UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **June 30, 2010**

Affiliated Managers Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-13459	**04-3218510**
(Commission File Number)	(IRS Employer Identification No.)
600 Hale Street **Prides Crossing, Massachusetts**	**01965**
(Address of Principal Executive Offices)	(Zip Code)

(617) 747-3300
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

£ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

£ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

£ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

£ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 Other Events.

On June 30, 2010, Affiliated Managers Group, Inc. ("AMG") completed its previously announced acquisition of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries (collectively, "Pantheon"), as described in the Current Report on Form 8-K filed on July 1, 2010. Attached hereto are historical financial statements for Pantheon and unaudited pro forma financial information giving effect to the acquisition.

ITEM 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

1. The audited combined financial statements of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries as of and for the years ended December 31, 2009 and 2008 are filed as Exhibit 99.1 hereto.

2. The unaudited condensed combined financial statements of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries as of and for the three months ended March 31, 2010, are filed as Exhibit 99.2 hereto.

(b) Pro Forma Financial Information.

1. The unaudited pro forma condensed combined financial information of AMG, reflecting the acquisition of Pantheon, as of and for the three months ended March 31, 2010, and the year ended December 31, 2009, is filed as Exhibit 99.3 hereto.

(d) Exhibits.

Exhibit No.	Description

23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants
99.1	Audited combined financial statements of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries as of and for the years ended December 31, 2009 and 2008.
99.2	Unaudited condensed combined financial statements of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries as of and for the three months ended March 31, 2010.
99.3	Unaudited pro forma condensed combined financial information of AMG as of March 31, 2010 and for the three months ended March 31, 2010 and the year ended December 31, 2009.

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 hereunto duly authorized.

AFFILIATED MANAGERS GROUP, INC.

Date: August 6, 2010

By: /s/ John Kingston, III
Name: John Kingston, III
Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (File No. 333-148030 and File No. 333-148029), and S-8 (File No. 333-135416, File No. 333-129748, File No. 333-100628, File No. 333-84485, and File No. 333-72967) of Affiliated Managers Group, Inc. of our report dated February 26, 2010 relating to the combined financial statements of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries, which appears in this Current Report on Form 8-K of Affiliated Managers Group, Inc. dated August 6, 2010.

/s/ PricewaterhouseCoopers LLP
Seattle, Washington
August 6, 2010

Report of Independent Auditors

To the Board of Directors and Stockholders of
Frank Russell Company and Subsidiaries

In our opinion, the accompanying combined balance sheets and the related combined statements of income, changes in stockholder's equity and comprehensive income and cash flows present fairly, in all material respects, the combined financial position of Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and subsidiaries (collectively the "Company") at December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 5 to the combined financial statements, the Company changed the manner in which it accounts for uncertain tax positions in 2009.

/s/ PricewaterhouseCoopers LLP
Seattle, Washington

February 26, 2010

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and
Pantheon Holdings Limited and Subsidiaries
Combined Balance Sheets
December 31, 2009 and 2008

(dollars in thousands)	2009	2008
Assets		
Current assets		
Cash and cash equivalents	$ 79,760	$ 53,247
Receivables	34,282	37,652
Deferred income taxes	1,748	—
Due from affiliates	14,487	—
Other current assets	752	2,694
Total current assets	131,029	93,593
Fixed assets, net	4,436	4,463
Investments	69,784	52,809
Intangible assets, net	64,191	65,825
Goodwill	98,096	92,466
Other long-term assets	1,269	780
Total assets	$ 368,805	$ 309,936
Liabilities and Stockholder's Equity		
Current liabilities		
Compensation and benefits payable	$ 35,701	$ 23,700
Accounts payable and accrued expenses	6,158	9,869
Incentive compensation liabilities	737	—
Income taxes payable	5,906	13,208
Deferred income taxes	4,154	2,125
Due to affiliates	—	9,962
Other current liabilities	1,152	254
Total current liabilities	53,808	59,118
Deferred income taxes	14,037	15,823
Incentive compensation liabilities	197	69
Due to affiliates	—	4,416
Other long-term liabilities	1,576	930
Total liabilities	69,618	80,356
Commitments and contingencies (Note 10)		
Stockholder's equity		
Pantheon Holdings Limited and subsidiaries		
Common stock, 10 pence par value; 666,670 shares authorized, 320,583 shares issued and outstanding for 2009 and 2008	122	122
Additional paid-in capital	121,493	119,674
Retained earnings	82,355	57,662
Accumulated other comprehensive loss	(21,905)	(36,909)
Pantheon Capital (Asia) Limited		
Common stock, 1 HKD par value; 1,000 shares authorized, 100 shares issued and outstanding for 2009 and 2008	—	—

	2009	2008
Additional paid-in capital	8,446	8,320
Retained earnings	4,042	3,094
Accumulated other comprehensive income	151	41
Pantheon Ventures Inc.		
Common stock, $10 par value; 10,000 shares authorized, 500 shares issued and outstanding for 2009 and 2008	5	5
Additional paid-in capital	62,363	61,826
Retained earnings	42,100	15,738
Accumulated other comprehensive income	15	7
Total stockholder’s equity	299,187	229,580
Total liabilities and stockholder’s equity	$ 368,805	$ 309,936

The accompanying notes are an integral part of these combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and
Pantheon Holdings Limited and Subsidiaries
Combined Statements of Income
Years Ended December 31, 2009 and 2008

(dollars in thousands)	2009	2008
Revenue		
Investment management fee revenue	$ 167,151	$ 182,253
Total revenue	167,151	182,253
Operating expenses		
Compensation and benefits	59,498	60,530
Occupancy and office	8,060	7,893
Professional fees	3,320	5,301
Business travel and entertainment	2,110	3,030
Amortization of intangible assets	5,642	5,926
Other operating expenses	1,752	3,256
Total operating expenses	80,382	85,936
Income from operations	86,769	96,317
Other income (expense)		
Earnings (losses) in equity method investees	1,218	(10,432)
Interest income	344	1,017
Interest expense	(172)	(617)
Gain (loss) on foreign currency, net	(4,034)	12,911
Other, net	51	563
Total other income (expense)	(2,593)	3,442
Income before income tax expense	84,176	99,759
Income tax expense	(29,505)	(31,587)
Net income	$ 54,671	$ 68,172

The accompanying notes are an integral part of these combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Combined Statements of Changes in Stockholder’s Equity and Comprehensive Income
Years Ended December 31, 2009 and 2008

(dollars in thousands)

	Common Shares Issued and Outstanding	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholder’s Equity	Comprehensive Income (Loss)
Total Pantheon Holdings Limited and subsidiaries						
Balances at December 31, 2007	$ 122	$ 119,753	$ 17,307	$ 7,888	$ 145,070	
Net Income			40,457		40,457	$ 40,457
Dividends declared and paid ($0.32 per share)			(102)		(102)	
Deemed capital distribution		421			421	
Return of capital		(500)			(500)	
Translation adjustments				(44,797)	(44,797)	(44,797)
Comprehensive income (loss)						$ (4,340)
Balances at December 31, 2008	122	119,674	57,662	(36,909)	140,549	
Total Pantheon Capital (Asia)						

Limited						
Balances at December 31, 2007	—	8,226	3,517	(42)	11,701	
Net Income			1,505		1,505	$ 1,505
Dividends declared and paid ($19,280 per share)			(1,928)		(1,928)	
Deemed capital distribution		136			136	
Return of capital		(42)			(42)	
Translation adjustments				83	83	83
Comprehensive income						$ 1,588
Balances at December 31, 2008	—	8,320	3,094	41	11,455	
Total Pantheon Ventures Inc.						
Balances at December 31, 2007	5	61,918	4,569	29	66,521	
Net Income			26,210		26,210	$ 26,210
Dividends declared and paid ($30,081 per share)			(15,041)		(15,041)	
Deemed capital distribution		208			208	
Return of capital		(300)			(300)	
Translation adjustments				(22)	(22)	(22)
Comprehensive income						$ 26,188
Balances at December 31, 2008	$ 5	$ 61,826	$ 15,738	$ 7	$ 77,576	

The accompanying notes are an integral part of these combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Combined Statements of Changes in Stockholder's Equity and Comprehensive Income
Years Ended December 31, 2009 and 2008

(dollars in thousands)

	Common Shares Issued and Outstanding	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholder's Equity	Comprehensive Income
Total Pantheon Holdings Limited and subsidiaries						
Balances at December 31, 2008	$ 122	$ 119,674	$ 57,662	$ (36,909)	$ 140,549	
Net Income			24,693		24,693	$ 24,693
Deemed capital distribution		2,028			2,028	
Return of capital		(209)			(209)	
Translation adjustments				15,004	15,004	15,004
Comprehensive income						$ 39,697
Balances at December 31, 2009	122	121,493	82,355	(21,905)	182,065	
Total Pantheon Capital (Asia) Limited						
Balances at December 31, 2008	—	8,320	3,094	41	11,455	
Net Income			3,323		3,323	$ 3,323
Dividends declared and paid ($23,748 per share)			(2,375)		(2,375)	
Deemed capital distribution		151			151	
Return of capital		(25)			(25)	
Translation adjustments				110	110	110
Comprehensive income						$ 3,433
Balances at December 31, 2009	—	8,446	4,042	151	12,639	
Total Pantheon Ventures Inc.						
Balances at December 31, 2008	5	61,826	15,738	7	77,576	
Net Income			26,655		26,655	$ 26,655
Cumulative effect of adopting accounting guidance			(293)		(293)	
Deemed capital distribution		648			648	
Return of capital		(111)			(111)	
Translation adjustments				8	8	8
Comprehensive income						$ 26,663
Balances at December 31, 2009	$ 5	$ 62,363	$ 42,100	$ 15	$ 104,483	

The accompanying notes are an integral part of these combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Combined Statements of Cash Flows

Years Ended December 31, 2009 and 2008

(dollars in thousands)

	2009	2008
Cash flows from operating activities		
Net income	$ 54,671	$ 68,172
Adjustment to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,878	7,237
Losses on disposals	1	23
Stock-based compensation expense	3,019	650
Provision for deferred income taxes	(2,376)	(3,553)
(Earnings) losses in equity method investees	(1,218)	10,432
Distributions of earnings from equity method investees	38	218
Changes in operating assets and liabilities		
Receivables	5,758	(26,310)
Other current assets	(1,878)	(435)
Other long-term assets	(488)	(649)
Accounts payable and accrued expenses	(3,982)	156
Compensation and benefits payable	10,609	18,243
Incentive compensation liabilities	747	(2,883)
Income taxes payable	(3,975)	7,046
Other current liabilities	1,089	—
Other long-term liabilities	211	705
Other	(904)	(427)
Due to affiliates	(11,866)	(6,091)
Net cash provided by operating activities	56,334	72,534
Cash flows from investing activities		
Purchase of fixed assets	(1,107)	(3,652)
Sale of assets	1	—
Investments purchases	(16,262)	(27,704)
Redemptions and distributions from investments	725	1,157
Net cash used in investing activities	(16,643)	(30,199)
Cash flows from financing activities		
Repurchase of restricted stock	(345)	(842)
Taxes paid for withheld shares on restricted stock issuances	(86)	(118)
Dividends declared and paid	(2,375)	(17,071)
Distribution to Russell in form of loan	(12,000)	—
Principal payments on borrowings from Russell	(4,999)	(5,992)
Principal payments on capital lease obligations	(20)	(14)
Net cash used in financing activities	(19,825)	(24,037)
Effect of exchange rate changes on cash and cash equivalents	6,647	(16,425)
Net increase in cash and cash equivalents	26,513	1,873
Cash and cash equivalents		
Beginning of year	53,247	51,374
End of year	$ 79,760	$ 53,247
Noncash investing and financing activities		
Fixed assets acquired under capital leases	$ —	$ 52
Supplemental information		
Cash paid for interest	25	5
Cash paid for income taxes	39,381	24,748

The accompanying notes are an integral part of these combined financial statements.

1. Nature of Business and Significant Accounting Policies

Nature of Business

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and subsidiaries (collectively the "Company") are wholly-owned subsidiaries of Frank Russell Company ("Russell"). The Northwestern Mutual Life Insurance Company ("NML") owns substantially all of the outstanding shares of Russell.

Pantheon Ventures Inc. is an investment advisor registered pursuant to the Investment Advisors Act of 1940, which provides investment management services to various domestic and international entities.

Pantheon Capital (Asia) Limited is a registered investment advisor that provides investment advice on securities under the Hong Kong Securities and Futures Ordinance. Its principal activity is advising on securities to its overseas associated companies and their respective institutional clients.

Pantheon Holdings Limited and subsidiaries is a UK based holding company with subsidiaries that provide investment management services, predominantly in connection with unregistered investment companies.

On February 10, 2010, Russell accepted the offer of Affiliated Managers Group, Inc. ("AMG") to purchase certain legal entities and assets and liabilities of the Company (the "Transaction").

The Company had no separate legal status and historically did not prepare combined financial statements. The combined historical financial information included herein was prepared specifically for the purpose of facilitating the Transaction and includes the historical basis in assets and liabilities and the historical results of operations of each of the entities constituting the Company as of December 31, 2009 and 2008 and for each of the two years in the period ended December 31, 2009.

The combined financial statements include all historical assets, liabilities, results of operations, and cash flows of the entities included in the Transaction, and those of their consolidated subsidiaries, even if certain of those assets, liabilities and consolidated subsidiaries of included entities have been excluded from the Transaction.

The combined financial information included herein may not necessarily be indicative of the Company's results of operations, financial condition and cash flows in the future or what its results of operations, financial condition and cash flows would have been had the Company been a stand-alone company during the periods presented.

Principles of Combination

The accompanying combined financial statements are presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") and include the accounts of the Company and its wholly owned subsidiaries. Transactions and balances between entities included within these combined financial statements have been eliminated. Transactions and balances between the Company and Russell and its subsidiaries have been separately identified as related-party transactions. See Note 9, Related Party Transactions.

The combined statements of income include allocations of certain costs from Russell directly related to the operations of the Company, including an apportionment of central general and administrative costs for accounting, human resources, information systems and other overhead costs. These centralized costs were allocated to the Company based on the Company's analysis of its historical costs used to develop the Transition Agreement (as further discussed in Note 11) or actual costs incurred or employee headcount. Management believes the methodologies applied for the allocation of these costs is reasonable.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are inherent in the preparation of the financial statements. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

The Company considers all money market funds and instruments with maturities of three months or less at the purchase date as cash equivalents.

Fixed Assets

Fixed assets are reported at cost less accumulated depreciation. Depreciation is calculated using the straight-line method based on estimated useful lives ranging from three to 15 years. Equipment and office furniture are depreciated over estimated useful lives ranging from three to seven years. Capitalized software includes purchased and internally developed software. Purchased software is amortized over three years using the straight-line method. Internally developed software represents internal and external costs incurred to develop internal use software during the application development stage. Once the internal use software is ready for its intended use, the accumulated development costs are amortized over three years using the straight-line method. Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining life of the lease. Amortization of those assets recorded under capital lease agreements is included in depreciation expense. When fixed assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gains or losses are included in income from operations. Repair and maintenance costs are expensed as incurred.

Investments

Equity method investees and cost method investees are comprised primarily of investments in affiliated private equity investment funds ("Investment Funds").

Investments in which the Company has significant influence, but less than a controlling interest and do not meet the other criteria for consolidation in accordance with GAAP, are accounted for using the equity method of accounting. The Company's investment in equity method investees is included in investments in the combined balance sheets. The Company's share of each investee's earnings (losses) is included in earnings in equity method investees in the combined statements of income. Dividends or cash distributions, as well as additional cash investments or other cash paid to the investee, are included in the combined statement of cash flows.

Investments in which the Company does not have a controlling interest or significant influence are accounted for using the cost method of accounting. Under the cost method, the Investment Funds are accounted for in the combined balance sheets at original cost and dividends are included in

earnings when declared. When a decline in fair value of an investment carried at cost is determined to be other-than-temporary, the investment is written down to fair value and the loss is included in the determination of earnings.

A component of the valuation of the Investment Funds is the performance-based incentive fee ("Carry") payable to the general partner and, in some instances, other specified parties. Certain Investment Funds also receive Carry from the Underlying Investments (as defined below) which they record. In certain instances, Carry is not finalized until a contractual end date that extends beyond the reporting period. It is the Company's policy in valuing its holdings in Investment Funds, to not record incentive fees until the end of the contract period when the payment of fees is assured.

Investments made by Investment Funds (the "Underlying Investments") generally consist of illiquid investments that are carried at fair value. Fair value of the Underlying Investments has been determined by the general partner of each respective Investment Fund in good faith to reflect the fair value of the Company's capital account balance. Depending on the facts and circumstances, the Company considers potential valuation adjustments, if any. Accordingly, valuations do not necessarily represent the amounts that might be realized from sales or other dispositions of Underlying Investments, nor do they reflect taxes or other expenses that might be incurred upon disposition. Because of the inherent uncertainty of valuations of certain Underlying Investments, the estimated values for the Company's investments in those Investment Funds may differ significantly from the values that would have been used had a ready market existed.

The Company's investment transactions are recorded on the trade date, which is defined as the date the Company obtains an enforceable right to demand the securities or payment. Realized gains and losses on investments sold are computed on a specific identification basis. Interest income and expenses are recorded on the accrual basis. Distributions from Investment Funds are recorded as declared and classified as either income or realized gain as disclosed to the partnership by management of the respective entity.

Goodwill and Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but are tested for impairment on an annual basis, and between annual tests if circumstances would reduce the fair value of a reporting unit below its carrying value, and written down if impaired. The fair value of each reporting unit is estimated using both an income approach and a market approach. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying value of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The income approach and the market approach require significant assumptions to determine the fair value of each reporting unit. The significant assumptions used in the income approach and the market approach include estimates of our future revenues, cash flow information, fair value indicators, operating plans, industry data and other relevant factors. The Company performed an evaluation of the carrying value as of December 31, 2009 and 2008 and concluded that there was no impairment of goodwill or indefinite-lived intangibles.

The Company has capitalized the value of client and fund relationships, acquired technology, and a trade name obtained through acquisition. Client and fund relationships are amortized using the straight-line method based upon an estimated useful life of 15 years. Acquired technology is

amortized over an estimated useful life of three years using the straight-line method. The acquired Pantheon trade name is an intangible asset determined to have an indefinite useful life and is not amortized.

Impairment of Long-lived Assets

The Company assesses the impairment of long-lived assets, including indefinite life intangible assets, whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be recoverable. When such events occur, management determines whether there has been an impairment by comparing the anticipated undiscounted net future cash flows to the related asset's carrying value. If an impairment exists, the asset is written down to its estimated fair value. The Company did not record any impairment losses related to long-lived assets during the periods presented.

Revenue Recognition

Revenue is generated through investment management fees earned for managing investment limited partnerships and separate account clients and is recognized as earned based on the underlying nature of the respective management agreements. The Company also receives performance-based incentive fees ("Carry") in accordance with the terms stated in individual management agreements. It is the Company's policy to not record performance-based incentive fees until the end of the contract period when the payment of fees is assured.

Accounts are deemed past due based on payment terms. The Company writes off delinquent accounts to the extent and at the time they are deemed to not be recoverable. The Company has not recorded any bad debt expense for the years ended December 31, 2009 and 2008.

Income Taxes

Deferred income tax assets and liabilities are determined based upon differences between the financial statement and income tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The realization of deferred tax assets is based on historical tax positions and estimates of future taxable income. The Company evaluates both the positive and negative evidence that it believes is relevant in assessing whether it will realize the deferred tax assets. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

The Company files its federal tax return with Russell, who files its federal tax return with Northwestern Mutual Life Insurance Company as part of a consolidated group. The Company files a tax return, either on a separate return basis, or as part of Russell's unitary or combined group, in certain states. The provision for federal and state income taxes is based on an allocation of the consolidated tax liability to the respective companies included in the consolidated group as if each company were filing on a separate return basis. Federal taxes payable are recorded through and included in due to affiliates while state income taxes payable are included in accrued expenses in the accompanying combined balance sheets.

Effective January 1, 2009, the Company adopted the authoritative guidance under GAAP for accounting and reporting uncertainty in income taxes. This guidance clarifies how and when uncertain tax positions are to be recognized and disclosed in the financial statements. The impact of adopting this guidance is reflected in Note 5.

Foreign Currency

An entity's functional currency is determined by the currency of the economic environment in which the majority of cash is generated and expended by the entity. The financial statements of all subsidiaries with a functional currency other than the U.S. dollar have been translated into the Company's reporting currency, the U.S. dollar in accordance with GAAP. All assets and liabilities of the respective entities are translated at year-end exchange rates and all revenues and expenses are translated at average month exchange rates during the respective period. Translation adjustments are reported as a separate component of accumulated other comprehensive income in equity.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency, including U.S. dollars. Gains and losses on those foreign currency transactions are included in determining net income or loss for the period as a component of other income (expense).

Stock-Based Compensation

Russell has a Long-term Equity-Based Incentive Plan ("LTIP") and callable puttable common stock issued under the Incentive Payment Plan ("IPP") covering eligible employees of the Company as more fully described in Note 6. Equity-classified awards are measured at fair value as of the grant dates or modification dates and the resulting cost is recognized over the period from the date of grant to the date when the award is no longer contingent upon the employee providing additional service (the required service period). For awards that vest upon retirement, the required service period does not extend beyond the date an employee is eligible for retirement. This situation can result in compensation expense being recognized over a period less than the stated vesting period. Liability-classified awards are remeasured to fair value at each balance sheet date until the award is settled.

Deferred Incentive Compensation

Russell has granted award units under the IPP and under the Incentive Share Plan ("ISP"), more fully described in Note 6. The Company accounts for these deferred incentive arrangements, which are not share-based, using an accelerated method of attribution of the related expense.

New Accounting Pronouncements

In May 2009, the Financial Accounting Standards Board ("FASB") issued authoritative guidance under GAAP, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The authoritative guidance is effective for annual reporting periods ending after June 15, 2009, and shall be applied prospectively. The Company's adoption of this standard did not have an effect on the Company's combined financial position, results of operations, or cash flows.

In June 2009, the FASB issued authoritative guidance codifying Accounting Standards and the Hierarchy of GAAP (the "Codification"). The Codification is the source of authoritative accounting principles to be applied in the preparation of financial statements in conformity with GAAP. All existing accounting standards are superseded. All other accounting guidance not included in the Codification will be considered non-authoritative. The Codification is effective for annual periods ending after September 15, 2009. The adoption of the Codification does not impact the Company's combined financial statements except for references made to authoritative accounting literature in the footnotes.

In June 2009, the FASB issued amended guidance related to the consolidation of variable-interest entities. The key amendments include (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. This guidance will be effective for financial statements issued for fiscal years beginning after November 15, 2009. In January 2010, the FASB announced a deferral of this guidance for certain investment entities. The deferral allows asset managers that have no obligation to fund potentially significant losses of an investment entity to continue to apply the previous accounting guidance to investment entities that have the attributes of entities subject to ASC 946 (the "investment company guide"). The Company is in the process of evaluating the impact that the adoption of this guidance will have on its combined financial position, results of operations and cash flows.

In June 2009, the FASB issued guidance on transfers and servicing of financial assets to eliminate the concept of a qualifying special-purpose entity, change the requirements for off balance sheet accounting for financial assets including limiting the circumstances where off balance sheet treatment for a portion of a financial asset is allowable, and require additional disclosures. The guidance is effective for the Company's 2011 fiscal year. The Company does not expect that the adoption of this guidance will have a material impact on its combined financial position, results of operations and cash flows.

2. Fixed Assets

Fixed assets, net, consist of the following at December 31:

(dollars in thousands)	2009	2008
Equipment	$ 1,338	$ 1,242
Software	1,131	1,074
Leasehold improvements	4,582	4,423
Office furniture	1,112	1,097
	8,163	7,836
Accumulated depreciation and amortization	(5,415)	(4,144)
Work in progress	1,688	771
	$ 4,436	$ 4,463

Depreciation and amortization expense related to fixed assets was $1.2 million and $1.3 million for the years ended December 31, 2009 and 2008, respectively.

3. Investments

All of the Company's investments in equity method investees represent investments in affiliated funds. For cost method investments, the carrying value is equivalent to historical cost. There have been no identified events or changes in circumstances that may have a significant adverse effect on the recoverability of the recorded investment value. Investments consist of the following at December 31:

	Ownership Percentage		Carrying Value	
(dollars in thousands)	2009	2008	2009	2008
Investments				
Investment funds (equity method)				
Pantheon USA Fund VI LP	1.00%	1.00%	$ 13,645	$ 11,951
Pantheon USA Fund VII LP	1.00%	1.00%	6,969	5,480
Pantheon Global Secondary Fund III A LP	1.00%	1.00%	8,870	8,524
Pantheon Global Secondary Fund III B LP	1.00%	1.00%	3,885	3,274
Pantheon Europe Fund IV Ltd	1.00%	1.00%	5,200	4,155
Pantheon Europe Fund V A LP	1.00%	1.00%	5,395	3,676
Pantheon Global Secondary Fund II LTD	0.99%	0.99%	3,143	3,315
Pantheon Europe Fund VI LP	0.99%	0.99%	2,738	1,939
Pantheon Asia Fund IV LTD	1.00%	1.00%	3,346	2,305
Pantheon Asia Fund V LP	0.99%	0.99%	2,734	934
Other equity method investments	0%-1.0%	0%-1.0%	7,961	7,220
			63,886	52,773
Cost method investees			5,898	36
Total investments			$ 69,784	$ 52,809

The Company is a variable interest holder in variable interest entities ("VIEs") which are not consolidated, as the Company is not the primary beneficiary. These VIEs represent certain private equity funds of funds. Net assets of these entities total approximately $483.4 million and $487.1 million as of December 31, 2009 and 2008, respectively. The Company's aggregate maximum exposure to loss is limited to its investment balances in these entities, which is approximately $0.3 million and $0.4 million as of December 31, 2009 and 2008, respectively. The Company's involvement with these entities began on the dates that the entities were formed.

4. Goodwill and Intangible Assets

The change in goodwill from December 31, 2008 to December 31, 2009 of $5.6 million is due to changes in the functional currency other than the U.S. dollar.

Intangible assets consist of the following at December 31:

(dollars in thousands)		2009		2008
Amortizable intangible assets				
Fund relationships	$	64,444	$	61,360
Client relationships		21,220		20,298
Acquired technology		2,404		2,300
		88,068		83,958
Less: Accumulated amortization		(35,718)		(28,612)
		52,350		55,346
Indefinite-lived intangible asset				
Trade name		11,841		10,479
	$	64,191	$	65,825

Amortization expense related to intangible assets was $5.6 million and $5.9 million for the years ended December 31, 2009 and 2008, respectively. Expected amortization expense for each of the succeeding five years is as follows:

(dollars in thousands)		
2010	$	5,798
2011		5,798
2012		5,798
2013		5,798
2014		5,798
	$	28,990

5. Income Taxes

Income tax expense consists of the following amounts for the year ended December 31:

(dollars in thousands)		2009		2008
Current income tax expense				
Taxing jurisdiction and type of tax				
U.S. federal	$	16,886	$	16,794
Non-U.S.		11,690		17,150
U.S. state and local		3,305		1,196
Total current income tax expense		31,881		35,140
Deferred tax (benefit) expense				
U.S. federal		(2,363)		(2,838)
Non-U.S.		257		759
U.S. state and local		(270)		(1,474)
Total deferred income tax benefit		(2,376)		(3,553)
Total income tax expense	$	29,505	$	31,587

A reconciliation of the statutory U.S. federal income tax rate to the Company's effective income tax rate is as follows for the year ended December 31:

	2009	2008
Expected federal income tax expense at statutory rates	35.0%	35.0%

Non-U.S. subsidiary earnings	(2.4)%	(3.1)%
State income taxes, net of federal expense (benefit)	2.3%	(0.2)%
Other	0.2%	(0.1)%
Effective income tax rate	35.1%	31.6%

Deferred income tax assets and liabilities consist of the following at December 31:

(dollars in thousands)	2009	2008
Deferred income tax assets		
Accrued equity plan expense	$ 1,152	$ 671
Accrued compensation	2,271	—
Partnership income/loss	3,502	3,092
Depreciation of fixed assets	—	103
Other	461	229
Deferred income tax assets	7,386	4,095
Deferred income tax liabilities		
Amortization of intangibles	(20,109)	(20,872)
Depreciation of fixed assets	(107)	—
Unrealized gain/loss	(3,612)	(1,146)
Other	(1)	(25)
Deferred income tax liabilities	(23,829)	(22,043)
Net deferred income tax liabilities	$ (16,443)	$ (17,948)
Reported as		
Current deferred income tax assets	$ 1,748	$ —
Current deferred income tax liabilities	(4,154)	(2,125)
Long-term deferred income tax liabilities	(14,037)	(15,823)
Net deferred income tax liabilities	$ (16,443)	$ (17,948)

The Company believes it is more likely than not that it will be able to realize its deferred tax assets.

Effective January 1, 2009, the Company recognizes a tax benefit from an uncertain position only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. If this threshold is met, the Company measures the tax benefit as the largest amount of benefit that is greater than fifty percent likely of being sustained upon ultimate settlement. The cumulative effect of adopting this guidance is $0.3 million, which has been reflected as a reduction to the opening balance of retained earnings as of January 1, 2009.

The Company recognizes interest and penalties on amounts due to tax authorities as a component of income tax expense. Interest expense and penalties recorded for both years ended December 31, 2009 and 2008 was $0 million.

The Company is included in the U.S. federal income tax return filing with NML as part of its consolidated group. NML is currently under routine audit by the IRS for years ended December 31, 2007 and 2006. The Company files a separate tax return in certain states and foreign jurisdictions. The Company remains subject to examination by these state jurisdictions for certain years prior to and including 2006. Certain foreign jurisdictions remain open to examination for years prior to and including 2003.

In the next 12 months, the Company does not expect a significant change in its unrecognized tax benefits.

Due to affiliates includes $4.0 million of income taxes payable to Russell at December 31, 2008. Due from affiliates includes $1.9 million of income taxes payable to Russell at December 31, 2009. These amounts relate to federal income taxes for Pantheon Ventures Inc.

6. Employee Compensation Arrangements

LTIP

The LTIP provides for the award of stock options, restricted stock units ("RSU"), and stock appreciation rights ("SAR") in Russell's common stock. The maximum number of shares of Russell's common stock that are issuable, or were issued and are outstanding, pursuant to awards under the LTIP or IPP may not, at any time, a) represent 20% or more of the value or voting power of all the issued and outstanding common stock at such time, or b) exceed 50,000,000 shares of common stock. Awards that are canceled, forfeited, terminated or otherwise settled by the holder or by Russell are then available for award under the LTIP, subject to the above limitations.

Grants of RSU awards made by Russell under the LTIP generally vest over three years in equal annual installments on February 16 each year after the date of grant. Grants of stock options under the LTIP generally vest over three years in equal installments on February 16 each year after the date of grant. Grants of SAR awards made by Russell under the LTIP generally vest over three years in equal annual installments on February 16 each year after the date of grant. Awards granted will vest upon retirement for employees who are age 65 or older and have at least 5 years of service or who are between the ages of 55 and 64, and the combination of the associate's age and service (each rounded up to the nearest full year) totals 70 or more. Stock-based compensation expense for awards granted to individuals meeting the retirement eligibility requirements, or who will meet the age and service requirements within the applicable vesting period, is recognized over a required service period that is less than the stated vesting period. Stock options and SAR awards generally expire five years from the date of grant. RSU awards do not expire. At the vesting date, RSUs are exchanged for shares of nonvoting common stock of Russell. Holders of SARs are not eligible to participate in the Annual Put Window until they are 100% vested in their SAR award. Holders of vested stock options have the right to exercise such awards during two semi-annual exercise windows.

Russell estimates the fair value of stock option and SAR awards using the Black-Scholes option pricing model, which requires, among other inputs, an estimate of the fair value of Russell's common stock on the date of grant and the expected volatility of the common stock over the expected term of the related grants. Stock options are granted with an exercise price equal to the per-share fair value of Russell's common stock at the date of grant. Russell determined that it was not practicable to calculate the volatility of its share price since Russell's securities are not publicly traded and therefore, there is no readily determinable market value for its stock. Therefore, Russell estimates its expected volatility based on reported market value data for a group of publicly traded companies that Russell believes are relatively comparable after consideration of their size, stage of lifecycle, profitability, growth, and risk and return on investment. Russell uses the average expected volatility rates reported by the comparable group for the expected terms estimated by Russell.

The expected terms of the stock option and SAR awards are derived from the average midpoint between the vesting and contractual term. The risk-free rate for the expected term of the awards is based on the U.S. Treasury yield curve at the time of grant. The expected annual dividend yield is based on Russell's current dividend yield.

In connection with the adoption of the LTIP, Russell chose the straight-line method of allocating compensation expense over the requisite service period of the related awards. As stock-based compensation expense is based on awards ultimately expected to vest, the expense included in the Company's combined statements of income for the years ended December 31, 2009 and 2008 has been reduced by an estimated forfeiture rate of 3% for equity-classified awards and 5% for liability-classified awards.

For the years ended December 31, 2009 and 2008, the Company recorded stock-based compensation expense of $2.3 million and $2.0 million, respectively, related to the LTIP. Of this expense, $2.2 million and $2.1 million relates to equity-classified awards and $0.1 million and ($0.1) million (reduction of expense) relates to liability classified awards held by employees of the Company for the years ended December 31, 2009 and 2008, respectively. As of December 31, 2009 and 2008, the Company's total unrecognized compensation cost related to equity-classified awards is $0.8 million and $3.1 million, respectively, which will be recognized over the weighted-average remaining requisite service period of 0.38 years and 1.38 years, respectively. In addition, as of December 31, 2009 and 2008, the Company's total unrecognized compensation expense related to liability-classified awards outstanding under the LTIP is $0.1 million and $0.1 million, respectively, which will be recognized over the weighted-average remaining requisite service period of 0.72 years and 1.72 years, respectively.

The total deferred income tax benefit (expense) recognized in the Company's combined statements of income for stock-based awards for the years ended December 31, 2009 and 2008 was ($0.5) million and $0.4 million, respectively. In 2009 and 2008, the Company did not realize any excess tax benefits from stock-based payment arrangements. The Company's historical windfall tax benefit pool upon adoption of that standard was zero given its adoption under the prospective transition method. The Company utilizes the with-and-without approach to calculate realized windfall tax benefits from stock-based compensation awards. The Company records a liability for the employer's portion of payroll taxes on stock-based compensation under the LTIP on the date of the event triggering the measurement and payment of the tax to the taxing authority.

Detail related to stock option and RSU activity under the LTIP, representing the Company's equity-classified awards, is as follows:

	Stock Options	
	Number of Shares Under Option	Weighted-Average Exercise Price
Outstanding at January 1, 2009	809,842	$ 15.60
Granted	—	—
Forfeited / expired	—	—

Outstanding at December 31, 2009	809,842	15.60
Exercisable as of December 31, 2009	477,285	15.39

	Restricted Stock Units	
	Number of Units	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2009	177,911	$ 15.84
Granted	—	—
Vested	(78,518)	15.66
Forfeited	—	—
Outstanding at December 31, 2009	99,393	15.98

There were no stock option awards granted for the Company during 2009. The fair value of employee stock option awards granted during the year ended December 31, 2008 was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free rate	2.13%
Expected term	3.50 years
Expected dividend yield	1.50%
Expected volatility	26.97%

The estimated weighted-average grant date fair value of all stock options granted during the year ended December 31, 2008 was $3.37 per share. No stock option awards were exercised during the years ended December 31, 2009 and 2008. The total fair value of RSUs vested during the years ended December 31, 2009 and 2008 was $1.2 million and $1.0 million, respectively.

Detail related to SAR activity under the LTIP, representing the Company's liability-classified awards, is as follows:

	Stock Appreciation Rights	
	Number of Shares Under Right	Weighted-Average Exercise Price
Outstanding at January 1, 2009	192,932	$ 16.33
Granted	—	—
Forfeited / expired	—	—
Exercised	—	—
Outstanding at December 31, 2009	192,932	16.33
Exercisable as of December 31, 2009	—	—

The fair value of SAR awards as of December 31 was estimated using the Black-Scholes option pricing model with the following assumptions:

	2009	2008
Risk-free rate	0.56% - 1.21%	0.79% - 1.04%
Expected term	1.13 - 2.13 years	2.13 - 3.13 years
Expected dividend yield	0%	0%
Expected volatility	72.50% - 73.40%	51.75% - 60.67%

For the years ended December 31, 2009 and 2008 there were no amounts paid to settle SARs held by employees of the Company. As of December 31, 2009 and 2008, the Company has an aggregate recorded liability of $0.2 million and $0.1 million, respectively, related to its liability-classified awards outstanding under the LTIP, included within the long-term incentive compensation liabilities in the Company's combined balance sheets.

The following table summarizes information about all stock options and SARs outstanding under the LTIP as of December 31, 2009:

	Shares Subject to Options/Rights	Weighted-Average Remaining Contractual	Weighted-Average Exercise	Total Intrinsic

	Outstanding	Life (Years)		Price	Value(1)
Exercise price					
$ 15.12	701,382	2.13	$	15.12	
$ 17.17	301,392	3.13		17.17	
$15.12 - $17.17	1,002,774	2.43		15.74	$ —
Vested and exercisable	477,285	2.26		15.39	—
Vested and expected to vest	984,066	2.42		15.72	$ —

(1) The total intrinsic value represents the difference between the aggregate estimated fair value of Russell's common stock issuable and the aggregate exercise price.

IPP and Callable Puttable Common Stock
Effective April 27, 1999, the Incentive Payment Plan (the "IPP") was established whereby employees of Russell could earn awards of Russell's callable puttable common stock or other award units. The Company recorded a related noncash deemed capital contribution and distribution to Russell of $0.7 million and $1.3 million for the years ended December 31, 2009 and 2008, respectively.

Incentive Share Plan
Effective January 1, 2004, the ISP was established by Russell. The ISP is a cash-based, long-term incentive program for employees of Russell, including eligible employees of the Company. From 2004 through 2006, ISP units were awarded annually to selected employees. The plan does not have a definitive end date; however, Russell's Board of Directors did not make any grants in 2009 or 2008 and does not anticipate further grants.

The value of ISP units is determined by the increase or decrease in Russell's annual EBITDA as defined by the ISP, over the four years beginning with the year the award is made. The units vest at the rate of 25% per calendar year over the four-year period. The vested appreciation of the ISP units will be paid in cash in the year following the end of the four-year vesting period, or upon the participant's termination of employment from Russell, whichever occurs earlier. In 2008, the Company allowed a two year extension for payment of the 2005 grants and a one year extension for the payment of the 2006 grants. Compensation expense under the ISP was $0.7 million and ($2.9) million (reduction of expense) for the years ended December 31, 2009 and 2008, respectively. As of December 31, 2009 and 2008, the formula-derived price for participants that elected to defer their awarded ISP units declined to zero. The formula-derived price for participants that did not elect to defer their awarded ISP units resulted in a liability of $0.7 million as of December 31, 2009.

7. Benefit Plans

Retirement Plans
Russell has a defined contribution retirement plan (the "Plan") covering eligible employees of the Company in the U.S. The Plan allows for contributions to be made out of the Russell's net operating profits at the discretion of Russell's Board of Directors. Employees may also contribute a percentage of their compensation as defined by the Plan documents. The Company's contributions to the Plan included in compensation and benefits expense were $0.7 million and $0.5 million for the years ended December 31, 2009 and 2008, respectively.

Pantheon Holdings Limited and its subsidiaries and Pantheon Capital (Asia) Limited have defined contribution retirement plans covering their non-U.S. employees in those countries. The plans are qualified under the tax laws of the countries where the subsidiaries are located. The Company's contributions to the plans included in compensation and benefits expense were $1.8 million and $1.8 million for the years ended December 31, 2009 and 2008, respectively.

Discretionary Bonuses
The Company pays discretionary bonuses to its employees based on a percentage of Russell's operating income, as defined. Discretionary bonus expense was $26.4 million and $26.7 million and is included in compensation and benefits expense for the years ended December 31, 2009 and 2008, respectively. Accrued liabilities related to the discretionary bonus as of December 31, 2009 were $26.6 million, are included in compensation and benefits payable and will be paid out in two installments, the first in February 2010 and the second upon closing of the Transaction. The discretionary bonus could be reduced by up to $4.1 million if any purchase price adjustments occur as part of the Transaction. The discretionary bonus as of December 31, 2008 for employees of Pantheon Ventures Inc. was settled through the joint paymaster agreement with Russell, as described in Note 9. The discretionary bonus as of December 31, 2008 for employees of Pantheon Holdings Limited and Pantheon Capital (Asia) Limited of $15.0 million is included in compensation and benefits payable.

8. Employee Termination

During the second quarter of 2009, due to a business optimization initiative, the Company went through a reorganization that resulted in reduction in force of certain employees. The Company recorded a provision for severance costs of $0.7 million and is included in compensation and benefits expense for the year ended December 31, 2009. Accrued liabilities related to severance and termination costs as of December 31, 2009 are a component of compensation and benefits payable in the combined balance sheets of Russell. The Company expects the remaining accrued termination benefit liability to be paid out during 2010.

9. Related Party Transactions

Receivables from the affiliated investment funds managed by the Company (collectively, the “Funds”) total $23.8 million and $30.0 million as of December 31, 2009 and 2008, respectively. The balance includes amounts owed by the Funds to the Company for services provided and reimbursements for fund expenses paid by the Company on behalf of the Funds. Revenues of $105.9 million and $118.0 million were recorded related to these Funds for the years ended December 31, 2009 and 2008, respectively.

Under a joint purchasing agreement, Russell processes payments for the direct expenses of Pantheon Ventures Inc. Under a joint paymaster agreement, Russell processes payroll transactions for Pantheon Ventures Inc. Additionally, Russell allocates certain negotiated charges to Pantheon Ventures Inc. such as office space, equipment and insurance charges. Pantheon Ventures Inc. reimburses Russell monthly for these expenses. Amounts receivable (payable) to Russell for these charges were $4.6 million and ($5.7) million at December 31, 2009 and 2008, respectively, and are netted against payables due to Russell and receivables due from Russell in due from affiliates and due to affiliates on the combined balance sheets.

Expenses in the amount of $1.1 million of Russell were allocated to the Company for both years ended December 31, 2009 and 2008. See Note 1 for nature of costs allocated and the allocation methodology.

During 2006, the Company entered into a loan agreement with Russell in which the Company borrowed £6 million, bearing interest at LIBOR plus 0.5% per annum. Interest is due semiannually on June 30 and December 31. The loan agreement matures upon written notice from Russell. Principle on the loan can be prepaid according to agreed upon terms. Interest expense for the years ended December 31, 2009 and 2008 related to this loan agreement totaled $0.1 million and $0.6 million, respectively, and is included in interest expense in the combined statements of income. In July 2008, the Company paid £3 million on this loan agreement. The balance of this loan agreement in U.S. Dollars at December 31, 2008 was $4.4 million. In December 2009, the Company repaid this loan agreement in full.

During 2009, the Company entered into a loan agreement with Russell in which the Company loaned Russell $12.0 million, bearing interest at the short-term monthly applicable federal rate (0.69% at December 31, 2009). The loan is payable on demand and matures on July 22, 2011. Interest is due annually on January 31. Interest income for the year ended December 31, 2009 related to this loan agreement totaled $0.1 million, and is included in interest income in the combined statements of income. Total accrued interest receivable related to this loan agreement at December 31, 2009 was $0.1 million and is included in due from affiliates in the combined balance sheets. The loan is classified as a current asset as it will be settled as part of the Transaction described in Note 1.

Russell and its subsidiaries follow a Transaction Allocation Methodology intended to conform to the relevant U.S. and local country tax laws and the Organization of Economic Cooperation and Development guidelines. Russell acts as the monthly settlement agent for any payments or disbursements among the participating members associated with the effects of the Transaction Allocation Methodology. The amount recorded as an intercompany charge for the Transaction Allocation Methodology included in other, net in the combined statements of income under the agreement for the year ended December 31, 2008 was $0.5 million. The amount payable to Russell related to the Transaction Allocation Methodology at December 31, 2008 was $0.1 million and is included in due to affiliates in the combined balance sheets. During the year ended December 31, 2009, Russell changed its Transaction Allocation Methodology. No amounts were recorded as an intercompany charge under the Transaction Allocation Methodology during 2009.

Included in income taxes payable is $2.9 million and $2.4 million payable to Russell for Pantheon Ventures Inc. state income taxes at December 31, 2009 and 2008, respectively.

The Company declared and paid $2.4 million and $17.1 million in dividends to Russell during the years ended December 31, 2009 and 2008, respectively.

10. Commitments and Contingencies

Leases
The Company leases office space under noncancelable lease agreements expiring various dates through 2015. Some of these leases provide for annual rental increases. Total rent expense on these leases was $3.8 million and $3.2 million for the years ended December 31, 2009 and 2008, respectively.

The Company also leases equipment under operating leases. Total rent expense on these operating leases was $0.1 million for both years ended December 31, 2009 and 2008.

At December 31, 2009, the Company’s remaining commitment for noncancelable operating leases for office space and equipment require the following minimum lease payments:

	Operating Leases		
(dollars in thousands)	**Office Space**	**Equipment**	**Total**

2010	$ 2,946	$ 40	$ 2,986
2011	2,621	12	2,633
2012	2,270	11	2,281
2013	2,327	11	2,338
2014	1,234	11	1,245
Thereafter	771	—	771
Total	$ 12,169	$ 85	$ 12,254

Contingencies
The Company is the general partner of various partnerships and investment advisor to certain clients. The partnership agreements and advisory agreements allow for profit participation allocations to be paid to the Company at varying rates based on varying methods of measuring performance.

The partnership agreements provide that the general partner may allocate to the limited partners the disproportionate allocations or incentive fees earned by the Company from partnerships in which it is the general partner or from advisory clients. In accordance with the partnership agreements, limited partner capital accounts may not be negative and therefore any loss which would otherwise be allocated to the limited partners in respect of any allocation from a partnership or advisory account relationship will be allocated instead to the general partner.

The Company and its affiliates are involved in various claims and legal proceedings in the normal course of its business. While it is not feasible to predict or determine the final outcome of these proceedings, based on consultation with legal counsel, the Company does not believe that the disposition of these proceedings will have a material adverse effect on the Company's combined financial position, results of operations or cash flows.

Commitments of the Company
As of December 31, 2009, the Company has total unfunded commitments for investment capital to affiliated closed-end investment funds of approximately $136.9 million. These commitments are to be called or will expire as follows:

(dollars in thousands)	Amount to be Called or Expiring
2010	$ —
2011	59
2012	—
2013	146
2014	—
Thereafter	136,685
Total	$ 136,890

Guarantees
In the normal course of business, the Company enters into contracts that contain a variety of representations which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company expects the risk of loss to be remote.

Concentration of Risk
Approximately, 63% and 65% of revenue earned by the Company is from affiliated entities for the years ended December 31, 2009 and 2008, respectively. Approximately 67% and 79% of accounts receivable as of December 31, 2009 and 2008, respectively, was due from affiliated entities. Cash is held by the Company at financial institutions in excess of Federal Deposit Insurance Corporation ("FDIC") limits.

11. Subsequent Events

The Company has performed an evaluation of subsequent events through February 26, 2010, which is the date the combined financial statements were issued.

On February 10, 2010, Russell entered into an agreement to divest of the Company for approximately $775 million in cash with the potential for additional payments over the next five years, contingent on the growth of the Company's business. Additionally, Russell entered into a Transition Services Agreement ("the Agreement") with AMG. Under the Agreement, Russell will provide specified transition services relating to the operation of the Company's business for a period of up to 18 months from the closing date of the Transaction.

Exhibit 99.2

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Condensed Combined Balance Sheets (Unaudited)
March 31, 2010 and December 31, 2009

(dollars in thousands)	March 31, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	$ 65,941	$ 79,760
Receivables	23,950	34,282
Deferred income taxes	1,749	1,748
Due from affiliates	21,868	14,487
Other current assets	623	752
Total current assets	114,131	131,029
Fixed assets, net	3,872	4,436
Investments	73,079	69,784
Intangible assets, net	60,434	64,191
Goodwill	94,544	98,096
Other long-term assets	1,239	1,269
Total assets	$ 347,299	$ 368,805
Liabilities and Stockholder's Equity		
Current liabilities		
Compensation and benefits payable	$ 25,113	$ 35,701
Accounts payable and accrued expenses	5,183	6,158
Incentive compensation liabilities	668	737
Income taxes payable	7,565	5,906
Deferred income taxes	3,882	4,154
Other current liabilities	864	1,152
Total current liabilities	43,275	53,808
Deferred income taxes	12,935	14,037
Incentive compensation liabilities	157	197
Other long-term liabilities	1,603	1,576
Total liabilities	57,970	69,618
Commitments and contingencies (Note 7)		
Stockholder's equity		
Pantheon Holdings Limited and subsidiaries		
Common stock, 10 pence par value; 666,670 shares authorized, 320,583 shares issued and outstanding at March 31, 2010 and December 31, 2009	122	122
Additional paid-in capital	121,241	121,493
Retained earnings	73,446	82,355
Accumulated other comprehensive loss	(32,072)	(21,905)
Pantheon Capital (Asia) Limited		
Common stock, 1 HKD par value; 1,000 shares authorized, 100 shares issued and outstanding at March 31, 2010 and December 31, 2009	—	—
Additional paid-in capital	8,430	8,446
Retained earnings	4,484	4,042
Accumulated other comprehensive income	141	151
Pantheon Ventures Inc.		
Common stock, $10 par value; 10,000 shares authorized, 500 shares issued and outstanding at March 31, 2010 and December 31, 2009	5	5
Additional paid-in capital	62,265	62,363
Retained earnings	51,280	42,100
Accumulated other comprehensive income (loss)	(13)	15
Total stockholder's equity	289,329	299,187
Total liabilities and stockholder's equity	$ 347,299	$ 368,805

The accompanying notes are an integral part of these condensed combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Condensed Combined Statements of Income (Unaudited)
Three Month Periods Ended March 31, 2010 and 2009

	Three Months Ended March 31,	
(dollars in thousands)	2010	2009
Revenue		
Investment management fee revenue	$ 42,052	$ 44,688
Total revenue	42,052	44,688
Operating expenses		
Compensation and benefits	8,554	14,790

Occupancy and office	2,148	1,945
Professional fees	2,203	768
Business travel and entertainment	552	522
Amortization of intangible assets	1,414	1,340
Other operating expenses	8,143	480
Total operating expenses	23,014	19,845
Income from operations	19,038	24,843
Other income (expense)		
Earnings (losses) in equity method investees	2,949	(3,675)
Interest income	77	68
Interest expense	(1)	(23)
Gain (loss) on foreign currency, net	1,765	(951)
Other, net	9	134
Total other income (expense)	4,799	(4,447)
Income before income tax expense	23,837	20,396
Income tax expense	(8,124)	(7,125)
Net income	$ 15,713	$ 13,271

The accompanying notes are an integral part of these condensed combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Condensed Combined Statements of Changes in Stockholder’s Equity and Comprehensive Income (Loss) (Unaudited)
Three Month Period Ended March 31, 2010

(dollars in thousands)	Common Shares Issued and Outstanding	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholder’s Equity	Comprehensive Income (Loss)
Total Pantheon Holdings Limited and subsidiaries						
Balances at December 31, 2009	$ 122	$ 121,493	$ 82,355	$ (21,905)	$ 182,065	
Net Income			6,091		6,091	$ 6,091
Dividends declared and paid ($47 per share)			(15,000)		(15,000)	
Deemed capital distribution		126			126	
Return of capital		(378)			(378)	
Translation adjustments				(10,167)	(10,167)	(10,167)
Comprehensive loss						$ (4,076)
Balances at March 31, 2010	122	121,241	73,446	(32,072)	162,737	
Total Pantheon Capital (Asia) Limited						
Balances at December 31, 2009	—	8,446	4,042	151	12,639	
Net Income			442		442	$ 442
Deemed capital distribution		29			29	
Return of capital		(45)			(45)	
Translation adjustments				(10)	(10)	(10)
Comprehensive income						$ 432
Balances at March 31, 2010	—	8,430	4,484	141	13,055	
Total Pantheon Ventures Inc.						
Balances at December 31, 2009	5	62,363	42,100	15	104,483	
Net Income			9,180		9,180	$ 9,180
Deemed capital distribution		102			102	
Return of capital		(200)			(200)	
Translation adjustments				(28)	(28)	(28)
Comprehensive income						$ 9,152
Balances at March 31, 2010	$ 5	$ 62,265	$ 51,280	$ (13)	$ 113,537	

The accompanying notes are an integral part of these condensed combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Condensed Combined Statements of Cash Flows (Unaudited)
Three Month Periods Ended March 31, 2010 and 2009

(dollars in thousands)	Three Months Ended March 31, 2010	2009
Cash flows from operating activities		
Net income	$ 15,713	$ 13,271
Adjustment to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,756	1,679
Bad debt expense	7,671	—
Stock-based compensation expense	225	549
Provision for deferred income taxes	(449)	(429)
(Earnings) losses in equity method investees	(2,949)	3,675
Changes in operating assets and liabilities		
Receivables	2,421	7,170
Other current assets	101	1,909
Other long-term assets	(1,000)	65
Accounts payable and accrued expenses	(446)	(1,445)
Compensation and benefits payable	(9,312)	(10,435)

Incentive compensation liabilities	(30)	86
Income taxes payable	1,603	(1,205)
Other current liabilities	(255)	2,430
Other long-term liabilities	29	(15)
Other	(11)	31
Due to affiliates	(7,380)	(9,727)
Net cash provided by operating activities	7,687	7,609
Cash flows from investing activities		
Purchase of fixed assets	(1)	(265)
Investments purchases	(1,875)	(2,230)
Redemptions and distributions from investments	414	640
Net cash used in investing activities	(1,462)	(1,855)
Cash flows from financing activities		
Repurchase of restricted stock	(623)	(345)
Taxes paid for withheld shares on restricted stock issuances	—	(86)
Dividends declared and paid	(15,000)	—
Principal payments on capital lease obligations	(5)	(5)
Net cash used in financing activities	(15,628)	(436)
Effect of exchange rate changes on cash and cash equivalents	(4,416)	170
Net (decrease) increase in cash and cash equivalents	(13,819)	5,488
Cash and cash equivalents		
Beginning of year	79,760	53,247
End of period	$ 65,941	$ 58,735

The accompanying notes are an integral part of these condensed combined financial statements.

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and Subsidiaries
Notes to Condensed Combined Financial Statements (Unaudited)
March 31, 2010 and December 31, 2009

1. Nature of Business and Significant Accounting Policies

Nature of Business

Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and subsidiaries (collectively the "Company") are wholly-owned subsidiaries of Frank Russell Company ("Russell"). The Northwestern Mutual Life Insurance Company ("NML") owns substantially all of the outstanding shares of Russell.

Pantheon Ventures Inc. is an investment advisor registered pursuant to the Investment Advisors Act of 1940, which provides investment management services to various domestic and international entities.

Pantheon Capital (Asia) Limited is a registered investment advisor that provides investment advice on securities under the Hong Kong Securities and Futures Ordinance. Its principal activity is advising on securities to its overseas associated companies and their respective institutional clients.

Pantheon Holdings Limited and subsidiaries is a UK based holding company with subsidiaries that provide investment management services, predominantly in connection with unregistered investment companies.

On February 10, 2010, Russell accepted the offer of Affiliated Managers Group, Inc. ("AMG") to purchase certain legal entities and assets and liabilities of the Company (the "Transaction").

The Company had no separate legal status and historically did not prepare condensed combined financial statements. The condensed combined historical financial information included herein was prepared specifically for the purpose of facilitating the Transaction and includes the historical basis in assets and liabilities and the historical results of operations of each of the entities constituting the Company as of March 31, 2010 and December 31, 2009 and for each of the three month periods ended March 31, 2010 and 2009.

The condensed combined financial statements include all historical assets, liabilities, results of operations, and cash flows of the entities included in the Transaction, and those of their consolidated subsidiaries, even if certain of those assets, liabilities and consolidated subsidiaries of included entities have been excluded from the Transaction.

The accompanying unaudited condensed combined financial statements and notes to condensed combined financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the Company's financial position at March 31, 2010 and December 31, 2009, and the results of operations and cash flows for the three month periods ended March 31, 2010 and 2009. Such adjustments are of a normal, recurring nature. Interim results are not necessarily indicative of the results for the year. The condensed combined financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial statements. Accordingly, they do not include certain disclosures normally provided in accordance with accounting principles generally accepted in the United States ("GAAP") for a complete set of financial statements. These condensed combined financial statements should be read in conjunction with the audited combined financial statements of the Company for the year ended December 31, 2009. The December 31, 2009 year end combined balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP.

The condensed combined financial information included herein may not necessarily be indicative of the Company's results of operations, financial condition and cash flows in the future or what its results of operations, financial condition and cash flows would have been had the Company been a stand-alone company during the periods presented.

Principles of Combination
The accompanying condensed combined financial statements are presented in accordance with GAAP and include the accounts of the Company and its wholly owned subsidiaries. Transactions and balances between entities included within these condensed combined financial statements have been eliminated. Transactions and balances

between the Company and Russell and its subsidiaries have been separately identified as related-party transactions. See Note 6, Related Party Transactions.

The condensed combined statements of income include allocations of certain costs from Russell directly related to the operations of the Company, including an apportionment of central general and administrative costs for accounting, human resources, information systems and other overhead costs. These centralized costs were allocated to the Company based on the Company's analysis of its historical costs used to develop the Transition Agreement (as further discussed in Note 8) or actual costs incurred or employee headcount. Management believes the methodologies applied for the allocation of these costs is reasonable.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the condensed combined financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are inherent in the preparation of the financial statements. Actual results could materially differ from those estimates.

Investments
Equity method investees and cost method investees are comprised primarily of investments in affiliated private equity investment funds ("Investment Funds").

Investments in which the Company has significant influence, but less than a controlling interest and do not meet the other criteria for consolidation in accordance with GAAP, are accounted for using the equity method of accounting. The Company's investment in equity method investees is included in investments in the condensed combined balance sheets. The Company's share of each investee's earnings (losses) is included in earnings in equity method investees in the condensed combined statements of income. Dividends or cash distributions, as well as additional cash investments or other cash paid to the investee, are included in the condensed combined statement of cash flows.

Investments in which the Company does not have a controlling interest or significant influence are accounted for using the cost method of accounting. Under the cost method, the Investment Funds are accounted for in the condensed combined balance sheets at original cost and dividends are included in earnings when declared. When a decline in fair value of an investment carried at cost is determined to be other-than-temporary, the investment is written down to fair value and the loss is included in the determination of earnings.

A component of the valuation of the Investment Funds is the performance-based incentive fee ("Carry") payable to the general partner and, in some instances, other specified parties. Certain Investment Funds also receive Carry from the Underlying Investments (as defined below) which they record. In certain instances, Carry is not finalized until a contractual end date that extends beyond the reporting period. It is the Company's policy in valuing its holdings in Investment Funds, to not record incentive fees until the end of the contract period when the payment of fees is assured.

Investments made by Investment Funds (the "Underlying Investments") generally consist of illiquid investments that are carried at fair value. Fair value of the Underlying Investments has been determined by the general partner of each respective Investment Fund in good faith to reflect the fair value of the Company's capital account balance. Depending on the facts and circumstances, the Company considers potential valuation adjustments, if any. Accordingly, valuations do not necessarily represent the amounts that might be realized from sales or other dispositions of Underlying Investments, nor do they reflect taxes or other expenses that might be incurred upon disposition. Because of the inherent uncertainty of valuations of certain Underlying Investments, the estimated values for the Company's investments in those Investment Funds may differ significantly from the values that would have been used had a ready market existed.

The Company's investment transactions are recorded on the trade date, which is defined as the date the Company obtains an enforceable right to demand the securities or payment. Realized gains and losses on investments sold are computed on a specific identification basis. Interest income and expenses are recorded on the accrual basis. Distributions from Investment Funds are recorded as declared and classified as either income or realized gain as disclosed to the partnership by management of the respective entity.

Goodwill and Intangible Assets
Goodwill and indefinite-lived intangible assets are not amortized, but are tested for impairment on an annual basis, and between annual tests if circumstances would reduce the fair value of a reporting unit below its carrying value, and written down if impaired. The fair value of each reporting unit is estimated using both an income approach and a market approach. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test

compares the implied fair value of the reporting unit's goodwill with the carrying value of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

The Company has capitalized the value of client and fund relationships, acquired technology, and a trade name obtained through acquisition. Client and fund relationships are amortized using the straight-line method based upon an estimated useful life of 15 years. Acquired technology is amortized over an estimated useful life of three years using the straight-line method. The acquired Pantheon trade name is an intangible asset determined to have an indefinite useful life and is not amortized.

Impairment of Long-lived Assets
The Company assesses the impairment of long-lived assets, including indefinite life intangible assets, whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be recoverable. When such events occur, management determines whether there has been an impairment by comparing the anticipated undiscounted net future cash flows to the related asset's carrying value. If an impairment exists, the asset is written down to its estimated fair value. The Company did not record any impairment losses related to long-lived assets during the periods presented.

Revenue Recognition
Revenue is generated through investment management fees earned for managing investment limited partnerships and separate account clients and is recognized as earned based on the underlying nature of the respective management agreements. The Company also receives performance-based incentive fees ("Carry") in accordance with the terms stated in individual management agreements. It is the Company's policy to not record performance-based incentive fees until the end of the contract period when the payment of fees is assured.

Income Taxes
The Company files its federal tax return with Russell, who files its federal tax return with Northwestern Mutual Life Insurance Company as part of a consolidated group. The Company files a tax return, either on a separate return basis, or as part of Russell's unitary or combined group, in certain states. The provision for federal and state income taxes is based on an allocation of the consolidated tax liability to the respective companies included in the consolidated group as if each company were filing on a separate return basis. Federal taxes payable are recorded through and included in due to/from affiliates while state income taxes payable are included in accrued expenses in the accompanying condensed combined balance sheets.

Effective January 1, 2009, the Company adopted the authoritative guidance under GAAP for accounting and reporting uncertainty in income taxes. This guidance clarifies how and when uncertain tax positions are to be recognized and disclosed in the financial statements. The cumulative effect of adopting this guidance was $0.3 million, which was reflected as a reduction to the opening balance of retained earnings as of January 1, 2009.

Foreign Currency
An entity's functional currency is determined by the currency of the economic environment in which the majority of cash is generated and expended by the entity. The financial statements of all subsidiaries with a functional currency other than the U.S. dollar have been translated into the Company's reporting currency, the U.S. dollar in accordance with GAAP. All assets and liabilities of the respective entities are translated at period-end exchange rates and all revenues and expenses are translated at average month exchange rates during the respective period. Translation adjustments are reported as a separate component of accumulated other comprehensive income in equity.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency, including U.S. dollars. Gains and losses on those foreign currency transactions are included in determining net income or loss for the period as a component of other income (expense).

Stock-Based Compensation
Russell has a Long-term Equity-Based Incentive Plan ("LTIP") and callable puttable common stock issued under the Incentive Payment Plan ("IPP") covering eligible employees of the Company. Equity-classified awards are measured at fair value as of the grant dates or modification dates and the resulting cost is recognized over the period from the date of grant to the date when the award is no longer contingent upon the employee providing additional service (the required service period). For awards that vest upon retirement, the required service period does not extend beyond the date an employee is eligible for retirement. This situation can result in compensation expense being recognized over a period less than the stated vesting period. Liability-classified awards are remeasured to fair value at each balance sheet date until the award is settled.

New Accounting Pronouncements
During the first quarter of 2010, the Company adopted a new standard that requires an enterprise to perform a qualitative analysis to determine whether its variable interests give it a controlling financial interest in a variable interest entity ("VIE"). Under the standard, an enterprise has a controlling financial interest when it has (a) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. An enterprise that holds a controlling financial interest is deemed to be the primary beneficiary and is required to consolidate the VIE. This new standard has been deferred for certain entities that utilize the specialized accounting guidance for investment companies or that have the attributes of investment companies. The adoption of the portions of this new standard that were not deferred did not have a material impact on the Company's condensed combined financial statements. The impact of adopting this guidance is reflected in Note 3.

During the first quarter of 2010, the Company adopted a new standard that eliminated the concept of a qualifying special-purpose entity ("QSPE"), changed the requirements for derecognizing financial assets, and required additional disclosures to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including an entity's continuing involvement in and exposure to the risks related to transferred financial assets. The standard also clarified the requirements for isolation and limitations on portions of financial assets that are eligible for sale accounting. The adoption of this new standard did not have an impact on the Company's condensed combined financial statements.

2. Investments

All of the Company's investments in equity method investees represent investments in affiliated funds. For cost method investments, the carrying value is equivalent to historical cost. There have been no identified events or changes in circumstances that may have a significant adverse effect on the recoverability of the recorded investment value. Investments consist of the following:

(dollars in thousands)	Ownership Percentage March 31, 2010	Ownership Percentage December 31, 2009	Carrying Value March 31, 2010	Carrying Value December 31, 2009
Investments				
Investment funds (equity method)				
Pantheon USA Fund VI LP	1.00%	1.00%	$ 14,265	$ 13,645
Pantheon USA Fund VII LP	1.00%	1.00%	7,335	6,969
Pantheon Global Secondary Fund III A LP	1.00%	1.00%	9,131	8,870
Pantheon Global Secondary Fund III B LP	1.00%	1.00%	3,488	3,885
Pantheon Europe Fund IV Ltd	1.00%	1.00%	5,455	5,200
Pantheon Europe Fund V A LP	1.00%	1.00%	5,917	5,395
Pantheon Global Secondary Fund II LTD	0.99%	0.99%	3,142	3,143
Pantheon Europe Fund VI LP	0.99%	0.99%	2,729	2,738
Pantheon Asia Fund IV LTD	1.00%	1.00%	3,959	3,346
Pantheon Asia Fund V LP	0.99%	0.99%	3,290	2,734
Other equity method investments	0%-1.0%	0%-1.0%	8,470	7,961
			67,181	63,886
Cost method investees			5,898	5,898
Total investments			$ 73,079	$ 69,784

3. Variable Interest Entities

The Company is a variable interest holder in certain variable interest entities ("VIEs") which are not consolidated, as the Company is not the primary beneficiary. These VIEs represent certain private equity funds of funds. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance based fees. The Company's involvement with such entities is in the form of fee arrangements, direct equity interests (for certain VIEs) and/or management services. The Company's aggregate maximum exposure to loss represents the loss of assets recognized by the Company relating to non-consolidated VIEs and any clawback obligation relating to previously distributed carried interest. The following table contains the carrying amounts of the assets related to the Company's interest in these VIEs, included in the Company's condensed combined financial statements as well as the maximum exposure to losses:

(dollars in thousands)	March 31, 2010	December 31, 2009
Assets		
Investments	$ 1,174	$ 1,187
Maximum Exposure to Losses	$ 1,174	$ 1,187

The net assets of the VIEs in which the Company was not the primary beneficiary but which the Company held a variable interest were approximately $2 billion as of March 31, 2010.

The Company's involvement with these entities began on the dates that the entities were formed. The Company holds no direct ownership interest in a majority of the non-consolidated VIEs. The Company has not and does not intend to provide financial or other support to the VIEs other than that explicitly described in the partnership agreements.

The Company evaluates VIEs to determine whether the Company is the primary beneficiary by performing a qualitative and quantitative analysis of each VIE that includes a review of, among other factors, its capital structure, contractual terms, related party relationships, the Company's fee arrangements and the design of the VIE. This analysis includes determining whether the Company (1) has the power to direct matters that most significantly

impact the activities of the VIE, and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. It was determined that the Company is not the primary beneficiary for any of the entities in which it carries a variable interest.

4. **Goodwill and Intangible Assets**

The change in goodwill from December 31, 2009 to March 31, 2010 of $3.6 million is due to changes in the functional currency other than the U.S. dollar.

Intangible assets consist of the following:

(dollars in thousands)		March 31, 2010		December 31, 2009
Amortizable intangible assets				
Fund relationships	$	62,466	$	64,444
Client relationships		20,421		21,220
Acquired technology		2,314		2,404
		85,201		88,068
Less: Accumulated amortization		(35,649)		(35,718)
		49,552		52,350
Indefinite-lived intangible asset				
Trade name		10,882		11,841
	$	60,434	$	64,191

Amortization expense related to intangible assets was $1.4 million and $1.3 million for the three month periods ended March 31, 2010 and 2009, respectively.

5. **Income Taxes**

The Company records an income tax provision or benefit based upon its estimated annual effective tax rate, which is estimated at 34.1% and 34.9% for the three month periods ended March 31, 2010 and 2009, respectively.

The Company recognizes interest and penalties due to tax authorities as a component of income tax expense. As of March 31, 2010 and December 31, 2009, the Company had accrued $0.10 million and $0.08 million, respectively, for interest or penalties related to uncertain tax positions. The U.S. federal statute of limitations remains open to examination for the year 2006 and onward. The Company remains subject to examination by certain state jurisdictions for years prior to and including 2006. Certain foreign jurisdictions remain open to examination for years prior to and including 2004.

6. **Related Party Transactions**

Receivables from the affiliated investment funds managed by the Company (collectively, the "Funds") total $15.1 million and $23.8 million as of March 31, 2010 and December 31, 2009, respectively. The balance includes amounts owed by the Funds to the Company for services provided and reimbursements for fund expenses paid by the Company on behalf of the Funds. Revenues of $38.5 million and $40.3 million were recorded related to these Funds for the three month periods ended March 31, 2010 and 2009, respectively.

Under a joint purchasing agreement, Russell processes payments for the direct expenses of Pantheon Ventures Inc. Under a joint paymaster agreement, Russell processes payroll transactions for Pantheon Ventures Inc.

Additionally, Russell allocates certain negotiated charges to Pantheon Ventures Inc. such as office space, equipment and insurance charges. Pantheon Ventures Inc. reimburses Russell monthly for these expenses. Amounts receivable from Russell for these and other activities were $10.3 million and $4.6 million at March 31, 2010 and December 31, 2009, respectively, and are netted against payables due to Russell in due from affiliates on the condensed combined balance sheets.

During 2009, the Company entered into a loan agreement with Russell in which the Company loaned Russell $12.0 million, bearing interest at the short-term monthly applicable federal rate (0.69% at December 31, 2009). The loan is payable on demand and matures on July 22, 2011. Interest is due annually on January 31. Interest income for the three month periods ended March 31, 2010 related to this loan agreement totaled $0.02 million, and is included in interest income in the condensed combined statements of income. Total accrued interest receivable related to this loan agreement at March 31, 2010 was $0.02 million and is included in due from affiliates in the condensed combined balance sheets. The loan is classified as a current asset as it will be settled as part of the Transaction described in Note 1.

Expenses in the amount of $0.3 million of Russell were allocated to the Company for both three month periods ended March 31, 2010 and 2009. See Note 1 for nature of costs allocated and the allocation methodology.

Included in income taxes payable is $3.4 million and $2.9 million payable to Russell for Pantheon Ventures Inc. state income taxes at March 31, 2010 and December 31, 2009, respectively.

The Company declared and paid $15 million in dividends to Russell during the three month period ended March 31, 2010. There were no dividends declared or paid during the three month period ended March 31, 2009.

7. **Commitments and Contingencies**

Leases
The Company leases office space under noncancelable lease agreements expiring various dates through 2015. Some of these leases provide for annual rental increases. Total rent expense on these leases was $1.0 million and $0.9 million for the three month periods ended March 31, 2010 and 2009, respectively.

Contingencies
The Company is the general partner of various partnerships and investment advisor to certain clients. The partnership agreements and advisory agreements allow for profit participation allocations to be paid to the Company at varying rates based on varying methods of measuring performance.

The partnership agreements provide that the general partner may allocate to the limited partners the disproportionate allocations or incentive fees earned by the Company from partnerships in which it is the general partner or from advisory clients. In accordance with the partnership agreements, limited partner capital accounts may not be negative and therefore any loss which would otherwise be allocated to the limited partners in respect of any allocation from a partnership or advisory account relationship will be allocated instead to the general partner.

The Company and its affiliates are involved in various claims and legal proceedings in the normal course of its business. While it is not feasible to predict or determine the final outcome of these proceedings, based on consultation with legal counsel, the Company does not believe that the disposition of these proceedings will have a material adverse effect on the Company's condensed combined financial position, results of operations or cash flows.

Commitments of the Company
As of March 31, 2010, the Company has total unfunded commitments for investment capital to affiliated closed-end investment funds of approximately $135 million.

Guarantees
In the normal course of business, the Company enters into contracts that contain a variety of representations which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company expects the risk of loss to be remote.

Concentration of Risk
Approximately 92% and 90% of revenue earned by the Company is from affiliated entities for the three month periods ended March 31, 2010 and 2009, respectively. Approximately 53% and 67% of accounts receivable as of March 31, 2010 and December 31, 2009, respectively, was due from affiliated entities. Cash is held by the Company at financial institutions in excess of Federal Deposit Insurance Corporation ("FDIC") limits.

8. Subsequent Events

The Company has performed an evaluation of subsequent events through August 4, 2010, which is the date the condensed combined financial statements were issued.

On June 30, 2010, Russell completed the Transaction with AMG in which AMG acquired the majority equity interest of the Company for approximately $775 million in cash, plus working capital adjustments, with the potential for additional payments over the next three to five years, contingent on the growth of the Company's business. The Company's management acquired the remaining equity interest. The effective date of the Transaction was June 30, 2010.

In May 2010, the Company received payment in full for the $12 million loan with Russell.

Russell entered into a Transition Services Agreement ("the Agreement") with AMG. Under the Agreement, Russell will provide specified transition services relating to the operation of the Company's business for a period of up to 18 months from the closing date of the transaction.

Exhibit 99.3

AFFILIATED MANAGERS GROUP AND PANTHEON
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information and explanatory notes show the impact on the historical financial positions and results of operations of Affiliated Managers Group, Inc. (AMG) and Pantheon Ventures Inc., Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and subsidiaries (collectively, Pantheon) of the investment by AMG in Pantheon under the acquisition method of accounting. Under the acquisition method of accounting, the assets, liabilities and non-controlling interests of Pantheon will be recorded by AMG at their respective fair values as of the date the investment is completed. The unaudited pro forma condensed combined financial information combines the historical financial information of AMG and Pantheon as of March 31, 2010 and for the three months ended March 31, 2010 and the year ended December 31, 2009. The unaudited pro forma condensed combined statement of income gives effect to the transaction as if it had been completed at the beginning of the period.

The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with:

· AMG's historical audited financial statements as of and for the year ended December 31, 2009 included in AMG's Annual Report on Form 10-K for the year ended December 31, 2009 and AMG's historical quarterly financial information as of and for the three months ended March 31, 2010 included in AMG's Quarterly Report on Form 10-Q for the three months ended March 31, 2010; and

· Pantheon's historical audited financial statements as of and for the year ended December 31, 2009 and the unaudited quarterly financial information for the three months ended March 31, 2010 and 2009 incorporated herein.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the periods presented. The adjustments included in these unaudited pro forma condensed financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider any potential impact of current market conditions on revenues, among other factors. Further, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded.

AFFILIATED MANAGERS GROUP AND PANTHEON
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
March 31, 2010
(dollars in thousands)

	AMG	Pantheon	Adjustments		Pro Forma AMG
ASSETS					
Current assets:					
Cash and cash equivalents	$ 203,751	$ 65,941	$ (65,795)	A	$ 203,897
Investment advisory fees receivable	157,502	23,950	—		181,452
Investments in partnerships	97,304	—	—		97,304
Investments in marketable securities	80,814	—	—		80,814
Unsettled fund share receivables	154,740	—	—		154,740
Prepaid expenses and other current assets	22,119	24,240	(1,749)	B	44,610
Total current assets	716,230	114,131	(67,544)		762,817
Fixed assets, net	65,309	3,872	—		69,181
Equity investments in Affiliates	644,876	—	—		644,876
Intangible assets, net	803,250	60,434	452,692	C	1,316,376
Goodwill	1,521,222	94,544	298,168	D	1,913,934
Other assets	114,984	74,318	(5,898)	E	183,404
Total assets	$ 3,865,871	$ 347,299	$ 677,418		$ 4,890,588
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	$ 126,960	$ 43,275	$ (3,882)	B	$ 166,353
Unsettled fund share payables	159,039	—	—		159,039
Payables to related party	18,314	—	72,994	F	91,308
Total current liabilities	304,313	43,275	69,112		416,700
Senior bank debt	170,000	—	589,300	G	759,300
Senior convertible securities	460,137	—	—		460,137
Junior convertible trust preferred securities	507,965	—	—		507,965
Deferred income taxes	393,263	12,935	38,982	H	445,180
Other long-term liabilities	123,655	1,760	50,896	I	176,311
Total liabilities	1,959,333	57,970	748,290		2,765,593
Redeemable non-controlling interests	368,702	—	18,260	J	386,962
Equity:					
Common Stock	458	127	(127)	K	458

Additional paid-in capital	594,842	191,936	(91,936)	K	694,842
Accumulated other comprehensive income (loss)	71,350	(31,944)	31,944	K	71,350
Retained earnings	890,599	129,210	(129,210)	K	890,599
	1,557,249	289,329	(189,329)		1,657,249
Less : treasury stock, at cost	(416,588)	—	—		(416,588)
Total stockholders' equity	1,140,661	289,329	(189,329)		1,240,661
Non-controlling interests	303,674	—	100,197	L	403,871
Non-controlling interests in partnerships	93,501	—	—		93,501
Total equity	1,537,836	289,329	(89,132)		1,738,033
Total liabilities and equity	$ 3,865 ,871	$ 347,299	$ 677,418		$ 4,890,588

See accompanying notes to unaudited pro forma condensed combined financial statements.

AFFILIATED MANAGERS GROUP AND PANTHEON
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
Three Months Ended March 31, 2010
(dollars in thousands, except per share data)

	AMG	Pantheon	Adjustments		Pro Forma AMG
Revenue	$ 251,021	$ 42,052	$ —		$ 293,073
Operating expenses:					
Compensation and related expenses	119,229	8,554	—		127,783
Selling, general and administrative	46,059	2,755	—		48,814
Amortization of intangible assets	8,937	1,414	11,414	M	21,765
Depreciation and other amortization	3,026	—	—		3,026
Other operating expenses	6,053	10,291	—		16,344
	183,304	23,014	11,414		217,732
Operating income	67,717	19,038	(11,414)		75,341
Non-operating (income) and expenses:					
Investment and other income	(2,822)	(1,851)	—		(4,673)
Income from equity method investments	(9,147)	(2,949)	—		(12,096)
Investment income from Affiliate					—
investments in partnerships	(4,091)	—	—		(4,091)
Interest expense	19,851	1	2,259	N	22,111
	3,791	(4,799)	2,259		1,251
Income before income taxes	63,926	23,837	(13,673)		74,090
Income taxes	11,165	8,124	(6,024)	O	13,265
Net income	52,761	15,713	(7,649)		60,825
Net income (non-controlling interests)	(31,285)	—	(2,941)	P	(34,226)
Net income (non-controlling interests in partnerships)	(4,014)	—	—		(4,014)
Net Income (loss) (controlling interest)	$ 17,462	$ 15,713	$ (10,590)		$ 22,585
Average shares outstanding - basic	42,360,311	—	1,799,111		44,159,422
Average shares outstanding - diluted	45,421,716	—	1,393,870		46,815,586
Earnings per share - basic	$ 0.41	$ —	$ —		$ 0.51
Earnings per share - diluted	$ 0.38	$ —	$ —		$ 0.48

See accompanying notes to unaudited pro forma condensed combined financial statements.

AFFILIATED MANAGERS GROUP AND PANTHEON
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
Year Ended December 31, 2009
(dollars in thousands, except per share data)

	AMG	Pantheon	Adjustments		Pro Forma AMG
Revenue	$ 841,840	$ 167,151	$ —		$ 1,008,991

Operating expenses:					
Compensation and related expenses	402,584	59,498	—		462,082
Selling, general and administrative	131,538	5,430	—		136,968
Amortization of intangible assets	32,939	5,642	45,671	M	84,252
Depreciation and other amortization	12,745	—	—		12,745
Other operating expenses	26,945	9,812	—		36,757
	606,751	80,382	45,671		732,804
Operating income	235,089	86,769	(45,671)		276,187
Non-operating (income) and expenses:					
Investment and other (income) loss	(24,902)	3,639	—		(21,263)
Income from equity method investments	(31,632)	(1,218)	—		(32,850)
Investment income from Affiliate					—
investments in partnerships	(27,425)	—	—		(27,425)
Interest expense	78,129	172	11,161	N	89,462
	(5,830)	2,593	11,161		7,924
Income before income taxes	240,919	84,176	(56,832)		268,263
Income taxes	28,003	29,505	(21,764)	O	35,744
Net income	212,916	54,671	(35,068)		232,519
Net income (non-controlling interests)	(126,764)	—	(1,696)	P	(128,460)
Net income (non-controlling interests in partnerships)	(26,679)	—	—		(26,679)
Net Income (loss) (controlling interest)	$ 59,473	$ 54,671	$ (36,764)		$ 77,380
Average shares outstanding - basic	41,385,359	—	1,799,111		43,184,470
Average shares outstanding - diluted	43,333,355	—	1,654,190		44,987,545
Earnings per share - basic	$ 1.44	$ —	$ —		$ 1.79
Earnings per share - diluted	$ 1.38	$ —	$ —		$ 1.72

See accompanying notes to unaudited pro forma condensed combined financial statements.

AFFILIATED MANAGERS GROUP AND PANTHEON
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION
As of and for the Three Months Ended March 31, 2010 and for the Year Ended December 31, 2009

Note 1: Basis of Presentation

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting, giving effect to the investment by Affiliated Managers Group, Inc. (AMG) in Pantheon Ventures Inc, Pantheon Capital (Asia) Limited, and Pantheon Holdings Limited and subsidiaries (collectively, Pantheon) as if it had occurred as of the beginning of the earliest period presented. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial position had the investment been consummated at the beginning of the period presented, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. Certain historical financial information has been reclassified to conform to the current presentation.

AMG paid approximately $700 million at closing on June 30, 2010, and will pay approximately $75 million in installments over the following twelve-month period. In addition, AMG may make additional payments of up to $225 million over the next three to five years, contingent on the growth of Pantheon's business. This transaction was financed with borrowings under AMG's revolving credit facility and proceeds from the partial settlement of forward equity sales.

The unaudited pro forma condensed combined financial information includes preliminary estimated adjustments to record assets and liabilities of Pantheon at their respective fair values and represents management's estimates based on available information. The pro forma adjustments included herein are subject to updates as additional information existing at the date of completion of the transaction becomes available. The final allocation of the purchase price will be determined after the acquisition is complete based on thorough analyses to determine the fair value of Pantheon's tangible and identifiable intangible assets, liabilities and non-controlling interests as of the date of the transaction. Increases or decreases in the estimated fair values of the tangible and identifiable intangible assets, liabilities and non-controlling interests, and other items of Pantheon as compared with the information shown in the unaudited pro forma condensed combined financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of income due to adjustments in amortization of the adjusted assets or liabilities.

The unaudited pro forma condensed combined statements of income do not include the impact of transaction and integration related charges expected to be incurred to combine the operations of AMG and Pantheon.

Note 2: Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All adjustments are based on current assumptions and valuations which are subject to change.

Balance Sheet Adjustments (dollars in thousands)

A To reflect distribution of excess working capital to seller.

B To eliminate Pantheon's current deferred tax assets of $1,749 and current deferred tax liabilities of $3,882.

C Intangible assets was adjusted by $452,692 to reflect the elimination of Pantheons historic intangible assets of $60,434 and establish new intangible assets of $513,126 estimated as the result of the transaction.

D Goodwill was adjusted by $298,168 to reflect the elimination of Pantheon's historical goodwill of $94,544 and establish new goodwill of $392,712 estimated as the result of the transaction.

E To adjust for assets retained by seller.

F To record the present value of $75,000 of the purchase price that is payable in installments over a twelve month period after closing of the transaction.

G To reflect borrowings under AMG's senior credit facility to finance the transaction.

H Deferred income taxes were adjusted to eliminate Pantheon's historic deferred income taxes and record a deferred income tax liability of $51,917 because AMG's investment is not deductible outside the United States.

I To record the estimated value of the contingent consideration payable and other obligations to seller.

J To record the fair value of redeemable non-controlling interests held by management of Pantheon after the closing.

K Historical stockholders' equity of Pantheon has been eliminated and consolidated stockholders' equity has been adjusted to reflect AMG's settlement of $100,000 under its forward equity agreement.

L To record the fair value of the Non-controlling interests held by management of Pantheon after the closing.

Income Statement Adjustments (dollars in thousands)

M Intangible amortization expense has been adjusted to estimate the amortization of incremental identifiable definite-lived intangible assets recognized.

N Interest expense has been adjusted to reflect additional borrowings under AMG's senior credit facility and non-cash interest from accretion of AMG's contingent consideration liability and installment payable.

O Income tax expense reflects adjustment to AMG's effective tax rate.

P To reflect the Non-controlling interests share of net income in Pantheon.

Note 3: Pro Forma Earnings Per Share

The pro forma combined earnings and diluted earnings per share for the respective periods presented are based on the combined weighted average number of common and diluted potential common shares of AMG. The number of weighted average common shares, including all diluted potential common shares, reflects the assumed settlement of approximately $100,000 of forward equity sales by issuing approximately 1.8 million common shares. Amounts used in the determination of the pro forma basic and diluted earnings per share are as follows:

	Three Months Ended March 31, 2010	Year Ended December 31, 2009
Numerator:		
Pro Forma Net Income (controlling interest)	$ 22,585,000	$ 77,380,000
Interest expense on convertible securities, net of taxes	24,000	144,000
Pro Forma Net Income (controlling interest), as adjusted	$ 22,609,000	$ 77,524,000
Denominator:		
Average shares outstanding - basic	44,159,422	43,184,470
Effect of dilutive instruments:		
Stock options	917,575	565,877
Forward sale	864,960	363,395
Senior convertible securities	873,629	873,803

Mandatory convertible securities	—	—
Average shares outstanding - diluted	46,815,586	44,987,545
Earnings per share - basic	$ 0.51	$ 1.79
Earnings per share - diluted	$ 0.48	$ 1.72

Note 4: Preliminary Purchase Price Allocation

The investment will be accounted for using the acquisition method of accounting; accordingly AMG's cost to acquire Pantheon will be allocated to the assets (including identifiable intangible assets), liabilities and non-controlling interests of Pantheon at their respective estimated fair values as of the closing date. Accordingly, the pro forma purchase price was preliminarily allocated to the assets acquired and the liabilities and non-controlling interests assumed based on their estimated fair values as summarized in the following table:

	(dollars in thousands)
Consideration:	
Cash	$ 689,300
Note payable	72,994
Contingent consideration arrangement	15,283
Fair value of total consideration transferred	$ 777,577
Identifiable assets acquired and liabilities assumed:	
Current assets	$ 46,587
Fixed assets	3,872
Definite-lived acquired client relationships	513,126
Other assets	68,420
Accounts payable and accrued liabilities	(39,393)
Deferred income taxes	(51,917)
Other liabilities	(37,373)
Net assets	503,322
Redeemable non-controlling interests	(18,260)
Non-controlling interest	(100,197)
Goodwill	392,712
	$ 777,577