate equity transactions	$ 8.8	$ 127.2	$ (138.1)	$ 312.6

16. Income Taxes

The Company's consolidated income tax provision includes taxes attributable to the controlling interest and, to a lesser extent, taxes attributable to the non-controlling interests.

The following table presents the consolidated provision for income taxes:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Controlling interest:				
Current taxes	$ 4.4	$ 23.2	$ 25.0	$ 71.6
Intangible-related deferred taxes	27.0	12.0	(7.1)	51.9
Other deferred taxes	1.1	7.4	15.8	29.7
Total controlling interest	32.5	42.6	33.7	153.2
Non-controlling interests:				
Current taxes	$ 3.1	$ 2.3	$ 7.4	$ 7.2
Deferred taxes	1.9	—	1.9	6.0
Total non-controlling interests	5.0	2.3	9.3	13.2
Income tax expense	$ 37.5	$ 44.9	$ 43.0	$ 166.4
Income before income taxes (controlling interest)	$ 103.8	$ 171.0	$ 120.0	$ 540.5
Effective tax rate (controlling interest)[1]	31.3 %	24.9 %	28.1 %	28.3 %

[1] Taxes attributable to the controlling interest divided by income before income taxes (controlling interest).

The Company's effective tax rate (controlling interest) for the three months ended September 30, 2020 was higher than the marginal tax rate, primarily due to an $8.1 million deferred tax expense resulting from the revaluation of certain of the Company's deferred tax liabilities due to an increase in the UK tax rate.

The Company's effective tax rate (controlling interest) for the nine months ended September 30, 2020 was higher than the marginal tax rate, primarily due to an $8.1 million deferred tax expense resulting from the revaluation of certain of the Company's deferred tax liabilities due to an increase in the UK tax rate, as well as a $3.6 million tax expense related to share-based compensation, offset by a $5.5 million benefit related to uncertain tax positions in the period. The Company's effective tax rate (controlling interest) for the nine months ended September 30, 2021 was higher than the marginal tax rate, primarily due to a $19.2 million deferred tax expense resulting from the revaluation of certain deferred tax liabilities due to an increase in the UK tax rate enacted during the second quarter of 2021.

17. Earnings Per Share

The calculation of Earnings per share (basic) is based on the weighted average number of shares of the Company's common stock outstanding during the period. Earnings per share (diluted) is similar to Earnings per share (basic), but adjusts for the dilutive effect of the potential issuance of incremental shares of the Company's common stock.

The following is a reconciliation of the numerator and denominator used in the calculation of basic and diluted earnings per share available to common stockholders:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Numerator				
Net income (controlling interest)	$ 71.3	$ 128.4	$ 86.3	$ 387.3
Interest expense on junior convertible securities, net of taxes	—	4.6	—	13.9
Net income (controlling interest), as adjusted	$ 71.3	$ 133.0	$ 86.3	$ 401.2
Denominator				
Average shares outstanding (basic)	46.3	41.1	47.1	41.8
Effect of dilutive instruments:				
Stock options and restricted stock units	0.2	1.1	0.1	0.9
Junior convertible securities	—	2.1	—	2.1
Average shares outstanding (diluted)	46.5	44.3	47.2	44.8

Average shares outstanding (diluted) in the table above excludes stock options and restricted stock units that have not met certain performance conditions and items that have an anti-dilutive effect on Earnings per share (diluted). The following is a summary of items excluded from the denominator in the table above:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2021	2020	2021
Stock options and restricted stock units	2.9	0.1	3.1	0.2
Junior convertible securities	2.2	—	2.2	—

The Company may settle portions of its Affiliate equity purchases in shares of its common stock. Because it is the Company's intention to settle these potential purchases in cash, the calculation of Average shares outstanding (diluted) excludes any potential dilutive effect from possible share settlements of Affiliate equity purchases.

For the three and nine months ended September 30, 2021, under its authorized share repurchase programs, the Company repurchased 0.6 million and 2.8 million shares of its common stock, respectively, at an average price per share of $161.02 and $141.58, respectively.

18. Comprehensive Income

The following table presents the tax effects allocated to each component of Other comprehensive income (loss):

	For the Three Months Ended September 30,					
	2020			2021		
	Pre-Tax	Tax Expense	Net of Tax	Pre-Tax	Tax Expense	Net of Tax
Foreign currency translation gain (loss)	$ 25.2	$ (0.5)	$ 24.7	$ (19.0)	$ (0.7)	$ (19.7)
Change in net realized and unrealized gain (loss) on derivative financial instruments	0.2	—	0.2	(1.9)	0.0	(1.9)
Other comprehensive income (loss)	$ 25.4	$ (0.5)	$ 24.9	$ (20.9)	$ (0.7)	$ (21.6)

	For the Nine Months Ended September 30,					
	2020			2021		
	Pre-Tax	Tax (Expense) Benefit	Net of Tax	Pre-Tax	Tax Expense	Net of Tax
Foreign currency translation gain (loss)	$ (39.7)	$ (11.7)	$ (51.4)	$ 18.6	$ (6.9)	$ 11.7
Change in net realized and unrealized gain (loss) on derivative financial instruments	(2.6)	0.5	(2.1)	(0.9)	(0.1)	(1.0)
Other comprehensive income (loss)	$ (42.3)	$ (11.2)	$ (53.5)	$ 17.7	$ (7.0)	$ 10.7

The components of accumulated other comprehensive loss, net of taxes, were as follows:

	Foreign Currency Translation Adjustment	Realized and Unrealized Gains (Losses) on Derivative Financial Instruments	Total
Balance, as of December 31, 2020	$ (161.9)	$ (0.3)	$ (162.2)
Other comprehensive income before reclassifications	11.7	0.4	12.1
Amounts reclassified	—	(1.4)	(1.4)
Net other comprehensive income (loss)	11.7	(1.0)	10.7
Balance, as of September 30, 2021	$ (150.2)	$ (1.3)	$ (151.5)

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

Forward-Looking Statements

Certain matters discussed in this Quarterly Report on Form 10-Q, in our other filings with the Securities and Exchange Commission, in our press releases, and in oral statements made with the approval of an executive officer may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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, and may be prefaced with words such as "outlook," "guidance," "believes," "expects," "potential," "preliminary," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "projects," "positioned," "prospects," "intends," "plans," "estimates," "pending investments," "anticipates," or the negative version of these words or other comparable words. Such statements are subject to certain risks and uncertainties, including, among others, the factors discussed under the caption "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020. These factors (among others) could affect our financial condition, business activities, results of operations, cash flows, or overall financial performance and cause actual results and business activities to differ materially from historical periods and those presently anticipated and projected. Forward-looking statements speak only as of the date they are made, and we will not undertake and we specifically disclaim any obligation to release publicly the result of any revisions that 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. In that respect, we caution readers not to place undue reliance on any such forward-looking statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our Consolidated Financial Statements and the notes thereto contained elsewhere in this Quarterly Report on Form 10-Q.

Executive Overview

We are a leading partner to independent active investment management firms globally. Our strategy is to generate long-term value by investing in a diverse array of high-quality partner-owned investment firms, referred to as "Affiliates," through a proven partnership approach, and allocating resources across our unique opportunity set to the areas of highest growth and return. Our innovative partnership approach enables each Affiliate's management team to own significant equity in their firm while maintaining operational and investment autonomy. In addition, we offer our Affiliates growth capital, global distribution, and other strategic value-added capabilities, which enhance the long-term growth of these independent businesses and enable them to align equity incentives across generations of principals to build enduring franchises. As of September 30, 2021, our aggregate assets under management were $747.8 billion across a broad range of return-oriented strategies.

In the first quarter of 2021, we completed a minority investment in Boston Common Asset Management LLC, a women-owned leader in global sustainable and impact investing. In the second quarter of 2021, we completed a minority investment in OCP Asia Limited, a leading alternative manager in private markets, providing customized secured lending solutions across the Asia-Pacific region.

In the third quarter of 2021, we entered into a definitive agreement to acquire a majority equity interest in Parnassus Investments ("Parnassus"), an ESG-dedicated fund manager, and on October 1, 2021, we completed our investment. Following the close of the transaction, Parnassus partners continue to hold a substantial portion of the equity of the business and direct its day-to-day operations.

In the third quarter of 2021, we entered into a definitive agreement to acquire a majority equity interest in Abacus Capital Group LLC ("Abacus"), a real estate investment manager focused on the U.S. multifamily sector. Following the close of the transaction, Abacus partners will continue to hold a substantial portion of the equity of the business and direct its day-to-day operations. The transaction, which is expected to close during the fourth quarter of 2021, is subject to customary closing conditions and regulatory approvals.

Operating Performance Measures

Under accounting principles generally accepted in the U.S. ("GAAP"), we are required to consolidate certain of our Affiliates and use the equity method of accounting for others. Whether we consolidate an Affiliate or use the equity method of accounting, we maintain the same innovative partnership approach and provide support and assistance in substantially the same manner for all of our Affiliates. Furthermore, all of our Affiliates are investment managers and are impacted by similar marketplace factors and industry trends. Therefore, our key aggregate operating performance measures are important in providing management with a more comprehensive view of the operating performance and material trends across our entire business.

The following table presents our key aggregate operating performance measures:

(in billions, except as noted)	As of and for the Three Months Ended September 30, 2020	As of and for the Three Months Ended September 30, 2021	% Change	As of and for the Nine Months Ended September 30, 2020	As of and for the Nine Months Ended September 30, 2021	% Change
Assets under management	$ 653.5	$ 747.8	14 %	$ 653.5	$ 747.8	14 %
Average assets under management	657.9	751.8	14 %	652.2	745.8	14 %
Aggregate fees (in millions)	961.7	1,076.2	12 %	3,175.7	3,676.2	16 %

Assets under management, and therefore average assets under management, include the assets under management of our consolidated and equity method Affiliates. Assets under management is presented on a current basis without regard to the timing of the inclusion of an Affiliate's financial results in our operating performance measures and Consolidated Financial Statements. Average assets under management reflects the timing of the inclusion of an Affiliate's financial results in our operating performance measures and Consolidated Financial Statements. Average assets under management for mutual funds and similar retail investment products represents an average of the daily net assets under management, while for institutional and high net worth clients, average assets under management generally represents an average of the assets at the beginning or end of each month during the applicable period.

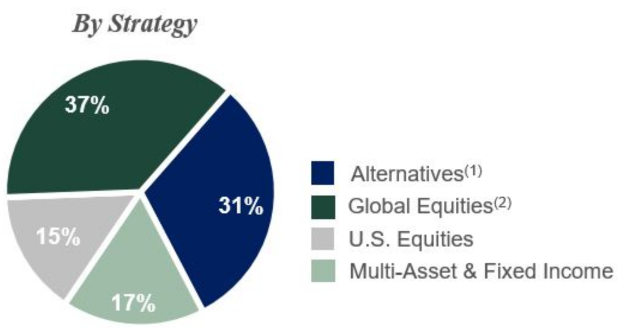
Aggregate fees consist of the total asset- and performance-based fees earned by all of our consolidated and equity method Affiliates. For certain of our Affiliates accounted for under the equity method, we report aggregate fees and the Affiliate's financial results in our Consolidated Financial Statements one quarter in arrears. Aggregate fees are provided in addition to, but not as a substitute for, Consolidated revenue or other GAAP performance measures.

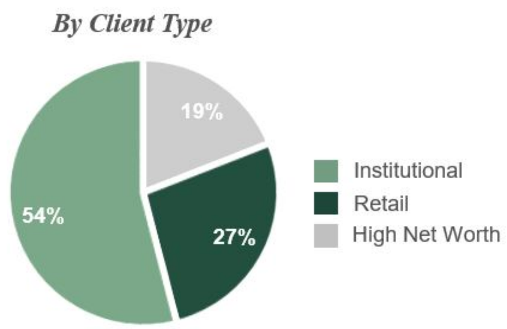
Assets Under Management

Through our Affiliates, we provide a comprehensive and diverse range of return-oriented strategies designed to assist institutional, retail, and high net worth clients worldwide in achieving their investment objectives. We continue to see demand for return-oriented strategies, particularly in illiquid alternative and multi-asset and fixed income strategies where we have been experiencing net inflows, reflecting continued investor demand for returns that are less correlated to traditional equity markets. In addition, investor demand for passively-managed products, including exchange traded funds, has continued, and we have experienced outflows in certain equity strategies consistent with this industry-wide trend. However, we believe the best performing active equity managers (whether global-, regional-, or country-specific) will continue to have significant opportunities to grow as a result of net client cash inflows. We believe we are well-positioned to benefit from these trends. We also anticipate that independent investment firms will continue to seek access to an evolving range of partnership solutions, and that we have a significant opportunity to invest in outstanding firms across the global asset management industry.

The following charts present information regarding the composition of our assets under management by strategy and client type as of September 30, 2021:

Assets Under Management





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(1) Alternatives include illiquid alternative strategies, which accounted for 15% of our assets under management as of September 30, 2021.

(2) Global equities include emerging markets strategies, which accounted for 7% of our assets under management as of September 30, 2021.

The following tables present changes in our assets under management by strategy and client type for the three and nine months ended September 30, 2021:

By Strategy - Quarter to Date

(in billions)	Alternatives	Global Equities	U.S. Equities	Multi-Asset & Fixed Income	Total
June 30, 2021	$ 223.7	$ 291.1	$ 115.5	$ 125.4	$ 755.7
Client cash inflows and commitments	12.0	10.2	3.6	5.4	31.2
Client cash outflows	(3.9)	(13.2)	(5.8)	(5.0)	(27.9)
Net client cash flows	8.1	(3.0)	(2.2)	0.4	3.3
Market changes	0.9	(6.1)	(0.8)	0.8	(5.2)
Foreign exchange(1)	(1.0)	(2.3)	(0.4)	(0.5)	(4.2)
Realizations and distributions (net)	(1.1)	—	—	(0.1)	(1.2)
Other(2)	(0.6)	—	—	—	(0.6)
September 30, 2021	$ 230.0	$ 279.7	$ 112.1	$ 126.0	$ 747.8

By Client Type - Quarter to Date

(in billions)	Institutional	Retail	High Net Worth	Total
June 30, 2021	$ 409.6	$ 207.5	$ 138.6	$ 755.7
Client cash inflows and commitments	17.1	8.5	5.6	31.2
Client cash outflows	(12.6)	(11.4)	(3.9)	(27.9)
Net client cash flows	4.5	(2.9)	1.7	3.3
Market changes	(3.7)	(1.8)	0.3	(5.2)
Foreign exchange(1)	(2.0)	(1.9)	(0.3)	(4.2)
Realizations and distributions (net)	(1.0)	(0.2)	—	(1.2)
Other(2)	(0.9)	0.1	0.2	(0.6)
September 30, 2021	$ 406.5	$ 200.8	$ 140.5	$ 747.8

By Strategy - Year to Date

	Alternatives	Global Equities	U.S. Equities	Multi-Asset & Fixed Income	Total
December 31, 2020	$ 216.5	$ 278.5	$ 103.5	$ 117.7	$ 716.2
Client cash inflows and commitments	29.5	29.7	17.9	18.6	95.7
Client cash outflows	(15.2)	(52.0)	(22.7)	(18.1)	(108.0)
Net client cash flows	14.3	(22.3)	(4.8)	0.5	(12.3)
New investments	2.6	2.9	1.1	—	6.6
Market changes	9.8	21.7	12.3	8.0	51.8
Foreign exchange(1)	(0.6)	(0.9)	(0.1)	(0.1)	(1.7)
Realizations and distributions (net)	(10.6)	(0.1)	—	(0.1)	(10.8)
Other(2)	(2.0)	(0.1)	0.1	—	(2.0)
September 30, 2021	$ 230.0	$ 279.7	$ 112.1	$ 126.0	$ 747.8

By Client Type - Year to Date

	Institutional	Retail	High Net Worth	Total
December 31, 2020	$ 401.0	$ 189.3	$ 125.9	$ 716.2
Client cash inflows and commitments	38.6	38.3	18.8	95.7
Client cash outflows	(49.4)	(43.8)	(14.8)	(108.0)
Net client cash flows	(10.8)	(5.5)	4.0	(12.3)
New investments	4.5	1.0	1.1	6.6
Market changes	25.2	16.9	9.7	51.8
Foreign exchange[(1)]	(0.7)	(1.0)	—	(1.7)
Realizations and distributions (net)	(10.2)	(0.3)	(0.3)	(10.8)
Other[(2)]	(2.5)	0.4	0.1	(2.0)
September 30, 2021	$ 406.5	$ 200.8	$ 140.5	$ 747.8

(1) Foreign exchange reflects the impact of translating into U.S. dollars the assets under management of our Affiliates whose functional currency is not the U.S. dollar.

(2) Other includes assets under management attributable to product transitions and reclassifications.

Aggregate Fees

Aggregate fees consist of asset- and performance-based fees of our consolidated and equity method Affiliates. Asset-based fees include advisory and other fees earned by our Affiliates for services provided to their clients and are typically determined as a percentage of the value of a client's assets under management. Performance-based fees are based on investment performance, typically on an absolute basis or relative to a benchmark or a hurdle rate, and are generally recognized when it is improbable that there will be a significant reversal in the amount of revenue recognized. Performance-based fees are generally billed less frequently than asset-based fees, and although performance-based fees inherently depend on investment performance and will vary from period to period, we anticipate performance-based fees will be a recurring component of our aggregate fees.

Aggregate fees are generally determined by the level of our average assets under management and the composition of these assets across our strategies that realize different asset-based fee ratios and performance-based fees. Our asset-based fee ratio is calculated as asset-based fees divided by average assets under management.

Aggregate fees were $1,076.2 million for the three months ended September 30, 2021, an increase of $114.5 million or 12% as compared to the three months ended September 30, 2020. The increase in our aggregate fees was primarily due to a $115.3 million or 12% increase from asset-based fees. The increase in asset-based fees was due to an increase in our average assets under management, primarily driven by strong Affiliate investment performance and market appreciation.

Aggregate fees were $3,676.2 million for the nine months ended September 30, 2021, an increase of $500.5 million or 16% as compared to the nine months ended September 30, 2020. The increase in our aggregate fees was due to a $287.4 million or 9% increase from asset-based fees and a $213.1 million or 7% increase from performance-based fees. The increase in asset-based fees was due to an increase in our average assets under management, primarily driven by strong Affiliate investment performance and market appreciation.

Financial and Supplemental Financial Performance Measures

The following table presents our key financial and supplemental financial performance measures:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	2020	2021	% Change	2020	2021	% Change
Net income (controlling interest)	$ 71.3	$ 128.4	80 %	$ 86.3	$ 387.3	N.M.[(1)]
Adjusted EBITDA (controlling interest)[(2)]	181.2	227.7	26 %	543.6	701.8	29 %
Economic net income (controlling interest)[(2)]	152.1	168.5	11 %	433.0	524.5	21 %

(1) Percentage change is not meaningful.

(2) Adjusted EBITDA (controlling interest) and Economic net income (controlling interest) are non-GAAP performance measures and are discussed in "Supplemental Financial Performance Measures."

Adjusted EBITDA (controlling interest) is an important supplemental financial performance measure for management as it provides a comprehensive view of our share of the financial performance of our business. For the three months ended September 30, 2021, our Adjusted EBITDA (controlling interest) increased $46.5 million or 26%, primarily due to a $114.5 million or 12% increase in aggregate fees. Adjusted EBITDA (controlling interest) increased more than aggregate fees on a percentage basis primarily due to the recognition of asset- and performance-based fees at Affiliates in which we hold a greater economic interest and net gains on strategic investments.

For the nine months ended September 30, 2021, our Adjusted EBITDA (controlling interest) increased $158.2 million or 29%, primarily due to a $500.5 million or 16% increase in aggregate fees. Adjusted EBITDA (controlling interest) increased more than aggregate fees on a percentage basis due to the recognition of performance-based fees at Affiliates in which we hold a greater economic interest and net gains on strategic investments.

For the three months ended September 30, 2021, our Net income (controlling interest) increased $57.1 million or 80%. The increase in Net income (controlling interest) was greater than the increase in Adjusted EBITDA (controlling interest) primarily due to a $23.5 million decrease in intangible amortization and impairments attributable to the controlling interest, partially offset by a $10.1 million increase in Income tax expense attributable to the controlling interest and a $4.7 million increase in Interest expense attributable to the controlling interest.

For the nine months ended September 30, 2021, our Net income (controlling interest) increased $301.0 million. The increase in Net income (controlling interest) was greater than the increase in Adjusted EBITDA (controlling interest) primarily due to a $229.4 million decrease in intangible amortization and impairments attributable to the controlling interest, partially offset by a $119.5 million increase in Income tax expense attributable to the controlling interest and a $17.2 million increase in Interest expense attributable to the controlling interest.

We believe Economic net income (controlling interest) is an important supplemental financial performance measure because it represents our performance before non-cash expenses relating to the acquisition of interests in Affiliates and improves comparability of performance between periods. For the three months ended September 30, 2021, our Economic net income (controlling interest) increased $16.4 million or 11%, primarily due to a $46.5 million increase in Adjusted EBITDA (controlling interest), partially offset by a $25.1 million increase in current and other deferred taxes, attributable to the controlling interest and a $4.7 million increase in Interest expense attributable to the controlling interest.

For the nine months ended September 30, 2021, our Economic net income (controlling interest) increased $91.5 million or 21%, primarily due to a $158.2 million increase in Adjusted EBITDA (controlling interest), partially offset by a $60.5 million increase in current and other deferred taxes, attributable to the controlling interest and a $17.2 million increase in Interest expense attributable to the controlling interest.

Results of Operations

The following discussion includes the key operating performance measures and financial results of our consolidated and equity method Affiliates. Our consolidated Affiliates' financial results are included in our Consolidated revenue, Consolidated expenses, and Investment and other income, and our share of our equity method Affiliates' financial results is reported, net of intangible amortization and impairments, in Equity method income (loss) (net).

<u>*Consolidated Revenue*</u>

The following table presents our consolidated Affiliate average assets under management and Consolidated revenue:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions, except as noted)	2020	2021	% Change	2020	2021	% Change
Consolidated Affiliate average assets under management (in billions)	$ 365.2	$ 435.9	19 %	$ 352.3	$ 431.1	22 %
Consolidated revenue	$ 494.8	$ 575.2	16 %	$ 1,473.2	$ 1,720.6	17 %

Our Consolidated revenue increased $80.4 million or 16% for the three months ended September 30, 2021, primarily due to a $79.1 million or 16% increase from asset-based fees. The increase in asset-based fees was due to an increase in consolidated Affiliate average assets under management, primarily driven by strong Affiliate investment performance and market appreciation.

Our Consolidated revenue increased $247.4 million or 17% for the nine months ended September 30, 2021, due to a $239.0 million or 16% increase from asset-based fees and an $8.4 million or 1% increase from performance-based fees. The increase in asset-based fees was due to an increase in consolidated Affiliate average assets under management, primarily driven by strong Affiliate investment performance and market appreciation. This increase was partially offset by a change in the composition of our assets under management.

Consolidated Expenses

Our Consolidated expenses are primarily attributable to the non-controlling interests of our consolidated Affiliates in which we share in revenue without regard to expenses. For these Affiliates, the amount of expenses attributable to the non-controlling interests, including compensation, is generally determined by the percentage of revenue allocated to expenses as part of the structured partnership interests in place at the respective Affiliate. Accordingly, increases in revenue generally will increase a consolidated Affiliate's expenses attributable to the non-controlling interests and decreases in revenue generally will decrease a consolidated Affiliate's expenses attributable to the non-controlling interests.

The following table presents our Consolidated expenses:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	2020	2021	% Change	2020	2021	% Change
Compensation and related expenses	$ 212.5	$ 256.4	21 %	$ 636.9	$ 752.2	18 %
Selling, general and administrative	74.1	82.9	12 %	237.9	250.3	5 %
Intangible amortization and impairments	31.9	8.9	(72)%	133.4	25.3	(81)%
Interest expense	23.8	28.5	20 %	65.6	82.8	26 %
Depreciation and other amortization	4.6	4.0	(13)%	14.7	12.5	(15)%
Other expenses (net)	12.3	14.6	19 %	34.6	40.6	17 %
Total consolidated expenses	$ 359.2	$ 395.3	10 %	$ 1,123.1	$ 1,163.7	4 %

Compensation and related expenses increased $43.9 million or 21% for the three months ended September 30, 2021, primarily due to a $36.2 million increase in compensation correlated to the increase in Consolidated revenue, a $5.5 million increase in share-based compensation expense, primarily due to an increase in the vesting assumptions of certain performance-based awards, and a $2.2 million increase in Affiliate equity compensation expense.

Compensation and related expenses increased $115.3 million or 18% for the nine months ended September 30, 2021, primarily due to a $107.0 million increase in compensation correlated to the increase in Consolidated revenue and a $10.1 million increase in Affiliate equity compensation expense.

Selling, general and administrative expenses increased $8.8 million or 12% for the three months ended September 30, 2021, primarily due to an $8.1 million increase in distribution and investment-related expenses principally as a result of an increase in average assets under management on which these expenses are incurred.

Selling, general and administrative expenses increased $12.4 million or 5% for the nine months ended September 30, 2021, primarily due to a $16.4 million increase in distribution and investment-related expenses principally as a result of an increase in average assets under management on which these expenses are incurred, and an $11.7 million increase in professional fees. These increases were partially offset by a $7.1 million decrease in travel-related expenses as a result of reduced travel during the COVID-19 pandemic, a $3.8 million decrease in sub-advisory expenses related to the previously announced changes to our distribution platform in 2021, and a $3.1 million decrease in reserves on notes receivable.

Intangible amortization and impairments decreased $23.0 million or 72% for the three months ended September 30, 2021, primarily due to a $24.9 million decrease in expenses to reduce the carrying value of acquired client relationships at certain of our Affiliates to fair value. See Note 10 of our Consolidated Financial Statements.

Intangible amortization and impairments decreased $108.1 million or 81% for the nine months ended September 30, 2021, primarily due to an $85.2 million decrease in expenses to reduce the carrying value of acquired client relationships at certain of our Affiliates to fair value. See Note 10 of our Consolidated Financial Statements. The decrease was also due to a $27.1 million reduction in amortization expense related to certain definite-lived assets being fully amortized.

Interest expense increased $4.7 million or 20% for the three months ended September 30, 2021, primarily due to a $4.8 million increase from our junior subordinated notes issued in 2020 and 2021.

Interest expense increased $17.2 million or 26% for the nine months ended September 30, 2021, primarily due to a $16.5 million increase from our debt securities issued in 2020 and 2021, and a $2.8 million increase from the termination of our pound sterling-denominated forward foreign currency contracts, which occurred in the first quarter of 2020. These increases were partially offset by a $2.1 million decrease from lower interest rates and lower borrowings on our senior unsecured term loan facility (the “term loan”).

There were no significant changes in Depreciation and other amortization for the three and nine months ended September 30, 2021.

There were no significant changes in Other expenses (net) for the three months ended September 30, 2021.

Other expenses (net) increased $6.0 million or 17% for the nine months ended September 30, 2021, primarily due to a $6.0 million decrease in gains related to changes in the value of Affiliate equity purchase obligations.

Equity Method Income (Loss) (Net)

For our Affiliates accounted for under the equity method, we use structured partnership interests in which we contractually share in the Affiliate’s revenue or revenue less agreed-upon expenses. Our share of earnings or losses from Affiliates accounted for under the equity method, net of amortization and impairments, is included in Equity method income (loss) (net).

The following table presents equity method Affiliate average assets under management and equity method revenue, as well as equity method earnings and equity method intangible amortization and impairments, which in aggregate form Equity method income (loss) (net):

(in millions, except as noted)	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2021	% Change	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	% Change
Operating Performance Measures						
Equity method Affiliate average assets under management (in billions)	$ 292.7	$ 315.9	8 %	$ 299.9	$ 314.7	5 %
Equity method revenue	$ 466.9	$ 501.0	7 %	$ 1,702.5	$ 1,955.6	15 %
Financial Performance Measures						
Equity method earnings	$ 51.3	$ 65.2	27 %	$ 171.7	$ 218.9	27 %
Equity method intangible amortization and impairments	(34.3)	(29.3)	(15)%	(250.5)	(93.8)	(63)%
Equity method income (loss) (net)	$ 17.0	$ 35.9	N.M.[(1)]	$ (78.8)	$ 125.1	N.M.[(1)]

(1) Percentage change is not meaningful.

Our equity method revenue increased $34.1 million or 7% for the three months ended September 30, 2021, primarily due to a $36.2 million or 7% increase from asset-based fees. The increase in asset-based fees was due to an increase in equity method Affiliate average assets under management, primarily driven by strong Affiliate investment performance and market appreciation, and investments in new Affiliates, partially offset by net client cash outflows.

For the three months ended September 30, 2021, equity method earnings increased $13.9 million or 27%, primarily due to a $34.1 million or 7% increase in equity method revenue. Equity method earnings increased more than equity method revenue on a percentage basis, primarily due to an increase in investment and other income at our equity method Affiliates and the contribution from our investments in new Affiliates, partially offset by a decline in earnings at certain Affiliates in which we share in revenue less agreed-upon expenses.

Equity method intangible amortization and impairments decreased $5.0 million or 15% for the three months ended September 30, 2021, primarily due to a $12.8 million decrease in amortization expense related to certain definite-lived assets being fully amortized. This decrease was partially offset by a $5.2 million increase in amortization expense due to an increase in actual and expected client attrition for certain definite-lived acquired client relationships, and a $2.6 million increase in amortization expense due to investments in new Affiliates.

Our equity method revenue increased $253.1 million or 15% for the nine months ended September 30, 2021, due to a $204.7 million or 12% increase from performance-based fees and a $48.4 million or 3% increase from asset-based fees. The increase in asset-based fees was due to an increase in equity method Affiliate average assets under management, primarily driven by strong Affiliate investment performance and market appreciation, and investments in new Affiliates, partially offset by net client cash outflows.

For the nine months ended September 30, 2021, equity method earnings increased $47.2 million or 27%, primarily due to a $253.1 million or 15% increase in equity method revenue. Equity method earnings increased more than equity method revenue on a percentage basis, primarily due to the recognition of performance-based fees at Affiliates in which we hold more of an economic interest, partially offset by a decline in earnings at certain Affiliates in which we share in revenue less agreed-upon expenses.

Equity method intangible amortization and impairments decreased $156.7 million or 63% for the nine months ended September 30, 2021, primarily due to a $140.0 million decrease in expenses to reduce the carrying value of an Affiliate to fair value (see Note 11 of our Consolidated Financial Statements) and a $40.0 million decrease in amortization expense related to certain definite-lived assets being fully amortized. These decreases were partially offset by a $15.3 million increase in amortization expense due to an increase in actual and expected client attrition for certain definite-lived acquired client relationships, and an $8.0 million increase in amortization expense due to investments in new Affiliates.

Investment and Other Income

The following table presents our Investment and other income:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	**2020**	**2021**	**% Change**	**2020**	**2021**	**% Change**
Investment and other income	$ 12.7	$ 37.5	N.M.[1]	$ 2.9	$ 91.1	N.M.[1]

[1] Percentage change is not meaningful.

Investment and other income increased $24.8 million for the three months ended September 30, 2021, primarily due to a $26.6 million net increase from the valuation and realized gains on sales of Other investments.

Investment and other income increased $88.2 million for the nine months ended September 30, 2021, primarily due to an $87.5 million net increase from the valuation and realized gains on sales of Other investments.

Income Tax Expense

The following table presents our Income tax expense:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
(in millions)	**2020**	**2021**	**% Change**	**2020**	**2021**	**% Change**
Income tax expense	$ 37.5	$ 44.9	20 %	$ 43.0	$ 166.4	N.M.[1]

[1] Percentage change is not meaningful.

Income tax expense increased $7.4 million or 20% for the three months ended September 30, 2021, primarily due to a $67.2 million increase in income before income taxes attributable to the controlling interest, partially offset by a $10.1 million increase in the deferred tax expense resulting from the revaluation of certain deferred tax liabilities due to an increase in the UK tax rate enacted during the third quarter of 2020 that did not reoccur.

Income tax expense increased $123.4 million for the nine months ended September 30, 2021, primarily due to a $420.5 million increase in income before income taxes attributable to the controlling interest and a $15.0 million deferred tax expense resulting from the revaluation of certain deferred tax liabilities due to an increase in the UK tax rate enacted during the second quarter of 2021.

Net Income

The following table presents Net income, Net income (non-controlling interests), and Net income (controlling interest):

(in millions)	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2021	% Change	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	% Change
Net income	$ 127.8	$ 208.4	63 %	$ 231.2	$ 606.7	N.M.[1]
Net income (non-controlling interests)	56.5	80.0	42 %	144.9	219.4	51 %
Net income (controlling interest)	71.3	128.4	80 %	86.3	387.3	N.M.[1]

(1) Percentage change is not meaningful.

Net income (controlling interest) increased $57.1 million or 80% for the three months ended September 30, 2021, primarily due to an increase in Consolidated revenue, an increase in Investment and other income attributable to the controlling interest, an increase in Equity method income (net), and a decrease in Intangible amortization and impairments attributable to the controlling interest. These increases were partially offset by an increase in Income tax expense attributable to the controlling interest.

Net income (controlling interest) increased $301.0 million for the nine months ended September 30, 2021, primarily due to an increase in Equity method income (net), an increase in Consolidated revenue, a decrease in Intangible amortization and impairments attributable to the controlling interest, and an increase in Investment and other income attributable to the controlling interest. These increases were partially offset by an increase in Income tax expense attributable to the controlling interest.

Supplemental Financial Performance Measures

Adjusted EBITDA (controlling interest)

As supplemental information, we provide a non-GAAP measure that we refer to as Adjusted EBITDA (controlling interest). Adjusted EBITDA (controlling interest) is an important supplemental financial performance measure for management as it provides a comprehensive view of our share of the financial performance of our business before interest, taxes, depreciation, amortization, impairments, certain Affiliate equity expenses, gains and losses on general partner and seed capital investments, and adjustments to our contingent payment arrangements. We believe that many investors use this measure when assessing the financial performance of companies in the investment management industry. This non-GAAP performance measure is provided in addition to, but not as a substitute for, Net income (controlling interest) or other GAAP performance measures.

The following table presents a reconciliation of Net income (controlling interest) to Adjusted EBITDA (controlling interest):

(in millions)	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021
Net income (controlling interest)	$ 71.3	$ 128.4	$ 86.3	$ 387.3
Interest expense	23.8	28.5	65.6	82.8
Income taxes	32.5	42.6	33.7	153.2
Intangible amortization and impairments[1]	59.1	35.6	341.1	111.7
Other items[2]	(5.5)	(7.4)	16.9	(33.2)
Adjusted EBITDA (controlling interest)	$ 181.2	$ 227.7	$ 543.6	$ 701.8

(1) Intangible amortization and impairments in our Consolidated Statement of Income include amortization attributable to the non-controlling interests of our consolidated Affiliates. For our Affiliates accounted for under the equity method, we do not separately report intangible amortization and impairments in our Consolidated Statements of Income. Our share of these Affiliates' amortization is reported in Equity method income (loss) (net). The following table presents the Intangible

amortization and impairments shown above:

(in millions)	For the Three Months Ended September 30, 2020	2021	For the Nine Months Ended September 30, 2020	2021
Consolidated intangible amortization and impairments	$ 31.9	$ 8.9	$ 133.4	$ 25.3
Consolidated intangible amortization and impairments (non-controlling interests)	(7.1)	(2.6)	(42.8)	(7.4)
Equity method intangible amortization and impairments	34.3	29.3	250.5	93.8
Total	$ 59.1	$ 35.6	$ 341.1	$ 111.7

(2) Other items includes depreciation, adjustments to contingent payment arrangements, certain Affiliate equity expenses, and gains and losses on general partner and seed capital investments.

Economic Net Income (controlling interest) and Economic Earnings Per Share

As supplemental information, we also provide non-GAAP performance measures that we refer to as Economic net income (controlling interest) and Economic earnings per share. We believe Economic net income (controlling interest) and Economic earnings per share are important measures because they represent our performance before non-cash expenses relating to the acquisition of interests in Affiliates and improve comparability of performance between periods. Economic net income (controlling interest) and Economic earnings per share are used by our management and Board of Directors as our principal performance benchmarks, including as one of the measures for aligning executive compensation with stockholder value. These non-GAAP performance measures are provided in addition to, but not as substitutes for, Net income (controlling interest) and Earnings per share (diluted) or other GAAP performance measures.

We adjust Net income (controlling interest) to calculate Economic net income (controlling interest) by adding back our share of pre-tax intangible amortization and impairments attributable to intangible assets (including the portion attributable to equity method investments in Affiliates) because these expenses do not correspond to the changes in the value of these assets, which do not diminish predictably over time. We also add back the deferred taxes attributable to intangible assets because we believe it is unlikely these accruals will be used to settle material tax obligations. Further, we add back other economic items to improve comparability of performance between periods.

Economic earnings per share represents Economic net income (controlling interest) divided by the Average shares outstanding (adjusted diluted). In this calculation, the potential share issuance in connection with our junior convertible securities is measured using a “treasury stock” method. Under this method, only the net number of shares of common stock equal to the value of these junior convertible securities in excess of par, if any, is deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are converted and we are relieved of our debt obligation. This method does not take into account any increase or decrease in our cost of capital in an assumed conversion.

The following table presents a reconciliation of Net income (controlling interest) to Economic net income (controlling interest) and Economic earnings per share:

(in millions, except per share data)	For the Three Months Ended September 30, 2020	2021	For the Nine Months Ended September 30, 2020	2021
Net income (controlling interest)	$ 71.3	$ 128.4	$ 86.3	$ 387.3
Intangible amortization and impairments[1]	59.1	35.6	341.1	111.7
Intangible-related deferred taxes	27.0	12.0	(7.1)	51.9
Other economic items[2]	(5.3)	(7.5)	12.7	(26.4)
Economic net income (controlling interest)	$ 152.1	$ 168.5	$ 433.0	$ 524.5
Average shares outstanding (diluted)	46.5	44.3	47.2	44.8
Assumed issuance of junior convertible securities shares	—	(2.1)	—	(2.1)
Average shares outstanding (adjusted diluted)	46.5	42.2	47.2	42.7
Economic earnings per share	$ 3.27	$ 4.00	$ 9.17	$ 12.28

(1) See note (1) to the table in “Adjusted EBITDA (controlling interest).”

(2) Other economic items includes non-cash imputed interest (principally related to the accounting for convertible securities and contingent payment arrangements), tax windfalls and shortfalls from share-based compensation, certain Affiliate equity expenses, and gains and losses on general partner and seed capital investments. For the three and nine months ended September 30, 2020 and 2021, other economic items were net of income tax expense (benefit) of $2.3 million and $(0.8) million, respectively, and $3.0 million and $13.1 million, respectively.

Liquidity and Capital Resources

We generate long-term value by investing in new Affiliate partnerships, investing in existing Affiliates, and investing in centralized capabilities through which we can leverage our scale and resources to benefit our Affiliates and enhance their long-term growth prospects. Given our annual cash generation from operations, in addition to investing for growth in our business, we are also able to return excess capital to shareholders primarily through share repurchases. We continue to manage our capital structure consistent with an investment grade company and are currently rated A3 by Moody’s Investor Services and BBB+ by S&P Global Ratings.

Cash and cash equivalents were $1,128.0 million as of September 30, 2021 and were attributable to both our controlling and the non-controlling interests. In the nine months ended September 30, 2021, we met our cash requirements primarily through cash generated by operating activities. Our principal uses of cash in the nine months ended September 30, 2021 were for share repurchases, investments in existing Affiliates through purchases of Affiliate equity interests, and investments in new Affiliates.

We expect investments in new Affiliates, investments in existing Affiliates, primarily through purchases of Affiliate equity interests and general partner and seed capital investments, the return of capital through share repurchases and the payment of cash dividends on our common stock, repayment of debt, distributions to Affiliate equity holders, and general working capital to be the primary uses of cash on a consolidated basis for the foreseeable future. We anticipate that our current cash balance, cash flows from operations, and borrowings under our revolver will be sufficient to support our uses of cash for the foreseeable future. In addition, we may draw funding from the debt and equity capital markets, and our credit ratings, among other factors, allow us to access these sources of funding on favorable terms.

The following table presents operating, investing, and financing cash flow activities:

	For the Nine Months Ended September 30,	
(in millions)	**2020**	**2021**
Operating cash flow	$ 626.8	$ 897.3
Investing cash flow	(8.0)	(177.8)
Financing cash flow	(221.5)	(625.5)

Operating Cash Flow

Operating cash flows are calculated by adjusting Net income for other significant sources and uses of cash, significant non-cash items, and timing differences in the cash settlement of assets and liabilities.

For the nine months ended September 30, 2021, Cash flows from operating activities were $897.3 million, primarily from Net income of $606.7 million adjusted for non-cash items of $22.1 million, $288.1 million of distributions of earnings received from equity method investments, and timing differences in the cash settlement of receivables, other assets, and payables, accrued liabilities, and other liabilities of $21.6 million. These items were partially offset by net purchases of securities by consolidated sponsored investment products of $41.2 million. For the nine months ended September 30, 2021, operating cash flows were primarily attributable to the controlling interest.

Investing Cash Flow

For the nine months ended September 30, 2021, Cash flows used in investing activities were $177.8 million, primarily due to $144.9 million of investments in new Affiliates and $31.4 million of net purchases of investments securities. For the nine months ended September 30, 2021, investing cash flows were primarily attributable to the controlling interest.

Financing Cash Flow

For the nine months ended September 30, 2021, Cash flows used in financing activities were $625.5 million, primarily due to the return of $496.0 million of capital to shareholders, principally through share repurchases of our common stock, $260.9

million of distributions to non-controlling interests, $47.8 million of Affiliate equity purchases, net of issuances, $26.1 million of repurchases of our junior convertible securities, and $18.8 million of taxes paid from shares withheld related to issuances of our common stock. Cash flows used in financing activities were partially offset by $200.0 million of proceeds from borrowings of junior debt and receipt of $33.2 million of subscriptions to consolidated funds, net of redemptions.

Affiliate Equity

We periodically purchase Affiliate equity from and issue Affiliate equity to our consolidated Affiliate partners and our officers, under agreements that provide us with a conditional right to call and Affiliate equity holders with a conditional right to put their Affiliate equity interests to us at certain intervals. For Affiliates accounted for under the equity method, we do not typically have such put and call arrangements. The purchase price of these conditional purchases is generally calculated based upon a multiple of the Affiliate's cash flow distributions, which is intended to represent fair value. Affiliate equity holders are also permitted to sell their equity interests to other individuals or entities in certain cases, subject to our approval or other restrictions.

As of September 30, 2021, our current redemption value of $748.9 million for Affiliate equity interests (including $18.3 million of consolidated Affiliate sponsored investment products primarily attributable to third-party investors) has been presented as Redeemable non-controlling interests. Although the timing and amounts of these purchases are difficult to predict, we paid $47.8 million for Affiliate equity purchases, net of issuances during the nine months ended September 30, 2021, and we expect net purchases of approximately $60 million of Affiliate equity during the remainder of 2021. In the event of a purchase, we become the owner of the cash flow associated with the purchased equity. See Notes 14 and 15 of our Consolidated Financial Statements.

Share Repurchases

Our Board of Directors authorized share repurchase programs in January 2021 and October 2019 to repurchase up to 5.0 million and 6.0 million shares of our common stock, respectively, and these authorizations have no expiry. Purchases may be made from time to time, at management's discretion, in the open market or in privately negotiated transactions, including through the use of trading plans, as well as pursuant to accelerated share repurchase programs or other share repurchase strategies that may include derivative financial instruments. During the three and nine months ended September 30, 2021, we repurchased 0.6 million and 2.8 million shares of our common stock, respectively, at an average price per share of $161.02 and $141.58, respectively. As of September 30, 2021, we had repurchased all of the shares of the October 2019 authorized amount, and there were a total of 4.2 million shares available for repurchase under our January 2021 share repurchase program.

Debt

The following table presents the carrying value of our outstanding indebtedness. See Note 7 of our Consolidated Financial Statements:

(in millions)	December 31, 2020	September 30, 2021
Senior bank debt	$ 350.0	$ 350.0
Senior notes	1,097.3	1,097.8
Junior subordinated notes	565.7	765.8
Junior convertible securities	318.4	301.4

The carrying value of our debt differs from the amount reported in the notes to our Consolidated Financial Statements, as the carrying value of our debt in the table above is not reduced for debt issuance costs.

Senior Bank Debt

We have a $1.25 billion senior unsecured multicurrency revolving credit facility (the "revolver") and a $350.0 million term loan (together with the revolver, the "credit facilities"). We amended and restated the revolver in October 2021, extending the maturity from January 18, 2024 to October 23, 2026, and amended the term loan in January 2021 and June 2021, and further amended the restated the term loan in October 2021, extending the maturity from January 18, 2023 to October 23, 2026. Through these amendments, we also reduced applicable rates for the revolver and the term loan, and provided for customary LIBOR succession provisions. The commercial terms of the revolver and the term loan otherwise remain the same. Subject to certain conditions, we may increase the commitments under the revolver by up to an additional $500.0 million and may borrow up to an additional $75.0 million under the term loan.

As of September 30, 2021, we had no outstanding borrowings under the revolver, and could borrow all capacity and remain in compliance with our credit facilities.

Senior Notes

As of September 30, 2021, we had the following senior notes outstanding, the respective principal terms of which are presented below:

	2024 Senior Notes	2025 Senior Notes	2030 Senior Notes
Issue date	February 2014	February 2015	June 2020
Maturity date	February 2024	August 2025	June 2030
Par value (in millions)	$ 400.0	$ 350.0	$ 350.0
Stated coupon	4.25 %	3.50 %	3.30 %
Coupon frequency	Semi-annually	Semi-annually	Semi-annually
Potential call date	Any time	Any time	Any time

Junior Subordinated Notes

As of September 30, 2021, we had the following junior subordinated notes outstanding, the respective principal terms of which are presented below:

	2059 Junior Subordinated Notes	2060 Junior Subordinated Notes	2061 Junior Subordinated Notes
Issue date	March 2019	September 2020	July 2021
Maturity date	March 2059	September 2060	September 2061
Par value (in millions)	$ 300.0	$ 275.0	$ 200.0
Stated coupon	5.875 %	4.75 %	4.20 %
Coupon frequency	Quarterly	Quarterly	Quarterly
Potential call date	March 2024	September 2025	September 2026
Listing	NYSE	NYSE	NYSE

In July 2021, we issued $200.0 million of junior subordinated notes with a maturity date of September 30, 2061. We intend to use the net proceeds from the 2061 junior subordinated notes for general corporate purposes, which may include the repayment of indebtedness, share repurchases, and investments in new and existing Affiliates.

Junior Convertible Securities

As of September 30, 2021, we had 5.15% junior convertible trust preferred securities outstanding (the "junior convertible securities") with a carrying value of $301.4 million. The junior convertible securities were issued by AMG Capital Trust II, a Delaware statutory trust, in October 2007. Each of the junior convertible securities represents an undivided beneficial interest in the assets of the trust. The trust's only assets are junior subordinated convertible debentures issued to it by us, and have substantially the same payment terms as the junior convertible securities. We own all of the trust's common securities, and have fully and unconditionally guaranteed, on a subordinated basis, the payment obligations on the junior convertible securities. We do not consolidate the trust's financial results into our Consolidated Financial Statements.

The carrying value of the junior convertible securities is accreted to the principal amount at maturity ($404.7 million) over a remaining life of approximately 16 years. Holders of the junior convertible securities have no rights to put these securities to us. Upon conversion, holders will receive cash or shares of our common stock, or a combination thereof, at our election. We may redeem the junior convertible securities, subject to our stock trading at or above certain specified levels over specified times periods, and may also repurchase junior convertible securities in the open market or in privately negotiated transactions from time to time at management's discretion. During the nine months ended September 30, 2021, we paid $28.7 million to repurchase a portion of our junior convertible securities, resulting in reductions of $26.1 million and $6.1 million in Debt and Additional paid-in capital, respectively. As a result of these repurchases, we also reduced our Deferred income tax liability (net) by $6.2 million.

Equity Distribution Program

We have equity distribution and forward equity agreements with several major securities firms under which we may, from time to time, issue and sell shares of our common stock (immediately or on a forward basis) having an aggregate sales price of up to $500.0 million (the “equity distribution program”). As of September 30, 2021, no sales had occurred under the equity distribution program.

Derivatives

See Note 8 of our Consolidated Financial Statements.

Commitments

See Note 9 of our Consolidated Financial Statements.

Leases

As of September 30, 2021, our lease obligations were $9.7 million for the remainder of 2021, $72.8 million from 2022 through 2023, $59.6 million from 2024 through 2025, and $97.9 million thereafter. The portion of these lease obligations attributable to the controlling interest were $2.5 million for the remainder of 2021, $18.4 million from 2022 through 2023, $18.1 million from 2024 through 2025, and $14.6 million thereafter.

Recent Accounting Developments

See Note 2 of our Consolidated Financial Statements.

Critical Accounting Estimates and Judgments

Our 2020 Annual Report on Form 10-K includes additional information about our Critical Accounting Estimates and Judgments, and should be read in conjunction with this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our Quantitative and Qualitative Disclosures About Market Risk for the three months ended September 30, 2021. Please refer to Item 7A of our 2020 Annual Report on Form 10-K.

Item 4. Controls and Procedures

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures during the quarter covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the quarter covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures are effective in ensuring that (i) the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and (ii) such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. Our disclosure controls and procedures were designed to provide reasonable assurance of achieving their stated objectives, and our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level. We review on an ongoing basis and document our disclosure controls and procedures, and our internal control over financial reporting, and we may from time to time make changes in an effort to enhance their effectiveness and ensure that our systems evolve with our business.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None.

(b) None.

(c) Purchases of Equity Securities by the Issuer:

Period	Total Number of Shares Purchased[(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Average Price Paid Per Share	Maximum Number of Shares that May Yet Be Purchased Under Outstanding Plans or Programs[(2)]
July 1-31, 2021	116,081	$ 158.91	115,105	$ 158.85	4,669,908
August 1-31, 2021	238,157	164.38	234,286	164.29	4,435,622
September 1-30, 2021	273,656	159.10	271,656	159.11	4,163,966
Total	627,894	161.07	621,047	161.02	

(1) Includes shares surrendered to the Company to satisfy tax withholding and/or option exercise price obligations in connection with stock swap and net settlement option exercise transactions, if any. Also includes 2,000 shares purchased in open market transactions by the President and Chief Executive Officer of the Company, which were previously disclosed on a Form 4 filed with the Securities and Exchange Commission.

(2) Our Board of Directors authorized share repurchase programs in January 2021 and October 2019 to repurchase up to 5.0 million and 6.0 million shares of our common stock, respectively, and these authorizations have no expiry. Purchases may be made from time to time, at management’s discretion, in the open market or in privately negotiated transactions, including through the use of trading plans, as well as pursuant to accelerated share repurchase programs or other share repurchase strategies that may include derivative financial instruments. As of September 30, 2021, there were a total of 4.2 million shares available for repurchase under our January 2021 share repurchase program and no shares remained under the October 2019 program.

Item 6. Exhibits

The exhibits are listed on the Exhibit Index below.

EXHIBIT INDEX

Exhibit No.	Description
10.1	Second Amended and Restated Credit Agreement, dated as of October 25, 2021, by and among Affiliated Managers Group, Inc., Bank of America, N.A., as administrative agent, letter of credit issuer and swingline lender, and the other lending institutions from time to time party thereto, and the exhibits and schedules thereto (incorporated by reference to the Company's Current Report on Form 8-K (No. 001-13459), filed October 26, 2021)
10.2	Fourth Amended and Restated Term Credit Agreement, dated as of October 25, 2021, by and among Affiliated Managers Group, Inc., Bank of America, N.A., as administrative agent, and the other lending institutions from time to time party thereto, and the exhibits and schedules thereto (incorporated by reference to the Company's Current Report on Form 8-K (No. 001-13459), filed October 26, 2021)
31.1	Certification of Registrant's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Registrant's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Registrant's Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of Registrant's Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	The following financial statements from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 are filed herewith, formatted in XBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Income for the three- and nine-month periods ended September 30, 2021 and 2020, (ii) the Consolidated Statements of Comprehensive Income for the three- and nine-month periods ended September 30, 2021 and 2020, (iii) the Consolidated Balance Sheets at September 30, 2021 and December 31, 2020, (iv) the Consolidated Statements of Changes in Equity for the three- and nine-month periods ended September 30, 2021 and 2020, (v) the Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2021 and 2020, and (vi) the Notes to the Consolidated Financial Statements
104	The cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted in XBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101

† Indicates a management contract or compensatory plan
* Filed herewith
** Furnished herewith

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)
November 5, 2021	/s/ THOMAS M. WOJCIK
	Thomas M. Wojcik *on behalf of the Registrant as Chief Financial Officer (and also as Principal Financial and Principal Accounting Officer)*

QuickLinks

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Jay C. Horgen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2021

/s/ JAY C. HORGEN

Jay C. Horgen
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas M. Wojcik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2021

/s/ THOMAS M. WOJCIK

Thomas M. Wojcik
Chief Financial Officer

QuickLinks

Exhibit 31.2

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc. (the "Company") for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jay C. Horgen, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2021

/s/ JAY C. HORGEN

Jay C. Horgen
President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Affiliated Managers Group, Inc. (the "Company") for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Thomas M. Wojcik, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2021

/s/ THOMAS M. WOJCIK

Thomas M. Wojcik
Chief Financial Officer

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